

4. Beneficiary Designation (continued)

Primary **Contingent**

Name	Relationship	Social Security Number	Birthdate	%
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

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Name	Relationship	Social Security Number	Birthdate	%
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Name	Relationship	Social Security Number	Birthdate	%
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5. Spousal Consent

This section should be reviewed if the IRA owner is located in a community or marital property state and the IRA owner is married. Due to the important tax consequences of giving up one's community property interest, individuals signing this section should consult with a competent tax or legal adviser.

I am the spouse of the above-named IRA owner. I acknowledge that I have received a fair and reasonable disclosure for my spouse's property and financial obligations. Due to the important tax consequences of giving up my interest in this IRA, I have been advised to see a tax professional. I hereby give the IRA holder any interest I have in the funds or property deposited in this IRA and consent to the beneficiary designation(s) indicated above, I assume full responsibility for any adverse consequences that may result. The Custodian gave no tax or legal advice to me.

Signature of Spouse Date

6. Client Signature & Certification

I certify under penalties of perjury that the Social Security number shown on this form is correct and may be used for any account opened for me and I am a U.S. Person (including a U.S. resident alien). I certify that I am eligible to establish the type of account referenced above. I release the Custodian, LPL Financial Corporation and their affiliates, from all liability and agree to indemnify the same from any and all losses, damages or cost for acting in good faith in accordance with the account privileges selected herein. In no event shall the indemnified parties be liable for consequential damages. By signing this document, I state that I have received a Custodial Agreement (5305-A, 5305-RA or 5305-SA) and disclosure statement. Additionally, I certify the following:

- If this is a SIMPLE IRA, I certify that I have received and read the summary description and notice (Form 5304-SIMPLE) from my employer relating to my employer's SIMPLE IRA plan. I have entered into a SIMPLE Elective Deferral Agreement with my employer.
- If I make a rollover contribution, I certify that I understand the rules and conditions of the deposit and that I am eligible to make the deposit under the Internal Revenue Code.

Signature of Account Owner (Signature of Guardian if Account Owner is a minor) Date

SIMPLE INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

Form 5305-SA under Section 408(p) of the Internal Revenue Code

FORM (REV. MARCH 2002)

The Participant named on the Application is establishing a savings incentive match plan for employees of small employers individual retirement account (SIMPLE IRA) under sections 408(a) and 408(p) to provide for his or her retirement and for the support of his or her beneficiaries after death.

The Custodian named on the Application has given the Participant the disclosure statement required by Regulations section 1.408-6.

The Participant and the Custodian make the following agreement:

ARTICLE I

The Custodian will accept cash contributions made on behalf of the Participant by the Participant's employer under the terms of a SIMPLE IRA plan described in section 408(p). In addition, the Custodian will accept transfers or rollovers from other SIMPLE IRAs of the Participant. No other contributions will be accepted by the Custodian.

ARTICLE II

The Participant's interest in the balance in the custodial account is nonforfeitable.

ARTICLE III

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

ARTICLE IV

1. Notwithstanding any provision of this Agreement to the contrary, the distribution of the Participant's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The Participant's entire interest in the custodial account must be, or begin to be, distributed not later than the Participant's required beginning date, April 1 following the calendar year in which the Participant reaches age 70½. By that date, the Participant may elect, in a manner acceptable to the Custodian, to have the balance in the custodial account distributed in: (a) A single sum or (b) Payments over a period not longer than the life of the Participant or the joint lives of the Participant and his or her designated beneficiary.
3. If the Participant dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
 - (a) If the Participant dies on or after the required beginning date and:
 - (i) the designated beneficiary is the Participant's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
 - (ii) the designated beneficiary is not the Participant's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Participant and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
 - (iii) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Participant as determined in the year of the Participant's death and reduced by 1 for each subsequent year.
 - (b) If the Participant dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below:
 - (i) the remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the Participant's death. If, however, the designated beneficiary is the Participant's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the Participant would have reached age 70½. But, in such case, if the Participant's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.
 - (ii) the remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Participant's death.

4. If the Participant dies before his or her entire interest has been distributed and if the designated beneficiary is not the Participant's surviving spouse, no additional contributions may be accepted in the account.
5. The minimum amount that must be distributed each year, beginning with the year containing the Participant's required beginning date, is known as the "required minimum distribution" and is determined as follows:
 - (a) the required minimum distribution under paragraph 2(b) for any year, beginning with the year the Participant reaches age 70½, is the Participant's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Participant's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Participant's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the Participant's (or, if applicable, the Participant and spouse's) attained age (or ages) in the year.
 - (b) the required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the Participant's death (or the year the Participant would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).
 - (c) the required minimum distribution for the year the Participant reaches 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.
6. The owner of two or more IRAs (other than Roth IRAs) may satisfy the minimum distribution requirements described above by taking from one IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

ARTICLE V

1. The Participant agrees to provide the Custodian with all information necessary to prepare any reports required by sections 408(i) and 408(l)(2) and Regulations sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and Participant the reports prescribed by the IRS.
3. The Custodian also agrees to provide the Participant's employer the summary description described in section 408(l)(2) unless this SIMPLE IRA is a transfer SIMPLE IRA.

ARTICLE VI

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles inconsistent with sections 408(a) and 408(p) and the related Regulations will be invalid.

ARTICLE VII

This Agreement will be amended as necessary to comply with the provisions of the Code and the related Regulations. Other amendments may be made with the consent of the persons whose signatures appear on the Application.

ARTICLE VIII

Please refer to the Adoption Agreement establishing this SIMPLE IRA account that is incorporated into the Agreement as this part of Article VIII.

1. Definitions

The term "Sponsor" means Linsco/Private Ledger Corp. ("LPL").

The term "Custodian" means The Private Trust Company, N.A.

