

SIMPLE Individual Retirement Custodial Account

(under Sections 408(a) and 408(p) of the Internal Revenue Code)

The individual whose name appears on the accompanying IRA Account Application (hereinafter called "Participant") is establishing a traditional SIMPLE IRA (a "Custodial Account") with the Custodian or Administrator listed in Section 8 of the IRA Account Application or its successor (hereinafter referred to as "Custodian or Administrator"). This traditional Individual Retirement Plan is established for the exclusive benefit of the individual (or his beneficiaries) within the meaning of §408(a) of the Internal Revenue Code and the related Treasury regulations. Custodian or Administrator has delegated certain Custodial Account recordkeeping and administrative functions ("Administrative Services") to The Entrust Group, Inc., a Delaware corporation (the "Administrator"). Custodian and the Participant hereby make the following agreement:

Article I

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

Article II

- 2.01 The participant's interest in the balance in the Custodial Account is nonforfeitable.

Article III

- 3.01 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)).
- 3.02 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 IV

- 4.01 Notwithstanding any provision of this agreement to the contrary, the distribution of the participant's interest in the Custodial Account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
- 4.02 The participant's entire interest in the Custodial Account must be, or begin to be, distributed not later than the participant's required beginning date, April 1 following the calendar year in which the participant reaches age 70 1/2. By that date, the participant may elect, in a manner acceptable to the Custodian or Administrator, to have the balance in the Custodial Account distributed in:
- A single sum or
 - Payments over a period not longer than the life of the participant or the joint lives of the participant and his or her designated beneficiary.
- 4.03 If the participant dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
- If the participant dies on or after the required beginning date and:
 - the designated beneficiary is the participant's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
 - the designated beneficiary is not the participant's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the participant and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
 - there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the participant as determined in the year of the participant's death and reduced by 1 for each subsequent year.
 - If the participant dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with 4.03(b)(ii) below:
 - The remaining interest will be distributed in accordance with paragraphs 4.03(a)(i) and 4.03(a)(ii) above (but not over the period in paragraph 4.03(a)(iii), even if longer), starting by the end of the calendar year following the year of the participant's death. If, however, the designated beneficiary is the participant's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the participant would have reached age 70 1/2. But, in such case, if the participant's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with 4.03(a)(ii) above (but not over the period in paragraph 4.03(a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with 4.03(b)(ii) below if there is no such designated beneficiary.
 - The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the participant's death.
- 4.04 If the participant dies before his or her entire interest has been distributed and if the designated beneficiary is not the participant's surviving spouse, no additional contributions may be accepted in the account.
- 4.05 The minimum amount that must be distributed each year, beginning with the year containing the participant's required beginning date, is known as the "required minimum distribution" and is determined as follows:
- The required minimum distribution under paragraph 4.02(b) for any year, beginning with the year the participant reaches age 70 1/2, is the participant's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the participant's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the participant's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the participant's (or, if applicable, the participant and spouse's) attained age (or ages) in the year.
 - The required minimum distribution under paragraphs 4.03(a) and 4.03(b)(i) for a year, beginning with the year following the year of the participant's death (or the year the participant would have reached age 70 1/2, if applicable under paragraph 4.03(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 4.03(a) and 4.03(b)(i).
 - The required minimum distribution for the year the participant reaches age 70 1/2 can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
- 4.06 The owner of two or more IRAs (other than Roth IRAs) may satisfy the minimum distribution requirements described above by taking from one IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

Article V

- 5.01 The participant agrees to provide the Custodian or Administrator with all information necessary to prepare any reports required by sections 408(i) and 408(l)(2) and Regulations sections 1.408-5 and 1.408-6.
- 5.02 The Custodian or Administrator agrees to submit to the Internal Revenue Service (IRS) and participant the reports prescribed by the IRS.
- 5.03 The Custodian or Administrator also agrees to provide the participant's employer the summary description described in section 408(l)(2) unless this

Article VI

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

Article VII

- 7.01 This agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the persons whose signatures appear on the SIMPLE IRA Adoption Agreement.

Article VIII

- 8.01 **Applicable Law:** This Trust Agreement shall be governed by the laws of the state where the Trust resides. The term Participant or Depositor also includes the Participant's/Depositor's Beneficiary, where appropriate throughout this agreement.
- 8.02 **Administrator for the Custodian:** The Administrator shall perform duties on behalf of the Custodian which include, but are not limited to, executing applications, transfers,, stock powers, escrow documents, purchase agreements, notes, deeds, reconveyances, liens, placing assets or liabilities in Administrator's name for the benefit of the Participant to provide administrative feasibility or such transactions, depositing Contributions, and income, paying liabilities and distributions, and government reporting for Participants who have established a Custodial Account.8.02
- 8.03 **Annual Accounting:** The Custodian or Administrator shall, at least annually, provide the Participant or Beneficiary (in the case of death) with an accounting of such Participant's account. Such accounting shall be deemed to be accepted by the Participant or Beneficiary, if the Participant or Beneficiary does not object in writing within 60 days after the mailing of such accounting statement.
- 8.04 **Amendment:** The Participant irrevocably delegates to the Custodian or Administrator the right and power to amend this Custodial Agreement. Except as hereafter provided, the Custodian or Administrator will give the Participant 30 days prior written notice of any amendment. In case of a retroactive amendment required by law, the Custodian or Administrator will provide written notice to the Participant 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 Participant shall be deemed to have consented to any such amendment unless the Participant notifies the Custodian or Administrator to the contrary within 30 days after notice to the Participant and requests a distribution or transfer of the balance in the account.
- 8.05 **Resignation and Removal of Custodian or Administrator:**
- (a) The **Custodian or Administrator** may resign and appoint a successor trustee or Custodian or Administrator to serve under this agreement or under another governing agreement selected by the successor trustee or Custodian or Administrator 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 account balance or designate a different successor trustee or Custodian or Administrator and notify the Custodian or Administrator of such designation. If the Depositor does not request distribution of the account balance or notify the Custodian or Administrator of the designation of a different successor trustee or Custodian or Administrator within such 30 day period, the Depositor shall be deemed to have consented to the appointment of the successor trustee or Custodian or Administrator 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 or Administrator. The successor trustee or Custodian or Administrator may rely on any information, including beneficiary designations, previously provided by the Depositor to the Custodian or Administrator.
- (b) The Depositor may at any time remove the Custodian or Administrator and replace the Custodian or Administrator with a successor trustee or Custodian or Administrator of the Depositor's choice by giving 30 days notice of such removal and replacement. The Custodian or Administrator shall then deliver the assets of the account as directed by the Depositor. However, the Custodian or Administrator may retain a portion of the assets of the SIMPLE 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 or Administrator upon satisfaction of such fees and expenses.
- (c) The Custodian or Administrator may resign and demand that the Depositor appoint a successor trustee or Custodian or Administrator of this SIMPLE 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 or Administrator, notify the Custodian or Administrator of the name and address of the successor trustee or Custodian or Administrator, and provide the Custodian or Administrator with appropriate evidence that such successor has accepted the appointment and is qualified to serve as trustee or Custodian or Administrator of an individual retirement account.
- (i) If the Depositor designates a successor trustee or Custodian or Administrator and provides the Custodian or Administrator evidence of the successor's acceptance of appointment and qualification within such 30-day period, the Custodian or Administrator shall then deliver all of the assets held by the Custodian or Administrator in the account (whether in cash or personal or real property, wherever located, and regardless of value) to the successor trustee or Custodian or Administrator.
- (ii) If the Depositor does not notify the Custodian or Administrator of the appointment of a successor trustee or Custodian or Administrator within such 30 day period, then the Custodian or Administrator may distribute all of the assets held by the Custodian or Administrator in the account (whether in cash or personal or real property, wherever located, and regardless of value) to the Depositor, outright and free of custodial, and the Depositor shall be wholly responsible for the tax consequences of such distribution.
- In either case, the Custodian or Administrator 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 Administrator or the Depositor, as the case may be. In addition, the Custodian or Administrator 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 or Administrator shall pay over any remainder of the reserve to the successor trustee or Custodian or Administrator or to the Depositor, as the case may be.
- 8.06 **Custodian's Fees and Expenses:**
- (a) This Section 8.05 of the Custodial Agreement shall be governed by the requirements of Section 408(p)(7) and IRS Notice 98-4, Section J, and is further explained in the accompanying SIMPLE IRA Disclosure Statement.
- (b) The Participant agrees to pay the Custodian or Administrator any and all fees specified in the Custodian or Administrator's current published fee schedule for establishing and maintaining this SIMPLE IRA, including any fees for distributions from, transfers from, and terminations of this SIMPLE IRA. The Custodian or Administrator may change its fee schedule at any time by giving the Participant 30 days prior written notice.
- (c) The Participant agrees to pay any expenses incurred by the Custodian or Administrator 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.
- (d) 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 Participant, but the Participant shall be responsible for any deficiency.
- (e) In the event that for any reason the Custodian or Administrator is not certain as to who is entitled to receive all or part of the Custodial Funds, the Custodian or Administrator reserves the right to withhold any payment from the Custodial, to request a court ruling to determine the disposition of the Custodial assets, and to charge the Custodial for any expenses incurred in obtaining such legal determination.
- 8.07 **Withdrawal Requests:** All requests for withdrawal shall be in writing on the form provided by the Custodian or Administrator. Such written notice must also contain the reason for the withdrawal and the method of distribution being requested.
- 8.08 **Age 70 1/2 Default Provisions:** If the Depositor does not choose any of the distribution methods under Article IV of this Trust Agreement by the April 1st following the calendar year in which the Depositor reaches age 70 1/2, distribution shall be determined based upon the distribution period in the uniform

