



## INDIVIDUAL RETIREMENT ACCOUNT KIT

Rogé Partners Fund  
c/o Gemini Fund Services, LLC  
4020 South 147th Street, Suite 2  
Omaha, NE 68137

1-888-800-ROGÉ

# INSTRUCTIONS FOR OPENING YOUR ROGE PARTNERS FUND IRA

## Included in this booklet is:

- 1) An IRA Application (mail to the Rogé Partners Fund).
- 2) Custodial Agreement and IRA Disclosure Statement.
- 3) A Transfer or Direct Rollover Request form. You may use this form to request your current custodian, trustee or employer to directly transfer your plan assets to your Rogé Partners Fund IRA.

## To Open Your Rogé Partners Fund IRA

- 1) Complete the IRA Application. See Designation of Beneficiary explanation below.
- 2) If you are requesting a transfer or direct rollover of current plan assets (held elsewhere) to your Rogé Partners Fund IRA, complete the Transfer or Direct Rollover Request form. You should complete this form **in addition** to the IRA Application.
- 3) Return the form(s) to the Rogé Partners Fund (see address below).
- 4) Include a check for the amount of your IRA contribution made payable to the Rogé Partners Fund.
- 5) **Retain the Custodial Agreement and IRA Disclosure Statement for your records.**

## DESIGNATION OF BENEFICIARY

You may designate a beneficiary to receive the IRA funds upon your death. The space provided is to name primary and contingent beneficiaries. If more space is needed, you may attach a supplementary sheet. If you require a more complicated type of designation of beneficiary, you should consult an attorney. Some state's laws require married individuals to name their spouse as beneficiary. Married individuals should consult with their tax advisors prior to designating someone other than their spouse. You may change your beneficiary at any time by writing to the Rogé Partners Fund (see address below). If any of your beneficiaries die before you, the deceased beneficiary's share will be reallocated among the surviving beneficiaries on a pro rata basis. If none of your beneficiaries survive you, or if the Custodian cannot locate your beneficiary after a reasonable search, any balance in the IRA will be paid to your estate.

## FEE INFORMATION

Annual Account Maintenance Fee:	\$15 per account
Distribution Fee:	\$15 per account
Refund of Excess Contribution:	\$15 per account
Outgoing Transfer Fee:	\$15 per account
Automatic Periodic Distributions:	\$15 per year, per account

## REVOCAION INFORMATION

You have the right to revoke this Individual Retirement Account (IRA) within seven days of receiving your disclosure statement. To revoke your IRA account, simply notify the Rogé Partners Fund, in writing. Written notice must be sent by first-class mail at the address listed below and will be accepted as of the date your notice is postmarked.

**Rogé Partners Fund**  
c/o Gemini Fund Services, LLC  
4020 South 147<sup>th</sup> Street, Suite 2  
Omaha, NE 68137  
1-888-800-ROGE  
(1-888-800-7643)

## CUSTODIAN INFORMATION

First National Bank  
1620 Dodge Street  
Omaha, NE 68102

# New IRA Account Application Form

If you have any questions or need any help filling out this application, please call 1-888-800-ROGE, (1-888-800-7643), Monday through Friday, 8:30 a.m. to 6:00 p.m. eastern time.

After you have completed and signed this application, please mail to:

**ROGÉ PARTNERS FUND**  
 c/o GEMINI FUND SERVICES, LLC  
 4020 SOUTH 147<sup>TH</sup> STREET, SUITE 2  
 OMAHA, NE 68137

Distributed by Aquarius Fund Distributors, LLC

## 1. ACCOUNT REGISTRATION

Name \_\_\_\_\_

Social Security # \_\_\_\_\_ Birth Date     /     / \_\_\_\_\_

## 2. MAILING ADDRESS

Street, Apt. \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Daytime Phone (    ) \_\_\_\_\_ Evening Phone (    ) \_\_\_\_\_

## 3. CONTRIBUTION INFORMATION (\$2,500 minimum investment)

Please invest my contribution to my Rogé Partners Fund IRA account as indicated below.

**Contribution Amount:** \$                       **For Tax Year:**

### Type of Contribution

- Regular/Spousal IRA
- SEP IRA
- Rollover IRA
- Transfer IRA
- Recharacterization

Check here if this is an amendment to an existing IRA

## 4. DESIGNATION OF BENEFICIARY

In the event of my death, pay my IRA balance to the following **PRIMARY BENEFICIARY(IES)**: (See Instructions for additional conditions)

Name	SSN or TIN	Relationship	Date of Birth	Address (optional)	%*

TOTAL: 100%

If the primary beneficiary(ies) dies before me, pay my IRA balance to the following **CONTINGENT BENEFICIARY(IES)**:

Name	SSN or TIN	Relationship	Date of Birth	Address (optional)	%*

TOTAL: 100%

\*If no percentage rate is indicated, the beneficiaries will share equally.

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**5. SPOUSAL CONSENT (Complete only if required by state law)**

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

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(Signature of Spouse)

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(Date)

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(Signature of Witness)

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(Date)

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**6. SIGNATURES AND CERTIFICATIONS**

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account effective October 1, 2003.

**What this means for you:** When you open an account, we will ask for your name, address, date of birth, social security number/Tax ID number and other information that will allow us to identify you. We may also ask to see other identifying documents. Until you provide the information or documents we need, we may not be able to open an account or effect any additional transactions for you.

When opening an account for a foreign business, enterprise or a non-U.S. person that does not have an identification number, we require alternative government-issued documentation certifying the existence of the person, business or enterprise.

I understand the eligibility requirements for the type of IRA deposit I am making and I state that I do qualify to make the deposit. I received a copy of the Application, Custodial Agreement and Disclosure Statement. I understand that the terms and conditions which apply to this Individual Retirement Account are contained in this Application and Custodial Agreements. I agree to be bound by those terms and conditions. I hereby appoint and authorize First National Bank as the Custodian and Gemini Fund Services, LLC to act as the Custodian's agent. I indemnify First National Bank and Gemini Fund Services, LLC when making distributions in accordance with my beneficiary designation on file or in accordance with the Custodial Account Agreement absent such designation. Within seven (7) days from the date I open this IRA, I may revoke it without penalty by mailing or delivering written notice to the Custodian's agent. I have received a copy of the Prospectus and understand that this investment is not FDIC insured.

I assume complete responsibility for:

- 1) Determining that I am eligible for an IRA each year I make a contribution;
- 2) Insuring that all contributions I make are within the limits set forth by the tax laws; and
- 3) The tax consequences of any contribution (including rollover contributions) and distributions.

I certify, under penalties of perjury, that:

- 1) The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- 2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding and
- 3) I am a U.S. person (including a U.S. resident alien).

**Certification Instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

Signature of IRA Owner:

Date:

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Authorized Signature of Custodian:

Date:

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**7. INFORMATION DELIVERY**

To obtain your Rogé Partners Fund account statements, confirms and regulatory mailings online instead of in paper form, please provide us with your e-mail address. After your account is opened, we will send you an e-mail with instructions on how to sign up for electronic information delivery.

E-mail address: \_\_\_\_\_

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**8. DEALER INFORMATION**

If you are opening your account through a broker/dealer, please have them complete this section.

Dealer Name *(as it appears on Selling Group Agreement)* \_\_\_\_\_

Address *(of home office)* \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip \_\_\_\_\_

Signature *(authorized signature of broker/dealer)* \_\_\_\_\_

Address *(of branch office serving this account)* \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip \_\_\_\_\_

Representative's Name \_\_\_\_\_

Representative's Number \_\_\_\_\_

Representative's Phone (       ) \_\_\_\_\_

**FIRST NATIONAL BANK  
TRADITIONAL/ROTH  
INDIVIDUAL RETIREMENT ACCOUNT  
CUSTODIAL AGREEMENT**

First National Bank, having its principal office in the State of Nebraska, hereby declares itself Sponsor of this prototype Traditional/Roth Individual Retirement Account ("IRA"). Unless otherwise provided, all provisions of the Custodial Agreement will apply both to any Roth IRA or Traditional IRA established hereunder.

**ARTICLE I  
DEFINITIONS**

1.01 "**Account**" means the account(s) which the Custodian will maintain under the IRA for the exclusive benefit of the Participant and his/her Beneficiaries.

1.02 "**Adoption Agreement**" means the Agreement a Participant and the Custodian execute to establish an IRA for the Participant under this Custodial Agreement.

1.03 "**Beneficiary**" is a person under Article VII a Participant designates in writing as Beneficiary or which the Custodial Agreement designates as Beneficiary of the Participant's Account in the event of the Participant's death. A Beneficiary is a "Designated Beneficiary" for purposes of required minimum distributions only in accordance with applicable Treasury regulations. See Article V. The Custodian will not accept any type of contribution from a Participant's Beneficiary unless the Beneficiary is the Participant's surviving spouse and the surviving spouse has elected under Section 5.06 to treat the IRA as his/her own IRA.

