IRAR TRUST COMPANY
IRA RESOURCES, INC.

(888) 322-6534
www.IRAResources.com

New Account Application Instructions

Form Use

Complete this form to establish a self-directed new account.

If you need assistance completing the forms, please call us at:

888-322-6534 option 1

Fees and Processing

Account establishment fee: $100

Please complete credit card section of application to make payment.

Account establishment takes 1-2 days, unless corrections or additional client information is needed.

Submission Options

Email
forms@iraresources.com

Fax
858-459-6565

Mail
IRA Resources, Inc.
100 Pringle Ave, Suite 650
Walnut Creek, CA 94596

Instructions

Complete the Account Application, sign and date page 5.

Download and save the Fee Schedule for your records (page 6).

Provide a copy of your government issued non-expired identification — like an ID, drivers license (DL), or passport. Please be sure that the copy is legible and shows your signature. If your signature is on the back of the ID or DL, please include a copy of the back. If the address on your ID is not current, attach a copy of a current utility bill.

Funding Your Account

Transfer Form: use when transferring funds and/or assets from an IRA at another Custodian directly to your IRA with IRAR.

Rollover Form: use when you are moving money from an Employer Sponsored plan to IRAR as
a Direct Rollover OR when you take a distribution from an IRA and are sending over funds and/or assets to IRAR within 60 days

Deposit Coupon: use when contributing new funds to your IRA.

IMPORTANT

Account Applications must be submitted with a legible valid government issued form of identification.

Complete one application per new account.

IRAR TRUST COMPANY
IRA RESOURCES, INC.

QUESTIONS? 888 322 6534
SUBMIT FORM: forms@iraresources.com 858 459 6565 fax

Self-Directed Account Application - Traditional, Roth, SEP, SIMPLE

1. ACCOUNT OWNER INFORMATION

Salutation	Legal Last Name	Legal First Name		Legal Middle Name
☐ MR. ☐ MRS. ☐ MS. ☐ DR.				
Social Security Number	Date of Birth	Industry—(Required Field) *(example: real estate, finance, retired)*		Title *(example: Sales Manager)*
- -				
Legal Address *(cannot be a P.O. box)*	City	County	State	Zip
Mailing Address *(if different from above)*	City	County	State	Zip
Email Address *(must be unique, not shared with another IRAR account holder)*		Phone Number ☐ *Cell* ☐ *Work* ☐ *Home*		

Marital Status

☐ Single ☐ Married *(please see Spousal Consent in section 6)* ☐ Widowed ☐ Divorced

2. REFERRAL SOURCE

How did you hear about IRAR?

☐ Internet Search ☐ Social Media ☐ Word of Mouth ☐ Event: ☐ Client Referral *(name):*

☐ Business Partner Referral *(enter company name):* _____ ☐ _____

3. NEW ACCOUNT INFORMATION

Individual Retirement Accounts	Business Retirement Accounts
☐ Traditional IRA ☐ Roth IRA ☐ Beneficiary IRA : ☐ Traditional ☐ Roth Name of Previous IRA Owner: _____ Birth Date of Previous IRA Owner: _____ Date of Death of Previous IRA Owner: _____ Is this an existing IRAR Account? ☐ Yes ☐ No	☐ SEP IRA *(Please complete and submit page 1 of the IRAR Trust SEP IRA Agreement and Disclosure)* ☐ SIMPLE IRA *(Please complete and submit the last page of the IRAR Trust SIMPLE IRA Agreement and Disclosure)* Employer Name: _____

Investment Interest

☐ LLC for Real Estate ☐ LLC /Private Placement ☐ Real Estate: ○*Single Family* ○*Multi-Family (condo/duplex)* ○*Commercial* ○*Land* ○*Foreign*

☐ Secured Note ☐ Unsecured Note ☐ Other: _____

4. FUNDING INFORMATION

☐ Transfer	☐ Direct Rollover	☐ Rollover (Indirect Rollover)	☐ Annual Contribution
Check this if the movement of assets will be directly from an existing IRA at another custodian.	Check this if your assets are in an employer plan (*example 401(k)*) at another firm going directly to IRAR.	Check this if you are taking or took receipt of the assets. You must deposit funds in an IRA within 60 days. *(IRS allows one indirect rollover in a 12 month period)*	Check this if you are making a contribution to fund your IRA. Tax Year:

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Self-Directed Account Application - Traditional, Roth, SEP, SIMPLE

5. BENEFICIARY INFORMATION

I designate the following person(s) named below as my Primary and/or Contingent Beneficiaries of my plan. If the Primary or Contingent box is not checked for a beneficiary, the beneficiary will be deemed to be a Primary Beneficiary. In the event of my death, the balance in the account shall be paid to the Primary Beneficiaries who survive me in equal shares (or in the specified shares, as indicated). If none of the Primary Beneficiaries survive me, the balance in the account shall be paid to the Contingent Beneficiaries who survive me in equal shares (or in the specified shares, as indicated). If any Primary or Contingent Beneficiary does not survive me, such beneficiary's interest and the interest of such beneficiary's heirs shall terminate completely, and the share for any remaining Primary or Contingent Beneficiary shall be increased on a pro rata basis. If no Primary or Contingent Beneficiary survives me, the remaining balance in the account shall be distributed in accordance with the plan provisions to my estate.

If I named a Beneficiary which is a Trust, I understand I must supply a copy or abstract of the Trust.

Beneficiary 1	Name	Social Security Number		DOB	Relationship
☐ Primary ☐ Contingent					☐ Spouse ☐ Non-Spouse ☐ Trust ☐ Other:
Mailing Address		City	State	Zip	Share Percentage
					%

Beneficiary 2	Name	Social Security Number		DOB	Relationship
☐ Primary ☐ Contingent					☐ Spouse ☐ Non-Spouse ☐ Trust ☐ Other:
Mailing Address		City	State	Zip	Share Percentage
					%

Beneficiary 3	Name	Social Security Number		DOB	Relationship
☐ Primary ☐ Contingent					☐ Spouse ☐ Non-Spouse ☐ Trust ☐ Other:
Mailing Address		City	State	Zip	Share Percentage
					%

6. SPOUSAL CONSENT

If your spouse is not listed as your primary beneficiary and you live in one of the states listed below, your spouse must complete this section.

Community property state (such as AZ, CA, ID, LA, NM, NV, TX, WA, or WI)

I am the spouse of the account holder listed above. I hereby certify that I have reviewed the Designation of Beneficiary Form and I understand that I have a legal interest in the account. I hereby acknowledge and consent to the above Designation of Beneficiary other than, or in addition to, myself as primary beneficiary. I further acknowledge that I am waiving part or all of my rights to receive benefits under this plan when my spouse dies.

I, _____, hereby consent to the above Beneficiary designation.

Signature	Date
➔	

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Self-Directed Account Application - Traditional, Roth, SEP, SIMPLE

7. PAYMENT OF FEES

$100 Account Establishment Fee	Annual Record Keeping Fee	Transaction Service Fees
Pay By:	Pay by:	Pay by:
☐ Credit Card	☐ Credit Card	☐ Credit Card
	☐ Debit Account*	☐ Debit Account*
Account will not be established without form of payment.	*If you do not choose a form of payment, we will debit fees from your account.*	*If you do not choose a form of payment, we will debit fees from your account.*

**If you do not have cash in your account for payment of fees, we require a credit card on file. For fee details please refer to the Fee Schedule on page 6.*

8. CREDIT CARD INFORMATION

Credit Card Type *If credit card is declined, fees will be debited from IRA. Your transaction will NOT be processed unless fees are paid.*

☐ Visa ☐ Master Card ☐ American Express ☐ Discover ☐ Save this card to my account for future fees

Card Number	Security Code	Expiration Date

Name As it Appears on the Card	Billing Address

Billing City	Billing State	Billing Zip

By signing below, I authorize my credit card to be charged for the option (s) chosen above. Transaction fees are charged upon submission. I understand that inaccurate or incomplete credit card information or charges declined by the credit card issuer will delay the processing of the account transaction. Future changes to the option made above must be submitted in writing.

Signature	Date
➔	

9. APPOINTMENT OF CUSTODIAN INVESTMENT DIRECTION AND IMPORTANT DISCLOSURES

YOUR SIGNATURE IS REQUIRED ON PAGE 5. PLEASE READ BEFORE SIGNING.

Appointment

Upon acceptance of this adoption agreement as signified by my signature below, I hereby appoint IRAR Trust Company, a South Dakota chartered trust company, to act as the custodian of my account ("Custodian"). I understand that my account is self-directed and that IRAR Trust Company is acting solely as a passive custodian to hold retirement account assets and in no other capacity. IRAR Trust Company has entered into an administrative services agreement with IRA Resources, Inc. (Administrator) to provide administrative services for the Depositor's Account ("Depositor"), and to properly fulfill its duties as administrator and under the administrative services agreement. All communication between the Depositor and the custodian must be handled through IRAR. I acknowledge and agree that this Standard Account Adoption Agreement and the Form 5305-A, 5305-RA, 5305-SEP, 5305-SIMPLE, 5305 Custodial Account Agreement and Disclosure Statement, together with the Fee Schedule, the documents related to my employer's Simple Incentive Match Plan for Employees of Small Employers (SIMPLE), if applicable, and any other written instructions that are in form and substance acceptable to me and IRAR Trust Company (all such documents being incorporated herein by reference) collectively comprise my total agreement and govern all aspects of my relationship with IRAR Trust Company. IRAR Trust Company is not a mortgage broker, asset manager, investment advisor or loan servicing agent with respect to me or my account and shall not have any discretionary power, authority, or control with respect to the management, investment, or disposition of my account, or its assets. I acknowledge and agree that IRAR Trust Company is not a fiduciary hereunder with respect to my account or any purchase, sale or exchange instructed by me or my agents, including but not limited to: suitability, compliance with any state or federal law or regulation, income or expense, or preservation of capital or income.

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Responsibility for Tax Consequences

I assume all responsibility for any tax consequences and penalties that may result from making contributions to, transactions with, and distributions from my Account. I am authorized and of legal age to establish this Account and make investment purchases permitted under the Plan Agreement offered by the Custodian. I certify under penalties of perjury that I have provided you with my correct Social Security Number. Until such time as I change or revoke the designation, I hereby instruct the Custodian to follow the investment directions which I provide to Administrator in investing and reinvesting the principal and interest, as confirmed by direction letters to Administrator from me, for the above-referenced Account or other Custodial account for which Administrator serves as recordkeeper.

You are authorized to accept written direction, and/or verbal direction which is subsequently confirmed in writing by the authorized party, Administrator, or by me. Written direction shall be construed so as to include facsimile signature, email communication, and electronic signature.

The account is established for the exclusive benefit of me or my beneficiaries. In taking action based on this authorization, the Custodian may act solely on the written instruction, designation, or representation by me, as the Depositor. I agree to release, indemnify, defend, and hold the Custodian harmless from any claims, including but not limited to: actions, liabilities, losses, penalties, fines, and/or third party claims arising out of my account and/or in connection with any action taken in reliance upon my written instructions, designations, and representations, or in the exercise of any right, power, or duty of Custodian. Custodian has no responsibility or fiduciary role whatever related to or in connection with the account in taking any action related to any investment. If any provision of this Application is found to be illegal, invalid, void or unenforceable, such provision shall be severed and such illegality or invalidity shall not affect the remaining provisions, which shall remain in full force and effect.