lifetime distribution period table in Regulation section 1.401(a)(9)-9. However, no payment will be made until the Depositor provides the Custodian or Administrator with a proper distribution request acceptable to the Custodian or Administrator. Upon receipt of such distribution request, the Depositor may switch to a joint life expectancy in determining the required minimum distribution if the Depositor's spouse was the sole beneficiary as of the January 1st of the distribution calendar year and such spouse is more than 10 years younger than the Depositor.

8.09 Death Benefit Default Provisions:

- (a) If the Depositor dies before his or her required beginning date and the beneficiary does not select a method of distribution described in Article IV, Section 4.03(b)(i) or (ii) 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 or Administrator with a proper distribution request acceptable to the Custodian or Administrator and other documentation that may be required by the Custodian or Administrator. A beneficiary may at any time request a complete distribution of his or her remaining interest in the Custodial Account. The Custodian or Administrator reserves the right to require a minimum balance in the account in order to make periodic payments from the account.
- (b) If the Depositor dies on or after his or her required beginning date, distribution shall be made in accordance with Article IV, Section 4.03(a). However, no payment will be made until the beneficiary provides the Custodian or Administrator with a proper distribution request acceptable to the Custodian or Administrator and other documentation that may be required by the Custodian or Administrator. A beneficiary may at any time request a complete distribution of his or her remaining interest in the Custodial Account. The Custodian or Administrator reserves the right to require a minimum balance in the account in order to make periodic payments from the account.

8.09 Transitional Rule for Determining Required Minimum Distributions for Calendar Year 2002: Unless the Custodian or Administrator provides otherwise, if a Depositor (or 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 or Administrator, 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.

8.10 Investment Provisions:

(a) Pursuant to IRS Notice 98-4, Q&A J-4, if the Custodian is the Designated Financial Institution (DFI) and the Participant timely elects that his or her balance be transferred without cost or penalty to another SIMPLE IRA in accordance with the provisions described in the accompanying SIMPLE IRA Disclosure Statement, the Custodian reserves the right to restrict the participant's choice of investment alternatives as determined by the Custodian. It is understood and acknowledged by Participant that neither the Administrator nor the Custodian is a "fiduciary" for Participant's account and/or investment as such terms are defined in the Internal Revenue Code, ERISA, and/or any applicable federal, state or local laws

(b) It is understood and acknowledged by Participant that the Custodian and its Administrator shall assume no responsibility, expressed or implied, for any loss or diminution of account. Participant indemnifies and holds harmless Custodian and/or Administrator without limitation, against any actions, liabilities, losses, penalties, fines, costs, expenses, and/or claims by others, of any nature whatsoever incurred as a result of Custodian's and/or Administrator's execution of Participant's investment instructions. In the event of claims by others related to Participant's account and/or investment wherein Administrator and/or Custodian, are named as a party, Custodian and/or Administrator 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 Participant's account any amounts to pay for any costs and expenses, including, but not limited to, all attorneys' fees, and costs and internal costs (collectively "Litigation Costs"), incurred by Custodian and/or Administrator in the defense of such claims and/or litigation. If there are insufficient funds in Participant's account to cover the Litigation Costs incurred by Administrator and/or Custodian, on demand by Administrator and/or Custodian, Participant will promptly reimburse Administrator and/or Custodian the outstanding balance of the Litigation Costs. If Participant fails to promptly reimburse the Litigation Costs, Custodian and/or Administrator shall have the full and unequivocal right to freeze Participant's assets, liquidate Participant's assets, and/or initiate legal action in order to obtain full reimbursement of the Litigation Costs. Participant also understands and agrees that the Custodian and/or Administrator will not be responsible to take any action should there be any default with regard to this investment. For purposes of this paragraph, the terms Custodian and Administrator include, its agents, assigns, joint ventures, licensees, franchises, affiliates and/or business partners. The foregoing indemnification and hold harmless provision applies to this entire Custodial Agreement.

(c) All contributions shall be invested and reinvested by the Custodian or Administrator as directed by the Participant. *(Please see Article IX; Self-Directed IRA Provisions.)* It is understood and acknowledged by Participant that the Custodian and its Administrator shall assume no responsibility, expressed or implied, for any loss or diminution of account and Participant indemnifies and holds harmless Custodian and Administrator, without limitation, against any and all losses, costs, expenses or liabilities of any nature whatsoever incurred as a result of Custodian's and/or Administrator's execution of Participant's investment instructions. **Depositor agrees that any cash in the account as to which the Depositor has not given investment direction may remain uninvested, or may be deposited in interest bearing accounts of financial institutions, which may include the Custodian itself, United States government securities and securities that are insured or guaranteed by the United States government. 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.**

Participant agrees that all uninvested cash shall remain deposited in interest bearing accounts offered through Custodian. The Custodian may, but need not, establish programs under which cash deposits and un-invested funds in excess of a minimum set by it will be periodically and automatically invested in government insured interest-bearing investment funds or accounts. The Custodian shall have no duty other than to follow the written investment directions of the Participant, and shall be under no duty to question said instructions and shall not be liable for any investment losses sustained by the Participant.