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

1.05 "**Compensation**" means wages, salaries or professional fees and other amounts received for personal services actually rendered (including, but not limited to, commissions paid a salesman, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips and bonuses) and includes earned income, as defined in Code §401(c)(2) (reduced by the deduction for any self-employed retirement plan). For purposes of defining earned income, the IRA will apply Code §401(c)(2) as if the term "trade or business" includes service described in Code §1402(c)(6). Compensation also includes any amount includible in the Participant's gross income under Code §71 with respect to a divorce or separation instrument described in Code §71(b)(2)(A). In the case of a married individual filing a joint return, a Participant's Compensation is the greater of: (a) the Participant's Compensation; or (b) his/her spouse's compensation reduced by any contributions the spouse makes to a Traditional IRA or to a Roth IRA.

Compensation does not include amounts received as earnings or profits from property (including, but not limited to, interest and dividends), amounts received as an annuity, as a pension, or as deferred compensation, or amounts not includible in gross income, such as income from sources without the United States excluded from gross income under Code §911.

1.06 "**Custodian**" means the Sponsor, or an affiliate of the Sponsor which is the signatory to the Adoption Agreement, or any successor in office who in writing accepts the position of Custodian. See Section 6.01.

1.07 "**Disqualified Person**" means a person described in Code §4975(e)(2).

1.08 "**Eligible Plan**" means a Traditional IRA, Qualified Plan, 403(b) Plan, 457 Plan or SIMPLE IRA account under Code §408(p) to which Code §72(t)(6) does not apply.

1.09 "**403(b) Plan**" means a plan described in Code §403(a) and an annuity contract described in Code §403(b).

1.10 "**457 Plan**" means an eligible government 457 plan described in Code §§457(b) and (e)(1)(A).

1.11 "**Investment Manager**" means the person, persons or corporation, if any, a Participant appoints to direct the Custodian as to the investments in Participant's Account, provided the person, persons or corporation satisfies the definition of "investment manager" under the Employee Retirement Income Security Act of 1974, §3(38).

1.12 "**IRA**" means the individual retirement account established by the Participant in the form of this Custodial Agreement, including the Adoption Agreement under which the Participant has elected to participate in this IRA and has designated the type (Traditional or Roth) of IRA.

1.13 "**Participant**" is the individual who executes an Adoption Agreement to this IRA and who makes a deductible or a nondeductible contribution as permitted by Code §219 to the Account, who receives a SEP contribution, or who makes a Qualified Rollover Contribution to the Account.

1.14 "**Qualified Rollover Contribution**" means an amount contributed to this IRA which was distributed from an Eligible Plan and which satisfies the requirements of Code §§402(c) or 408(d)(3) as applicable. A Qualified Rollover Contribution, in the case of a Roth IRA, means a rollover to the Roth IRA from: (a) a Traditional IRA; (b) a SIMPLE IRA (to which Code §72(t)(6) does not apply); or (c) a Roth IRA, as described in Section 3.03.

1.15 "**Qualified Plan**" means a plan described in Code §401(a). The term "Qualified Plan" includes a custodial account which is exempt from tax under Code §501(a).

1.16 "**Roth IRA**" means an individual retirement account described in Code §408A.

1.17 "**SEP**" means a simplified employee pension plan described in Code §408(k) and includes a salary reduction SEP (SARSEP).

1.18 "**Taxable Year**" means the taxable year of the Participant.

1.19 "**Traditional IRA**" means an individual retirement account described in Code §408(a) or an individual retirement annuity described in Code §408(b).

1.20 "**Type of IRA**" means one of the following types of IRA the Participant designates in the Adoption Agreement:

- (a) Traditional IRA; or
- (b) Roth IRA.

The Participant may designate only one type of IRA under the Adoption Agreement. The Participant must maintain separate IRAs to contribute both to a Traditional IRA and to a Roth IRA.

1.21 "**Vested**" means a Participant's or Beneficiary's nonforfeitable and unconditional claim, legally enforceable against the IRA, to the Participant's Account.

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**ARTICLE II  
CONTRIBUTIONS**

2.01 **Traditional IRA Contribution - Maximum Dollar Amount.** In accordance with the applicable contribution limitations of the Code, other than a Qualified Rollover Contribution, the Participant will not make any contribution to the IRA which for the Taxable Year exceeds the lesser of:

- (a) the applicable Dollar Amount, or
- (b) the Compensation Limitation.

**Traditional/Roth IRA Custodial Agreement**

The Compensation Limitation is the Compensation includible in the Participant’s gross income for the Taxable Year. For a married Participant filing a joint return and whose Compensation is less than their spouse’s Compensation, the Participant’s Compensation also includes the spouse’s Compensation, reduced by the amount for the Taxable Year allowed as a deduction to the spouse as a Traditional IRA contribution, and by the amount of any Roth IRA contribution made on behalf of the spouse.

The Participant will reduce the IRA contribution limit for a Taxable Year by the aggregate amount of all other contributions to individual retirement accounts the Participant makes for the Taxable Year.

The applicable Dollar Amount for a Taxable Year is the amount specified in the following table:

Taxable Year	Dollar Amount
2002 - 2004	\$3,000
2005 - 2007	\$4,000
2008	\$5,000
2009 and later	\$5,000 as adjusted under Code §219(b)(5)(C).

2.01(A) **Catch-Up Contributions.** Commencing in 2002, a Participant who is age 50 or older or whose 50th birthday falls within the applicable Taxable Year, may make an additional Catch-Up Contribution, in excess of the applicable Dollar Amount. The maximum Catch-Up Contribution for a Taxable Year is the amount specified in the following table.

Taxable Year	Catch-Up Contribution Amount
2002 - 2005	\$ 500
2006 and later	\$1,000

2.02 **SEP Contribution - Maximum Dollar Amount.** The Custodian, for any Taxable Year, will not accept a SEP contribution on behalf of a Participant which exceeds the lesser of \$40,000 (as adjusted under Code §415(d)(1)(C)) or 100% of the Participant’s Compensation.

2.03 **Roth IRA - Maximum Contribution/Phase-Out.** Except in the case of a Qualified Rollover Contribution or a recharacterization under Section 2.06, a Participant’s Roth IRA contribution for a Taxable Year may not exceed the lesser of the applicable Dollar Amount or the Compensation Limitation described in Section 2.01, subject to the Roth phase-out. A Participant phases out ratably his/her maximum Roth IRA contribution between levels of modified adjusted gross income (AGI) in accordance with the following table:

Filing Status	Full Contribution	Phase-out Range Modified AGI	No Contribution
Single or Head of Household	\$95,000 or less	Between \$95,000 and \$110,000	\$110,000 or more
Joint Return or Qualified Widow(er)	\$150,000 or less	Between \$150,000 and \$160,000	\$160,000 or more
Married -- separate return	\$0	Between \$0 and \$10,000	\$10,000 or more

If the Participant’s modified AGI is in the phase-out range for a Taxable Year, the Participant determines the maximum contribution under the table by rounding up to the next multiple of \$10, but not below \$200. Modified AGI is defined in Code §408A(c)(3)(C)(i) and does not include any amounts included in a Participant’s AGI as a result of a rollover from a non-Roth IRA (a conversion).

If a Participant contributes to a Roth IRA and in the same Taxable Year also makes contributions to a Traditional IRA, the Participant’s Roth contribution limit is reduced by the amount of the Participant’s Traditional IRA contributions.

2.04 **Cash Contributions.** Except in the case of a Qualified Rollover Contribution or a contribution to a SEP, the Custodian only will accept cash contributions made by the Participant or, in the case of a SEP, made by the Participant’s employer.

2.05 **Return of Contribution.** A distribution to a Participant from an Account of any contribution made during a Taxable Year is not includible in the Participant’s gross income if:

- (a) the Participant receives the distribution no later than the due date (plus extensions) of his/her tax return for the Taxable Year;
- (b) the Participant does not take a deduction on his/her tax return for the contribution; and
- (c) the distribution includes the income attributable to the contribution.

2.06 **Recharacterization.** A Participant may recharacterize one type of IRA contribution as another type of IRA contribution pursuant to the Treasury Regulation §1.408A-5.

2.07 **Age 70½ restriction.** For the Taxable Year in which the Participant attains age 70½, and for any subsequent Taxable Year, the Custodian may not accept a Traditional IRA contribution from a Participant. The age 70½ restriction does not apply to a Qualified Rollover Contribution, nor to a Roth IRA.

2.08 **Nondeductible Contribution.** A Participant may make nondeductible contributions to his/her Traditional IRA to the extent that the Participant may not deduct such contributions due to active participation in an employer plan within the meaning of Code §219(g)(5). The Participant’s maximum nondeductible IRA contribution for a Taxable Year may not exceed the IRA contribution limit (described in Section 2.01 and if applicable, in Section 2.01(A)) for that Taxable Year, less the deduction limit applicable to the Participant.

2.09 **No Simple IRA Contributions.** A Participant (or employer) may not make SIMPLE IRA contributions under Code §408(p) to the Participant’s Account. In addition, a Participant may not transfer or roll over to the Participant’s Account, any SIMPLE IRA amounts prior to the expiration of the two-year period beginning on the date that the Participant first participated in the SIMPLE IRA.

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**ARTICLE III  
QUALIFIED ROLLOVER CONTRIBUTION -  
TRANSFERS**

3.01 **Rollover to IRA.** The Custodian may accept as a contribution to a Participant’s Account any or all of an amount which the Participant received as a distribution from an Eligible Plan, provided any such amount, as contributed, satisfies the definition of Qualified Rollover Contribution.