Important Information for Opening a New Account

To comply with the USA PATRIOT ACT, we have adopted a Customer Identification Program. All new accounts must provide a copy of an unexpired, photo-bearing, government- issued identification (e.g., driver license or passport). The copy must be readable, so we can verify the client's name, driver's license number, signature, state of issuance, etc.

IRAR Trust Company is controlled and operated by us from our offices within the United States of America, and the accounts we administer are administered within the United States of America. We do not target or offer our services to users outside of the United States.

I agree when opening an account with IRAR Trust Company, that I am located within the United States of America. By opening, using, or continuing to use an account with IRAR Trust Company, I both represent and agree that I am located in the United States of America. I further agree that I will not utilize an account at IRAR Trust Company, or your website, in any country or in any manner prohibited by any applicable laws, restrictions, or regulations.

I confirm that assets to be transferred into my custodial account do not include any illegal or impermissible investments under South Dakota or Federal law, including, but not limited to, holdings of marijuana or other illegal substances, illegal gambling, or illegal artifacts. I further confirm that the custodial account will not hold or engage in transactions involving illegal holdings while IRAR Trust Company serves as custodian, and should the custodial account ever come to hold an illegal or impermissible investment under South Dakota or Federal law, I will notify IRAR Trust Company immediately.

Undirected Cash Disclosure

The Depositor hereby appoints IRAR Trust Company as the Depositor's attorney-in-fact with respect to investments and distributions concerning the Depositor's account. As part of this, among other things, the Depositor directs IRAR Trust Company (i) to deposit all cash for which the Depositor has not already provided investment instructions into deposit accounts at regulated depository institutions or financial organizations selected by IRAR Trust Company at IRAR Trust Company's sole discretion and without any further approval from the Depositor, provided that any and all such accounts qualify as: checking accounts, savings accounts, money market accounts, certificates of deposit or similar bank accounts, (ii) to retain such interest as further compensation for the services it renders to its Depositors and, in its sole discretion, place the funds in a non-interest bearing pooled deposit account or accounts, (iii) to enter into such sub-accounting agreements as may be required by the nature of the deposit accounts between the selected financial organizations and IRAR Trust Company, under which IRAR Trust Company may receive a fee from the selected financial organizations to keep all records pertaining to the Depositor's share of the pooled custodial accounts, which fees will be retained by IRAR Trust Company, and (iv) to sign checks from time to time on the pooled custodial accounts, which are to be honored by the financial organizations for withdrawal of Depositor's funds from such pooled custodial accounts for distributions, investments, fees and other disbursements directed or agreed to by the Depositor.
The Depositor hereby indemnifies and agrees to hold such financial organization(s) harmless from following the directions received from IRAR Trust Company on the Depositor's behalf including but not limited to honoring checks drawn on the Depositor's portion of the pooled custodial accounts that are written by IRAR Trust Company, and agrees that the duties and powers described herein that are to be exercised by IRAR Trust Company are ministerial in nature and will not operate to cause IRAR Trust Company to become a fiduciary with respect to the Depositor's account.

Claims and Disputes

By signing below, I hereby agree that all claims and disputes of every type and matter, including but not limited to claims in contract, tort, common law, or alleged statutory violations, arising out of or in connection with this custodial agreement shall only be instituted in South Dakota, where custodian maintains its principal place of business, and you agree to submit to such jurisdiction with any such suit you may file and in any such suit custodian may file against you.

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Self-Directed Account Application - Traditional, Roth, SEP, SIMPLE

In the event of claims by others related to my account and/or investment wherein Administrator and/or Custodian is named as a party, Administrator and/or Custodian shall have the full and unequivocal right at their sole discretion to select their own attorneys to represent them in such litigation and deduct from my account any amounts to pay for any costs and expenses, including but not limited to: all attorneys' fees, costs, and internal costs (collectively "Litigation Costs"), incurred by Administrator and/or Custodian in the defense of such claims and/or litigation. If there are insufficient funds in my account to cover the Litigation Costs incurred by Administrator and/or Custodian, on demand by Administrator and/or Custodian, I will promptly reimburse Administrator and/or Custodian the outstanding balance of the Litigation Costs. If I fail to promptly reimburse the Litigation Costs, Administrator and/or Custodian shall have the full and unequivocal right to freeze my assets, liquidate my assets, and/or initiate legal action to obtain full reimbursement of the Litigation Costs. I also understand and agree that the Administrator and/or Custodian will not be responsible to take any action should there be any default with regard to this investment.

Fees Disclosure

I agree to pay for any extraordinary services or requests not covered in the Fee Schedule attached, prior to the provision of the service. IRAR Trust Company does not provide account services in conjunction with any investment products for sale. Fees are charged in advance or in connection with record-keeping services and are at no time refundable. Account Administration Fees are billed and payable semi-annually based on your account establishment date. Account Administration Fees are not pro-rated. These fees are normally withdrawn from your undirected funds balance within 30 days after the invoice date, unless paid directly. If your account has insufficient funds, we will liquidate other assets to pay for such fees, after 30 days from notifying you, in accordance with your Plan and Trust Disclosure. If the assets within your IRA are unable to be liquidated, IRAR Trust Company shall bear no re-sponsibility for any adverse tax consequences as a result thereof. IRAR Trust Company reserves the right to sell any past due receivables to a collection and credit reporting agency. If there is insufficient cash in the account to cover transaction service fees and you have indicated you want the fees paid from your undirected cash, IRAR Trust Company reserves the right, at its discretion, to reduce the amount sent for the investment by the amount due for fees. Custodial Administration Fee: IRAR Trust Company receives a fee equal to the income generated from deposit accounts that hold undirected cash in your Account, if any. IRAR Trust Company is entitled to this fee under the section titled "Undirected Cash Disclosure" listed above. Minimum bal-ance requirements may be required to maintain each client account. This amount should not exceed $350.00. However, IRAR Trust Company reserves the right to set minimum balance requirements at its sole discretion. We will make our best effort to notify you of all changes to your Fee Schedule with-in the 30-day notice period posted on our website at www.IRAResources.com. If you do not have access to the internet, please let us know so that changes may be sent to you in written form. In accordance with your Account Application, the Fee Schedule is part of your Agreement and must accom-pany your Account Application.

I declare that I have reviewed this application, and to the best of my knowledge and belief it is true, correct, and complete. I acknowledge I have read the Fee Schedule included with this application, the account agreement, account disclosure statement, and the Privacy Statement and agree to abide by their terms as currently in effect or as they may be amended from time to time. I agree that South Dakota law governs this new account application and subsequent transactions and that SDCL 53-12 applies. I understand that no one has authority to agree to anything different than my foregoing understandings of the Custodian's policy.

When the plan has been accepted by IRAR Trust Company, the Account Owner will be sent an account establishment confirmation email or letter showing the account number and account information.

ACCOUNT OWNER SIGNATURE AND ACKNOWLEDGEMENT	DATE
➔	

IRAR Trust Company does not provide tax, legal or investment advice. It does not endorse or recommend any agent, company, or specific investment. Any information communicated by IRAR Trust Company is solely for educational purposes and should not be construed as tax, legal or investment ad-vice. Consultations with tax, legal and investment professionals is advised prior to making any decisions regarding your account.

IMPORTANT: You must submit a copy of a current form of government issued identification: ID, driver's license, passport, etc. **This is required to process your new account application**.

SAVE FOR YOUR RECORDS: Download a copy of the agreement for the account you are establishing.

Roth IRA Agreement & Disclosures

Traditional IRA Agreement & Disclosures

SEP IRA Agreement & Disclosures

SIMPLE IRA Agreement & Disclosures

Submission Options

FAX	EMAIL	MAIL
(858) 459-6565	forms@iraresources.com	IRA Resources 100 Pringle Ave, Suite 650 Walnut Creek, CA 94596

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IRA RESOURCES, INC.

QUESTIONS? 888.322.6534

General Fee Schedule - Traditional, Roth, SEP, SIMPLE

ANNUAL RECORDKEEPING FEE

Minimum Recordkeeping Fee* (fee includes your cash account and one asset)	$199
Additional Asset (per year)	$75

Examples: An account with one asset: $99.50 semi-annually / An account with two assets: $137.00 semi-annually

TRANSACTION SERVICE FEES

Transaction fees are charged upon submission of form. Your transaction will not be processed unless fee(s) are paid.

Account Establishment Fee	$100
Partial Transfer Out*	$25 per transfer
Full Termination*	$250
Purchase, Sale, or Exchange of Non-Real Estate Asset (per asset)	$50
Purchase, Sale or Exchange of Real Estate Asset (includes earnest money and non-recourse loan if applicable)	$175
ACH Transfers: Incoming or Outgoing	$0
Wire Transfers: Incoming and Outgoing (per item)	$30
Checks (includes all check requests)	$10
Overnight Delivery via FedEx	$30
Cashier's or Other Official Bank Check	$30
Special Services (i.e., research of closed assets or accounts, legal research, special handling of transaction)	$100 per hour
Returned Items of Any Kind and Stop Payments	$30 per item
Reprocessing of Incomplete Documents (5498 and 1099R)	$100 per item
Notary Service (per document)	$15
Re-Registration of Assets: Outgoing* and In-Kind Distributions*	$100 per item
Conversion of Existing Assets	$50 per asset

**Additional fees charged by third parties may apply*

KEEP THIS FEE SCHEDULE FOR YOUR REFERENCE

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IRAR TRUST COMPANY
IRA RESOURCES, INC.

Roth Individual Retirement Account

Custodial Agreement and Disclosure Statement

This document describes the policies associated with your IRAR account.
Please review this document and keep it for your records. This Custodial Account Agreement is also available on our website.

Form 5305-RA (Rev. March 2002)
Department of the Treasury
Internal Revenue Service

Roth Individual Retirement Custodial Account
(Under Section 408A of the Internal Revenue Code)

The individual whose name appears on the accompanying IRA Account Application (hereinafter called "Depositor") is establishing a Roth Individual Retirement Account (a “Custodial Account”) with IRAR Trust Company, (the custodian listed in Section 8 of the IRA Account Application) or its successor (herein referenced to as “Custodian”). This Roth Individual Retirement Plan is established for the exclusive benefit of the individual (or his or her beneficiaries) within the meaning of §408(a) of the Internal Revenue Code and the related Treasury regulations.

By executing the Application, the Depositor acknowledges that he or she has received from IRAR Trust Company, the following Custodial Agreement and Disclosure Statement required by Treasury Regulation §1.408–6 and that he or she has read and understood the same. Depositor and the Custodian do hereby agree as follows:

Article I

1.01 Except in the case of a rollover contribution described in section 408A(e), a recharacterized contribution described in section 408A(d)(6), or an IRA Conversion Contribution, the Custodian will accept only cash contributions up to $3,000 per year for tax years 2002 through 2004. That contribution limit is increased to $4,000 for tax years 2005 through 2007 and $5,000 for 2008 and thereafter. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to $3,500 per year for tax years 2002 through 2004, $4,500 for 2005, $5,000 for 2006 and 2007, and $6,000 for 2008 and thereafter. For tax years after 2008, the above limits will be increased to reflect a cost -of-living adjustment, if any.

Article II

2.01 The annual contribution limit described in Article I is gradually reduced to $0 for higher income levels. For a single Depositor, the annual contribution is phased out between adjusted gross income (AGI) of $95,000 and $110,000; for a married Depositor filing jointly, between AGI of $150,000 and $160,000; and for a married Depositor filing separately, between AGI of $0 and $10,000. In the case of a conversion, the Custodian will not accept IRA Conversion Contributions in a tax year if the Depositor’s AGI for the tax year the funds were distributed from the other IRA exceeds $100,000 or if the Depositor is married and files a separate return. Adjusted gross income is defined in section 408A(c)(3) and does not include IRA Conversion Contributions.