The term "Beneficiary" means the person or persons designated as such by the "designating person" (as defined below) on a form presented to the Custodian (or former Custodian), or on such other form as may be presented to and filed with the Custodian by the designating person, for use in connection with the Custodial Account, signed by the designating person, and filed with LPL. Individuals, trusts, estates, or other entities may be named as either primary or contingent beneficiaries. However, if the designation does not effectively dispose of the entire Custodial Account as of the time the distribution is to commence, the term "Beneficiary" shall then mean the designating person's spouse or if there is no surviving spouse, the designating person's estate with respect to the assets of the Custodial Account not disposed of by the designation. The designation last accepted by LPL before such distribution is to commence, provided it was received by LPL (or deposited in the U.S. Mail or with a reputable delivery service) during the designating person's lifetime, shall be controlling and, whether or not fully dispositive of the Custodial Account, thereupon shall revoke all such forms previously filed by that person.

The term “designating person” means the Participant during his or her lifetime or after the Participant’s death, unless otherwise prohibited by the Participant in writing on file with the Custodian, the Participant’s Beneficiary (including any beneficiary of such Beneficiary).

2. Investment of Contributions

- (a) The Participant acknowledges that any amount shall not be considered contributed to the Custodial Account until the funds clear into the Custodial Account. All contributions to the Custodial Account must be in cash, except for rollovers or transfers from another SIMPLE IRA that may be in a form other than cash if permitted by the Custodian. The Participant shall direct the Custodian with respect to the investment of all contributions and earnings therefrom. Such direction shall be in such form as may be required by the Custodian and shall be limited to publicly traded securities, covered call options, married puts options, mutual funds, money market instruments, insured bank deposit accounts, and other investments to the extent they are obtainable through the Custodian or its agents in the regular course of business. In addition, the Participant acknowledges that unless otherwise directed by him or her, and subject to any required minimums, cash that is not currently invested shall be invested in a money market fund or an insured bank deposit account offered by the Custodian or its affiliates. In the absence of investment direction by the Participant, the Custodian shall have no investment responsibility. All transactions directed by the Participant shall be subject to the rules, regulations, customs and usages of the exchange, market or clearinghouse where executed, and to all applicable federal and state laws and regulations, and to internal policies of the Custodian. The Custodian shall be responsible for the execution of such orders and for maintaining adequate records thereof. The Custodian reserves the right to reject any investment direction from the Participant, which, in the judgment of the Custodian, will impose upon it an administrative burden greater than that, normally incident to investments described in this Paragraph 2(a).

The Custodian shall have no discretion to direct any investments of a Custodial Account, and is merely authorized to acquire and hold the particular investments specified by the Participant. If any investment orders are not received as required or, if received, are unclear in the opinion of the Custodian or Sponsor, all or a portion of the contribution may be held uninvested without liability for loss of income or appreciation, and without liability for interest, pending receipt of such orders or clarification; or the contribution may be returned. The Participant shall be the beneficial owner of all assets held in the Custodial Account. The Participant authorizes the Custodian to hold Custodial Account contributions pending investment, the settlement of investments or distribution in a money market sweep fund or an insured bank deposit account maintained by the Custodian.

- (b) The Participant may delegate the investment responsibility for all of the Custodial Account to an agent or attorney-in-fact acceptable to the Custodian by notifying the Custodian in writing on a form acceptable to the Custodian of the delegation of such investment responsibility and the name of the person or persons to whom such responsibility is delegated.

The Custodian shall carry out the instructions of the agent or attorney-in-fact with respect to the management and investment of the assets of the Custodial Account and the Custodian shall not incur any liability on account of its compliance with such instructions. The Custodian shall be under no duty to review or question any direction, action or failure to direct or act of such agent or attorney-in-fact, nor to make any suggestions to the agent or attorney-in-fact in connection therewith. The agent or attorney-in-fact shall be required to execute any documents related to the investment of assets under its control deemed necessary or advisable by the Custodian. The Participant may revoke the authority of any agent or attorney-in-fact at any time by notifying the Custodian in writing of such revocation and the Custodian shall not be liable in any way for transactions initiated prior to receipt of such notice.

- (c) The shareholder of record of all assets in the Custodial Account shall be the Custodian or its nominee. The same nominee may be used with respect to assets of other investors whether or not held under agreement similar to this one or in any capacity whatsoever. However, each Participant’s Custodial Account shall be separate and distinct, a separate account hereof shall be maintained by the Custodian, and the assets thereof shall be held by the Custodian in individual or bulk segregation either in the Custodian’s vaults or in depositories approved by the Securities and Exchange Commission under the Securities and Exchange Act of 1934.
- (d) In valuing the assets of the Custodial Account for recordkeeping and reporting purposes the Custodian shall use reasonable, good faith efforts to ascertain the fair market value of each asset through utilization of various outside sources available to the Custodian and consideration of various relevant factors generally recognized as appropriate to the application of customary valuation techniques.

However, where assets are illiquid or their value is not readily ascertainable on either an established exchange or generally recognized market, the Depositor undertakes the responsibility of obtaining and furnishing to the Custodian on an annual basis sufficient information of fair market value with

respect to such assets so as to enable the Custodian to accurately report the value of such assets, and the Depositor represents and warrants that any such information so provided by the Depositor will be sufficiently accurate and complete so as to permit the Custodian to rely upon the same. If the Depositor has not provided to the Custodian in a timely manner such information as to fair market value or to assist the Custodian in making any determination as to value, the Custodian will attempt to assign a fair market value to such assets based upon available information and, in such case, Depositor acknowledges that such valuation is by necessity not a true market value and is merely an estimate of value in a broad range of values and its accuracy should not be relied upon by the Depositor in making investment decisions or for any other purposes than to satisfy the reporting requirements under federal law. The Custodian does not guarantee either the reliability or the appropriateness of the appraisal techniques applied by outside appraisers in developing an estimate of value and the Custodian assumes no responsibility for the accuracy of such valuations presented with respect to assets whose value is not readily ascertainable on either an established exchange or a generally recognized market. The Depositor acknowledges that reference to fair market value contained in Paragraph 22 of Article VIII must be read within the context of this subparagraph.

- (e) The Participant, by making a transfer or rollover contribution, as described in Article I, hereby certifies that the contribution meets all requirements for transfer or rollover contributions.