If a Participant’s Qualified Rollover Contributions consists of assets other than cash, the assets must be the same assets the Participant received as a distribution giving rise to the Qualified Rollover Contribution.

3.01(A) **After-Tax Amounts.** A Qualified Rollover Contribution to a Traditional IRA may include amounts not includible in the Participant’s gross income. For purposes of any subsequent IRA distribution of an Account which includes after-tax amounts and which the Participant rolls over to a plan other than another individual retirement account: (a) the first amounts the IRA distributes shall consist of pre-tax amounts; and (b) such after-tax amounts may not be rolled over to any other plan except another individual retirement account.

3.02 **Conduit IRA.** If a Qualified Rollover Contribution consists solely of an amount distributed from a Qualified Plan, the Participant may direct the Custodian in writing to maintain this IRA as a Conduit IRA. To qualify as a Conduit IRA, the Participant’s Account must not hold any assets other than those assets originally or subsequently received from the Participant as a Qualified Rollover Contribution or such other assets as the Custodian purchased with the proceeds of the sale of the assets the Participant originally or subsequently rolled over to the Account as a Qualified Rollover Contribution, plus any earnings realized from those assets.

3.03 **Roth IRA Rollover.** A Qualified Rollover Contribution includes a rollover to a Roth IRA from a Traditional IRA or to a Roth IRA from another Roth IRA. However, the one rollover per one-year limitation period of Code

**Traditional/Roth IRA Custodial Agreement**

§408(d)(3)(B) does not apply to rollovers from a Traditional IRA to a Roth IRA.

A Participant may not make a rollover contribution from a Traditional IRA to a Roth IRA (a conversion) during a Taxable Year: (a) the Participant is married and his/her and his/her spouse's combined AGI exceeds \$100,000 for that Taxable Year; (b) the Participant is not married and his/her AGI exceeds \$100,000; or (c) the Participant is married and files a separate income tax return for that Taxable Year.

A Participant who is ineligible to make a Qualified Rollover Contribution (conversion) from his/her Traditional IRA to a Roth IRA may correct the rollover on or before the due date for filing his/her income tax return for the Taxable Year in which the ineligible rollover occurs (including extensions). The correction must be made by a trustee to trustee transfer which includes a transfer between the same trustee. For this purpose, a trustee includes a custodian.

**3.04 Transfer Pursuant to Divorce.** Notwithstanding Section 4.04, in the event the Participant and the Participant's spouse divorce or separate within the meaning of Code §408(d)(6), the Participant, in writing, may direct the Custodian to transfer in accordance with the divorce or separation instrument, a portion of the assets in the Participant's Account to the Participant's spouse or former spouse.

**3.05 Direct Transfer.** The Custodian may accept a direct transfer of assets to this IRA from another individual retirement account of the same type maintained by the Participant. The Participant, in writing, may direct the Custodian to transfer all or a portion of the assets in his/her Account to another individual retirement account of the same type.

**3.06 Ineligible Rollover.** If the Custodian receives a rollover contribution which it later determines not to be a Qualified Rollover Contribution, the Custodian may return the ineligible contribution (plus attributable income) to the Participant.

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**ARTICLE IV  
SEPARATE ACCOUNT - ACCOUNT  
VESTING - EXCLUSIVE BENEFIT**

**4.01 Separate Account.** The Custodian will establish and maintain a separate Account in the name of the Participant and credit the Participant's contributions to that Account.

**4.02 Vested Account.** The interest of the Participant in the balance of his/her Account is at all times 100% Vested.

**4.03 Exclusive Benefit.** The Custodian will maintain the IRA for the exclusive benefit of the Participant. No person has any beneficial interest in the Participant's Account except the Participant, or in the case of the Participant's death, his/her Beneficiary.

**4.04 Assignment or Alienation.** Neither a Participant nor a Beneficiary may assign or alienate any benefit provided under this IRA, and the Custodian will not recognize any such assignment or alienation.

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**ARTICLE V  
DISTRIBUTION OF ACCOUNT**

**5.01 Participant's Right to Withdraw.** A Participant has the right to withdraw all or any part of the balance in his/her Account upon execution of such documents and following such advance notice to the Custodian as the Custodian reasonably may require in administering the Participant's Account. However, the Custodian may waive or shorten the notice period, unless the Code or Treasury regulations prohibit such action.

**5.02 Required Beginning Date.** The required beginning date (RBD) is the April 1 of the calendar year immediately following the calendar year in which the Participant attains age 70½.

**5.03 Lifetime Required Minimum Distributions - Traditional IRA.** The Custodian of a Traditional IRA must distribute, or commence distribution, to the Participant of his/her entire interest in his/her Account by the RBD. Not later than the RBD, the Participant, in such form and at such time as may be acceptable to the Custodian, may elect to have the balance in his/her Account distributed in:

- (a) A single sum payment;
- (b) Substantially equal periodic payments over a fixed reasonable period, not exceeding the life expectancy of the Participant, or the joint life and last survivor expectancy of the Participant and his/her Beneficiary.

If the Participant elects substantially equal periodic payments, the amount the Custodian will distribute each calendar year, commencing for the calendar year in which the Participant attains age 70½, and in each calendar year thereafter (each a "distribution calendar year"), will not be less than the required minimum distribution amount ("RMD") calculated under Section 5.04. If, by the RBD, the Participant fails to elect either method of distribution, the Custodian will make distribution to the Participant on the RBD in a single sum payment. Under the periodic payment method, the Participant, at any time, may elect to accelerate the payment of all, or any portion, of the unpaid balance in his/her Account.

**5.04 Lifetime Minimum Distribution Amount - Traditional IRA.** The Custodian will distribute the Participant's Account in a Traditional IRA under a method of payment which, as of the RBD, satisfies the RMD requirements under Code §401(a)(9) and the applicable Treasury regulations. The RMD for a distribution calendar year equals the amount of the Participant's entire Account as of December 31 preceding the beginning of the distribution calendar year, divided by the uniform lifetime table (ULT) factor in Treasury Regulation §1.401(a)(9)-9, A-2 and using the Participant's age as of his/her birthday in the distribution calendar year. If the Participant's sole Designated Beneficiary is the Participant's spouse and the spouse is more than ten years younger than the Participant, the Participant's RMD is determined in accordance with the joint life expectancy factor in Treasury Regulation §1.401(a)(9)-9, A-3 and using the Participant's and spouse's ages as of their birthdays in the distribution calendar year.

The Participant's Account includes a rollover, transfer or recharacterization in accordance with Treasury Regulation §§1.408-8, A-7 and A-8.

The Participant may satisfy the RMD requirements for this IRA by taking the distribution from another Traditional IRA that the Participant maintains, in accordance with Treasury Regulation §1.408-8, A-9.

The RMD for the first distribution calendar year is due by the Participant's RBD. The RMD for each subsequent distribution calendar year, including the distribution calendar year in which the Participant's RBD occurs and through the year of death, is due by December 31 of that distribution calendar year.

**5.05 Lifetime Minimum Distribution Requirements - Roth IRA.** The RMD rules of Code §401(a)(9) do not apply prior to a Participant's death to the Participant's Roth IRA.

**5.06 Minimum Distributions Requirements for Beneficiaries.** The method of distribution to the Participant's Beneficiary following the Participant's death under a Roth IRA or under a Traditional IRA must satisfy the RMD requirements under Code §401(a)(9) and the applicable Treasury regulations.

The Participant's Account includes a rollover, transfer or recharacterization in accordance with Treasury Regulation §§1.408-8, A-7 and A-8.

A Beneficiary may satisfy the RMD requirements for this IRA by taking the distribution from another Traditional IRA (or from another Roth IRA, if this IRA is a Roth IRA) in which the Beneficiary has an interest as Beneficiary with respect to the same Participant, in accordance with Treasury Regulation §1.408-8, A-9.

**Death On/After RBD.** If the Participant dies on or after the RBD, the Custodian will continue to make RMDs to the Participant's Beneficiary, commencing in the distribution calendar year following the year of the Participant's death, based on the Participant's remaining life expectancy or if

## Traditional/Roth IRA Custodial Agreement

longer, and the Beneficiary is a Designated Beneficiary, based on the remaining life expectancy of the Participant's Designated Beneficiary. The Designated Beneficiary's life expectancy is determined under the single life table (SLT) in Treasury Regulation §1.409(a)(9)-9, A-1 and using the Designated Beneficiary's age as of his/her birthday in that distribution calendar year.