2.02 In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the Depositor and his or her spouse.

Article III

3.01 The Depositor's interest in the balance in the Custodial account is nonforfeitable.

Article IV

4.01 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 Custodial fund or common investment fund (within the meaning of section 408(a)(5)).

4.02 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 V

5.01 If the Depositor dies before his or her entire interest is distributed to him or her and the Depositor’s surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with (a) below or, if elected or there is no designated beneficiary, in accordance with (b) below:
(a) The remaining interest will be distributed; starting by the end of the calendar year following the year of the Depositor’s death, over the designated beneficiary’s remaining life expectancy as determined in the year following the death of the Depositor.
(b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor’s death.

5.02 The minimum amount that must be distributed each year under paragraph 5.01(a) above 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 designated beneficiary using the attained age of the beneficiary in the year following the year of the Depositor’s death and subtracting 1 from the divisor for each subsequent year.

5.03 If the Depositor’s surviving spouse is the designated beneficiary, such spouse will then be treated as the Depositor.

Article VI

6.01 The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by sections 408(i) and 408A(d)(3)(E), Regulations sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).

6.02 The Custodian agrees to submit to the IRS and Depositor the reports prescribed by the IRS.

Article VII

7.01 Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related regulations, and other published guidance will be invalid.

Article VIII

8.01 This agreement will be amended as necessary to comply with the provisions of the Code, the related regulations, and other published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the Roth IRA Adoption Agreement.

Article IX

9.01 **Applicable Law**: This Custodial Agreement shall be governed by the laws of South Dakota. The term Depositor also includes the Depositor’s Beneficiary, where appropriate throughout this Agreement.

9.02 **Annual Accounting**: The Custodian shall, at least annually, provide the Depositor or Beneficiary (in the case of death) with an accounting of such Depositor's account. Such accounting shall be deemed to be accepted by the Depositor or Beneficiary, if the Depositor or Beneficiary does not object in writing within 60 days after the mailing of such accounting statement.

9.03 **Amendment**: The Depositor irrevocably delegates to the Custodian the right and power to amend this Custodial Agreement. Except as hereafter provided, the Custodian will give the Depositor 30 days prior written notice of any amendment. In case of a retroactive amendment required by law, the Custodian will provide written notice to the Depositor of the amendment within 30 days after the amendment is made, or if later, by the time that notice of the amendment is required to be given under regulations or other guidance provided by the IRS. The Depositor shall be deemed to have consented to any such amendment unless the Depositor notifies the Custodian to the contrary within 30 days after notice to the Depositor and requests a distribution or transfer of the balance in the account.

9.04 **Resignation and Removal of Custodian**:
(a) The Custodian may resign and appoint a successor trustee or custodian to serve under this agreement or under another governing instrument selected by the successor trustee or custodian by giving the Depositor written notice at least 30 days prior to the effective date of such resignation and appointment, which notice shall also include or be provided under separate cover a copy of such other governing instrument, if applicable, and the related disclosure statement. The Depositor shall then have 30 days from the date of such notice to either request a distribution of the entire

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account balance or designate a different successor trustee or custodian and notify the Custodian of such designation. If the Depositor does not request distribution of the account balance or notify the Custodian of the designation of a different successor trustee or custodian within such 30 day period, the Depositor shall be deemed to have consented to the appointment of the successor trustee or custodian and the terms of any new governing instrument, and neither the Depositor nor the successor shall be required to execute any written document to complete the transfer of the account to the successor trustee or custodian. The successor trustee or custodian may rely on any information, including beneficiary designations, previously provided by the Depositor to the Custodian.

(b) The Depositor may at any time remove the Custodian and replace the Custodian with a successor trustee or custodian of the Depositor's choice by giving 30 days notice of such removal and replacement. The Custodian shall then deliver the assets of the account as directed by the Depositor. However, the Custodian may retain a portion of the assets of the IRA as a reserve for payment of any anticipated remaining fees and expenses, and shall pay over any remainder of this reserve to the successor trustee or custodian upon satisfaction of such fees and expenses.

(c) The Custodian may resign and demand that the Depositor appoint a successor trustee or custodian of this IRA by giving the Depositor written notice at least 30 days prior to the effective date of such resignation. The Depositor shall then have 30 days from the date of such notice to designate a successor trustee or custodian, notify the Custodian of the name and address of the successor trustee or custodian, and provide the Custodian with appropriate evidence that such successor has accepted the appointment and is qualified to serve as trustee or custodian of an individual retirement account.

(1) If the Depositor designates a successor trustee or custodian and provides the Custodian evidence of the successor's acceptance of appointment and qualification within such 30-day period, the Custodian shall then deliver all of the assets held by the Custodian in the account (whether in cash or personal or real property, wherever located, and regardless of value) to the successor trustee or custodian.

(2) If the Depositor does not notify the Custodian of the appointment of a successor trustee or custodian within such 30 day period, then the Custodian may distribute all of the assets held by the Custodian in the account (whether in cash or personal or real property, wherever located, and regardless of value) to the Depositor, outright and free of trust, and the Depositor shall be wholly responsible for the tax consequences of such distribution.

In either case, the Custodian may expend any assets in the account to pay expenses of transfer (including re-registering the assets and preparation of deeds, assignments, and other instruments of transfer or conveyance) to the successor trustee or custodian or the Depositor, as the case may be. In addition, the Custodian may retain a portion of the assets as a reserve for payment of any anticipated remaining fees and expenses. Upon satisfaction of such fees and expenses, the Custodian shall pay over any remainder of the reserve to the successor trustee or custodian or to the Depositor, as the case may be.

9.05 **Custodian's Fees and Expenses**:

(a) The Depositor agrees to pay the Custodian any and all fees specified in the Custodian's current published fee schedule for establishing and maintaining this Roth IRA, including but not limited to any fees for distributions from, transfers from, and terminations of this Roth IRA. The Custodian may change its fee schedule at any time by giving the Depositor 30 days prior written notice.

(b) The Depositor agrees to pay any expenses incurred by the Custodian in the performance of its duties in connection with the account. Such expenses include, but are not limited to, administrative expenses, such as legal and accounting fees, and any taxes of any kind whatsoever that may be levied or assessed with respect to such account.

(c) All such fees, taxes, and other administrative expenses charged to the account shall be collected either from the assets in the account or from any contributions to or distributions from such account if not paid by the Depositor, but the Depositor shall be responsible for any deficiency.

(d) In the event that for any reason the Custodian is not certain as to who is entitled to receive all or part of the Custodial Funds, the Custodian reserves the right to withhold any payment from the Custodial Account, to request a court ruling to determine the disposition of the Custodial assets, and to charge the Custodial Account for any expenses incurred in obtaining such legal determination.

9.06 **Withdrawal Requests**: All requests for withdrawal shall be in writing on the form provided by the Custodian. Such written notice must also contain the reason for the withdrawal and the method of distribution being requested. The Custodian reserves the right to reject any withdrawal request it may deem appropriate and to apply to a court of competent jurisdiction to make a determination with respect to the proper party eligible to receive a distribution from the account.

9.07 **Responsibilities**: Depositor agrees that all information and instructions given to the Custodian by the Depositor are complete and accurate and that the Custodian shall not be responsible for any incomplete or inaccurate information provided by the Depositor or Depositor's beneficiary(ies). Depositor and Depositor's beneficiaries agree to be responsible for all tax consequences arising from contributions to and distributions from this Custodial Account and acknowledges that no tax advice has been provided by the Custodian.

9.08 **Designation of Beneficiary**:

(a) Except as may be otherwise required by State law, in the event of the Depositor's death, the balance in the account shall be paid to the beneficiary or beneficiaries designated by the Depositor on a beneficiary designation form acceptable to and filed with the Custodian. The Depositor may change the Depositor's beneficiary or beneficiaries at any time by filing a new beneficiary designation with the Custodian. If no beneficiary designation is in effect, if none of the named beneficiaries survive the Depositor, or if the Custodian cannot locate any of the named beneficiaries after reasonable search, any balance in the account will be payable to the Depositor's estate.

(b) If the Custodian permits, in the event of the Depositor's death, any beneficiary may name a subsequent beneficiary(ies) to receive the balance of the account to which such beneficiary is entitled upon the death of the original beneficiary by filing a Subsequent Beneficiary Designation Form acceptable to and filed with the Custodian. Payments to such subsequent beneficiary(ies) shall be distributed in accordance with the payment schedule applicable to the original beneficiary. In no event can any subsequent beneficiary be treated as a designated beneficiary of the Depositor. The preceding sentence shall not apply with respect to the subsequent beneficiary(ies), if any, of an original spouse beneficiary where the Depositor dies before his or her required beginning date. In this case, the original spouse beneficiary is treated as the Depositor. If the balance of the account has not been completely distributed to the original beneficiary and such beneficiary has not named a subsequent beneficiary or no named subsequent beneficiary is living on the date of the original beneficiary's death, such balance shall be payable to the estate of the original beneficiary.

9.09 **Spousal Beneficiary Provisions**: Notwithstanding the provisions of Article 5.03, if the Depositor's only primary beneficiary is the surviving spouse, such spouse may elect to be treated as a non-spouse beneficiary for purposes of the provisions of Articles 5.01 and 5.02, but including the special rule provided under section 401(a)(9)(B)(iv) of the Code. Thus, a surviving spouse beneficiary may remain the beneficiary of the deceased spouse's Roth IRA and be able to take death distributions under the five year rule or the exception to the five year rule, including the ability to wait to begin receiving distributions over his or her single life expectancy by December 31 of the year the deceased spouse would have attained the age of 70½ had he or she lived, if this date is later than the December 31 immediately following the year of death. In addition, if the surviving spouse is not the sole beneficiary of the Roth IRA, in addition to the provisions of Articles 5.01 and 5.02, the surviving spouse beneficiary may elect to treat his or her beneficial portion of the deceased spouse's Roth IRA as his or her own Roth IRA.

9.10 **Responsibility for Determining Eligibility for Conversion Contributions**: Notwithstanding the provisions of the third sentence of Article II, the Depositor agrees to be solely responsible for determining eligibility to convert any of the Depositor's traditional IRAs or an employer's plan to a Roth IRA. The conversion eligibility requirements are eliminated for years after December 31, 2009.

9.11 **Combining Regular Roth IRA Contributions with Roth Conversion Contributions**: The Depositor may combine regular Roth IRA contributions in the same Roth IRA account as Roth IRA conversion contributions. The Depositor agrees to designate each deposit as either a regular Roth IRA contribution (and the tax year to which it relates) or a Roth IRA conversion contribution. The Depositor further agrees that he/she will be solely

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responsible for any recordkeeping of such deposits as determined or required by the Internal Revenue Service, including but not limited to, the timing, ordering and taxation of any distributions.

9.12 **Death Benefit Default Provisions**: If the Depositor dies and the beneficiary does not select a method of distribution described in Article V, Section 5.01(a) or (b) by the December 31st following the year of the Depositor's death, then distributions will be made pursuant to the single life expectancy of the Designated Beneficiary determined in accordance with IRS regulations. However, no payment will be made until the beneficiary provides the Custodian with a proper distribution request acceptable to the Custodian and other documentation that may be required by the Custodian. A beneficiary may at any time request a complete distribution of his or her remaining interest in the Custodial Account. The Custodian reserves the right to require a minimum balance in the account in order to make periodic payments from the account.