- (f) The Depositor understands that certain transactions are prohibited in IRAs under Section 4975 of the Internal Revenue Code. The Depositor further understands that the determination of a prohibited transaction depends on the facts and circumstances that surround the particular transaction. The Custodian will make no determination as to whether any IRA investment is prohibited. The Depositor further understands that, should the Depositor’s IRA engage in a prohibited transaction, the Depositor will incur a taxable distribution as well as possible penalties. The Depositor represents to the Custodian that the Depositor has consulted or will consult with the Depositor’s own tax or legal professional to ensure that none of the Depositor’s IRA investments will constitute a prohibited transaction and that the Depositor’s IRA investments will comply with all applicable federal and state laws, regulations and requirements.

3. **Shareholder Rights** - The Custodian agrees to deliver or cause to be executed and delivered to the Participant all notices, prospectuses, financial statements, proxies, and proxy solicitation materials that are received by the Custodian relating to assets credited to the Custodial Account. The Custodian shall exercise any rights of a shareholder (including voting rights) with respect to any securities held in the Custodial Account only in accordance with instructions of the Participant pursuant to any applicable rules of the Securities and Exchange Commission. In the event the Participant fails to instruct the Custodian as to the exercise of shareholder rights, that failure to instruct shall be deemed to be an instruction not to exercise such rights.

4. **Distribution** - Distribution of the assets of the Custodial Account shall be made at such time and in such form permitted in this Paragraph 4 as the Participant (or Beneficiary, if Participant is deceased) shall elect by written order to the Custodian (or other form of instructions acceptable to the Custodian). Participant acknowledges that any distribution (except for a rollover from this Custodial Account) made earlier than age 59½ may subject Participant to an additional tax on early distributions under Code Section 72(t) unless an exception to such additional tax is applicable. Notwithstanding Article IV, a Participant may elect in writing in a form acceptable to and filed with the Custodian, to have the balance in the Custodial Account distributed only in a lump sum or in substantially equal payments over a period that does not exceed the Participant’s life expectancy or the joint and last survivor life expectancy of the Participant and his or her Designated Beneficiary. For this purpose, life expectancies must be determined by using the applicable Internal Revenue Service table. The Participant should review the distribution option in the year the Participant reaches age 70½, and by the Designated Beneficiary upon the death of the Participant, to make sure the requirements of Code Section 408(a)(6) have been met. The Participant shall be solely responsible for distributing the minimum required distribution from the Custodial Account each year in accordance with Article IV. Consistent with Paragraph 6 of Article IV, the Custodian is not obligated to make any distribution absent a specific written direction, in a form acceptable to and filed with the Custodian, from the Participant or Designated Beneficiary to do so. The Custodian shall not be responsible for any distribution made in accordance with instructions acceptable to the Custodian or failure to distribute in the absence of such instructions acceptable to the Custodian from the Participant (or Beneficiary, if the Participant is deceased) in accordance with Article IV including, but not limited to, any tax or penalty resulting from such distribution or failure to distribute.

5. **Transfers from Custodial Account** - At the direction of the Participant, the Custodian will transfer the amount in the Participant’s Custodial Account to another individual retirement account designated by the Participant, the Custodian or trustee of which agrees to accept such transfer, or to an individual retirement annuity contract, the issuer of which agrees to accept such transfer. If

such transfer is made within two years after the date of the first contribution by the Employer to the Participant's SIMPLE IRA account under the Employer's SIMPLE IRA plan, the Custodian will have the right to a representation from the successor custodian or trustee that the successor IRA is a SIMPLE IRA if required under applicable law.

Transfers from the Participant's SIMPLE IRA account will be made to a successor individual retirement account or annuity designated by the Participant in a written transfer of SIMPLE IRA assets form or other acceptable written instructions to the Custodian. Any such transfer will be subject to normal Custodial fees (including any transfer or account termination fee).

The Custodian will have no responsibility for compliance with the requirements of Code Section 408(p) or any other applicable requirements (including, without limitation, whether such transferee individual retirement account or annuity meets the requirements to be a SIMPLE IRA or whether the transferee financial institution properly carries out the Participant's investment directions) in connection with such transfer, or for any penalty taxes that may be payable in connection therewith, which matters shall be the sole responsibility of the Participant.

- 6. Amendments and Termination** - The Participant may at any time and from time to time terminate this Custodial Agreement in whole or in part by delivering to the Custodian a signed written notice of such termination, in a form acceptable to the Custodian. The Participant delegates to the Custodian the right to amend this Custodial Agreement (including retroactive amendments) by written notice to the Participant. The Participant shall be deemed to have consented to any such amendment, provided that (a) no amendment shall cause or permit any part of the assets of the Custodial Account to be diverted to purposes other than for the exclusive benefit of the Participant or his or her Beneficiaries; and (b) no amendment shall be made except in accordance with any applicable laws and regulations affecting this Custodial Agreement and the Custodial Account. This Paragraph shall not be construed to restrict the Custodian's right to substitute fee schedules under Paragraph 8 of Article VIII and no such substitution shall be deemed to be an amendment of this Custodial Agreement.

If a Participant (or beneficiary) (a) cannot be located or (b) is no longer assigned to a Sponsor Registered Representative or an Investment Adviser Representative, the Custodian and Sponsor may resign upon 30 days prior written notice to the Depositor (or Beneficiary) at the last known address of record. If, within the 30 day period, the Depositor (or Beneficiary) fails to (a) provide a current address or (b) notify the Custodian and Sponsor, at the Sponsor's address, of the appointment of either a newly designated Sponsor Registered Representative/Adviser or a successor custodian, the Custodian and Sponsor shall resign and terminate the Custodial Account, subject to the Custodian's right to reserve funds as provided in Paragraph 7 of Article VIII.

The Custodian shall terminate the Custodial Account if this Custodial Agreement is terminated, or if, within 30 days (or such longer period as the Custodian may agree) after resignation or removal of the Custodian under Paragraph 7 of Article VIII the Participant or Sponsor, as the case may be, has not appointed a successor that has accepted such appointment. Termination of the Custodial Account shall be affected by distributing all assets thereof in a single payment in cash or in kind to the Participant, subject to Custodian's right to reserve funds as provided in Paragraph 7 of Article VIII.