**Death Before RBD.** If the Participant dies before the RBD (and in the case of the death of a Roth IRA Participant at any time), the Custodian must distribute the Participant's entire remaining Account to the Participant's Beneficiary at least as rapidly as under one of the following three methods:

- (a) If the Participant does *not* have a Designated Beneficiary as described in applicable Treasury regulations, the Custodian will complete payment of the entire Account to the Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (b) If the Beneficiary is a Designated Beneficiary, the Custodian will distribute the entire Account in equal or substantially equal payments over the Designated Beneficiary's remaining life expectancy commencing by December 31 of the calendar year immediately following the calendar year in which the Participant's death occurs. Subject to Section 5.07, the Beneficiary may: (1) elect payment under Paragraph (a) above in lieu of periodic payments; or (2) elect, at any time, to increase the frequency or the amount of such periodic payments.
- (c) If the Participant's Designated Beneficiary is his/her surviving spouse, the spouse, subject to Section 5.07, may elect to receive equal or substantially equal payments over the spouse's remaining life expectancy, commencing no later than the later of: (1) December 31 of the calendar year immediately following the calendar year in which the Participant's death occurs; or (2) December 31 of the calendar year in which Participant would have attained age 70½. Subject to Section 5.07, the surviving spouse may: (1) elect payment under Paragraph (a) above in lieu of periodic payments; or (2) elect, at any time, to increase the frequency or the amount of such periodic payments.

For purposes of this Section 5.06, the Custodian will consider the IRA to have commenced required RMDs if it makes distribution on account of the Participant attaining his/her RBD. If the Participant receives distribution prior to his/her RBD and the Participant dies, the IRA will not consider distributions to have commenced for purposes of making RMDs to Beneficiaries.

**Surviving Spouse Election.** If the Participant's Designated Beneficiary is his/her surviving spouse, the spouse in accordance with applicable Treasury regulations may elect to treat the Account as his/her own IRA. The Custodian will treat the surviving spouse as having made this election if the surviving spouse: (a) advises the Custodian in writing of his/her election to treat the Account as the spouse's own IRA; (b) makes an IRA contribution to the Account; (c) makes a rollover to or from the Account; or (d) fails to elect timely a payment method available to the spouse under this Section 5.06. The surviving spouse will not have the election to treat the Participant's IRA as his/her own IRA if the Participant, on a form prescribed by the Custodian, has elected to prohibit his/her surviving spouse from treating his/her IRA as his/her own IRA.

**Life Expectancy Determination.** The Custodian will compute a Designated Beneficiary's life expectancy under Section 5.06 using the age of the Designated Beneficiary on his/her birthday during the distribution calendar year following the year of the Participant's death. The Custodian will compute payment for any subsequent distribution calendar year based on such life expectancy: (a) annually recalculated under the SLT in Treasury Regulation §1.401(a)(9)-9, A-1 for a spouse Designated Beneficiary; and (b) in the case of a non-spouse Designated Beneficiary, by reducing the Designated Beneficiary's life expectancy by one for each calendar year which has elapsed since the calendar year when payments first commenced. If the Designated Beneficiary is the Participant's spouse, the Custodian will distribute any amount remaining upon the spouse's death based on the spouse's remaining life expectancy, using the spouse's age on his/her birthday in the year of the spouse's death, reduced by one for each calendar year which has elapsed since the calendar year of the spouse's death.

**5.07 Lifetime and Death Payment Election.** A Participant, on a form prescribed by the Custodian, may elect the payment method or the payment term or both, which will apply to the Participant and to any Beneficiary, including the Participant's surviving spouse. The Participant's election may limit any Beneficiary's right to modify the frequency or the amount of any payments. A Beneficiary also may elect any payment method or term permissible on the Participant's death, except where the Participant previously has elected the method or term applicable to the Beneficiary. Any payment method or term a Participant or Beneficiary elects must comply with the RMD rules under the Code and applicable Treasury regulations.

**5.08 Annuity Contract.** Notwithstanding any contrary RMD provision of this IRA, in the event that distributions are made from an annuity contract purchased from an insurance company, RMDs from the annuity contract must comply with Treasury Regulation §1.401(a)(9)-6T and also with Code §408(a)(5) in the case of a Roth IRA.

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## ARTICLE VI INVESTMENT OF ACCOUNT-CUSTODIAN POWERS

**6.01 Acceptance.** The Custodian accepts the appointment as Custodian of the Account created under the IRA and agrees to perform the obligations imposed under this Agreement and under any applicable law.

**6.02 Separate Accounts- Roth/Traditional IRA.** The Custodian must establish a separate Custodial IRA Account for each IRA Participant. The Custodian may not commingle Roth IRA assets with Traditional IRA assets.

**6.03 Investment of Account.** The Custodian may not commingle the Account with any other property the Custodian holds except in a common trust fund or common investment fund maintained by the Custodian (or by its affiliate, as defined in Code §1504). The Custodian is authorized and empowered, but not by way of limitation, with the following powers, rights and duties, each of which the Custodian will exercise solely as a directed Custodian in accordance with either a Participant's, Beneficiary's or a properly appointed Investment Manager's written direction, unless this Agreement provides otherwise.

- (a) To hold or invest any part or all of the Account in any investment permissible within an individual retirement account (specifically excluding investment in life insurance contracts) including: common or preferred stocks, bonds (including U.S. retirement plan bonds), debentures, convertible debentures, commercial paper of any type, U.S. Treasury Bills, securities of an open-end or closed-end management investment trust or investment company registered under the Investment Company Act of 1940 as amended, (notwithstanding the Custodian or its affiliate serves as investment advisor, trustee, transfer agent, registrar, sponsor, distributor, manager or otherwise, and receives reasonable compensation for those services), improved or unimproved real estate situated in the United States, mortgages, notes or other property of any kind, real or personal;
- (b) To retain in cash so much of the Account as the Participant directs in writing is necessary to satisfy liquidity needs of the IRA and to deposit any cash held in the Account in a bank account at a reasonable rate of interest, including specific authority to invest in an individual savings account, an individual certificate of deposit or in other individual savings instruments of the Custodian or of an affiliate of the Custodian, as defined in Code §1504;
- (c) To transfer all or any part of the assets of the Account from one type of savings instrument offered by the Custodian to another type of savings instrument offered by the Custodian, to the extent permitted by the applicable governmental regulations and the procedures of the Custodian;
- (d) To manage, sell, contract to sell, grant options to purchase, convey, petition, divide, subdivide, exchange, transfer, abandon, improve, repair, insure, lease for any term even though commencing in the future or extending beyond the term of the Account, and otherwise deal with all property, real or personal, in such manner for such

**Traditional/Roth IRA Custodial Agreement**

consideration and on such terms and conditions as are in accordance with the proper written direction the Custodian receives;

- (e) To borrow money, to lend money, to assume indebtedness, extend mortgages and encumber by mortgage or pledge;
- (f) To have with respect to the Account all of the rights of an individual owner, including the power to give proxies, to participate in any voting trusts, mergers, consolidations or liquidations, and to exercise or sell stock subscriptions or conversion rights;
- (g) To purchase and to hold annuity contracts and exercise all rights of ownership of the contracts; and
- (h) To lease for oil, gas and other mineral purposes and to create mineral severances by grant or reservation; to pool or unitize interests in oil, gas and other minerals; and to enter into operating agreements and to execute division and transfer orders.

**6.04 Custodian’s Additional Powers/Duties.** The Custodian has the power or duty:

- (a) To hold any securities or other property in the Account in the name of the Custodian or its nominee, or in another form as it may deem best, with or without disclosing the custodial relationship;
- (b) To retain any funds or property subject to any dispute without liability for the payment of interest, and to decline to make payment or delivery of the funds or property until a court of competent jurisdiction makes final adjudication;
- (c) To file any tax or information return required of the Custodian, and to pay any tax, interest or penalty associated with any such tax return;
- (d) To furnish, annually, to the Participant or Beneficiary an annual calendar year Account statement showing the condition of the Account and all investments, receipts, disbursements and other transactions effected by the Custodian during the calendar year covered by the statement and also stating the assets of the Account held at the end of the calendar year, which statements will be conclusive on all persons, except as to any act or transaction concerning which the Participant or Beneficiary files with the Custodian a written objection within 90 days after the receipt of the statement, or within any longer period under applicable state law. A Participant’s or Beneficiary’s failure to object timely to any Account statement, or to any other act or procedure of the Custodian results in a full acquittance and discharge to the Custodian with respect to the Account statement, act or procedure; and
- (e) To begin, maintain or defend any litigation necessary in connection with the administration of the Account, except the Custodian will not be obliged or required to do so unless indemnified to its satisfaction.

**6.05 Appointment of Investment Manager.** A Participant, in writing, may appoint one or more Investment Managers to direct the investment of all or any portion of the Participant’s Account. Following a Participant’s death, the Participant’s Beneficiary, in writing, may appoint one or more Investment Managers to direct the investment of the Account, or in the case of multiple Beneficiaries, of his/her separate share. If a Participant or Beneficiary appoints an Investment Manager, the Participant or Beneficiary will furnish to the Custodian a written notice of the appointment and evidence of the Investment Manager’s acceptance of appointment.

A Participant or Beneficiary is solely responsible for the appointment, selection and retention of an Investment Manager. The Custodian will assume the appointed Investment Manager is at all times qualified to act in that capacity. The Custodian further will assume the Investment Manager possesses the authority to direct investment of the Account until the earliest of the following events occurs: (a) the Participant or Beneficiary notifies the Custodian in writing that the Participant or Beneficiary has terminated the Investment Manager (without regard to whether the Participant or Beneficiary appoints a successor Investment Manager) or (b) the Custodian receives written notification of the Participant’s or Beneficiary’s death.