9.13 **Transitional Rule for Determining Required Minimum Distributions for Calendar Year 2002:** Unless the Custodian provides otherwise, if a beneficiary is subject to required minimum distributions for calendar year 2002, such individual may elect to apply the 1987 proposed regulations, the 2001 proposed regulations, or the 2002 final regulations in determining the amount of the 2002 required minimum. However, the Custodian, in its sole discretion, reserves the right to perform any required minimum distribution calculations through its data systems or otherwise based upon any of the three sets of regulations delineated in the previous sentence.

ARTICLE X
SELF-DIRECTED IRA PROVISIONS

10.01 **Investment of Contributions**: At the direction of the Depositor (or the direction of the beneficiary upon the Depositor's death) the Custodian shall invest all contributions to the account and earnings thereon in investments acceptable to the Custodian, which may include marketable securities traded on a recognized exchange or "over the counter" (excluding any securities issued by the Custodian), covered call options, certificates of deposit, and other investments to which the Custodian consents, in such amounts as are specifically selected and specified by Depositor in orders to the Custodian in such form as may be acceptable to the Custodian, without any duty to diversify and without regard to whether such property is authorized by the laws of any jurisdiction as a Custodial investment. The Custodian shall be responsible for the execution of such orders and for maintaining adequate records thereof. However, if any such orders are not received as required, or, if received, are unclear in the opinion of the Custodian, 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 Custodian may, but need not, establish programs under which cash deposits in excess of a minimum set by it will be periodically and automatically invested in interest-bearing investment funds. The Custodian shall have no duty other than to follow the written investment directions of the Depositor, and shall be under no duty to question said instructions and shall not be liable for any investment losses sustained by the Depositor.

10.02 **Registration**: All assets of the account shall be registered in the name of the Custodian or of a suitable nominee. The same nominee may be used with respect to assets of other investors whether or not held under agreements similar to this one or in any capacity whatsoever. However, each Depositor's account shall be separate and distinct; a separate account therefore 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 Exchange Act of 1934.

10.03 **Investment Advisor**: The Depositor may appoint an Investment Advisor, qualified under Section 3(38) of the Employee Retirement Income Security Act of 1974, to direct the investment of his Roth IRA. The Depositor shall notify the Custodian in writing of any such appointment by providing the Custodian a copy of the instruments appointing the Investment Advisor and evidencing the Investment Advisor's acceptance of such appointment, an acknowledgement by the Investment Advisor that it is a fiduciary of the account, and a certificate evidencing the Investment Advisor's current registration under the Investment Advisor's Act of 1940. The Custodian shall comply with any investment directions furnished to it by the Investment Advisor, unless and until it receives written notification from the Depositor that the Investment Advisor's appointment has been terminated. The Custodian shall have no duty other than to follow the written investment directions of such Investment Advisor and shall be under no duty to question said instructions, and the Custodian shall not be liable for any investment losses sustained by the Depositor.

10.04 **No Investment Advice**: The Custodian does not assume any responsibility for rendering advice with respect to the investment and reinvestment of Depositor's account and shall not be liable for any loss which results from Depositor's exercise of control over his account. The Custodian and Depositor may specifically agree in writing that the Custodian shall render such advice, but the Depositor shall still have and exercise exclusive responsibility for control over the investment of the assets of his account, and the Custodian shall not have any duty to question his investment directives.

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

10.06 **Unrelated Business Income Tax**: If the Depositor directs investment of the account in any investment which results in unrelated business taxable income, it shall be the responsibility of the Depositor to so advise the Custodian and to provide the Custodian with all information necessary to prepare and file any required returns or reports for the account. As the Custodian may deem necessary, and at the Depositor's expense, the Custodian may request a taxpayer identification number for the account, file any returns, reports, and applications for extension, and pay any taxes or estimated taxes owed with respect to the account. The Custodian may retain suitable accountants, attorneys, or other agents to assist it in performing such responsibilities.

10.07 **Disclosures and Voting**: The Custodian shall deliver, or cause to be executed and delivered, to Depositor all notices, prospectuses, financial statements, proxies and proxy soliciting materials relating to assets credited to the account. The Custodian shall not vote any shares of stock or take any other action, pursuant to such documents, with respect to such assets except upon receipt by the Custodian of adequate written instructions from Depositor.

10.08 **Miscellaneous Expenses**: In addition to those expenses set out in Section 9.05 of this plan, the Depositor agrees to pay any and all expenses incurred by the Custodian in connection with the investment of the account, including expenses of preparation and filing any returns and reports with regard to unrelated business income, including taxes and estimated taxes, as well as any transfer taxes incurred in connection with the investment or reinvestment of the assets of the account.

10.09 **Nonbank Custodian Provision**: If the Custodian is a nonbank Custodian, the Depositor shall substitute another trustee or custodian in place of the Custodian upon receipt of notice from the Commissioner of the Internal Revenue Service or his delegate that such substitution is required because the Custodian has failed to comply with the requirements of Income Tax Regulations Section 1.408-2(e), or is not keeping such records, making such returns, or rendering such statements as are required by applicable law, regulations, or other rulings. The successor trustee or custodian shall be a bank, insured credit union, or other person satisfactory to the Secretary of the Treasury pursuant to Section 408(a)(2) of the Code. Upon receipt by the Custodian of written acceptance by its successor of such successor's appointment, Custodian shall transfer and pay over to such successor the assets of the account (less amounts retained pursuant to Section 9.04 of the Custodial Agreement) and all records (or copies thereof) of the Custodian pertaining thereto, provided that the successor trustee or custodian agrees not to dispose of any such records without the Custodian's consent.

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General Instructions

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

Purpose of Form - Form 5305-RA is a model Custodial account agreement that meets the requirements of section 408A. However, only Articles I through VIII have been reviewed by the IRS.A Roth individual retirement account (Roth IRA) is established after the form is fully executed by both the individual (Depositor) and the Custodian. This account must be created in the United States for the exclusive benefit of the Depositor and his or her beneficiaries.

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

Unlike contributions to traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the Depositor's gross income; and distributions after 5 years that are made when the Depositor is 59½ years of age or older or on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to $10,000), are not includible in gross income. For more information on Roth IRAs, including the required disclosures the Custodian must give the Depositor, see Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs), and 590-B, Distributions from Individual Retirement Arrangements (IRAs).

Definitions

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.

Depositor. The Depositor is the person who establishes the Custodial account.

Specific Instructions

Article I. The Depositor may be subject to a 6% tax on excess contributions if **(1)** contributions to other individual retirement arrangements of the Depositor have been made for the same tax year, **(2)** the Depositor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or **(3)** the Depositor's and spouse's compensation is less than the amount contributed by or on behalf of them for the tax year.

Article V. This article describes how distributions will be made from the Roth IRA after the Depositor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the Depositor's intent. Under paragraph 3 of Article V, the Depositor's spouse is treated as the owner of the Roth IRA upon the death of the Depositor, rather than as the beneficiary. If the spouse is to be treated as the beneficiary, and not the owner, an overriding provision should be added to Article IX.

Article IX. Article IX and any that follow it may incorporate additional provisions that are agreed to by the Depositor 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 Depositor, etc. Attach additional pages if necessary.

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ROTH IRA DISCLOSURE STATEMENT

RIGHT TO REVOKE YOUR ROTH IRA ACCOUNT

You may revoke your Roth IRA within 7 days after you sign the Roth IRA Adoption Agreement by hand-delivering or mailing a written notice to the name and address indicated on the Roth IRA Adoption Agreement. If you revoke your account by mailing a written notice, such notice must be postmarked by the 7th day after you sign the Adoption Agreement. If you revoke your Roth IRA within the 7 day period you will receive a refund of the entire amount of your contributions to the Roth IRA without any adjustment for earnings or any administrative expenses. If you exercise this revocation, we are still required to report the contribution on Form 5498 (except transfers) and the revoked distribution on Form 1099-R.

GENERAL REQUIREMENTS OF A ROTH IRA

- Your contributions must be made in cash, unless you are making a qualified rollover or transfer contribution and the Custodian accepts non-cash rollover or transfer contributions.
- The annual contributions you make on your behalf to all of your Roth IRAs and traditional IRAs may not exceed the lesser of 100% of your compensation or the "applicable annual dollar limitation" (defined below), unless you are making a qualified rollover or transfer contribution.
- Your regular annual Roth IRA contributions for any taxable year may be deposited at any time during that taxable year and up to the due date for the filing of your Federal income tax return for that taxable year, no extensions. This generally means April 15th of the following year.
- The Custodian of your Roth IRA must be a bank, savings and loan association, credit union or a person who is approved to act in such a capacity by the Secretary of the Treasury.
- No portion of your Roth IRA funds may be invested in life insurance contracts.
- Your interest in your Roth IRA is nonforfeitable at all times.
- The assets in your Roth IRA may not be commingled with other property except in a common Custodial fund or common investment fund.
- You may not invest the assets of your Roth IRA in collectibles (as described in Section 408(m) of the Internal Revenue Code.) A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or any other tangible personal property specified by the IRS. However, if the Custodian permits, specially-minted US gold, silver, and platinum coins and certain state-issued coins are permissible Roth IRA investments. Beginning on 1/1/98, you may also invest in certain gold, silver, platinum or palladium bullion, if the trustee or custodian permits. Such bullion must be in the physical possession of the Roth IRA trustee or custodian.

WHO IS ELIGIBLE TO MAKE A REGULAR ROTH IRA CONTRIBUTION?

You are permitted to make regular contributions to your Roth IRA for any taxable year if you receive compensation for such taxable year. Compensation includes salaries, wages, tips, commissions, bonuses, alimony, royalties from creative efforts and "earned income" in the case of self-employeds. Members of the Armed Forces who serve in combat zones who receive compensation that is otherwise non-taxable, are considered to have taxable compensation for purposes of making regular Roth IRA contributions. The amount which is permitted to be contributed depends upon your modified adjusted gross income (Modified AGI); your marital status; and your tax filing status discussed below.

CONTRIBUTIONS TO A ROTH IRA

Regular Roth IRA Contributions - The maximum amount you may contribute for any year is the lesser of 100% of your compensation or the "applicable annual dollar limitation" (described below). Your actual contribution limit depends upon your marital status, tax filing status, and your Modified AGI.

Applicable Annual Dollar Limitation	
Tax Year	Contribution Limit
2001	$2,000
2002 through 2004	$3,000
2005 through 2007	$4,000
2008 through 2012	$5,000
2013 through 2018	$5,500

After 2018, the $5,500 annual limit will be subject to cost-of living increases in increments of $500, rounded to the lower increment. This means that it may take several years beyond 2018 for the $5,500 annual limit to increase to $6,000. All regular contributions (including catch-up contributions) to a Roth IRA are nondeductible. The maximum amount you may contribute to a Roth IRA is reduced by any contributions you make to all of your traditional IRAs for the same tax year.

Catch-up Contributions - If an individual has attained the age of 50 before the close of the taxable year for which an annual contribution is being made and meets the other eligibility requirements for making regular Roth IRA contributions, the annual Roth IRA contribution limit for that individual would be increased as follows:

Tax Year	Normal Limit	Additional Catch-up*	Total Contribution
2002	$3,000	$ 500	$3,500
2003	$3,000	$ 500	$3,500
2004	$3,000	$ 500	$3,500
2005	$4,000	$ 500	$4,500
2006	$4,000	$1,000	$5,000
2007	$4,000	$1,000	$5,000
2008 – 2012	$5,000	$1,000	$6,000
2013 – 2018	$5,500	$1,000	$6,500

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*The additional catch-up amount for Roth IRAs is not subject to COLAs.