Upon termination of the Custodial Account, this custodial account document shall have no further force and effect (except for Paragraph 7 and the indemnification provisions of Paragraph 15 of Article VIII which shall survive the termination of the Custodial Account and this Custodial Agreement) and Custodian shall be relieved from all further liability hereunder or with respect to the Custodial Account and all assets thereof so distributed.

- 7. Resignations or Removal of Custodian** - The Custodian may resign at any time upon thirty (30) days notice in writing to the Sponsor or at such other time as may be provided in any agreement between the Custodian and the Sponsor. Upon such resignation, the Sponsor shall notify the Participant, and shall appoint a successor custodian under this Custodial Agreement. The Sponsor may remove the Custodian at such time as may be provided in any agreement between the Custodian and the Sponsor. To be effective, such removal notice must include designation of a successor custodian. The successor custodian shall satisfy the requirements of section 408(h) of the Code.

The Custodian shall not be liable for the acts or omissions of any predecessor or successor custodian or trustee. Upon receipt by the Custodian of written acceptance of such appointment by the successor custodian, the Custodian shall transfer and pay over to such successor the assets of the Custodial Account and all records pertaining thereto. The Custodian is authorized, however, to reserve such sum of money as it may deem advisable for payment of all its fees, compensation, costs and expenses, or for payment of any other liability constituting a charge on or against the assets of the Custodial Account or on or against the Custodian, with any balance of such reserve remaining after the payment of such items to be paid over to the successor custodian. The successor custodian shall hold the assets paid over to it under terms similar to those of this Agreement that qualify under the provisions of the Internal Revenue Code.

Upon receipt by the Custodian of written acceptance of such appointment by the successor custodian, the Custodian shall transfer and pay over to such successor the assets of and records relating to the Custodial Account. The Custodian is authorized, however, to reserve such sum of money as it may deem advisable for payment of all its fees, compensation, costs and expenses, or for payment of any other liability constituting a charge on or against the assets of the Custodial Account or on or against the Custodian, and where necessary may liquidate assets in the Custodial Account for such payments. Any balance of such reserve remaining after the payment of all such items shall be paid over to the successor custodian. The Custodian shall not be liable for the acts or omissions of any predecessor or successor custodian or trustee.

- 8. Custodial Fees** - The Participant shall be charged by the Custodian for its services under this Custodial Agreement in such amount, as the Custodian shall establish from time to time. In addition, upon termination (including transfer) of the Custodial Account the Participant shall be charged a fee in such amount, as the Custodian shall establish from time to time. The Custodian may deduct from and charge against the Custodial Account all reasonable fees and expenses, when incurred, in the management of the Custodial Account which have not been timely paid by the Participant. The Custodian may allocate such fees and expenses among the Participant's SIMPLE IRA Custodial Accounts at such time or times and in such manner as the Custodian determines. Brokerage fees shall be payable in accordance with the Custodian's usual practice. If not paid by the Participant, the Sponsor to pay the fee may liquidate sufficient assets from the Custodial Account but the Participant shall be liable for any deficiency. The annual fee in effect on the date of this Custodial Agreement is set forth in a schedule included with this Custodial Agreement. A different fee schedule may be substituted at any time upon written notice to the Participant. A Participant who does not consent to such new fee schedule should terminate this Custodial Agreement pursuant to Paragraph 6 of Article VIII within 30 days of the notice of the new fee schedule. If no such termination is made within 30 days of the notice of the new fee schedule, the Participant will be deemed to have consented to the new fee schedule.
- 9. Other Fees and Expenses** - Any income or other taxes of any kind whatsoever that may be levied or assessed upon or with respect to the Custodial Account or the income thereof, any transfer taxes incurred in connection with the investment and reinvestment of the assets of the Custodial Account, all other reasonable administrative expenses incurred by the Custodian with respect to any such taxes, or with respect to any controversies concerning the Custodial Account, including, but not limited to, fees for legal services rendered to the Custodian and related costs, and such reasonable compensation to the Custodian for acting in that capacity with respect to any such taxes or controversies, may, in the discretion of the Custodian, be charged against and paid from the assets of the Custodial Account. The Custodian may allocate such fees and expenses among the Participant's SIMPLE IRA Custodial Accounts at such time or times and in such manner as the Custodian determines. Sufficient assets may be liquidated from the Custodial Account to pay any such taxes, expenses and compensation but the Participant shall be liable for any deficiency. If the Custodian is required to pay any such amount, the Participant (or Beneficiary) shall promptly upon notice thereof, reimburse the Custodian.
- 10. Inalienability of Benefits** - No interest, right or claim in or to any part of the Custodial Account, nor any assets held therein or benefits held therein shall be subject to alienation, assignment, garnishment, attachment, execution or levy of any kind, and any attempt to cause any such interest, right, claim, assets or benefits to be so subjected shall not be recognized, except to the extent as may be required by law, such as an IRS levy on the IRA to pay overdue taxes.
- 11. Designation of Beneficiary** - The Participant may designate a Beneficiary or change or revoke the designation of a Beneficiary, prior to the complete distribution of the balance in the Custodial Account. Unless otherwise prohibited by the Participant in writing on file with the Custodian, after the Participant's death, the Participant's Beneficiary (and any subsequent Beneficiary of the Participant's Beneficiary), if permitted by state law, shall have the right, by written notice to the Custodian, to designate or change a Beneficiary to receive any benefit to which the Participant's Beneficiary (or any subsequent Beneficiary) may be entitled.

In the event that the Participant has not made a valid Beneficiary designation as of the date of his or her death or no Beneficiary survives the Participant, such Participant's Beneficiary shall be his or her spouse or if there is no surviving spouse, the Depositor's estate.

If after inheriting the Participant's Account, the Participant's Beneficiary (or any subsequent beneficiary) dies and there is no effective beneficiary designation, any assets remaining in the Custodial Account shall be paid to the beneficiary's (or subsequent beneficiary's) estate.