**6.06 Custodian Limitation on Liability.** The Custodian is not liable for the acts or omissions of the Participant, Beneficiary or any Investment Manager. The Custodian will not have any responsibility nor any liability for any loss of income or of capital, nor for any unusual expense which the Custodian may incur, relating to any Account investment, or to the sale or exchange of any Account asset which the Participant, Beneficiary or Investment Manager directs the Custodian to make.

**6.07 Participant Investment Responsibility.** Subject to Section 6.05, the Participant has the complete and sole authority, responsibility and discretion to direct the investment of all assets in the Participant’s Account. The Participant accepts full and sole responsibility for the success or failure of any Account investment the Participant directs and for the Participant’s failure to direct the Account investments.

**6.08 Beneficiary Investment Responsibility.** Subject to Section 6.05, upon the Participant’s death, the Beneficiary has the complete and sole authority, responsibility and discretion to direct the investment of all assets in the Participant’s Account. The Beneficiary accepts full and sole responsibility for the success or failure of any Account investment the Beneficiary directs and for the Beneficiary’s failure to direct the Account investments. If a Participant has multiple Beneficiaries, the Custodian will divide the Participant’s Account into separate accounts in accordance with the Beneficiary designation form or other Participant or Beneficiary written direction (or may do so in accordance with Section 7.06). Each Beneficiary will have the sole authority and discretion to direct the investment of all assets in his/her separate account.

**6.09 Initial Deposit/No Instruction.** If a Participant’s initial contribution to the Account is in the form of cash, the Custodian will deposit the contribution in its own bank savings account (or in the savings account of an affiliate of the Custodian, as defined by Code §1504) pending further Participant or Investment Manager direction of the Account unless the Participant or Investment Manager have provided contrary direction. If the initial contribution is in the form of non-cash assets, the Custodian will retain the assets pending the Participant’s or Investment Manager’s further direction.

**6.10 Custodian’s Right Not to Follow Investment Direction/Collectibles.** Notwithstanding any other provision of this Article VI, the Custodian reserves the right to refuse to follow any investment direction which the Custodian, in its sole good faith judgment, determines violates the Code, which would create practical problems in storage or which could result in the imposition of a substantial tax on the Participant’s Account. The Custodian may not invest the Account in collectibles (within the meaning of Code §408(m)).

**6.11 Prohibited Transactions.** The Participant may not borrow any money from his/her Account, and may not pledge any part of the Account as security for a loan. In addition, the Participant and the Custodian may not engage, either directly or indirectly, in any of the following transactions unless exempt under the Code prohibited transaction provisions:

- (a) The sale or exchange, or leasing of any property between the Account and a Disqualified Person;
- (b) The lending of money or other extension of credit between the Account and a Disqualified Person;
- (c) The furnishing of goods, services or facilities between the Account and a Disqualified Person;
- (d) The transfer to, or use by or for the benefit of, a Disqualified Person of the income or assets of the Account;
- (e) Any act by a Disqualified Person who is a fiduciary whereby he/she deals with the income or assets of the Account in his/her own interest or for his/her own account; or
- (f) The receipt of any consideration for his/her own personal account by any Disqualified Person who is a fiduciary from any party dealing with the Account in connection with the transaction involving the income or assets of the Account.

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**Traditional/Roth IRA Custodial Agreement**

**ARTICLE VII  
PARTICIPANT ADMINISTRATIVE PROVISIONS**

7.01 **Participant Beneficiary Designation.** A Participant from time to time may designate, in writing, any person (including a trust or other entity) or persons, contingently or successively, to whom the Custodian will pay the Participant's Account in the event of the Participant's death. A Participant also may designate the form and method of payment under Section 5.07 and the establishment of separate accounts under Section 7.06. The Custodian will prescribe the form for the Participant's written designation of Beneficiary and, upon a Participant's filing of the form with the Custodian, the form effectively revokes all designations the Participant has filed prior to that date. A divorce decree or legal separation decree revokes the Participant's previous designation, if any, of his/her spouse or former spouse as Beneficiary (and eliminates the spouse or former spouse as Beneficiary under Section 7.03), unless the divorce decree or legal separation decree provides otherwise.

7.02 **Beneficiary Designation.** After a Participant's death, the Participant's Beneficiary may designate a Beneficiary or Beneficiaries to receive the balance, if any, of the Participant's Account payable to the Participant's Beneficiary and remaining upon the death of the Participant's Beneficiary. Any Beneficiary's designation of a Beneficiary under this Section 7.02 has no effect on the amount of any RMD under Section 5.06, except as applicable Treasury regulations provide regarding a surviving spouse Designated Beneficiary.

7.03 **No Beneficiary Designation.** If a Participant fails to name a Beneficiary in accordance with Section 7.01, or if the Beneficiary(ies) the Participant names predecease(s) the Participant, then, unless the Participant's Beneficiary designation provides otherwise, the Custodian will pay the Participant's Account in accordance with Article V in the following order of priority to:

- (a) The Participant's surviving spouse;
- (b) The Participant's children, including adopted children, in equal shares by right of representation (one share for each surviving child and one share for each child who predeceases the Participant with living descendants);
- (c) The Participant's surviving parents, in equal shares; and if none to
- (d) The Participant's estate.

If the Beneficiary does not predecease the Participant, but dies prior to distribution of the Participant's entire Account, the remaining Account is payable to the Beneficiary's estate unless the Participant's Beneficiary designation (Section 7.01) or the Beneficiary's Beneficiary designation (Section 7.02) provide otherwise.

7.04 **Participant/Beneficiary Information.** Each Participant and Beneficiary must furnish to the Custodian from time to time, in writing, his/her address, any change of address, and any other information necessary for the Custodian to prepare the annual report required under the Code and to otherwise administer the IRA.

7.05 **Information Accuracy.** The Custodian may assume the truth and accuracy of any information a Participant or Beneficiary provides to the Custodian. The Custodian is under no duty of inquiry with respect to such information and has no liability with respect to any action taken in reliance upon any such information.

7.06 **Separate Accounts.** The Custodian pursuant to Participant or Beneficiary written direction or otherwise where the Participant or Beneficiary has multiple Beneficiaries, at any time (including after the Participant's death) may establish separate accounts within the Participant's IRA. For purposes of RMDs under Section 5.06, the Custodian must establish any separate accounts consistent with applicable Treasury Regulations.

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**ARTICLE VIII  
CUSTODIAN ADMINISTRATIVE PROVISIONS**

8.01 **Fees and Expenses from Account.** The Custodian will receive such reasonable compensation as from time to time the Participant and the Custodian may agree. The Custodian will pay from the Account all fees and expenses (including any tax, interest or penalty on a tax) that the Custodian reasonably incurs in its administration of the IRA, unless the Participant or Beneficiary pays the fees or expenses. The Custodian may establish a reasonable reserve from the assets of the Account with which to pay its compensation or the IRA administration expenses.

8.02 **Distribution of Cash or Property.** The Custodian may make distribution under the IRA in cash or property, as the Participant or Beneficiary directs. The Custodian will value all property at fair market value as determined by the Custodian.

8.03 **Custodian Reports.** The Custodian at least annually will submit reports concerning a Participant's IRA and including RMD information, to the Participant, to his/her Beneficiary, to the Internal Revenue Service and to the appropriate state taxing authorities, at such times and in such manner as the IRS prescribes or otherwise as required by law.

8.04 **Incapacity.** If a Participant or Beneficiary is not able to manage his or her affairs because of a mental condition, a physical condition, or by reason of age, the Custodian may make distribution to the Participant's or Beneficiary's guardian, conservator, trustee, custodian (including under any Uniform Transfers or Gifts to Minors Act) or to his or her attorney-in-fact or other legal representative, upon the furnishing by said persons of evidence satisfactory to the Custodian of such representative capacity. The Custodian does not have any liability with respect to payments made in accordance with this Section 8.04 and the Custodian is not under any duty to inquire as to the competence of any person entitled to receive IRA payments.

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**ARTICLE IX  
MISCELLANEOUS**

9.01 **No Responsibility for Participant Action.** The Custodian does not assume any obligation or responsibility for a Participant's or Beneficiary's act, or failure to act. The Custodian need not determine the correctness of the amount of any Participant contribution. The Custodian need not determine whether a Participant's rollover contribution satisfies the definition of Qualified Rollover Contribution, but may rely reasonably on the Participant's representation as to Qualified Rollover Contribution status.

9.02 **Account Not Guaranteed.** The Custodian does not in any way guarantee a Participant's Account from loss or depreciation. The liability of the Custodian to make any payment from the Account to a Participant or Beneficiary at any time and all times is limited to the then available assets of the Participant's Account.

9.03 **Indemnity of Custodian.** A Participant indemnifies and holds harmless the Custodian from and against any and all loss resulting from liability to which the Custodian may be subjected by reason of any act or conduct (except willful misconduct or gross negligence) in the Custodian's capacities in the administration of the Participant's Account. The indemnification provisions of this Section 9.03 do not relieve the Custodian from any liability it may have for breach of a fiduciary duty.

9.04 **Successors.** The Custodial Agreement is binding upon all persons entitled to benefits under the IRA, their respective heirs and legal representatives, and upon the Custodian and its successors.