Special IRA Catch-up Contributions for Certain Section 401(k) Participants No Longer Available - Special Roth IRA catch-up contributions are permitted for each of years 2007, 2008 and 2009 equal to the applicable year's age-50 catch-up limit multiplied by 3. To be eligible for this special catch-up Roth IRA contribution, the individual must have been a participant in an employer's §401(k) plan where employer-matching contributions were being made at the rate of at least 50% of the participant's deferrals with employer stock and such employer is in bankruptcy and is subject to an indictment or conviction. The individual is not required to be age 50 in order to take advantage of this rule. However, if the individual is age 50 or over, he or she may not contribute the age-50 catch-up amount in addition to this special catch-up.

The deadline for making such special catch-up contributions was the normal deadline for the applicable year. For example, an eligible individual takes advantage of this rule for calendar year 2008. The normal regular Roth IRA contribution limit for 2008 was $5,000 and the normal age-50 catch-up contribution limit for 2008 was $1,000. The eligible individual could contribute the $5,000 normal limit plus a special catch-up contribution of $3,000 for a total of $8,000. The deadline for making this contribution was the 2008 tax filing deadline, no extensions.

Modified Adjusted Gross Income - The amount of your regular annual Roth IRA contribution depends upon your Modified Adjusted Gross Income (MAGI) for the taxable year and your marital status. If your MAGI is below a certain amount, you can contribute the entire contribution subject to the dollar limit. If your MAGI is above a certain amount, you cannot make any regular contribution to a Roth IRA. If your MAGI is between certain amounts, you are entitled to making a partial Roth IRA contribution. You are responsible for keeping track of your Roth IRA contributions so that you can report Roth IRA distributions on IRS Form 8606. Refer to the chart below for the MAGI ranges. The MAGI ranges are subject to cost-of-living adjustments. Also refer to IRS Publication 590-A for additional information.

	Married Participants Filing Jointly	Unmarried Participants	Married Participants Filing Separately*
1998 – 2006	$150,000 - $160,000	$ 95,000 - $110,000	$0 - $10,000
2007	$156,000 - $166,000	$ 99,000 - $114,000	$0 - $10,000
2008	$159,000 - $169,000	$101,000 - $116,000	$0 - $10,000
2009	$166,000 - $176,000	$105,000 - $120,000	$0 - $10,000
2010	$167,000 - $177,000	$105,000 - $120,000	$0 - $10,000
2011	$169,000 - $179,000	$107,000 - $122,000	$0 - $10,000
2012	$173,000 - $183,000	$110,000 - $125,000	$0 - $10,000
2013	$178,000 - $188,000	$112,000 - $127,000	$0 - $10,000
2014	$181,000 - $191,000	$114,000 - $129,000	$0 - $10,000
2015	$183,000 - $193,000	$116,000 - $131,000	$0 - $10,000
2016	$184,000 - $194,000	$117,000 - $132,000	$0 - $10,000
2017	$186,000 - $196,000	$118,000 - $133,000	$0 - $10,000
2018	$189,000 - $199,000	$120,000 - $135,000	$0 - $10,000

Spousal Roth IRAs- If you and your spouse file a joint tax return and have unequal compensation (including no compensation for one spouse or one spouse who chooses to be treated as receiving no compensation) you may establish separate Roth IRAs for each spouse. The total annual contribution limit for both Roth IRAs may not exceed 100% of the combined compensation for both spouses, but neither Roth IRA may accept more than the Applicable Annual Dollar Limitation per spouse, plus the additional catch-up amount, if applicable.

The maximum Roth IRA contribution for the spouse is then reduced by:
1. regular traditional IRA contributions made on behalf of such spouse; and
2. Roth IRA contributions made on behalf of such spouse.

This annual limit may be further reduced if the Modified AGI exceeds the levels discussed above.

$200 Minimum Roth IRA Contribution - If you fall into any of the categories listed above, your minimum allowable Roth IRA contribution will be $200 until phased out under the appropriate marital status. In other words, if your Roth IRA contribution amount calculated under the appropriate dollar amounts discussed above results in a contribution between $0 and $200, your permitted contribution is $200 instead of the calculated amount. If the result is not a multiple of $10, round up to the nearest $10.

Modified AGI - Modified AGI does not include any conversions to a Roth IRA and included in income. Modified AGI is determined before deductible traditional IRA contributions. Effective for distributions after December 31, 2004, Modified AGI does not include any amounts that are required minimum distributions pursuant to section 408(a)(6) only for purposes of determining eligibility for conversion contributions.

Miscellaneous Contribution Rules - Contributions are permitted after you attain age 70½, so long as you have compensation and meet the AGI limits described above. Contributions are permitted regardless of whether you are an active participant in an employer-sponsored plan.

Special Rules for Qualified Reservist Distributions – Qualified Reservist Distributions withdrawn from a Roth IRA are eligible to be repaid to a Roth IRA within a 2-year period after the end of active duty. A Qualified Reservist Distribution is a distribution received from a Roth IRA by members of the National Guard or reservists who are called to active duty for a period of at least 180 days and such distribution is taken during the period of such active duty. This provision is retroactively effective with respect to distributions after September 11, 2001, for individuals called to active duty after September 11, 2001. The repayments are not treated as tax-free rollovers. Instead, the repayments become basis in the Roth IRA.

EXCESS CONTRIBUTIONS TO A ROTH IRA

Generally, an excess Roth IRA contribution is any contribution which exceeds the contribution limits. Such excess amount is subject to a 6% excise tax on the principal remaining amount of the excess each year until the excess is corrected.

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Method of Withdrawing Excess in a Timely Manner (Applies to Excesses Removed Prior to 2018) - This 6% excise tax may be avoided, if the excess amount plus the earnings attributable to the excess are distributed to you by your tax filing deadline including extensions *for the year during which the excess contribution was made*. If you decide to correct your excess in this manner, the principal amount of the excess returned to you is not taxable; however, the earnings attributable to the excess are taxable to you in the year in which the contribution was made. In addition, if you are under age 59½, the earnings attributable to the excess amount are subject to a 10% additional income tax. This is the only method of correcting an excess contribution that will avoid the 6% excise tax. The earnings attributable to an excess contribution will always be taxable, even if you would otherwise meet the definition of a "qualified distribution" discussed later.

Method of Withdrawing Excess in a Timely Manner (Applies to Excesses Removed After 2017)- This 6% excise tax may be avoided, if the excess amount plus the earnings attributable to the excess are distributed to you by your tax filing deadline including extensions *for the year for which the excess contribution was made*. If you decide to correct your excess in this manner, the principal amount of the excess returned to you is not taxable; however, the earnings attributable to the excess are taxable to you in the year in which the contribution was made. In addition, if you are under age 59 1/2, the earnings attributable to the excess amount are subject to a 10% additional income tax. This is the only method of correcting an excess contribution that will avoid the 6% excise tax. The earnings attributable to an excess contribution will always be taxable, even if you would otherwise meet the definition of a "qualified distribution" discussed later.

Undercontribution Method - If an excess is not corrected by the tax filing deadline, including extensions, for the year during which the excess contribution was made, such excess contribution may be applied, on a year-by-year basis, against the annual limit for regular Roth IRA contributions. However, in order to "carry over" the excess contribution and treat it as a contribution made for a subsequent year, the participant must meet the eligibility requirements for the subsequent year. In addition, the taxpayer is subject to the 6% excise tax for the initial year and each subsequent year until the excess is used up.

CONTRIBUTION RECHARACTERIZATIONS

You may be able to recharacterize certain contributions under the following two different circumstances:

1. By recharacterizing a current year regular contribution plus earnings explained in this section; or
2. By recharacterizing a conversion made to a Roth IRA by transferring the amount plus earnings back to a traditional IRA discussed in the next section under the heading "Conversion from a Traditional IRA or an Employer Plan to a Roth IRA". Beginning 1/1/2018, recharacterizations of conversions made after 12/31/2017 are no longer permitted.

If you decide by your tax filing deadline (including extensions) of the year for which the contribution was made to transfer a current year contribution plus earnings from your traditional IRA to a Roth IRA, no amount will be included in your gross income as long as you did not take a deduction for the amount of the contribution. You may also recharacterize a current year contribution plus earnings from your Roth IRA to a traditional IRA by your tax filing deadline including extensions of the year for which the contribution was made.

In order to recharacterize a regular contribution from one type of IRA to another type of IRA, you must be eligible to make a regular contribution to the IRA to which the contribution plus earnings is recharacterized. All recharacterizations must be accomplished as a direct transfer, rather than a distribution and subsequent rollover.

You are also required to report recharacterizations to the IRS in accordance with the instructions to IRS Form 8606. Prior year excess contributions made to an IRA that are carried over to a subsequent year cannot be recharacterized as a current year contribution to another IRA. Only actual contributions made for a taxable year may be recharacterized. Any recharacterized contribution (whether a regular contribution or a pre-2018 conversion) cannot be revoked after the transfer. You are required to notify both custodians (and trustees) and to provide them with certain information in order to properly effectuate such a recharacterization.

ROLLOVER ROTH IRAs

Rollover Contribution from Another Roth IRA - A rollover contribution from another Roth IRA is any amount you receive from one Roth IRA and within 60 days roll some or all of it over into another Roth IRA. You are not required to roll over the entire amount received from the first Roth IRA. However, any taxable amount (generally earnings) you do not roll over will be taxed at ordinary income tax rates for Federal income tax purposes and may be subject to the 10% additional income tax.

The following special rules also apply to rollovers between Roth IRAs:

- The rollover must be completed no later than the 60th day after the day the distribution was received by you from the first Roth IRA. However, if the reason for distribution was for qualified first time home buyer expenses and there has been a delay or cancellation in the acquisition of such first home, the 60 day rollover period is increased to 120 days. This 60 day rollover period is also extended in cases of disaster or casualty beyond the reasonable control of the taxpayer.
- Beginning in 2015, you can make only one rollover from an IRA to another (or the same) IRA in any 12-month period, regardless of the number of IRAs you own. The limit will apply by aggregating all of an individual's IRAs, including SEP and SIMPLE IRAs as well as traditional and Roth IRAs, effectively treating them as one IRA for purposes of the limit. (See IRS Publication 590-A for more information).
- The same property you receive in a distribution from the first Roth IRA must be the same property you roll over into the second Roth IRA. For example, if you receive a distribution from a Roth IRA of property, such as stocks, that same stock must be the property rolled over into the second Roth IRA.
- You are required to make an irrevocable election indicating that this transaction will be treated as a rollover contribution.
- You are not required to receive a complete distribution from your Roth IRA in order to make a rollover contribution into another Roth IRA, nor are you required to roll over the entire amount you received from the first Roth IRA into the second Roth IRA.
- If you inherit a Roth IRA due to the death of the participant, you may not roll this Roth IRA into your own Roth IRA unless you are the spouse of the deceased Roth IRA participant.

Rollovers From a Designated Roth Contribution Account Under Employer-Sponsored Plans – Effective for Eligible Rollover Distributions after December 31, 2005, amounts attributable to the participant's Designated Roth Contribution Account under an employer's §401(k) plan, §403(b) plan, or governmental 457(b) plan are eligible to roll over to a Roth IRA as either a direct rollover or a 60-day rollover. After such amounts have been rolled over to a Roth IRA, these amounts cannot be subsequently rolled back to an employer's plan.