The beneficiary designation can be made on a form presented by the Custodian (or the former custodian), or on such other form as may be presented to and filed with the Custodian by the designating person. A beneficiary designation will only be effective when it is filed with the Custodian (by mailing to the Sponsor) during the lifetime of the designating person. However, to the extent any such designation is not made on a form presented by the Custodian (or the former

custodian), then the parties agree that the filing of such other form by the designating person shall only be effective for the sole purpose of designating the Beneficiary, and shall not be effective in altering any of the rights and obligations of the parties as set forth in this Custodial Agreement and shall not obligate the Custodian or Sponsor to render any service with respect to any beneficiary designation under this SIMPLE IRA which Custodian or Sponsor do not ordinarily render in connection with a SIMPLE IRA. To the extent any provisions contained in such other form of beneficiary designation are inconsistent or in conflict with the provisions contained in this Custodial Agreement, such inconsistent or conflicting provisions contained in such other form shall be null and void, and shall have no force and effect. To implement this provision, the parties agree that all decisions relating to investments and distributions shall be made only in accordance with the provisions in this Custodial Agreement and that the Custodian and Sponsor and their agents and successors and assigns, shall be fully indemnified and held harmless in the implementation of this provisions to the extent provided in Paragraph 15.

Upon the death of the Participant (or Participant's Beneficiary) all rights and obligations of the Participant under this Custodial Agreement, other than the right to make or have made contributions or transfers to the Custodial Account, shall be exercised by the Participant's Beneficiary. Upon the death of the Participant's Beneficiary or any subsequent Beneficiary, the then current Beneficiary shall exercise such rights and obligations.

12. Responsibility as to Contributions or Distributions - The parties do not intend to confer any fiduciary duties on the Custodian, Sponsor or any of their affiliates (or any other party providing services to the Custodial Account), and none shall be implied. Neither the Custodian, the Sponsor nor any of their affiliates shall be liable (or assumes any responsibility) for the collection of contributions, the proper amount, time or tax treatment of any contribution to the Custodial Account or the propriety of any contributions under this Custodial Agreement, or the purpose, time, amount (including any minimum distribution amounts), tax treatment or propriety of any distribution hereunder, which matters are the responsibility of Participant, the Participant's Beneficiary and the Participant's Employer. The Participant acknowledges that any amount shall not be considered contributed to the Custodial Account until the Custodian has received such amount and such amount has cleared into the Custodial Account. All contributions by the Participant to the Custodial Account must be in cash, except for initial contributions or rollovers, which may be in a form other than cash if permitted by the Custodian.

13. Other Limits on Responsibilities of the Custodian - Neither the Custodian, the Sponsor nor any of their affiliates shall incur any liability or responsibility in taking or omitting to take any action based on any notice, election, or instruction or any written instrument believed by any of them to be genuine and to have been properly executed. None of them shall be liable for any taxes (or interest thereon) or penalties incurred by the Participant in connection with the Custodial Account or in connection with any contribution to or distribution from the Custodial Account. Neither the Custodian, the Sponsor nor any of their affiliates shall be under duty of inquiry with respect to any such notice, election, instruction, or written instrument, but in their discretion may request any tax waivers, proof of signatures or other evidence which any of them reasonably deem necessary for their protection. The Participant and the successors of the Participant including any executor or administrator of the Participant shall, to the extent permitted by law, always and fully indemnify the Custodian, Sponsor, their affiliates and their successors and assigns against any and all claims, actions or liabilities of the Sponsor or the Custodian or their affiliates, as the case may be, to the Participant or the successors or Beneficiaries of the Participant whatsoever (including without limitation all reasonable expenses incurred in defending against or settlement of such claims, actions or liabilities) which may arise in connection with this Custodial Agreement or the Custodial Account, except those due to the Custodian's or Sponsor's or their affiliates own bad faith, gross negligence or willful misconduct. Neither the Custodian, the Sponsor nor any of their affiliates shall be under any duty to take any action not specified in this Custodial Agreement, unless the Participant shall furnish such party with instructions in proper form and such instructions shall have been specifically agreed to by the Custodian or Sponsor or their affiliates, or to defend or engage in any suit with respect hereto unless it shall have first agreed in writing to do so and shall have been fully indemnified to its satisfaction.

14. Notices - All written notices required or permitted to be given by the Custodian shall be deemed to have been given when sent by mail to the Participant at the Participant's last address of record provided to the Custodian. The Participant shall notify the Custodian of any change of address.

All written notices required or permitted to be given to the Custodian shall be deemed to have been given when received by the Sponsor if mailed to the address listed on the adoption agreement or such other address as the Sponsor shall provide to the Participant from time to time. If any provision of any document governing the Custodial Account provides for notice, instructions or other Communications from one party to another in writing, to the extent provided for in the procedures of the Sponsor (or any other party providing services to the Custodial Account), any such notice, instructions or other communications may be given by telephonic, computer, other electronic or other means, and a requirement for written notice will be deemed satisfied.

15. Indemnification - The parties do not intend to confer any fiduciary duties on the Custodian, and none shall be implied. The Participant and the successors of the Participant including any executor or administrator of the Depositor shall, always and fully, indemnify the Custodian, and the Sponsor, and their agents and their successors and assigns, against any and all claims, actions or liabilities of the Custodian to the Participant or the successors or beneficiaries of the Participant whatsoever (including without limitation all reasonable expenses incurred in defending against or settlement of such claims, actions or liabilities) which may arise in connection with this Custodial Agreement or the Custodial Account, except those due to the Custodian's or the Sponsor's bad faith, gross negligence or willful misconduct. Neither the Sponsor nor the Custodian shall be under any duty to take any action not specified in this Custodial Agreement, unless the Participant shall furnish such party with instructions in proper form and such instructions shall have been specifically agreed to by the Custodian or the Sponsor, or to defend or engage in any suit with respect here to unless it shall have first agreed in writing to do so and shall have been fully indemnified to its satisfaction.

16. Governing Law - This Custodial 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 principal place of business shall govern. If any part of this Agreement is held to be illegal or invalid, the remaining parts shall not be affected. Neither the Participant nor Linsco/Private Ledger Corp.'s failure to enforce at any time or for any period of time any provisions of this Agreement shall be construed as a waiver of such provisions, or the Participant's right to enforce each and every such provision.