9.05 **Word Usage and Titles.** Words used in the masculine also apply to the feminine, and wherever the context of the IRA dictates, the plural includes the singular and the singular includes the plural. Titles in this Agreement and in the Adoption Agreement are for reference only.

9.06 **State Law.** The law of the state of the Custodian's office in which the Participant executes the Adoption Agreement will determine all questions arising with respect to the provisions of this IRA and Custodial Agreement, except to the extent federal law supersedes state law.

9.07 **Nonbank Custodian.** A Sponsor which qualifies as a Custodian under the nonbank custodian rules of Treasury Regulation §1.408-2(e) must notify the Participant to substitute another Custodian if the Commissioner of

**Traditional/Roth IRA Custodial Agreement**

the Internal Revenue Service notifies the Sponsor of its failure to comply with the nonbank custodian rules.

9.08 **Arbitration.** The Participant and Custodian will attempt to settle any dispute or claim arising out of or relating to this IRA and Custodial Agreement through consultation and good faith negotiation. However, if those attempts fail, the Participant and the Custodian agree to binding arbitration under the American Arbitration Association (“AAA”). The arbitrator(s) will conduct arbitration in accordance with the terms of the Commercial Arbitration Rules of the AAA, and, to the maximum extent applicable, the United States Arbitration Act (Title 9 of the United States Code), or if such Act is not applicable, any substantially equivalent state law. The arbitrator(s) will apply the Code and Treasury regulations as applicable in resolving the dispute or claim. The Participant and Custodian further agree the arbitrator(s) will decide whether the Participant or the Custodian must bear the expenses of the arbitration proceedings, including reasonable attorneys’ fees.

9.09 **Separate Records for Employer IRAs.** For a Traditional or Roth IRA sponsored by an employer or employee association, the Custodian will maintain separate records as to each Participant’s IRA Account.

9.10 **Citations.** Citations to the Code and to Treasury regulations include any successor provisions to the cited provisions.

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**ARTICLE X  
AMENDMENT AND TERMINATION**

10.01 **Amendment.** The Sponsor (including a Custodian under Section 1.06 affiliated with the Sponsor) or SunGard Corbel as agent of the Sponsor, without Participant or Beneficiary consent (or re-execution of any Adoption Agreement establishing an IRA under this Agreement), at any time and from time to time, may:

- (a) Amend this Custodial Agreement in any manner it deems necessary or advisable in order to qualify under the Code (or maintain qualification of) this Custodial Agreement and IRA Accounts created thereunder; and
- (b) Amend this Custodial Agreement in any other manner provided such amendment is not inconsistent with applicable law. No amendment may authorize or permit any Account (except as required to pay taxes and administration expenses) to be used for or

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diverted to purposes other than for the exclusive benefit of the Participant or Beneficiary.

The Custodian shall provide a copy of any amendment to all affected Participants and Beneficiaries.

10.02 **Termination.** The Participant, at any time, may terminate this IRA and the Account created under this Custodial Agreement. The IRA will terminate upon the first to occur of the following:

- (a) On the date the Participant terminates the IRA by written notice given to the Custodian;
- (b) On the date the Custodian has distributed all assets in the Participant’s Account to the Participant or the Participant’s Beneficiaries; or
- (c) On the date the Participant’s IRA ceases to be an individual retirement account within the meaning of Code §408. As soon as administratively practicable after this date, the Custodian will distribute all of the assets in the Account in single sum payment to the Participant.

10.03 **Resignation or Removal of Custodian.** The Custodian may resign at any time as Custodian of this Custodial Agreement upon 30 days’ written notice in advance to the Participant (or to the Participant’s Beneficiary, if applicable). The Participant may remove the Custodian upon giving 30 days’ written notice in advance to the Custodian. In the event of the resignation or removal of a Custodian, the Participant must appoint a qualified successor Custodian who is willing to accept the appointment if the Participant intends to continue the IRA. Upon resignation or removal, the Custodian may charge against the Account any unpaid amounts owed to the Custodian under Section 8.01.

Following final payment to the Custodian of unpaid amounts under this Section 10.03, all right, title and interest of the Custodian in the assets of the Account and all rights and privileges under this Custodial Agreement vested in the Custodian will vest in the successor Custodian if applicable. At that time, all future liability of the Custodian will terminate under the IRA; provided however, the Custodian will execute, acknowledge and deliver all documents and written instruments reasonably necessary to transfer and convey the right, title and interest in the assets of the Account, and all rights and privileges, to the successor Custodian.

# TRADITIONAL INDIVIDUAL RETIREMENT ACCOUNT DISCLOSURE STATEMENT

The Traditional Individual Retirement Account ("Traditional IRA") presented with this Disclosure Statement is a retirement plan made available to individuals. An individual who establishes the Traditional IRA described herein is a "Participant." This Disclosure Statement summarizes the requirements for a Traditional IRA to which the Participant contributes and to which an employer may contribute on the Participant's behalf under a simplified employee pension ("SEP"). However, this Disclosure Statement does not include information specifically related to the requirements of a SEP.

## REVOCATION OF ACCOUNT

The Participant may revoke the Traditional IRA at any time within seven days after he or she has established the account. Upon revocation, the Sponsor will return to the Participant the entire amount contributed to the Traditional IRA without penalty, service charge, administrative expense or other deduction.

To revoke the Traditional IRA, the Participant either may mail or may deliver the form entitled "Notice of Revocation" to the Sponsor within seven days of establishing the Traditional IRA. If the Participant mails the Notice of Revocation, the law considers the Notice mailed on the date of the postmark (or on the date of certification or registration if sent by certified or registered mail) provided the Participant deposits the Notice in the United States mail in an envelope or other appropriate wrapper, first class postage prepaid, properly addressed to the person whose name the Notice of Revocation form designates.

## STATUTORY REQUIREMENTS

**(1) Qualification Requirements.** A Traditional IRA must satisfy certain requirements of the Internal Revenue Code ("Code"). The Traditional IRA Agreement incorporates those requirements. In brief, the Traditional IRA must satisfy the following requirements: (1) a written instrument must govern the Traditional IRA; (2) the Sponsor, except in the case of a "rollover" or a direct transfer, may accept only cash contributions; (3) the Traditional IRA may not invest in life insurance contracts; (4) the Participant's interest in the Traditional IRA must be nonforfeitable at all times; (5) with certain limited exceptions, the Sponsor may not commingle the Participant's Traditional IRA with other property; and (6) the Participant must receive distributions which satisfy the required minimum distribution rules.

**(2) Required Distribution Rules.** The Sponsor must commence distribution of the Participant's interest in the Traditional IRA (single sum or installments) no later than the Participant's "required beginning date" (RBD). The RBD is the April 1 of the calendar year immediately following the calendar year in which the Participant attains age 70½ (see "RETIREMENT BENEFIT"). If the Participant dies *on or after* the RBD, the distribution period may not exceed the longer of the Participant's or beneficiary's remaining life expectancy. However, if the Participant's death occurs *before* the RBD, the Sponsor must distribute the Participant's entire remaining account to the Participant's beneficiary in accordance with one of the following options: (1) distribution of the entire account over the Participant's beneficiary's life expectancy commencing no later than the December 31 of the calendar year following the Participant's death; (2) if the Participant's beneficiary is the Participant's surviving spouse, the spouse may elect to receive the entire account over his or her life expectancy commencing no later than December 31 of the calendar year in which the Participant would have attained age 70½; or (3) if the Participant's beneficiary is the Participant's surviving spouse, the spouse may elect to treat the account as his or her own Traditional IRA. Options (1), (2) and (3) regarding death before the RBD assume the Participant has a "Designated Beneficiary." A Designated Beneficiary generally is an *individual* (but also may include certain trusts), specified in writing by the Participant or by the Traditional IRA itself. If the Participant dies without a Designated Beneficiary, the required distribution period depends on whether the Participant dies before or after the Participant's RBD. If the Participant dies (without a Designated Beneficiary) *before* his or her RBD, the Sponsor must complete payment of the account to the Participant's beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death. If the Participant dies (without a Designated Beneficiary) *on or after* his or her RBD, the Sponsor must distribute the entire remaining account to the Participant's beneficiary over the Participant's remaining life expectancy, determined as of the Participant's birthday in the calendar year of the Participant's death.

**(3) Approved Form.** The Internal Revenue Service has approved the form of the Sponsor's Traditional IRA. The Participant should not consider the Revenue Service approval as to form as a determination by the Revenue Service of the merits of the Sponsor's Traditional IRA.

**(4) Vested Interest.** The Participant's interest in his or her Traditional IRA is vested. However, if the Participant invests any part of his or her Traditional IRA in a time deposit, banking regulations may impose a penalty (interest reduction or total interest loss) for withdrawal prior to maturity.

## PARTICIPANT CONTRIBUTIONS

**(1) Eligible Participant.** Any individual who has compensation is eligible to establish a Traditional IRA even though the individual is an active participant in an employer-sponsored retirement plan. A self-employed individual who contributes to a qualified plan also may contribute for the same taxable year to a Traditional IRA with respect to the same compensation. Section 1.05 of the Traditional IRA Agreement defines the term "Compensation." Generally, Compensation means wages, salaries or professional fees and other amounts received for personal services actually rendered, including commissions paid to salesmen, compensation for services on the basis of a percentage of profits, tips and bonuses. For a person who is self-employed, compensation includes net earnings from the trade or business in which that person's personal services are a material income producing factor. Compensation does not include amounts an individual receives as earnings or profits from property, such as dividends or interest, or amounts an individual receives as an annuity, a pension, or other deferred compensation. Compensation also includes certain alimony payments.