(d) In accordance with section 8.06 of this agreement the Participant agrees that any income generated from the uninvested cash in the Custodial account not specifically invested by Participant shall be retained by the Custodian in accordance with this Section and Section 9.01. The Custodian may, but is not required to, pass-through to the Participant's account a portion of the interest earned on the uninvested cash. Such pass-through interest will be based on the then published terms of such account which may, from time to time, change without notice.

8.11 Responsibilities: Participant agrees that all information and instructions given to the Custodian or Administrator by the Participant is complete and accurate and that the Custodian or Administrator shall not be responsible for any incomplete or inaccurate information provided by the Participant or Participant's beneficiary(ies). Participant agrees 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 or Administrator.

8.12 Designation of Beneficiary:

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

(b) If the Custodian or Administrator 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 or Administrator. Payments to such subsequent beneficiary(ies) shall be distributed in accordance with the payment schedule applicable to the original beneficiary or more rapidly if the subsequent beneficiary requests. 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, designated by the 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.

**ARTICLE IX
SELF-DIRECTED SIMPLE IRA PROVISIONS**

- 9.01 **Investment of Contributions:** At the direction of the Participant, the Custodian or Administrator shall invest all contributions to the account and earnings thereon in investments acceptable to the Custodian or Administrator, which may include marketable securities traded on a recognized exchange or "over the counter" (excluding any securities issued by the Custodian or Administrator), covered call options, certificates of deposit, and other investments to which the Custodian or Administrator consents, in such amounts as are specifically selected and specified by Participant in orders to the Custodian or Administrator in such form as may be acceptable to the Custodian or Administrator, 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 or Administrator 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 or Administrator, 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 or Administrator 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 or Administrator shall have no duty other than to follow the written investment directions of the Participant, and shall be under no duty to question said instructions and shall not be liable for any investment losses sustained by the Participant. Pursuant to IRS Notice 98-4, Q&A J-4, if the Custodian or Administrator is the Designated Financial Institution (DFI) and the Participant timely elects that his or her balance be transferred without cost or penalty to another SIMPLE IRA in accordance with the provisions described in the accompanying SIMPLE IRA Disclosure Statement, the Custodian or Administrator reserves the right to restrict the participant's choice of investment alternatives as determined by the Custodian or Administrator.
- 9.02 **Indemnification.** The Custodian or Administrator shall have no duty other than to follow the written investment directions of the Participant, and shall be under no duty to question said instructions and shall not be liable for any investment losses sustained by the Participant under any circumstances. Participant agrees to indemnify Custodian or Administrator for any losses, costs, or fees (including reasonable attorney's fees) that are incurred by Custodian or Administrator as a result of the foregoing provision.
- 9.03 **Registration:** All assets of the account shall be registered in the name of the Custodian or Administrator 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 Participant's account shall be separate and distinct; a separate account therefor shall be maintained by the Custodian or Administrator, and the assets thereof shall be held by the Custodian or Administrator in individual or bulk segregation either in the Custodian or Administrator's vaults or in depositories approved by the Securities and Exchange Commission under the Securities Exchange Act of 1934.
- 9.04 **Investment Advisor:** The Participant 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 SIMPLE IRA. The Participant shall notify the Custodian or Administrator in writing of any such appointment by providing the Custodian or Administrator 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 or Administrator shall comply with any investment directions furnished to it by the Investment Advisor, unless and until it receives written notification from the Participant that the Investment Advisor's appointment has been terminated. The Custodian or Administrator 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 or Administrator shall not be liable for any investment losses sustained by the Participant.
- 9.05 **No Investment Advice:** The Custodian or Administrator does not assume any responsibility for rendering advice with respect to the investment and reinvestment of Participant's account and shall not be liable for any loss which results from Participant's exercise of control over his account. The Custodian or Administrator and Participant may specifically agree in writing that the Custodian or Administrator shall render such advice, but the Participant shall still have and exercise exclusive responsibility for control over the investment of the assets of his account, and the Custodian or Administrator shall not have any duty to question his investment directives.
- 9.06 **Prohibited Transactions:** Notwithstanding anything contained herein to the contrary, the Custodian or Administrator 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 Participant, any member of a Participant's family, or a corporation controlled by any Participant 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.
- 9.07 **Unrelated Business Income Tax:** If the Participant directs investment of the account in any investment which results in unrelated business taxable income, it shall be the responsibility of the Participant to so advise the Custodian or Administrator and to provide the Custodian or Administrator with all information necessary to prepare and file any required returns or reports for the account. As the Custodian or Administrator may deem necessary, and at the Participant's expense, the Custodian or Administrator 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 or Administrator may retain suitable accountants, attorneys, or other agents to assist it in performing such responsibilities.
- 9.08 **Disclosures and Voting:** The Custodian or Administrator shall deliver, or cause to be executed and delivered, to Participant all notices, prospectuses, financial statements, proxies and proxy soliciting materials relating to assets credited to the account. The Custodian or Administrator 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 or Administrator of adequate written instructions from Participant.
- 9.09 **Miscellaneous Expenses:** In addition to those expenses set out in section 8.05 of this plan, the Participant agrees to pay any and all expenses incurred by the Custodian or Administrator 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.
- 9.10 **Nonbank Custodian or Administrator Provision:** If the Custodian or Administrator is a nonbank Custodian or Administrator, the Participant shall substitute another trustee or Custodian or Administrator in place of the Custodian or Administrator upon receipt of notice from the Commissioner of the Internal Revenue Service or his delegate that such substitution is required because the Custodian or Administrator 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 or Administrator 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 or Administrator of written acceptance by its successor of such successor's appointment, Custodian or Administrator shall transfer and pay over to such successor the assets of the account (less amounts retained pursuant to Section 8.04 of the Custodial Agreement) and all records (or copies thereof) of the Custodian or Administrator pertaining thereto, provided that the successor trustee or Custodian or Administrator agrees not to dispose of any such records without the Custodian or Administrator's consent.

ARTICLE X

SEVERABILITY

- 10.01 If any provision of this Custodial Agreement 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.

General Instructions

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

Purpose of Form

Form 5305-SA is a model Custodial Account agreement that meets the requirements of sections 408(a) and 408(p) and has been pre-approved by the IRS. A SIMPLE individual retirement account (SIMPLE IRA) is established after the form is fully executed by both the individual (participant) and the Custodian or Administrator. This account must be created in the United States for the exclusive benefit of the participant and his or her beneficiaries. Do not file Form 5305-SA with the IRS. Instead, keep it with your records.

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

Definitions

Participant/Depositor - The participant/depositor is the person who establishes the Custodial Account.

Custodian or Administrator -The Custodian or Administrator 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 or Administrator.

Transfer SIMPLE IRA

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

Specific Instructions

Article IV.--Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the participant reaches age 70 1/2 to ensure that the requirements of section 408(a)(6) have been met.

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

FINANCIAL DISCLOSURE

In General

IRS regulations require the Custodian or Administrator to provide you with a financial projected growth of your SIMPLE IRA account based upon certain assumptions.

Growth in the Value of Your SIMPLE IRA

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

- (a) The type and amount of each charge;
- (b) the method of computing and allocating earnings, and
- (c) any portion of the contribution, if any, which may be used for the purchase of life insurance.

Custodian or Administrator Fees

The **Custodian or Administrator** may charge reasonable fees or compensation for its services and it may deduct all reasonable expenses incurred by it in the administration of your SIMPLE IRA, including any legal, accounting, distribution, transfer, termination or other designated fees. Any charges made by the **Custodian or Administrator** 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.