17. When Effective - This Custodial Agreement shall not become effective until acceptance of the Application by the Sponsor, as evidenced by a written confirmation to the Participant.

18. Valid Agreement - This Custodial Agreement is intended to establish a valid SIMPLE individual retirement account operating in conjunction with a SIMPLE IRA plan operated by the Participant's Employer, and to meet all applicable requirements of Code Section 408(p) (and other applicable legal requirements for SIMPLE IRAs). This Custodial Agreement will be interpreted and the Custodial Account hereunder administered in a manner that carries out such intent. In addition, if future regulations or rulings provide guidance concerning the requirements for a valid SIMPLE IRA, this Custodial Agreement will be interpreted and the Custodial Account hereunder will be administered in a manner that complies with such regulations or rulings pending the adoption of any necessary amendment to this Custodial Agreement.

19. Delegation of Duties - To the maximum extent allowable by law, the Custodian is authorized to delegate its duties hereunder. The Custodian has appointed LPL as its delegee provide certain services relating to custodial accounts and has delegated its duties, to the maximum extent allowable by law, to Linsco/Private Ledger Corp. any reference herein to "Custodian" shall include reference to a delegee to the extent The Private Trust Company, N.A. has delegated its custodial duties to a delegee.

20. Administrative Powers - The Custodian may hold any securities acquired hereunder in the name of the Custodian without qualification or description or in the name of any nominee. Pursuant to the Participant's direction the Custodian shall have the following powers and authority with respect to the administration of each account.

- (a) To invest and reinvest the assets of the Custodial Account without any duty to diversify and without regard to whether such investment is authorized by the laws of any jurisdiction for fiduciary investments.
- (b) To exercise or sell options, conversion privileges, or rights to subscribe for additional securities and to make payments therefore.
- (c) To consent or participate in dissolutions, reorganizations, consolidations, mergers, sales, leases, mortgages, transfers or other change affecting securities held by the Custodian.
- (d) To make, execute and deliver as Custodian any and all contracts, waivers, releases or other instruments in writing necessary or proper for the exercise of any of the foregoing powers.
- (e) To grant options to purchase securities held by the Custodian or to repurchase options previously granted with respect to the securities held by the Custodian.

21. Records and Accounting - The Custodian shall keep or cause to be kept adequate records of the transactions it is required to perform hereunder. Not later than 120 days after the close of each calendar year (or after the Custodian's resignation or removal), the Custodian shall file with the Participant a written report or reports (which may consist of copies of the Custodian's regularly issued account statements) reflecting the transactions effected by it during such period and the assets of the Custodial Account and their fair market values at its close. If within 60 days after such a report is rendered, the Participant has not given the Custodian written notice of any exception or objection thereto, the written report shall be deemed to have been approved, and in such case, or upon the earlier written approval of the Participant, the Custodian shall be forever released and discharged from all liability and accountability to anyone with respect to

transactions shown in or reflected by such report as though the report had been settled by judgment or decree of a court of competent jurisdiction. No person other than the Participant or a Beneficiary may require an accounting.

22. **Liquidation of Assets** - If the Custodian must liquidate assets in order to make distributions, transfer assets, or pay fees, expense, or taxes assessed against a Participant's Custodial Account, and the Participant fails to instruct the Custodian as to the liquidation of such assets, assets will be liquidated in the following order to the extent held in the Custodial Account: (a) any shares of a money market fund, money market-type fund, or an insured bank deposit account, (b) securities, (c) other assets.
23. **Representations and Responsibilities** - The Participant represents and warrants to the Custodian that any information the Participant has given or will give to the Custodian with respect to this Custodial Agreement is complete and accurate. Further, the Participant promises that any direction given by the Participant to the Custodian, or any action taken by the Participant will be proper under this Custodial Agreement. The Custodian will not be responsible for the Participant's actions or failures to act.
24. **Transfer Upon Divorce** - A Participant may transfer any portion or all of his or her interest in the Custodial Account to a former spouse under a written instrument incident to divorce or under a divorce decree, whereupon such Custodial Account or the transferred portion of such Custodial Account shall be held for the benefit of such former spouse subject to the terms and conditions of the Custodial Agreement employer SIMPLE plan (to the extent applicable).
25. **Disclosure** - Notwithstanding the provisions of Article V to the contrary, the Custodian will be deemed to have satisfied its summary description reporting requirements under Section 408(1)(2) of the Code if it either provides a summary description directly to the Participant or provides its name, address and withdrawal provisions to the Participant and the Participant's Employer provides the Participant with all other required information.

General Instructions

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

Purpose of Form

Form 5305-SA is a model custodial account agreement that meets the requirements of sections 408(a) and 408(p) and has been pre-approved by the IRS. A SIMPLE individual retirement account (SIMPLE IRA) is established after the form is fully executed by both the individual (Participant) and the Custodian. This account must be created in the United States for the exclusive benefit of the Participant and his or her beneficiaries.

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

For more information on SIMPLE IRAs, including the required disclosures the Custodian must give the Participant, see **Pub. 590, Individual Retirement Arrangements (IRAs)**.

Definitions

Participant. The participant is the person who establishes the custodial account.

Custodian. The custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as custodian.

Transfer SIMPLE IRA

This SIMPLE IRA is a "transfer SIMPLE IRA" if it is not the original recipient of contributions under any SIMPLE IRA plan. The summary description requirements of section 408(1)(2) do not apply to transfer SIMPLE IRAs.

Specific Instructions

Article IV. Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the Participant reaches age 70½ to ensure that the requirements of section 408(a)(6) have been met.

Article VIII. Article VIII and any that follow it may incorporate additional provisions that are agreed to by the Participant and Custodian to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, Custodian's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the Participant, etc. Attach additional pages if necessary.

DISCLOSURE STATEMENT

RIGHT TO REVOKE YOUR SIMPLE IRA

You have the right to revoke your SIMPLE IRA within seven (7) days of the receipt of the Disclosure Statement. If revoked, you are entitled to a full return of the contribution you made to your SIMPLE 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 Application.