**(2) General Contribution Limitation.** Each taxable year, an eligible Participant who has not attained age 70½ may contribute to his or her Traditional IRA the *lesser* of the applicable Dollar Amount (shown in the table below) or 100% of Compensation, reduced by a Participant's contributions to a Roth IRA. Spouses each may contribute the maximum applicable Dollar Amount to a Traditional IRA if each has sufficient *Compensation* (determined without regard to community property laws).

Under a special rule, a married couple may contribute an amount not exceeding the applicable Dollar Amount for *each* spouse (including a spouse who does not work outside the home) if the combined compensation of both spouses is at least equal to the applicable Dollar Amount (shown in the table below). A nonworking spouse may take advantage of this additional Traditional IRA contribution limitation by establishing a separate Traditional IRA. The contribution limitation under the special rule for each Traditional IRA is the lesser of: (a) the applicable Dollar Amount; or (b) the excess of the combined Compensation of the married couple for the taxable year, over the amount of the Traditional IRA contribution for the other spouse. See Section 2.01 of the Traditional IRA document.

### IRA Contribution Applicable Dollar Amount

<u>Taxable Year</u>	<u>Dollar Amount</u>
2002 - 2004	\$3,000
2005 - 2007	\$4,000
2008	\$5,000
2009 and later	\$5,000 as adjusted under Code §219(b)(5)(C).

**(3) Deductible Contributions.** A taxpayer may receive a deduction for a contribution to a Traditional IRA in the above-described amount: (1) in the case of a taxpayer who is not married, the taxpayer either (a) is not an active participant in an employer-sponsored retirement plan for any part of the plan year or (b) has adjusted gross income ("AGI") of less than the applicable dollar limit; (2) in the case of married taxpayers filing a joint return, either (a) the couple has AGI of less than the applicable dollar limit, or (b) neither spouse is an active participant in an employer-sponsored retirement plan for any part of the plan year; or (3) in the case of a married taxpayer filing separately, either (a) the taxpayer has AGI in excess of the applicable dollar limit, or (b) neither spouse is an active participant in an employer-sponsored retirement plan during any part of the plan year.

**Traditional IRA Disclosure Statement**

**AGI Applicable Dollar Amount**

<u>Taxable Year</u>	<u>Married/Joint Return</u>	<u>Unmarried</u>
2002	\$54,000	\$ 34,000
2003	\$60,000	\$ 40,000
2004	\$65,000	\$ 45,000
2005	\$70,000	\$ 50,000
2006	\$75,000	\$ 50,000
2007 and later	\$80,000	\$ 50,000

The applicable dollar limit is \$0, in the case of a married taxpayer filing separately. In the case of a married taxpayer, if a spouse is subject to the deduction limits because his or her spouse is an active participant, the applicable dollar limit for the spouse who is not an active participant is \$150,000. The taxpayer reduces the Traditional IRA deduction limit by an amount that bears the same ratio to such contribution limit as the taxpayer’s AGI in excess of the applicable dollar amount bears to \$10,000. For purposes of determining the Traditional IRA deduction limit, a taxpayer calculates his or her AGI without regard to any deductible Traditional IRA contributions made for the taxable year.

The taxpayer also must proportionately reduce the nonworking spouse Traditional IRA deduction limit for AGI above the applicable dollar amount. This reduction is an amount that bears the same ratio to the applicable Deductible Amount as the excess of AGI over the applicable dollar amount bears to \$10,000. For purposes of determining whether a Traditional IRA contribution is deductible for a taxable year, a taxpayer is not married for a taxable year if the taxpayer and the taxpayer’s spouse: (1) did not live together at any time during the taxable year; and (2) did not file a joint return for the taxable year.

For purposes of the Traditional IRA deduction rule, an employer-sponsored retirement plan means: (1) a qualified pension, profit sharing, or stock bonus plan (including a 401(k) plan); (2) a qualified annuity plan (Code §403(a)); (3) a simplified employee pension (SEP); (4) a plan established for its employees by the United States, by a State or political subdivision, or by any agency or instrumentality of the United States or a State or political subdivision (other than an unfunded deferred compensation plan of a State or local government (Code §457)); (5) a Code §501(c)(18) trust; (6) a 403(b) plan; or (7) SIMPLE Traditional IRA account (Code §408(p)).

The determination of active participant status depends on whether the plan is a defined benefit or a defined contribution plan. In the case of a defined benefit plan, a taxpayer is an active participant if the plan does not specifically exclude the taxpayer under the plan’s eligibility provisions for any part of the plan year ending within the Participant’s taxable year. This rule applies even if the taxpayer elects not to participate, declines to make a required contribution, or does not perform the minimum service required to accrue a benefit.

Under a defined contribution plan, a taxpayer is an active participant if the plan allocates employer or employee contributions (including 401(k), 403(b) and eligible government 457 plan deferrals) or forfeitures, to his or her account for the plan year that ends with or within the taxable year. Under both defined benefit and defined contribution plans, a taxpayer is an active participant even if the participant is not vested in his or her benefits.

**(4) Catch-up Contributions.** Commencing in 2002, a Participant who is age 50 or older or whose 50th birthday falls within the applicable taxable year, may make an additional deductible Catch-Up Contribution, in excess of the applicable Deductible Amount. The maximum Catch-Up Contribution for a taxable year is the amount specified in the following table.

**Catch-Up Contribution Applicable Dollar Amount**

<u>Taxable Year</u>	<u>Dollar Amount</u>
2002 - 2005	\$ 500
2006 and later	\$1,000

**(5) Nondeductible Contributions.** A taxpayer may make designated nondeductible Traditional IRA contributions to the extent the law disallows deductible contributions. A taxpayer may make nondeductible contributions to the extent of the excess of: (1) the lesser of the applicable Deductible Amount or 100% of Compensation (if married, the combined compensation of both spouses less the contribution permitted for the other spouse) over; (2) the Traditional IRA deduction limit with respect to the taxpayer. As with

deductible contributions, the taxpayer does not include earnings on nondeductible contributions in income until he or she withdraws the earnings from the Traditional IRA.

A taxpayer must designate a contribution to a Traditional IRA as a nondeductible contribution by the due date of his or her tax return. The taxpayer makes the designation on Form 8606 and must file the designation even if he or she does not have to file a return for the taxable year. If the taxpayer does not make a written designation, all contributions are “deductible” and, therefore, taxable upon withdrawal from the Traditional IRA unless the taxpayer can show, with satisfactory evidence, the contributions were nondeductible. In addition, the taxpayer may elect to treat deductible Traditional IRA contributions as nondeductible.

**(6) Time of Contribution/Establishing of Traditional IRA.** In order to make a Traditional IRA contribution for a particular taxable year, the calendar year Participant must make the contribution in *cash* to the Traditional IRA within that taxable year or not later than the following April 15. The same rule applies to the establishing of a new Traditional IRA; that is, an individual may establish a new Traditional IRA for a particular taxable year until the due date of the individual’s return for that taxable year, *excluding* extensions.

A Participant who reports his or her Federal income on other than a calendar year basis should advise the Traditional IRA Sponsor of his or her taxable year.

**(7) Dollar Limit on Contribution.** The Sponsor is not permitted to accept more than the amount described above (including catch-up contributions) per year from one Participant except in the case of certain transfers (“rollovers”) from other retirement plans or from other Traditional IRAs.

**ROLLOVER CONTRIBUTIONS**

**(1) Eligible Participant.** An individual is eligible to establish a “rollover” Traditional IRA with the Sponsor if the contribution the Participant wishes to make satisfies the definition of “Qualified Rollover Contribution.” Unlike the rules relating to normal Traditional IRA contributions, an individual may establish a “rollover” Traditional IRA or make a rollover contribution with the Sponsor even if he or she does not have any Compensation for the taxable year. The Qualified Rollover Contribution may consist of any combination of cash or property, including the proceeds from the sale of property received in an “eligible rollover distribution.”

**(2) No Contribution Limitation/No Deduction.** Under the Traditional IRA, there is no limit on the amount of the *rollover* contribution an eligible Participant may make to the Traditional IRA. However, the law does not permit an income tax deduction for a rollover contribution.

**(3) Qualified Rollover Contribution.** “Qualified Rollover Contribution” means a contribution which constitutes an eligible rollover distribution from an eligible plan. An eligible plan is a qualified plan, 403(b) plan, governmental eligible 457 plan, Traditional IRA, or SIMPLE IRA, where the individual has satisfied the specified waiting period.

An “eligible rollover distribution” is the distribution of *any portion* of an individual’s plan benefit from an eligible plan, unless the distribution falls into certain limited exception categories. The primary categories of exception are: (1) one of a series of “substantially equal” periodic payments made over the individual’s life (or joint life with a designated beneficiary), the individual’s life expectancy (or joint life expectancy with a designated beneficiary) or a period of at least ten years; and (2) required minimum distributions after an individual participant reaches his or her RBD.