Effect of 5-Year Aging – If the Roth IRA owner has already started the 5-year aging on any Roth IRA, the rollover of the Designated Roth Contribution Account under the employer's plan has the same 5-year period start date. However, if the Roth IRA owner establishes a Roth IRA for the first time with the rollover of the Designated Roth Contributions Account under the employer's plan, a new 5-year aging period starts with respect to the rollover amount, regardless of the

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period of participation in the employer's plan.

Effect on Ordering Rules for Subsequent Distributions from the Roth IRA – If a Roth IRA owner rolls over his or her Designated Roth Contributions Account under an employer's plan, the Roth IRA owner is responsible for keeping track of the rollover in the following manner for purposes of determining taxable distributions from the Roth IRA:

- If the distribution from the employer's plan is a "nonqualified distribution", the Roth IRA owner adds the basis amount (contributions) to his or her other regular Roth IRA contributions, and adds the earnings to the earnings.
- If the distribution from the employer's plan is a "qualified distribution", the Roth IRA owner adds the entire amount of the rollover to his or her other regular Roth IRA contributions.

Partial Rollovers - If a distribution representing the participant's Designated Roth Contribution Account is eligible to roll over and it is paid to the participant, and the participant rolls over to a Roth IRA only a portion of the distribution, the amount not rolled over is treated as first consisting of the nontaxable portion (the contributions). Thus, the amount rolled over is treated first as the taxable earnings and no amount is taxable to the participant if the amount of the rollover is equal to or greater than the amount of the earnings attributable to the distribution received by the employee. Proper adjustments to the ordering rules explained above are necessary in the case of a partial rollover.

Special Rollover Rules for Qualified Hurricane Distributions, Qualified Wildfire Distributions and Certain Other Presidentially Declared Disaster Areas– Qualified Disaster Distributions (QDDs) include Qualified Hurricane Distributions, Qualified Wildfire Distributions and other disaster areas as declared by the President. Qualified Disaster Distributions withdrawn from a Roth IRA are eligible to be rolled over to a Roth IRA within a 3-year period after the eligible individual received such distribution. More information on Qualified Hurricane Distributions and other tax relief provisions applicable to affected individuals of Hurricanes Harvey, Irma and Maria as well as other disaster relief can be found on the IRS website at https://www.irs.gov/newsroom/around-the-nation. Taxpayers using these tax relief provisions must file Form 8915 with his or her Federal income tax return. The maximum amount of a QHD is $100,000 per taxpayer; is not subject to the premature distribution penalty tax of 10%, and will be taxed pro rata over a 3 year period unless the taxpayer elects to pay all of the taxes in the year of the distribution. See the instructions to Form 8915 for more information.

Special Rules for Qualified Settlement Income Received from Exxon Valdez Litigation - Any qualified taxpayer who receives qualified settlement income during the taxable year, at any time before the end of the taxable year in which such income was received, make one or more contributions to an eligible retirement plan of which such qualified taxpayer is a beneficiary in an aggregate amount not to exceed the lesser of: (a) $100,000 (reduced by the amount of qualified settlement income contributed to an eligible retirement plan in prior taxable years); or (b) the amount of qualified settlement income received by the individual during the taxable year.

The contribution will be deemed made on the last day of the taxable year in which such income is received if the contribution is made on account of such taxable year and is made not later than the deadline for filing the income tax return for such year, not including extensions thereof.

If the settlement income is contributed to a Roth IRA such income is currently includible in the taxpayer's gross income and becomes basis in such Roth IRA.

A qualified taxpayer means:
1. Any individual who is a plaintiff in the civil action In re Exxon Valdez, No. 89-095-CV (HRH) (Consolidated) (D. Alaska); or
2. Any individual who is a beneficiary of the estate of such a plaintiff who acquired the right to receive qualified settlement income from that plaintiff and was the spouse or an immediate relative of that plaintiff.

Special Rollover Rules for Military Death Gratuity and SGLI Payments – In general the beneficiary of Death Gratuity and the SGLI (Servicemember's Group Life Insurance) may roll these payments into a Roth IRA in the name of the recipient of such payments, without regard to any adjusted gross income limitations. Such Roth IRA will not be an inherited IRA but rather the Roth IRA will be in the beneficiary's own name. Such rule is effective with deaths occurring after June 17, 2008. However, if the payment was made due to a death that occurred after October 7, 2001, and before June 17, 2008, a recipient can still roll such amounts over to a Roth IRA as long as the rollover is completed by June 17, 2009.

The rollover to the Roth IRA must generally be completed within one year following the receipt of the payment. These payments are not taxable to the recipient. The trustee, custodian or issuer of the Roth IRA is not required to independently verify that such amounts are eligible to roll over to the Roth IRA. It is also important to note that recipients these amounts may be a spouse or other family member, and the rollover would go into the Roth IRA as the recipient's own Roth IRA, not an inherited Roth IRA. Whether or not distributions from the Roth URA are "qualified distributions" where the earnings would be tax-free would depend upon the 5-year aging period and reason for distribution applicable to any Roth IRA distribution that is a "qualified distribution".

For purposes of the ordering rules applicable to nonqualified distributions from Roth IRAs, these amounts are treated as contributions to the Roth IRA, not as conversions. This means that these amounts may be immediately withdrawn for any purpose and not be taxed or subject to penalty.

Rollover of Amounts Received in Airline Carrier Bankruptcy – Effective December 11, 2008, a "qualified airline employee" may contribute any portion of an "airline payment" amount to a Roth IRA within 180 days of receipt of such payment (or, if later, within 180 days of the enactment of the Worker, Retiree and Employer Recovery Act of 2008). Such contribution is treated as a qualified rollover contribution to the Roth IRA, and as such, the airline payment is includible in gross income of the recipient to the extent it would be so includible were it not part of the rollover contribution.

An "airline payment" means any payment by a commercial airline carrier to a "qualified airline employee" that is paid: (1) under an order of a Federal bankruptcy court in a case filed after September 11, 2001, and before January 1, 2007; and (2) in respect of the employee's interest in a bankruptcy claim against the airline carrier.

In determining the amount that may be contributed to a Roth IRA, any reduction in the airline payment on account of employment tax withholding is disregarded. A "qualified airline employee" is an employee or former employee of a commercial passenger airline who was a participant in a qualified defined benefit plan maintained by the airline carrier that was terminated or became subject to the benefit accrual and other restrictions applicable to plans maintained by commercial passenger airlines.

Effective February 14, 2012, under the FAA Modernization and Reform Act of 2012 ("The Act") certain qualified airline employees may rollover or recharacterize to a Traditional IRA in lieu of a Roth IRA. The Act permits 'qualified airline employees' and their surviving spouses, who received an 'airline payment amount', and did *not* roll over any portion of such payment to a Roth IRA:

- To rollover now to a Traditional IRA 90% of the payment received, and the amount rolled over is excludible from income in the taxable year payment was made;

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- The rollover must take place within 180 days after the receipt of the 'airline payment amount' or within 180 days of February 14, 2012, the date of enactment i.e. August 13, 2012, whichever is later.

Additionally, the Act permits 'qualified airline employees' and their surviving spouses who contributed all or a portion of an 'airline payment amount' previously to a Roth IRA:

- To recharacterize up to 90% of such amounts, to a traditional IRA;
- The recharacterization transfer must be made within 180 days of February 14, 2012, the date of enactment i.e. August 13, 2012;
- The IRA owner can then claim a refund of the Federal taxes they previously paid on such transferred funds if made under certain time frames;
- The amount rolled over will be excluded from income in the taxable year payment was made;
- The transfer must be 'trustee to trustee';
- The contribution amount (including any net income allocable to it), rolled into the traditional IRA, will be deemed to have been rolled over at the time of the rollover to the ROTH.

The Act does *not* apply to employees who in the taxable year or any preceding years, when payment were made, were chief executive officers ("CEO") or one of the 4 highest compensated officers (other than the CEO), whose total compensation had to be reported to shareholders (as required by Securities and Exchange Commission Act of 1934). The PATH Act of 2015 extended this rollover deadline to 180 days after enactment or until June 15, 2016.

Special Rules for Nonspouse Beneficiaries – For distributions prior to 2007, any distribution from a Designated Roth Contribution Account to a beneficiary other than a surviving spouse was not eligible to be rolled over to a Roth IRA. Beginning in 2007, eligible rollover distributions from a Designated Roth Contribution Account payable to a nonspouse beneficiary are eligible for direct rollover into an Inherited Roth IRA. Such amounts must be paid in the form of a direct rollover, rather than a distribution and subsequent rollover. Thus, if the distribution is paid directly by the plan to the nonspouse beneficiary, no rollover is permitted. Also, the Roth IRA receiving the direct rollover must be an Inherited Roth IRA, rather a Roth IRA owned by the nonspouse beneficiary. The Inherited Roth IRA is subject to the same required minimum distributions that apply to beneficiaries under the employer's plan and carries over to the Inherited Roth IRA. The Roth IRA must be established and titled in a manner that identifies it as a Roth IRA with respect to a deceased individual and also identifies the deceased individual and the beneficiary, for example, "Tom Smith as beneficiary of John Smith".

For these purposes, a nonspouse beneficiary includes an individual beneficiary and a trust beneficiary that meets the special "look through" rules under the IRS regulations. A nonindividual beneficiary (such as an estate or charity) or a non-look through trust is not eligible for direct rollover. Any required minimum distributions applicable to the employer's plan for the year in which the direct rollover occurs and any prior year is not eligible for direct rollover.

Conversion from a Traditional IRA or an Employer Plan to a Roth IRA – Prior to 2010, you are permitted to make a qualified rollover contribution from a traditional IRA or an employer plan to a Roth IRA if your Modified AGI (not including the taxable amount converted) for the year during which the distribution is made does not exceed $100,000 and you are not a married person filing a separate tax return. This is called a "conversion" and may be done at any time without waiting the usual 12 months. After 2009, the conversion eligibility requirements are eliminated. For conversions that occurred no later than 12/31/2017, you are also permitted to recharacterize a conversion made to a Roth IRA if the amount plus earnings is transferred back to a traditional IRA before your tax filing deadline including extensions for the year the amount was distributed from the traditional IRA that was converted to the Roth IRA. Recharacterizations were repealed beginning with conversions that occur in 2018 and subsequent years.

Taxation in Completing a Conversion from a Traditional IRA or an Employer Plan to a Roth IRA - If you complete a conversion from a traditional IRA or an employer plan to a Roth IRA, the conversion amount (to the extent taxable) is generally included in your gross income for the year during which the distribution is made that is converted to a Roth IRA. However, the 10% additional income tax for premature distributions does not apply. For taxable conversions made during 1998, you may include the taxable amount of the traditional IRA distribution in income "ratably" over a four-tax-year period beginning in 1998, or include the entire taxable amount of the traditional IRA distribution in income the year of the conversion. Any taxable conversions from a traditional IRA to a Roth IRA after 1998 will be fully includible in income the year in which you receive the distribution that is converted to a Roth IRA. If a taxpayer converts an eligible plan to a Roth IRA in 2010, the entire taxable amount of the conversion can be either: (a) included in gross income for the year of the conversion or (b) included in gross income by including only ½ of the taxable amount the year following the conversion and the remaining ½ of the taxable amount the next year.