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 SIMPLE IRA, please call the Custodian at the telephone number listed on the Application.

REQUIREMENTS OF A SIMPLE IRA

- A. **CASH CONTRIBUTIONS** – Your contribution must be in cash, unless it is a rollover contribution.
- B. **MAXIMUM CONTRIBUTION** – The only contributions which may be made to your SIMPLE IRA are employee elective deferrals under a qualified salary reduction agreement, employer contributions and other contributions allowed by Code or related Regulations, which are made under a SIMPLE IRA plan maintained by your employer. Employee elective deferrals shall not exceed the lesser of 100 percent of your compensation for the calendar year or \$7,000 for 2002, \$8,000 for 2003, \$9,000 for 2004, and \$10,000 for 2005 with possible cost-of-living adjustments in 2006 and thereafter. Your employer may make additional contributions to your SIMPLE IRA within the limits prescribed in Internal Revenue Code (Code) section 408(p). Your employer is required to provide you with information which describes the terms of its SIMPLE IRA plan.
- C. **CATCH-UP CONTRIBUTIONS** – If you are age 50 or older by the close of the plan year, you may make an additional contribution to your SIMPLE IRA. The maximum additional contribution is \$500 for 2002, \$1,000 for 2003, \$1,500 for 2004, \$2,000 for 2005, \$2,500 for 2006 with possible cost-of-living adjustments in year 2007 and beyond.
- D. **NONFORFEITABILITY** – Your interest in your SIMPLE IRA is nonforfeitable.
- E. **ELIGIBLE CUSTODIANS** – The Custodian of your SIMPLE IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- F. **COMMINGLING ASSETS** – The assets of your SIMPLE IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- G. **LIFE INSURANCE** – No portion of your SIMPLE IRA may be invested in life insurance contracts.
- H. **COLLECTIBLES** – You may not invest the assets of your SIMPLE 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 SIMPLE IRA investments.
- I. **REQUIRED MINIMUM DISTRIBUTIONS** – You are required to take minimum distributions from your SIMPLE IRA at certain times in accordance with Regulations section 1.408-8. Below is a summary of the SIMPLE IRA distribution rules.

1. You are required to take a minimum distribution from your SIMPLE 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 SIMPLE 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 SIMPLE IRA for purposes of determining the distribution period. If there is no designated beneficiary of your SIMPLE 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).

If your spouse is your sole designated beneficiary, he or she must elect either option (i) or (ii) by the earlier of December 31 of the year containing the fifth anniversary of your death, or December 31 of the year you would have attained age 70½. Your designated beneficiary(ies), other than a spouse who is the sole designated beneficiary, must elect either option (i) or (ii) 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 (ii). In the case of distributions under option (ii), distributions must commence by December 31 of the year following the year of your death. Generally 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 SIMPLE IRA for purposes of determining the distribution period. If there is no designated beneficiary of your SIMPLE IRA, the entire SIMPLE IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

A spouse beneficiary shall have all rights as granted under the Code or applicable Regulations to treat your SIMPLE IRA as his or her own.

INCOME TAX CONSEQUENCES OF ESTABLISHING A SIMPLE IRA

- A. **DEDUCTIBILITY FOR SIMPLE IRA CONTRIBUTIONS** – You may not take a deduction for the amounts contributed to your SIMPLE IRA as either employee elective deferrals or employer contributions. However, employee elective deferrals to a SIMPLE IRA will reduce your taxable income. Further, employer SIMPLE IRA contributions, including earnings, will not be taxable to you until you take a distribution from your SIMPLE IRA.

Participation in your employer's SIMPLE IRA plan renders you an active participant for purposes of determining whether or not you can deduct contributions to a Traditional IRA.

- B. **TAX CREDIT FOR CONTRIBUTIONS** – You may be eligible to receive a tax credit for your SIMPLE IRA deferrals. 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 deferrals made to your SIMPLE IRA and reduce these contributions by any distributions that you may 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. AGI limits are subject to cost-of-living adjustments for tax years beginning after 2006.

- C. **TAX-DEFERRED EARNINGS** – The investment earnings of your SIMPLE IRA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).

D. **ROLLOVERS AND CONVERSIONS** – Your SIMPLE IRA may be rolled over to a SIMPLE IRA of yours, may receive rollover contributions, and 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 from your SIMPLE IRA to either a Traditional IRA or another SIMPLE IRA. Conversion is a term used to describe the movement of 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. **SIMPLE IRA to SIMPLE IRA Rollovers** – Funds distributed from your SIMPLE IRA may be rolled over to a SIMPLE IRA of yours if the requirements of Code section 408(d)(3) are met. A proper SIMPLE IRA to SIMPLE 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 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.
2. **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 SIMPLE IRA to SIMPLE 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.
3. **SIMPLE IRA to Employer-Sponsored Retirement Plans** – As permitted by Code or applicable Regulations, you may roll over, directly or indirectly, any eligible rollover distribution from a SIMPLE IRA to an employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. However, the employer-sponsored retirement plan must allow for such rollover contributions. An eligible rollover distribution is defined as any taxable distribution from a SIMPLE IRA that is not a part of a required minimum distribution. An employer-sponsored retirement plan may not be rolled over to a SIMPLE IRA.
4. **SIMPLE IRA to Roth IRA Conversions** – If your modified adjusted gross income 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 SIMPLE IRA(s) into your Roth IRA(s), provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. Beginning in 2010, the \$100,000 MAGI limit and the married filing separate tax filing restriction will be eliminated for conversion eligibility. If you are age 70½ or older you must remove your required minimum distribution prior to converting your SIMPLE IRA. The amount of the conversion from your SIMPLE IRA to your Roth IRA shall be treated as a distribution for income tax purposes, and is includable in your gross income. Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty.
5. **Written Election** – At the time you make a proper rollover to a SIMPLE IRA, you must designate in writing to us, your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.

E. **RECHARACTERIZATIONS** – If you have converted from a SIMPLE IRA to a Roth IRA, you may recharacterize the conversion along with net income attributable back to the SIMPLE IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions), for the year in which the conversion was completed.