SIMPLE IRA DISCLOSURE STATEMENT

RIGHT TO REVOKE YOUR SIMPLE IRA ACCOUNT: You may revoke your SIMPLE IRA within 7 days after you sign the SIMPLE IRA Adoption Agreement by hand-delivering or mailing a written notice to the name and address indicated on the SIMPLE 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 SIMPLE IRA within the 7 day period you will receive a refund of the entire amount of your contributions to the SIMPLE IRA without any adjustment for earnings or any administrative expenses. If you exercise this revocation, we are still required to report certain information to the IRS.

GENERAL REQUIREMENTS OF A SIMPLE IRA:

1. All SIMPLE contributions must be made in cash, unless you are making a rollover contribution or transfer, and the Custodian or Administrator accepts such non-cash assets.
2. The only types of contributions permitted to be made to this SIMPLE IRA are salary reduction contributions and employer contributions under the employer's SIMPLE Retirement Plan.
3. The Custodian or Administrator of your SIMPLE 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.
4. No portion of your SIMPLE IRA funds may be invested in life insurance contracts.
5. Your interest in your SIMPLE IRA must be fully vested and is nonforfeitable at all times.
6. The assets in your SIMPLE IRA may not be commingled with other property except in a common trust fund or common investment fund.
7. You may not invest the assets of your SIMPLE 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 or Administrator permits, specially minted US Gold and Silver bullion coins and certain state-issued coins are permissible SIMPLE IRA investments.
8. Your interest in your SIMPLE IRA must begin to be distributed to you by the April 1st following the calendar year you attain the age of 70 1/2. The methods of distribution, election deadlines, and other limitations are described in detail below.
9. For purposes of the SIMPLE Plan rules, in the case of an individual who is not a self-employed individual, compensation means the amount described in section 6051(a)(3) which includes wages, tips and other compensation from the employer subject to income tax withholding under section 3401(a), and amounts described in section 6051(a)(8), including elective contributions made under a SIMPLE plan, and compensation deferred under a section 457 plan. In the case of a self-employed individual, compensation means net earnings from self-employment determined under section 1402(a), prior to subtracting any contributions made under the SIMPLE plan on behalf of the individual.
10. Contributions to a SIMPLE IRA are excludable from federal income tax and not subject to federal income tax withholding when made to the SIMPLE IRA. Salary reduction contributions are subject to FICA, FUTA or RRTA tax when made and must be reported on the employee's Form W-2 wage statement. Matching and nonelective employer contributions made to a SIMPLE IRA are not subject to FICA, FUTA or RRTA and are not required to be reported on Form W-2.
11. A SIMPLE IRA must be established by or on behalf of an employee prior to the first date by which a contribution is required to be deposited into the SIMPLE IRA.

ELIGIBLE EMPLOYEES: Under a SIMPLE Retirement Plan established by an Eligible Employer, all employees of the employer who received at least \$5,000 in compensation from the employer during any 2 preceding calendar years, whether or not consecutive, and who are reasonably expected to receive at least \$5,000 in compensation during the calendar year, must be eligible to participate in the SIMPLE Plan for the calendar year. An employer may impose less restrictive eligibility requirements, such as eliminating or reducing the prior year compensation requirements, the current year compensation requirement, or both, under its SIMPLE Plan.

An employer, at its option, may exclude from eligibility employees who are included in a unit of employees covered by an agreement that the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and one or more employers, if there is evidence that retirement benefits were the subject of good faith bargaining between such employee representatives and such employer or employers; in the case of a trust established or maintained pursuant to an agreement that the Secretary of Labor finds to be a collective bargaining agreement between air pilots represented in accordance with Title II of the Railway Labor Act and one or more employees, all employees not covered by that agreement; and employees who are nonresident aliens and who received no earned income from the employer that constitutes income from sources within the United States.

PARTICIPATION IN ANOTHER PLAN: An eligible employee may participate in an employer's SIMPLE Plan, even if he or she also participates in a plan of a different employer for the same year. However, the employee's salary reduction contributions are subject to the limitation of section 402(g), which provides an aggregate limit on the exclusion for elective deferrals for any individual. The employee is responsible for monitoring compliance with these limitations.

ELIGIBLE EMPLOYERS: SIMPLE plans may be established by employers (including tax-exempt employers and governmental entities) that had no more than 100 employees who earned \$5,000 or more in compensation during the preceding calendar year. For purposes of the 100-employee limitation, all employees employed at any time during the calendar year are taken into account, regardless of whether they are eligible to participate in the SIMPLE plan. This means that otherwise excludable employees (i.e. certain union employees, nonresident aliens with no U.S. source income, and those employees who have not met the plan's minimum eligibility requirements) must be taken into account.

SIMPLE PLAN CONTRIBUTIONS:

Elective Deferrals (Salary Reduction Contributions) - A salary reduction contribution is a contribution made pursuant to an employee's election to have an amount contributed to his or her SIMPLE IRA, rather than have the amount paid directly to the employee in cash. An eligible employee must be permitted to elect to have salary reduction contributions made at the level specified by the employee, expressed as a percentage of compensation for the year or as a specific dollar amount. The maximum salary reduction contribution per calendar year may not exceed "the applicable annual dollar limitation" described below. Salary reduction contributions may not begin until the eligible employee completes a form provided by the employer designed to permit the employee to elect the salary reduction percentage or specific dollar amount. An employer may not place any restrictions on the amount of an employee's salary reduction contributions (e.g. by limiting the contribution percentage), except to the extent needed to comply with the annual limit.

Applicable Annual Dollar Limitation

<u>Tax Year</u>	<u>Contribution Limit</u>	<u>Tax Year</u>	<u>Contribution Limit</u>
2001	\$ 6,500	2007	\$10,500
2002	\$ 7,000	2008	\$10,500
2003	\$ 8,000	2009	\$10,500
2004	\$ 9,000	2010	\$11,500

2005	\$10,000	2011 - 2012	\$11,500
2006	\$10,000	2013	\$12,000

The annual limit will be subject to cost-of-living increases in increments of \$500, rounded to the lower increment.

CATCH-UP CONTRIBUTIONS: Beginning for 2002, 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 salary reduction SIMPLE IRA contributions, the annual SIMPLE IRA deferral limit for that individual would be increased as follows:

<u>Tax Year</u>	<u>Normal Limit</u>	<u>Additional Catch-up</u>	<u>Total Contribution</u>
2002	\$7,000	\$ 500	\$ 7,500
2003	\$8,000	\$1,000	\$ 9,000
2004	\$9,000	\$1,500	\$10,500
2005	\$10,000	\$2,000	\$12,000
2006	\$10,000	\$2,500	\$12,500
2007	\$10,500	\$2,500	\$13,000
2008	\$10,500	\$2,500	\$13,000
2009 - 2012	\$11,500	\$2,500	\$14,000
2013	\$12,000	\$2,500	\$14,500

The additional catch-up amount for SIMPLE IRAs is subject to cost-of-living increases in increments of \$500, rounded to the lower increment.

EMPLOYER CONTRIBUTIONS - 2 OPTIONS:

1. **Matching Contributions:** Under a SIMPLE plan, an employer is generally required to make a contribution on behalf of each eligible employee in an amount equal to the employee's salary reduction contributions, up to a limit of 3% of the employee's compensation for the entire calendar year.