Reconversions - Once an amount has been properly converted and then is recharacterized back to a traditional IRA, any subsequent conversion of that amount is called a "reconversion". Effective January 1, 2000 through 2017, an IRA owner who converts an amount from a traditional IRA to a Roth IRA during any taxable year and then recharacterizes that amount back to a traditional IRA may not reconvert that amount from the traditional IRA to a Roth IRA before the later of: (a) the taxable year following the taxable year in which the amount was first converted to a Roth IRA; or, (b) the end of the 30-day period beginning on the day on which the IRA owner recharacterizes the amount from the Roth IRA back to a traditional IRA. Any amount previously converted is adjusted for subsequent net income in determining the amount subject to the limitation on subsequent reconversions. Since adverse tax consequences could arise, it is recommended that you seek the advice of your own tax advisor. Beginning in 2018, since recharacterizations of conversions no longer apply, reconversions will also no longer apply.

Death of Taxpayer - With respect to 1998 conversions to which the 4-year income spread applied, if the taxpayer dies before including the taxable amounts in income over a 4-year period, all remaining taxable amounts will be included in gross income on the return filed on behalf of the decedent for the taxable year of death. However, if the surviving spouse of such deceased Roth IRA participant is the sole beneficiary of all of the decedent's Roth IRAs, the surviving spouse may elect to continue including the remaining amount in income over the 4-year period as if the surviving spouse were the Roth IRA owner. Conversions in 2010 that are subject to the 2-year income spread are treated in this same manner.

Income Acceleration - If a distribution is deemed from a 1998 conversion amount and the taxpayer is spreading the distribution over four years, a special rule applied. If such distribution occurred before all taxable conversion amounts have been included in income, such distribution is accelerated in gross income for that year in addition to that year's one-fourth amount until the original taxable conversion amount has been includible in gross income. These same rules applied to 2010 conversions subject to the 2-year income spread.

Change in Status - A change in filing status or a divorce does not affect the application of the 4-year spread for 1998 conversions. Thus, if a married Roth IRA participant who is using the 4-year spread and who was married in 1998 subsequently files separately or divorces before the full taxable conversion has been included in gross income, the remainder of the taxable conversion must be included in the owner's gross income over the remaining years in the 4-year period, unless accelerated due to a distribution or death. These same rules apply to 2010 conversions subject to the 2-year income spread.

Substantially Equal Payments - If a taxpayer converts a traditional IRA to a Roth IRA where the traditional IRA was subject to the substantially equal periodic

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payment exception, the same periodic payments must continue from the Roth IRA. However, for 1998 conversions where the taxpayer is using the 4-year spread rule, the payments from the Roth IRA will be subject to the income acceleration rule. Thus, in addition to the normal 1/4th amount, the substantially equal amount is also includible in the participant's gross income for each year until the full taxable conversion has been so included. This rule also applies to 2010 conversions subject to the 2-year income spread.

Types of Plans Permitted to be Converted - Traditional regular IRAs, Rollover "conduit" IRAs, and SEP IRAs may be converted to a Roth IRA, so long as the taxpayer meets the eligibility requirements until 2010 when the conversion eligibility rules were eliminated. A SIMPLE IRA may also be converted to a Roth IRA, but only after such SIMPLE IRA is no longer subject to the 2-year holding period applicable to SIMPLE IRAs. Also, qualified plans, §403(b) plans and governmental §457(b) plans may be converted to a Roth IRA.

Required Minimum Distributions - Any required minimum amount must first be distributed before any of the remaining amount can be converted to the Roth IRA.

DISTRIBUTIONS FROM A ROTH IRA

Taxation of Distributions - "Qualified distributions" are neither subject to Federal income tax nor the 10% additional income tax for premature distributions. Nonqualified distributions are taxable to the extent such distribution is attributable to the income earned in the account. When you start withdrawing from your Roth IRA, you may take the distributions in regular payments, random withdrawals or in a single sum payment.

Qualified Distributions - A Qualified Distribution is one that is both made:
1. on or after you attain age 59½;
2. to a beneficiary after your death;
3. on account of you becoming disabled (defined under Section 72(m)(7) IRC); or
4. for qualified first time homebuyer expenses.

AND made after the end of the five year period beginning with the taxable year for which you first make any contribution to a Roth IRA.

If your first contribution is a conversion from a traditional IRA to a Roth IRA, the five year period begins with the year in which the conversion was made from the first IRA. If your first contribution is a regular contribution, the five year period begins with the year for which the contribution was made. You may maintain only one Roth IRA plan which accepts regular contributions and conversions. Additional contributions or conversions in subsequent years will not start the running of another five year period for purposes of determining whether or not you have received a "Qualified Distribution". If the entire Roth IRA account balance is distributed before any other Roth IRA contributions are made, the 5-year aging period does not start over when future contributions are made.

However, if any of the following situations occur, the 5-year aging period has not yet started:
1. the initial Roth IRA contribution is revoked within its first 7-day period;
2. the initial Roth IRA contribution is recharacterized to a traditional IRA; or
3. an excess contribution, plus earnings, is timely distributed in accordance with section 408(d)(4), by the tax filing deadline including extensions, unless other eligible contributions were made.

Nonqualified Distributions - Distributions from a Roth IRA which are made as a nonqualified distribution are treated as made from contributions to the Roth IRA to the extent that such distribution, when added to all previous distributions from the Roth IRA (whether or not they were qualified distributions), and reduced by the taxable amount of such previous distributions, does not exceed the aggregate amount of contributions to the Roth IRA.

In other words, nonqualified distributions are treated as taken from the nontaxable portion first (the contributions) until the aggregate distributions exceed the aggregate contributions. When the aggregate distributions exceed the aggregate contributions, then the earnings will be treated as part of the distribution for taxation purposes. The portion of the nonqualified distribution that represents earnings will be taxable and subject to the 10% additional income tax for premature distributions, unless an exception applies. You are responsible for keeping records on the contributions you make to your Roth IRA and for figuring any taxable, nonqualified distributions from your Roth IRA.

Distributions Made Before the End of the Five Year Period - Distributions taken before the end of the five year period are taxable (to the extent you receive the earnings attributable) and are subject to the 10% additional income tax if the participant is not age 59½. However, the 10% additional income tax is avoided if the distribution meets any one of the exceptions under Section 72(t).

Recapture of the 10% Additional Tax - The 10% additional tax on early distributions will apply to conversions if the taxpayer is deemed to withdraw any portion of the taxable conversion amount before the end of the five year period commencing the year of conversion contribution, unless an exception under Section 72(t) applies. This is true even if none of the distribution is otherwise taxable.

Basis Recovery Rules for Distributions from Different IRA Plans - The taxation of distributions from a Roth IRA shall be treated separately from the taxation of a distribution from other IRA plans. In other words, nondeductible contributions made to your traditional IRA will continue to be recovered tax-free on a ratable basis.

Ordering Rules - Distributions from any of your Roth IRAs are to be "deemed" withdrawn in the following order: first from Roth IRA contributions (other than conversions); second from converted amounts on a first-in, first-out basis (with the taxable conversion amount first and then the nontaxable conversion amount); and last from the earnings. In determining these ordering rules, any amount distributed from an individual's Roth IRA is determined as of the end of a taxable year and exhausting each category before moving to the next category. The taxpayer will be required to keep track of these ordering provisions by using IRS Form 8606.

Multiple Beneficiaries - At the Roth IRA owner's death and where multiple beneficiaries are named, each type of contribution must be allocated to each beneficiary on a pro-rata basis. Thus, for example, if a Roth IRA owner dies when the Roth IRA contains a regular contribution of $2,000, a conversion contribution of $6,000 and earnings of $1,000, and the owner leaves his Roth IRA equally to four children, each child will receive one quarter of each type of contribution. Pursuant to the ordering rules, an immediate distribution of $2,000 to one of the children will be deemed to consist of $500 of regular contributions, and $1,500 of conversion contributions.

For purposes of the ordering rules upon distribution, a beneficiary's inherited Roth IRAs may not be aggregated with any other Roth IRAs maintained by such beneficiary, except for other Roth IRAs that the beneficiary inherited from the same decedent. However, if the surviving spouse is the sole beneficiary of a Roth IRA and such surviving spouse elects to treat the Roth IRA as his or her own Roth IRA, the spouse can aggregate contributions with his or her other Roth IRAs for purposes of determining the ordering rules when distributions are taken. The term "spouse as sole beneficiary" means either the only primary

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beneficiary of the entire plan, or the only primary beneficiary of a segregated portion of the plan.

Premature Distributions - If you are under age 59½ and receive a "nonqualified" distribution from your Roth IRA, a 10% additional income tax will apply to the taxable portion (generally the earnings portion) of the distribution unless the distribution is received due to death; disability; a qualifying rollover distribution; the timely withdrawal of the principal amount of an excess; substantially equal periodic payments; certain medical expenses; health insurance premiums paid by certain unemployed individuals; qualified higher education expenses; qualified first time homebuyer expenses; due to an IRS levy; qualified disaster distributions (QDDs); qualified disaster recovery assistance distributions; or qualified reservist distributions.

Required Distributions - Unlike a traditional IRA, you are not required to begin distributions when you attain age 70½. Also, the incidental death benefit requirements (referred to as MDIB) do not apply to the Roth IRA.

Death Distributions - If you die and you have a designated beneficiary, the balance in your Roth IRA will be distributed to your beneficiary over the beneficiary's single life expectancy. These distributions must commence no later than December 31st of the calendar year following the calendar year of your death. However, if your spouse is your sole beneficiary, these distributions are not required to commence until the December 31st of the calendar year you would have attained the age of 70½, if that date is later than the required commencement date in the previous sentence. If you die and you do not have a designated beneficiary, the balance in your Roth IRA must be distributed no later than the December 31st of the calendar year that contains the fifth anniversary of your death.

PROHIBITED TRANSACTIONS WITH A ROTH IRA

If you or your beneficiary engage in a prohibited transaction (as defined under Section 4975 of the Internal Revenue Code) with your Roth IRA, it will lose its tax exemption and you must include the taxable portion of your account in your gross income for that taxable year and may also be subject to the 10% additional tax. If you pledge any portion of your Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution and the taxable portion will be included in your gross income for that year and may also be subject to the 10% additional tax.

ADDITIONAL TAXES AND PENALTIES

If you are under age 59½ and receive a nonqualified premature distribution from your Roth IRA, an additional 10% income tax will apply on the taxable amount of the distribution (generally the earnings portion only), unless an exception under Section 72(t) applies. A 10% additional tax will be assessed if you are under age 59½ if you are deemed to withdraw any portion of a conversion that you made to your Roth IRA before five years have lapsed from the conversion year, even if such distribution is otherwise nontaxable. If you make an excess contribution to your Roth IRA and it is not corrected on a timely basis, an excise tax of 6% is imposed on the excess amount. This tax will apply each year to any part or all of the excess which remains in your account.

If you should die, and the appropriate required death distributions are not made from your Roth IRA, an excise tax of 50% is assessed to your beneficiary based upon the difference between the amount that should have been distributed and the amount that was actually distributed. You may be required to file IRS Form 5329 with the Internal Revenue Service for any year an additional tax is due.

INCOME TAX WITHHOLDING

All withdrawals from your Roth IRA (except the earnings attributable to a return of excess contributions) are not subject to Federal income tax withholding.

TRANSFERS

A direct transfer of all or a portion of your funds is permitted from this Roth IRA to another Roth IRA or visa versa. Transfers do not constitute a distribution since you are never in receipt of the funds. The monies are transferred directly to the new trustee or custodian. Transfers are neither subject to the 12-month restriction nor the 60 day rollover period usually associated with rollovers.

If you should transfer all or a portion of your Roth IRA to your former spouse's Roth IRA under a divorce decree (or under a written instrument incident to divorce) or separation instrument, you will not be deemed to have made a taxable distribution, but merely a transfer. The portion so transferred will be treated at the time of the transfer as the Roth IRA of your spouse or former spouse.