LIMITATIONS AND RESTRICTIONS

- A. **DEDUCTION OF ROLLOVERS AND TRANSFERS** – A deduction is not allowed for rollover contributions or transfers.
- B. **GIFT TAX** – Transfers of your SIMPLE IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under Code section 2501.
- C. **SPECIAL TAX TREATMENT** – Capital gains treatment and 10-year forward income averaging authorized by Code section 402 do not apply to SIMPLE IRA distributions.
- D. **INCOME TAX TREATMENT** – Any withdrawal from your SIMPLE IRA is subject to federal income tax withholding. You may, however, elect not to have withholding apply to your SIMPLE IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.
- E. **PROHIBITED TRANSACTIONS** – If you or your beneficiary engage in a prohibited transaction with your SIMPLE IRA, as described in Code section 4975, your SIMPLE IRA will lose its tax-deferred status, and you must include the value of your account in your gross income for the taxable year you engage in the prohibited transaction. The following transactions are examples of prohibited

transactions with your SIMPLE IRA: (1) taking a loan from your SIMPLE IRA; (2) buying property for personal use (present or future) with SIMPLE IRA funds; or (3) receiving certain bonuses or premiums because of your SIMPLE IRA.

F. **PLEDGING** – If you pledge any portion of your SIMPLE 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.

FEDERAL TAX PENALTIES

- A. **EARLY DISTRIBUTION PENALTY** – If you are under age 59½ and receive a SIMPLE IRA distribution, an additional tax of 10 percent will apply, unless 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), 10) a levy issued by the IRS, or 11) active military duty (see *Qualified Reservist Distributions*, below). This additional tax will apply only to the portion of a distribution which is includable in your taxable income. If less than two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer, the additional tax shall be increased from 10 percent to 25 percent.
- B. **EXCESS CONTRIBUTION PENALTY** – An additional tax may be assessed against you by the IRS for contributions which exceed the permissible limits under Code section 408(a) and 408(p).
- C. **EXCESS ACCUMULATION PENALTY** – As previously described, you must take a required minimum distribution 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 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 Agreement used to establish this SIMPLE IRA has been approved by the IRS. 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 SIMPLE 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 on the Internet.
- C. **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 all financial organizations to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.
- D. **HURRICANE-RELATED RELIEF** – If you are an individual who sustained an economic loss due to, or are otherwise considered affected by, hurricane Katrina, Rita or Wilma, you may be eligible for favorable tax treatment on distributions and rollovers from your SIMPLE IRA. Qualified distributions include SIMPLE IRA distributions made on or after specified dates for each hurricane and before January 1, 2007 to a qualified individual. For a complete definition of what constitutes a qualified individual and a qualified hurricane distribution for purposes of hurricane relief, refer to IRS Publication 4492, *Information for Taxpayers Affected by Hurricanes Katrina, Rita and Wilma*.

1. **10 Percent Penalty Exception on Qualified Distributions** – Qualified hurricane distributions are not subject to the 10 percent early distribution penalty tax. This penalty exception applies only to the first \$100,000 of qualified distributions to each individual.
2. **Taxation May be Spread Over Three Years** – If you receive qualified hurricane distributions, you may elect to include the distribution in your gross income ratably over three years, beginning with the year of the distribution.
3. **Repayment of Qualified Hurricane Distributions** – You may roll over qualified hurricane distributions to an eligible retirement plan, and avoid federal income taxation, within three years of the date of receipt of the distribution. The 60-day rollover rule does not apply to these distributions.

For further detailed information on tax relief granted for hurricanes Katrina, Rita and Wilma, and other exceptions which may be granted in the future by the IRS, you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements*, by calling 1-800-TAXFORM, or by visiting www.irs.gov on the Internet.

E. **QUALIFIED RESERVIST DISTRIBUTIONS** – If you are a qualified reservist called to active duty, you may be eligible to take penalty-free distributions from your SIMPLE IRA and recontribute those amounts to an IRA generally within a two-year period from your date of return. For further detailed information you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements* from the IRS.

Fee Schedule (please retain for your records)

Retirement Fees

Annual Custodial Maintenance Fee ¹		\$40.00 Per Account ²
Roth Conversion Fee ³		\$25.00 Per Conversion
Account Termination Fee ⁴		\$75.00 Per Account ⁵
Alternative Investment Fees ⁶	Subscription Fee	\$50.00 Per Purchase
	Redemption Fee	\$50.00 Per Position
	Re-registration Fee	\$50.00 Per Position
	Annual Special Product Fee	\$35.00 Per Position
	UBTI Filing Fee	\$100.00

Commission Disclosure Statement

Brokerage commissions are considered a cost of the security and are not billed separately. These costs must be paid for with assets from the account and cannot be paid for outside of the account according to the Internal Revenue Code.

¹ For brokerage accounts, the Annual Custodial Maintenance Fee will be invoiced annually and charged in arrears. The Annual Custodial Maintenance Fee may be waived for brokerage accounts that are valued at \$250,000.00 or more on the annual invoice date. The values of Alternative Investments are not considered for the purpose of this valuation. The fee is payable in the month of the first anniversary of the opening of your account and each subsequent anniversary thereafter. An invoice for the fee will be sent to you. Timely payment of this fee will avoid charges being deducted from the balance of your account. LPL has the right to liquidate any assets to collect any amount past due.

² For advisory accounts, the Annual Custodial Maintenance Fee will be charged at a rate of \$10.00 per quarter, in arrears. Any 12b-1 fees credited to the advisory account will offset this charge. For Optimum Market Portfolio accounts, the Annual Custodial Maintenance Fee will be charged \$10.00 annually. For Personal Wealth Portfolio accounts, the Annual Custodial Fee will be waived.

³ Fee will be assessed to the Traditional, SEP or SIMPLE IRA at time of conversion.

⁴ This fee is in addition to the Annual Custodial Maintenance Fee and other LPL fees.

⁵ LPL reserves the right to close and collect fees for any account that falls below the amount required for closing fees.

⁶ The issuing party, transfer agent or general partner may require additional fees.