The 3% limit on matching contributions is permitted to be reduced for a calendar year at the election of the employer, but only if: the limit is not reduced below 1%; the limit is not reduced for more than 2 years out of the 5-year period that ends with and includes the year for which the election is effective; and employees are notified of the reduced limit within a reasonable period of time before the 60-day election period during which employees can enter into salary reduction agreements as described below.

In determining whether the limit was reduced below 3% for a year, any year before the first year in which an employer (or a predecessor employer) maintains a SIMPLE plan will be treated as a year for which the limit was 3%. If an employer chooses to make nonelective contributions for a year in lieu of matching contributions, that year also will be treated as a year for which the limit was 3%.

2. **Nonelective Contributions:** Under a SIMPLE plan, an employer may make nonelective contributions in lieu of matching contributions. These nonelective contributions must be equal to 2% of each eligible employee's compensation for the entire calendar year, regardless of whether the employee elects to make salary reduction contributions for the calendar year. The employer may, but is not required to, limit nonelective contributions to eligible employees who have at least \$5,000 (or some lower amount selected by the employer) of compensation for the year. For purposes of this 2% nonelective contribution only, the compensation taken into account must be limited to the amount of compensation under section 401(a)(17) for the year. The following compensation limit is subject to cost-of-living increases in increments of \$5,000, rounded to the lower increment.

\$220,000 for 2006
\$225,000 for 2007
\$230,000 for 2008
\$245,000 for 2009
\$245,000 for 2010
\$245,000 for 2011
\$250,000 for 2012
\$255,000 for 2013

An employer may substitute the 2% nonelective contribution for the matching contribution for a year only if eligible employees are notified within a reasonable period of time before the 60-day election period during which employees can enter into salary reduction agreements that a 2% nonelective contribution will be made instead of a matching contribution.

EMPLOYEE ELECTIONS: During the 60-day period immediately-preceding January 1st of a calendar (i.e. November 2 to December 31 of the preceding calendar year), an eligible employee must be given the right to enter into a salary reduction agreement for the calendar year, or to modify a prior agreement (including reducing the amount subject to this agreement to \$0). However, for the year in which the employee becomes eligible to make salary reduction contributions, the period during which the employee may enter into a salary reduction agreement or modify a prior agreement is a 60-day period that includes either the date the employee becomes eligible or the day before that date. For example, if an employer establishes a SIMPLE plan effective as of July 1, 2010, each eligible employee becomes eligible to make salary reduction contributions on that date and the 60-day period must begin no later than July 1 and cannot end before June 30, 2010.

During these 60-day periods, employees have the right to modify their salary reduction agreements without restrictions. In addition, for the year in which an employee becomes eligible to make salary reduction contributions, the employee must be able to commence these contributions as soon as the employee becomes eligible, regardless of whether the 60-day period has ended. An employer may, but is not required to, provide additional opportunities or longer periods for permitting eligible employees to enter into salary reduction agreements or to modify prior agreements.

An employee must be given the right to terminate a salary reduction agreement for a calendar year at any time during the year even if this is outside a SIMPLE plan's normal election period. The employer's SIMPLE plan may, however, provide that an employee who terminates a salary reduction agreement at any time other than the normal election period is not eligible to resume participation until the beginning of the next calendar year.

EMPLOYER ADMINISTRATIVE AND NOTIFICATION REQUIREMENTS: An employer must notify each employee, immediately before the employee's 60-day election period, of the employee's opportunity to enter into a salary reduction agreement or to modify a prior agreement. If applicable, this notification must disclose an employee's ability to select the financial institution that will serve as the trustee or Custodian or Administrator of the employee's SIMPLE IRA. Such notification must also include the Summary Description required under section 408(l)(2)(B). Such notification must also include whether the employer will be making either matching contributions (including the employer's election to reduce the matching contribution below 3%) or nonelective contributions as previously described.

If an eligible employee who is entitled to a contribution under the employer's SIMPLE plan is unwilling or unable to establish a SIMPLE IRA with any financial

institution prior to the date on which the contribution is required to be made to the SIMPLE IRA of the employee, the employer may execute the necessary SIMPLE IRA documents on the employee's behalf with a financial institution selected by the employer.

The employer must deliver the salary reduction contributions to the financial institution maintaining the SIMPLE IRA as of the earliest date on which the contributions can reasonably be segregated from the employer's general assets, but no later than the close of the 30-day period following the last day of the month in which such amounts would otherwise have been payable to the employee in cash. In order to meet the earliest date standard, the DOL regulations provide for a 7-business day deadline for depositing the employee's salary deferral into their account.

Matching and nonelective employer contributions must be made to the financial institution maintaining the SIMPLE IRA no later than the due date for filing the employer's income tax return, including extensions, for the taxable year that includes the last day of the calendar year for which the contributions are made.

ROLLOVERS

ROLLOVER CONTRIBUTIONS FROM ANOTHER SIMPLE IRA: A rollover contribution to this SIMPLE IRA is only permitted from another SIMPLE IRA. A rollover contribution from another SIMPLE IRA is any amount the participant receives from one SIMPLE IRA and redeposits some or all of it into this SIMPLE IRA no later than 60 days following the date of receipt. The participant is not required to roll over the entire amount received from the first SIMPLE IRA. However, any amount you do not roll over will be taxed at ordinary income tax rates for federal income tax purposes and may also be subject to an additional tax if the distribution is a premature distribution described below.

ROLLOVER DISTRIBUTIONS FROM A SIMPLE IRA: A distribution from any SIMPLE IRA may be rolled over only to another SIMPLE IRA during the 2-year period the participant first participated in the employer's SIMPLE plan. Thus, a distribution from a SIMPLE IRA during that 2-year period qualifies as a rollover contribution (and is not includible in gross income of the participant) only if the distribution is paid into another SIMPLE IRA and satisfies the other requirements that apply to all IRA rollovers under section 408(d)(3). After this 2-year period, a distribution from a SIMPLE IRA may be rolled over to any IRA, or converted to a Roth IRA, maintained by the individual or to an employer plan, including a qualified plan, a 403(b) or a governmental 457(b) that accepts these types of rollovers. This 2-year period begins on the first day on which contributions made by the individual's employer are deposited in the individual's SIMPLE IRA.

SPECIAL RULES THAT APPLY TO ROLLOVERS:

- The rollover must be completed no later than the 60th day after the day the distribution was received by you.
- You may have only one IRA to IRA rollover during a 12 consecutive month period measured from the date you received a distribution of an IRA which was rolled over to another IRA. (See IRS Publication 590 for more information).
- The same property you receive in a distribution must be the same property you roll over into the second IRA. For example, if you receive a distribution from an IRA of property, such as stocks, that same stock must be rolled over into the second 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 IRA in order to make a rollover contribution into another IRA, nor are you required to roll over the entire amount you received from the first IRA.
- If you inherit an IRA due to the death of the participant, you may not roll this IRA into your own IRA unless you are the spouse of the decedent.
- If you are age 70 1/2 or older and wish to roll over to another IRA, you must first satisfy the minimum distribution requirement for that year and then the rollover of the remaining amount may be made.
- Rollover contributions to a SIMPLE IRA may not be made from a qualified plan, 403(b) plan, 457(b), or any other IRA that is not a SIMPLE IRA.