If your spouse is the beneficiary of your Roth IRA, in the event of your death, your spouse may "assume" your Roth IRA. The assumed Roth IRA is then treated as your surviving spouse's Roth IRA.

Qualified Charitable Distributions - If a Roth IRA owner is exactly age 70½ or over, the Roth IRA owner may direct the Roth IRA trustee or custodian to transfer up to $100,000 per year from the Roth IRA to a qualified charity. Such transfer will not be subject to Federal income taxes. Qualified Charitable Distributions may also be made by a beneficiary who is exactly age 70½ or over. Qualified Charitable Distributions are not subject to Federal income tax withholding. On-going SEP IRAs or SIMPLE IRAs are not permitted to be transferred under this rule.

The amount transferred will be treated as coming from the taxable portion of the Roth IRA and will be an exception to the ordering rules applicable to distributions from Roth IRAs. The tax-free transfer to a qualified charity applies only if the Roth IRA owner could otherwise receive a charitable deduction with respect to the transferred amount. In other words, it must be made to a qualified charitable organization that the taxpayer would have otherwise been able to take a tax deduction for making the charitable contribution. However, since such transfer will be tax-free, the taxpayer may not also take a charitable deduction on his or her tax return.

This provision is effective with respect to distributions transferred directly to a qualified charity beginning in 2006 through the end of 2009. The Tax Relief, Unemployment Compensation Reauthorization, and Job Creation Act of 2010 extended Qualified Charitable Distributions for 2010 and 2011 under the same rules that originally applied. Eligible taxpayers who make a Qualified Charitable Distribution during January 2011 may elect to treat such Qualified Charitable Distribution as made on December 31, 2010. On January 2, 2013, the President signed the American Taxpayer Relief Act of 2012 (“ATRA”) which extended QCDs through the end of 2013 and on December 16, 2014, the President signed the Tax Increase Prevention Act of 2014 to extend QCDs through the end of 2014 only. On December 18, 2015, the Protecting Americans from Tax Hikes Act of 2015 (“PATH”) was signed into law and extended QCDs permanently retroactively for the 2015 year.

Although the Roth IRA trustee or custodian must pay the Qualified Charitable Distribution directly to the qualified charity, the taxpayer is responsible for substantiating and reporting the Qualified Charitable Distribution on his or her Federal income tax return. The trustee or custodian of the Roth IRA will report the amount transferred on IRS Form 1099-R as if the Roth IRA owner withdrew the money. After the Roth IRA trustee or custodian issues the payment in the

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name of the charity, the trustee or custodian may deliver the payment to the Roth IRA owner, who then would deliver the payment to the charity.

Qualified HSA Funding Distribution - Beginning for contributions made for 2007 and thereafter, a special one-time, tax-free transfer from a Roth IRA to an HSA is permitted. This one-time transfer counts toward the eligible individual's HSA contribution limit for the year of the transfer.

Prior to 2007, if a Roth IRA owner wanted to use the money in a Roth IRA to make an annual HSA contribution, any nonqualified distribution from the Roth IRA was taxable (to the extent attributable to the earnings) and subject to the 10% additional tax if the individual was under the age of 59½ . Prior law did not provide for a tax-free transfer from a Roth IRA to an HSA.

Beginning for annual HSA contributions made for 2007 or thereafter, an HSA–eligible individual may make an irrevocable once-in-a-lifetime, tax-free "qualified HSA Funding distribution" from a Roth IRA to an HSA, subject however to strict requirements. The amount of the HSA funding distribution must be made in the form of a Custodian-to-Custodian transfer from the IRA to the HSA. The amount of the transfer cannot exceed the maximum HSA contribution limit for the year that the amount is transferred. Consequently, this one-time transfer from a Roth IRA to an HSA counts toward the individual's total HSA contribution limit for the year depending upon the type of coverage under the HDHP (self-only or family).

FEDERAL ESTATE AND GIFT TAXES

Generally there is no specific exclusion for Roth IRAs under the Federal estate tax rules. Therefore, in the event of your death, the value of your Roth IRA will be includible in your gross estate for Federal estate tax purposes. However, if your surviving spouse is the beneficiary of your Roth IRA, the value of your Roth IRA may qualify for the marital deduction available under Section 2056 of the Internal Revenue Code. A transfer of property for Federal gift tax purposes does not include an amount which a beneficiary receives from a Roth IRA plan.

IRS APPROVAL AS TO FORM

This Roth IRA Custodial Agreement has been approved by the Internal Revenue Service as to form. This is not an endorsement of the plan in operation or of the investments offered.

ADDITIONAL INFORMATION

You may obtain further information on Roth IRAs and traditional IRAs from your District Office of the Internal Revenue Service. In particular, you may wish to obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), and 590-B, Distributions from Individual Retirement Arrangements (IRAs).

ROTH IRA FINANCIAL DISCLOSURE

In General - IRS regulations require the Custodian to provide you with a financial projected growth of your Roth IRA account based upon certain assumptions.

Growth in the Value of Your Roth IRA - Growth in the value of your Roth IRA is neither guaranteed nor projected. The value of your Roth IRA will be computed by totaling the fair market value of the assets credited to your account. At least once a year the Custodian will send you a written report stating the current value of your Roth IRA assets. The Custodian shall disclose separately a description of:

1. the type and amount of each charge;
2. the method of computing and allocating earnings, and
3. any portion of the contribution, if any, which may be used for the purchase of life insurance.

Custodian Fees - The Custodian may charge reasonable fees or compensation for its services and it may deduct all reasonable expenses incurred by it in the administration of your Roth IRA, including any legal, accounting, distribution, transfer, termination or other designated fees. Any charges made by the Custodian will be separately disclosed on an attachment hereto. Such fees may be charged to you or directly to your custodial account. In addition, depending on your choice of investment vehicles, you may incur brokerage commissions attributable to the purchase or sale of assets.

ADDENDA: Important Information Regarding Your Individual Retirement Account

Several law changes in the past few years have impacted Individual Retirement Accounts (IRA). Your IRA Plan document cannot be updated to reflect these changes until the Internal Revenue Service releases their version of the language that must appear in your Plan. In the meantime, we would like to take this opportunity to provide you with an informational summary.

SECURE Act - Setting Every Community Up for Retirement Enhancement Act of 2019

Repeal of maximum age for traditional IRA contributions. Individuals will be able to make contributions to their IRA even after attaining the age of 70.5 (now 72), as long as income is earned. Effective for taxable years beginning after December 31, 2019.

Increase in age for required beginning date for mandatory distributions - The required beginning date for mandatory distributions has been amended from 70.5 to age 72. This only applies to persons turning 70.5 after December 31, 2019. Anyone who turned 70.5 prior must begin taking, and continue to take, distributions under pre-SECURE Act rules.

Modification of required distribution rules for designated beneficiaries - Upon the death of an IRA account owner, distributions of the entire account balance to anyone other than an "eligible designated beneficiary" must be made within 10 years of the account owner's death. An eligible designated beneficiary includes the surviving spouse, a child of the IRA account owner who has not yet reached the age of majority (age 21 as defined in IRS regulations), a disabled individual, a chronically ill individual, or an individual who is not more than 10 years younger than the decedent. This change eliminates the ability to have "stretch IRAs" by limiting the distribution period for certain beneficiaries. Effective for distributions on behalf of IRA account owners who die after December 31, 2019.

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Penalty-free withdrawals from retirement plans for individuals in case of birth of child or adoption - Distributions from a retirement plan, in the case of a qualified birth or adoption, are exempt from the 10% early withdrawal penalty. The child must be under 18 years of age, the distribution must be made within the 1-year period after the birth or adoption date of the child, and the distribution exception is capped at $5,000 per child, per parent. These funds may be repaid to the plan by a rollover, and the repayment would be treated as a nontaxable direct rollover (reported as a "repayment"). Effective for distributions made after December 31, 2019.

Tax-exempt "difficult of care payments", a type of qualified foster care payment to individual care providers under a state Medicaid Home and Community-Based Services waiver program (Medicaid Waiver payments), may be treated as compensation for purposes of making an IRA contribution.

For tax years beginning after December 31, 2019, certain taxable non-tuition fellowship and stipend payments are treated as compensation for the purpose of IRA contributions. Compensation will include any amount included in gross income and paid to aid in pursuit of graduate or postdoctoral study.

CARES Act - Coronavirus Aid, Relief, and Economic Security Act of 2020

The CARES Act provided assistance to the American people from the public health and economic impact of COVID-19. The provisions under the CARES Act were mostly available during 2020, but the highlights are listed here:

Coronavirus-related distributions - a coronavirus-related distribution (CRD) is a distribution made on or after January 1, 2020 and before December 30, 2020 to a qualified individual from an IRA, qualified plan, 403(b), or governmental 457(b) of up to $100,000 in the aggregate for any taxable year. A CRD was directly repaid (i.e., rolled over) to any IRA or other eligible plan that accepts rollovers ratably within 3 years. Amounts not repaid could be taxed over a 3-year period.

The CARES Act provides for 2 special coronavirus-related loan conditions to qualified individuals: 1) increases the amount that can be borrowed; and 2) extends the time to repay an existing loan. Loans are not permitted from individual retirement accounts, however.

Waiver of Required Minimum Distribution (RMD)

All Required Minimum Distributions were waived for the calendar year 2020, including for a participant whose required beginning date is in 2020 (e.g. Initial year 2019 RMDs due by April 1, 2020). This is also applied to beneficiaries required to take RMDs from inherited IRAs. The 2020 RMD waiver applied to all IRA owners, not only to qualified individuals affected by COVID-19. RMDs take at any point during 2020 could have been rolled back into an eligible plan. IRS notice 2020-51 provided an extension to roll back any RMD taken on or after January 1, 2020 by August 31, 2020 without regard to the 60-day deadline that applies to IRA-to-IRA rollovers, or the one rollover in a 12-month period restriction. RMD amounts that were received after August 31st were still eligible for rollover, but were subject to the normal rollover restrictions.

Qualified Charitable Distributions are not affected by the CARES Act. As it relates to the change in RMD age under the SECURE Act mentioned previously, an IRA owner or beneficiary who was age 70.5 could still request a QCD even if they did not have a 2020 RMD. Those individuals continue to remain QCD-eligible despite the increase in RMD age to 72. See Appendix D in IRS Publication 590-B to determine the correct amount of the QC@.

IRA & Roth IRA Contribution Limits - Cost of Living Adjustments (COLAs)

	2022	2023
Traditional IRA regular contribution limit	$6,000	$6,500
Age 50 catch-up limit for traditional IRAs	$1,000	$1,000
AGI phase-out ranges for determining traditional IRA deductions for active participants:		
Unmarried taxpayers	$68,000 - $78,000	$73,000 - $83,000
Married taxpayers filing joint returns	$109,000 - $129,000	$116,000 - $136,000
Married taxpayers filing separate returns	$0 - $10,000	$0 - $10,000
Non-active participant spouse	$204,000 - $214,000	$218,000 - $228,000
Roth IRA regular contribution limit	$6,000	$6,500
Age 50 catch-up limit for traditional and Roth IRAs	$1,000	$1,000
AGI phase-out ranges for determining Roth IRA regular contributions:		
Unmarried taxpayers	$129,000 - $144,000	$138,000 - $153,000
Married taxpayers filing joint returns	$204,000 - $214,000	$218,000 - $228,000
Married taxpayers filing separate returns	$0 - $10,000	$0 - $10,000