EXCESS DEFERRALS: Excess elective deferrals (amounts in excess of the "applicable" SIMPLE elective deferral limit for the year) are includible in your gross income in the calendar year of deferral. Income on the excess elective deferrals is includible in your income in the year of withdrawal from the SIMPLE IRA. You should withdraw excess elective deferrals and any allocable income, from your SIMPLE IRA by April 15 following the year to which the deferrals relate. These amounts may not be transferred or rolled over tax-free to another SIMPLE IRA. If you fail to withdraw excess elective deferrals, and any allocable income, by the following April 15th, the excess elective deferrals will be taxed the year of deferral and taxed again when distributed. Income on excess elective deferrals is includible in your gross income in the year you withdraw it from your IRA and must be withdrawn by April 15 following the calendar year to which the deferrals relate. Income withdrawn from the SIMPLE IRA after that date may be subject to a 10% tax (or 25% if withdrawn within the first 2 years of participation) on early distributions. The rules for determining and allocating income attributable to excess elective deferrals and other excess SIMPLE contributions are the same as those governing regular IRA excess contributions. The trustee or Custodian or Administrator of your SIMPLE IRA will inform you of the income allocable to such excess amounts.

DISTRIBUTIONS: In general, all distributions from a SIMPLE IRA are subject to federal income tax by the payee or distributee, whichever the case may be. When you start withdrawing from your SIMPLE IRA, you may take the distributions in regular payments, random withdrawals or in a single sum payment. Generally, all amounts distributed to you from your SIMPLE IRA are included in your gross income in the taxable year in which they are received. However, if you have made nondeductible contributions to any regular IRA as permitted under section 408(o) of the Code, the nontaxable portion of the distribution, if any, will be a percentage based upon the ratio of your unrecovered nondeductible contributions to the aggregate of all IRA balances, including SEP, SIMPLE and rollover contributions, as of the end of the year in which you take the distribution, plus distributions from the account during the year. All taxable distributions from your SIMPLE IRA are taxed at ordinary income tax rates for federal income tax purposes and are not eligible for either capital gains treatment or 10 year averaging. An employer may not require an employee to retain any portion of the contribution in the SIMPLE IRA or otherwise impose any withdrawal restrictions.

PREMATURE DISTRIBUTIONS: In general, if you are under age 59 1/2 and receive a distribution from your SIMPLE IRA account, a 10% additional income tax will apply to the taxable portion of the distribution, unless the distribution is received due to death; disability; a series of substantially equal periodic payments at least annually over your life expectancy or the joint life expectancy of you and your designated beneficiary; medical expenses that exceed 7.5% of your adjusted gross income; health insurance premiums paid by certain unemployed individuals; qualified acquisition costs of a first time home buyer; qualified higher education expenses; a qualifying rollover distribution; the timely withdrawal of an excess deferral plus income attributable; due to an IRS Levy; qualified hurricane distributions received prior to January 1, 2007; qualified disaster recovery distributions; or qualified reservist distributions. If you request a distribution in the form of a series of substantially equal payments, and you modify the payments before 5 years have elapsed and before attaining age 59 1/2, the 10% additional income tax will apply retroactively to the year payments began through the year of such modification. In addition, if you request a distribution from your SIMPLE IRA within your first 2 years of participation in the SIMPLE plan and none of the exceptions listed above applies to the distribution, the normal 10% additional income tax referred to earlier is increased to 25%.

AGE 70 1/2 REQUIRED MINIMUM DISTRIBUTIONS: You are required to begin receiving minimum distributions from your SIMPLE IRA by your required beginning date (the April 1 of the year following the year you attain age 70 1/2). The year you attain age 70 1/2 is referred to as your "first distribution calendar year". The required minimum for your first distribution calendar year must be withdrawn no later than your required beginning date. The required minimum for your second distribution calendar year and for each subsequent distribution calendar year must be made by December 31 of each such year. Your minimum distribution for each year beginning with the calendar year you attain the age of 70 1/2 is generally based upon the value of your account at the end of the prior year divided by the factor for your age derived from the Uniform Lifetime Distribution Period Table regardless of who or what entity is your named beneficiary. This uniform table assumes you have a designated beneficiary exactly 10 years younger than you. However, if your spouse is your sole beneficiary and is more than 10 years younger than you, your required minimum distribution for each year is based upon the joint life expectancies of you and

your spouse. The account balance that is used to determine each year's required minimum amount is the fair market value of each IRA you own as of the prior December 31st, adjusted for outstanding rollovers (or transfers) as of such prior December 31st.

However, no payment will be made from this SIMPLE IRA until you provide the Custodian or Administrator with a proper distribution request acceptable by the Custodian or Administrator. Upon receipt of such distribution request, you may switch to a joint life expectancy in determining the required minimum distribution if your spouse was your sole beneficiary as of the January 1st of the relevant distribution calendar year and such spouse is more than 10 years younger than you.

In any distribution calendar year you may take more than the required minimum. However, if you take less than the required minimum with respect to any distribution calendar year, you are subject to a Federal excise tax penalty of 50% of the difference between the amount required to be distributed and the amount actually distributed. If you are subject to that tax, you are required to file IRS Form 5329.

REPORTING THE REQUIRED MINIMUM DISTRIBUTION: Beginning for minimum distributions that are required for calendar 2003, the Custodian or Administrator must provide a statement to each SIMPLE IRA owner who is subject to required minimum distributions that contains either the amount of the minimum or an offer by the Custodian or Administrator to perform the calculation if requested by the SIMPLE IRA owner. The statement must inform the SIMPLE IRA owner that required minimum distributions apply and the date by which such amount must be distributed. The statement must further inform the SIMPLE IRA owner that beginning in 2004, the Custodian or Administrator must report to the IRS that the SIMPLE IRA owner is required to receive a minimum for the calendar year.

DEATH DISTRIBUTIONS: If you die before your required beginning date and you have a designated beneficiary, the balance in your SIMPLE 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 70 1/2, if that date is later than the required commencement date in the previous sentence. If you die before your required beginning date and you do not have a designated beneficiary, the balance in your SIMPLE IRA must be distributed no later than the December 31st of the calendar year that contains the fifth anniversary of your death.

If you die on or after your required beginning date and you have a designated beneficiary, the balance in your SIMPLE IRA will be distributed to your beneficiary over the longer of the beneficiary's single life expectancy or your remaining life expectancy. These distributions must commence no later than December 31st of the calendar year following the calendar year of your death. If you die on or after your required beginning date and you do not have a designated beneficiary, the balance in your SIMPLE IRA must be distributed over a period that does not exceed your remaining single life expectancy determined in the year of your death. However, the required minimum distribution for the calendar year that contains the date of your death is still required to be distributed. Such amount is determined as if you were still alive throughout that year.

If your spouse is your sole beneficiary, your spouse may elect to treat your SIMPLE IRA as his or her own SIMPLE IRA, whether you die before or after your required beginning date. If you die after your required beginning date and your spouse elects to treat your SIMPLE IRA as his or her own SIMPLE IRA, any required minimum that has not been distributed for the year of your death must still be distributed to your surviving spouse and then the remaining balance can be treated as your spouse's own SIMPLE IRA.

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

INCOME TAX WITHHOLDING: All withdrawals from your SIMPLE IRA (except a direct transfer) are subject to federal income tax withholding. You may, however, elect not to have withholding apply to your SIMPLE IRA distribution in most cases. If withholding does apply to your distribution, it is at the rate of 10% of the amount of the distribution.

DESIGNATED FINANCIAL INSTITUTION "DFI": In general, under section 408(p), an employer must permit an employee to select the financial institution for the SIMPLE IRA to which the employer will make all contributions on behalf of the employee. In this case, the financial institution is referred to as a "Non-DFI". Alternatively, under section 408(p)(7), an employer may require that all SIMPLE contributions initially be made to a single designated financial institution selected by the employer. In this case, the financial institution is referred to as a "DFI". Refer to your employer's SIMPLE Retirement Plan document to determine if the financial institution is a DFI or a Non-DFI.

USE OF A DESIGNATED FINANCIAL INSTITUTION "DFI" - If an employer requires that all SIMPLE contributions initially be made to a DFI, the following requirements must be met:

1. The employer and the financial institution must agree that the financial institution will be a DFI for the employer's SIMPLE plan;
2. The DFI must agree that, if a participant elects before the expiration of the employee's 60-day election period, the participant's balance will be transferred without cost or penalty to another SIMPLE IRA (or after the 2-year period no longer applies, to any IRA) to a financial institution selected by the participant; and
3. Each participant is given written notification describing the procedures under which, if a participant so elects, the participant's balance will be transferred without cost or penalty to another SIMPLE IRA (or after the 2-year period no longer applies, to any IRA) to a financial institution selected by the participant.

If the participant elects before the expiration of the 60-day election period to have the balance transferred without cost or penalty as described above, such election is valid only with respect to the balance attributable to SIMPLE contributions for the calendar year following that 60-day election period (or, for the year in which an employee becomes eligible to make salary reduction contributions for the remainder of that year) and subsequent calendar years if such election so provides.

If the participant timely elects the transfer of the balance without cost or penalty as described above, the participant's balance must be transferred on a reasonably frequent basis, such as on a monthly basis. If a participant timely elects this transfer without cost or penalty, the Custodian or Administrator reserves the right to restrict the investment to a specified investment option until transferred, even though a variety of investment options are available with respect to contributions that the participant has not elected to transfer.

A transfer is deemed to be made without cost or penalty if no liquidation, transaction, redemption or termination fee, or any commission, load (whether front-end or back-end) or surrender charge or similar fee or charge is imposed with respect to the balance being transferred that the participant has filed a timely election with the DFI. However, the DFI can charge a reasonable annual administrative fee to a SIMPLE IRA from which balances must be transferred in accordance with the participant's timely transfer election.

In order to timely elect a transfer without cost or penalty, the participant must indicate such election on the SIMPLE IRA Adoption Agreement attached hereto and must be received by the DFI no later than the expiration of the 60-day election period applicable to the employee. If the participant fails to timely elect such transfers without cost or penalty, the DFI reserves the right to charge any or all fees and expenses described in Section 8.05 of this SIMPLE IRA plan agreement.

USE OF A NON DESIGNATED FINANCIAL INSTITUTION "NON-DFI": If the employer's SIMPLE plan permits the participants to select their own financial institution to serve as trustee or Custodian or Administrator of the SIMPLE IRA, the rules explained above do not apply and the Custodian or Administrator may charge any and all fees described in Section 8.05 of the SIMPLE IRA plan agreement.

TRANSFERS DEFINED: A direct transfer is a payment from this SIMPLE IRA directly to another trustee or Custodian or Administrator of a SIMPLE IRA (or, after the 2-year period no longer applies, to the trustee or Custodian or Administrator of any IRA). 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 or Administrator. If you should transfer all or a portion of your SIMPLE IRA to your former spouse's 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 IRA of your spouse or former spouse. If your spouse is the beneficiary of your SIMPLE IRA, in the event of your death, your spouse may "assume" your SIMPLE IRA. The assumed IRA is then treated as your surviving spouse's IRA.

SUMMARY DESCRIPTION REQUIREMENTS: In general, the Custodian or Administrator of any SIMPLE IRA must annually provide to the employer maintaining the SIMPLE plan a Summary Description early enough to allow the employer to meet its notification obligations. If the Custodian or Administrator of this SIMPLE IRA is a DFI, the Summary Description will be provided directly to the employer by the Custodian or Administrator in the underlying SIMPLE plan agreement. If the Custodian or Administrator of this SIMPLE IRA is a Non-DFI, the Summary Description will be provided directly to the employee by the Custodian or Administrator. The employee agrees to have the employer complete certain information contained on the Summary Description with respect to the employer's SIMPLE plan provisions. A sample Summary Description for a Non-DFI is located on the following page. The Custodian or Administrator of a "transfer SIMPLE IRA" is not required to provide this Summary Description. A SIMPLE IRA is a "transfer SIMPLE IRA" if it is not a SIMPLE IRA to which the employer has made contributions under the SIMPLE plan.

PROCEDURES FOR WITHDRAWALS: All distributions from this SIMPLE IRA must be requested in writing on a form provided to the participant by the Custodian or Administrator. After the withdrawal form has been completed and executed by the recipient, the form must be either hand-delivered to the Custodian or Administrator during normal business hours or mailed to the Custodian or Administrator by first class mail, certified or registered mail prepaid through the U.S. Postal Service, or through any means of an expedited delivery service. After receipt of a properly executed withdrawal form, the Custodian or Administrator will process the distribution as soon as administratively feasible.

FEDERAL ESTATE AND GIFT TAXES: Generally, there is no specific exclusion for SIMPLE IRAs under the estate tax rules. Therefore, in the event of your death, your SIMPLE IRA balance will be includible in your gross estate for federal estate tax purposes. However, if your surviving spouse is the beneficiary of your SIMPLE IRA, the amount in your SIMPLE 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 SIMPLE IRA plan.

PENALTIES: If you are under age 59 1/2 and receive a premature distribution from your SIMPLE IRA, an additional 10% (or 25% for certain SIMPLE IRA distributions) income tax will apply on the taxable amount of the distribution. If you are age 70 1/2 or over or if you should die, and the appropriate required minimum distributions are not made from your SIMPLE IRA, an additional tax of 50% is imposed upon the difference between what should have been distributed and what was actually distributed.

IRS APPROVAL AS TO FORM: This SIMPLE 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 IRAs and SIMPLE IRAs from your District Office of the Internal Revenue Service. In particular you may wish to obtain IRS Publication 590 (Individual Retirement Arrangements).

SUMMARY DESCRIPTION FOR NON-DESIGNATED FINANCIAL INSTITUTION

Employer must complete the following:

ELIGIBILITY REQUIREMENTS

All Employees of the Employer shall be eligible to participate under the Plan except:

- a. Employees included in a unit of employees covered under a collective bargaining agreement.
- b. Non-resident alien employees who did not receive US source income.
- c. Employees who are not reasonably expected to earn \$ _____ (not to exceed \$5,000) during the Plan Year for which the contribution is being made.
- d. There are no eligibility requirements. All Employees are eligible to participate upon the later of the plan's effective date or the employee's date of hire.

Each Eligible Employee will be eligible to become a Participant after having worked for the Employer during any _____ prior years (not to exceed 2) and received at least \$ _____ in compensation (not to exceed \$5,000), during each of such prior years.

WRITTEN ALLOCATION FORMULA

The Employer has agreed to provide contributions for the _____ Plan Year as follows (complete only one choice):

- a. Matching Contribution - The amount of the Participant's Elective Deferral not in excess of 3% of such Participant's Compensation.
- b. Matching Contribution - The amount of the Participant's Elective Deferral not in excess of _____% (not less than 1% nor more than 3%) of each Participant's Compensation
- c. Nonelective Employer Contribution - 2% of each Participant's Compensation.

The Employer has designated _____ (insert Name & Title) to provide additional information to participants about the Employer's SIMPLE Plan.

GENERAL DISCLOSURE INFORMATION

The following information explains what a Savings Incentive Match Plan for Employees ("SIMPLE") is, how contributions are made, and how to treat these contributions for tax purposes. For more specific information, refer to the employer's SIMPLE Retirement Plan document itself. For a calendar year, you may make or modify a salary reduction election during the 60-day period immediately preceding January 1 of that year. However, for the year in which you first become eligible to make salary reduction contributions, the period during which you may make or modify the election is a 60 day period that includes either the date you become eligible or the day before. If indicated in your employer's SIMPLE plan, you may have additional opportunities during a calendar year to make or modify your salary reduction election.

I. SIMPLE Retirement Plan and SIMPLE IRA Defined

A SIMPLE Retirement Plan is a retirement income arrangement established by your employer. Under this SIMPLE Plan, you may choose to defer compensation to your own SIMPLE Individual Retirement Account or Annuity ("IRA"). You may base these "elective deferrals" on a salary reduction basis that, at your election, may be contributed to a SIMPLE IRA or received in cash. This type of plan is available only to an employer with 100 or fewer employees who earned at least \$5,000 during the prior calendar year. A SIMPLE IRA is a separate IRA plan that you establish with an eligible financial institution for the purpose of receiving contributions under this SIMPLE Retirement Plan. Your employer must provide you with a copy of the SIMPLE agreement containing eligibility requirements and a description of the basis upon which contributions may be made. All amounts contributed to your IRA belong to you, even after you quit working for your employer.

II. Elective Deferrals - Not Required

You are not required to make elective deferrals under this SIMPLE Retirement Plan. However, if the Employer is matching your elective deferrals, no Employer contribution will be made on your behalf unless you elect to defer under the plan.

III. Elective Deferrals - Annual Limitation

The maximum amount that you may defer under this SIMPLE Plan for any calendar year is limited to the lesser of the percentage of your compensation that you select or the following dollar limit, subject to cost-of-living increases.

<u>Tax Year</u>	<u>Applicable Annual Dollar Limitations</u>
	<u>Contribution Limit</u>
2006	\$10,000
2007	\$10,500
2008	\$10,500
2009	\$11,500
2010 - 2012	\$11,500
2013	\$12,000

If you work for other employers (unrelated to this Employer) who also maintain a salary deferral plan, there is an overall limit on the maximum amount that you may defer in each calendar year to all elective SEPs, cash or deferred arrangements under section 401(k) of the Code, other SIMPLE plans and 403(b) plans regardless of how many employers you may have worked for during the year. This limitation is referred to as the section 402(g) limit. The section 402(g) limit on elective deferrals is currently \$17,500 for 2013 and is indexed according to the cost of living. If you attain age 50 or over by the end of a calendar year, you can elect to have your compensation reduced by an additional "catch-up" amount of \$2,500 for 2013, subject to cost-of-living adjustments.

IV. Elective Deferrals - Tax Treatment

The amount that you may elect to contribute to your SIMPLE IRA is excludable from gross income, subject to the limitations discussed above, and is not includable as taxable wages on Form W-2. However, these amounts are subject to FICA taxes.

V. Elective Deferrals - Excess Amounts Contributed

When "excess elective deferrals" (i.e., amounts in excess of the SIMPLE elective deferral limit or the section 402(g) limit) are made, you are responsible for calculating whether you have exceeded these limits in the calendar year. Excess elective deferrals are calculated on the basis of the calendar year.

VI. Excess Elective Deferrals - How to Avoid Adverse Tax Consequences

Excess elective deferrals are includable in your gross income in the calendar year of deferral. Income on

the excess elective deferrals is includable in your income in the year of withdrawal from the SIMPLE

IRA. You should withdraw excess elective deferrals and any allocable income, from your SIMPLE IRA

by April 15 following the year to which the deferrals relate. These amounts may not be transferred or rolled over tax-free to another SIMPLE IRA. Income on excess elective deferrals is includable in your gross income in the year you withdraw it from your SIMPLE IRA and must be withdrawn by April 15 following the calendar year to which the deferrals relate. Income withdrawn from the SIMPLE IRA after that date may be subject to a 10% tax (or 25% if withdrawn within the first 2 years of participation) on early distributions.

VII. Income Allocable To Excess Amounts

The rules for determining and allocating income attributable to excess elective deferrals and other excess SIMPLE contributions are the same as those governing regular IRA excess contributions. The trustee or Custodian or Administrator of your SIMPLE IRA will inform you of the income allocable to such excess amounts.

VIII. Availability of Regular IRA Contribution Deduction

In addition to any SIMPLE contribution, you may contribute to a separate IRA the lesser of 100% of compensation or the regular IRA contribution dollar limit to an IRA as a regular IRA contribution. However, the amount that you may deduct is subject to various limitations since you will be considered an "active participant" in an employer-sponsored plan. See Pub. 590, "Individual Retirement Arrangement", for more specific information.

IX. SIMPLE IRA Amounts - Rollover or Transfer to another IRA

You may not roll over or transfer from your SIMPLE IRA any SIMPLE contributions (or income on these contributions) made during the plan year to another IRA (other than a SIMPLE IRA), convert to a Roth IRA or rollover to an employer plan until the 2 years following the date you first participated in the SIMPLE plan. Also, any distribution made before this time will be includable in your gross income and may also be subject to a 25% percent additional income tax for early withdrawal. You may, however, remove excess elective deferrals and income allocable to such excess amounts from your SIMPLE IRA before this time, but you may not roll over or transfer these amounts to another IRA.

After the 2-year restriction no longer applies, you may withdraw, or receive, funds from your SIMPLE IRA, and no more than 60 days later, place such funds in another IRA or SIMPLE IRA. This is called a "rollover" and may not be done without penalty more frequently than at one-year intervals. However, there are no restrictions on the number of times that you may make "transfers" if you arrange to have such funds transferred between the Custodian or Administrators so that you never have possession of the funds. You may not, however, roll over or transfer excess elective deferrals, and income allocable to such excess amounts from your SIMPLE IRA to another IRA. These excess amounts may be reduced only by a distribution to you.

X. Filing Requirements

You do not need to file any additional forms with the IRS because of your participation in your employer's SIMPLE Plan.

XI. Employer to Provide Information

Your employer must provide you with a copy of the executed SIMPLE agreement, a Summary Description, the form you should use to elect to defer amounts to your SIMPLE IRA, and a statement for each taxable year showing any contribution to your SIMPLE IRA.

XII. Financial Institution Where IRA is Established to Provide Information

The financial institution must provide you with a disclosure statement that contains information described in section 1.408-6 of the regulations. The Disclosure Statement that is a part of this SIMPLE IRA account documentation must be read in conjunction with this Summary Description for Non-Designated Financial Institutions. The Disclosure Statement contains important information about the SIMPLE plan rules and the contents of such Disclosure Statement are incorporated herein by reference. See Publication 590, "Individual Retirement Arrangements", which is available at most IRS offices, for a more complete explanation of the disclosure requirements. In addition to the disclosure statement, the financial institution is required to provide you with a financial statement each year. It may be necessary to retain and refer to statements for more than one year in order to evaluate the investment performance of your IRA and in order that you will know how to report IRA distributions for tax purposes.