An individual who is a participant in a qualified plan, 403(b) plan or governmental eligible 457 plan may elect to receive an eligible rollover distribution or to have the plan make a “direct rollover” of the eligible rollover distribution to a Traditional IRA or to another eligible plan. If an individual elects to receive an eligible rollover distribution, rather than to have the plan directly roll over the distribution to the Traditional IRA, the distributing plan must withhold 20% of the distribution. A direct rollover to a Traditional IRA or to another eligible plan is not subject to this mandatory 20% withholding requirement. If the individual elects to *receive* an eligible rollover distribution, the individual may roll over the distribution (including the 20% withheld) to a Traditional IRA within 60 days of the individual’s receipt of the distribution. However, the individual must replace the 20% withholding amount with his or

## Traditional IRA Disclosure Statement

her own cash from another source if he or she wants to roll over the entire distribution. The mandatory 20% withholding requirement does not apply to a distribution from a Traditional IRA.

An individual making a Qualified Rollover Contribution, other than a direct rollover, must make the contribution (including any property received) to the Traditional IRA within 60 days of the Participant's receipt of the property and cash, if any, from the distributing plan or individual retirement account. Any property (other than cash) the Participant contributes to the rollover Traditional IRA must be the *same* property the Participant received from the distributing plan or individual retirement account. To the extent a Participant contributes only a part of a Qualified Rollover Contribution to his or her Traditional IRA, the Participant must report the balance as ordinary income in the taxable year in which received, except for the portion of the balance attributable to employee contributions previously included in income.

**(4) Surviving Spouse Receiving Distribution.** A surviving spouse is the only death beneficiary who may roll over a distribution and may roll over the distribution to a Traditional IRA. A non-spouse beneficiary may not roll over a distribution received by that non-spouse beneficiary.

**(5) QDRO Distribution.** An alternate payee under a qualified domestic relations order who is the spouse or former spouse of a retirement plan participant may receive an eligible rollover distribution and may roll over the distribution to an eligible plan.

**(6) Conduit Individual Retirement Account.** The purpose of the conduit individual retirement account is to enable an individual who has received an eligible rollover distribution from a qualified retirement plan to re-invest the amount of the distribution in the qualified retirement plan of a subsequent employer *and* to claim favorable income averaging or capital gains treatment on a subsequent qualified plan distribution. Only individuals who were born prior to 1936 and who meet certain other requirements may claim this favorable tax treatment. If the individual makes deductible or nondeductible contributions to a conduit Traditional IRA, that account will lose its conduit status.

**(7) Rollover to Another Traditional IRA.** An individual may roll over the Traditional IRA balance from one Traditional IRA to another Traditional IRA once every one-year period. This rollover provision permits an individual to change Traditional IRA sponsors periodically without adverse federal income tax (i.e., the rolled over account balance is not includible in gross income at the time of the rollover). The provision which limits rollovers between different Traditional IRAs once every one-year period may affect whether a distribution from an individual retirement account will satisfy the definition of Qualified Rollover Contribution.

**(8) Sponsor's Acceptance of Rollover Contribution.** Before making a rollover contribution to the Traditional IRA, the Participant should consult his or her tax adviser not only with respect to the technical requirements of such rollovers but also with respect to the economics of the rollover. The Sponsor emphasizes it assumes no responsibility to determine whether the Participant's contribution to the Traditional IRA satisfies the definition of Qualified Rollover Contribution.

**(9) Transfer to Another Traditional IRA.** An individual may transfer directly all or any part of his or her Traditional IRA balance from one Traditional IRA to another Traditional IRA. A direct transfer differs from a rollover in that the Traditional IRA does not make any distribution to the individual. Instead, under a transfer, the Sponsor, at the direction of the participant, transfers directly his or her Traditional IRA balance to another Traditional IRA. This transfer provision permits an individual to change Traditional IRA sponsors without adverse federal income tax consequences; that is, the transferred account balance is not includible in gross income at the time of the transfer. The Code does not limit the number of *transfers* between Traditional IRAs.

### DISTRIBUTIONS/TAXATION

**(1) Federal Tax Aspects of Distribution.** A Traditional IRA approved as to form is tax exempt. Unless the Participant's Traditional IRA loses its tax-exempt status, the earnings within the Traditional IRA accumulate without reduction for federal income tax. Other parts of this Disclosure Statement explain the income tax consequences of distributions from the Traditional IRA to the Participant or to the Participant's beneficiary. A Participant will report distributions from (and rollover contributions to) the Traditional IRA on his or

her federal tax Form 1040. A Participant must report any special Traditional IRA penalty tax on Form 5329 as an attachment to Form 1040 for the taxable year of the penalty. Special Traditional IRA penalty taxes which require the filing of Form 5329 are the excise tax on excess Traditional IRA contributions, the penalty tax for making certain distributions to the Participant prior to his or her attaining age 59½ and the tax on the failure to take the required minimum distribution amount by a Participant who has attained age 70½.

**(2) State Income Tax.** Though the Participant's Traditional IRA is exempt from federal income tax, the Participant should consult with his or her tax adviser regarding proper reporting of Traditional IRA earnings for state income tax purposes.

**(3) Excess Rollover Contributions Attributable to Erroneous Information.** In the case of an excess rollover contribution, the Participant need not include the refund of the excess contribution in gross income to the extent the amount of the excess rollover contribution was attributable to his or her reasonably relying on erroneous information the law required the Participant's employer or other party to furnish the Participant as respects the determination of the amount of a Qualified Rollover Contribution. This income exclusion does not apply if the Participant was allowed a deduction (or income exclusion) of the excess contribution amount in a prior taxable year.

**(4) Penalty Tax - Excess Contribution.** Any excess contribution not returned to the Participant by the day (including extensions) prescribed by law for filing the Participant's income tax return for the taxable year of the excess contribution is subject to a nondeductible 6% excise tax for that taxable year. The law continues to impose this penalty tax for each subsequent taxable year the funds remain in the Traditional IRA or the Participant does not utilize funds as a contribution for a taxable year subsequent to the taxable year of the excess contribution. The Participant may utilize an excess contribution as a contribution in a subsequent year by undercontributing the otherwise allowable contribution amount in the subsequent taxable year. However, underutilizing the contribution limitations in the subsequent year will not eliminate the excise tax for any preceding taxable year. A Participant should timely request a return of an excess contribution to avoid the imposition of the excise tax for the taxable year of the excess contribution.

**(5) Withdrawal of Funds/Premature Distribution.** The Participant, without penalty, may withdraw funds from the Traditional IRA after attaining age 59½. If the Participant withdraws an amount from a Traditional IRA during a taxable year and he or she previously has made nondeductible Traditional IRA contributions, part of a distribution may be a tax free return of the nondeductible contributions. The amount excludible from income for the taxable year is the portion of the amount withdrawn which bears the same ratio to the amount withdrawn for the taxable year as all of the Participant's nondeductible Traditional IRA contributions bear to the value of the Traditional IRA (including both deductible and nondeductible contributions). Notwithstanding the preceding sentence, if the Participant rolls over to another eligible plan all or any part of the amount withdrawn, the amount rolled over will consist first of the pre-tax contributions. See IRS Form 8606 for proper reporting of such Traditional IRA distributions. For purposes of determining the taxability of a Traditional IRA distribution, the law: (1) treats all Traditional IRAs of the Participant (including rollover Traditional IRAs and SEPs) as one Traditional IRA; and (2) treats all Traditional IRA distributions made during a taxable year as one distribution.

If the Participant receives a distribution (other than a returned excess contribution) from the Traditional IRA prior to the Participant's attaining age 59½, the law, with limited exceptions, imposes a 10% penalty on the amount of the distribution the Participant receives, to the extent the Participant must include the distribution in gross income. However, the 10% penalty will not apply if the Participant rolls over the funds to an eligible plan. The 10% penalty also will not apply if the Participant receives substantially equal payments from the Traditional IRA, at least annually, over the Participant's life or life expectancy (or over the joint lives or life expectancies of the participant and his or her designated beneficiary).

The 10% penalty also does not apply to disability distributions. For purposes of the Traditional IRA provisions, the law considers an individual disabled if he or she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long, continued and indefinite duration.

## Traditional IRA Disclosure Statement

**(6) Prohibited Transaction.** The law treats a Participant as having received a distribution (deemed distribution) of the entire Traditional IRA if the Traditional IRA loses its exempt status for having engaged in a prohibited transaction or if the Participant assigns his or her Traditional IRA to another person by gift or for another purpose. However, the law does not consider a transfer or assignment of a Traditional IRA pursuant to a divorce decree or pursuant to a written instrument incident to a divorce as a taxable transfer. The 10% penalty tax also may apply to a deemed distribution occurring prior to age 59½, such as an investment in collectibles.

**(7) Minimum Distribution.** If the Traditional IRA does not make retirement distributions at or before the time(s) required, the law imposes a nondeductible 50% penalty tax on the difference between the required distribution and the actual distribution. The recipient of the distribution must pay this penalty tax. For example, the life expectancy of a Participant at age 70½ is approximately 17 years. If the Participant elected to receive his or her account balance over a fixed term measured by his or her life expectancy, the Sponsor would distribute the Participant's Traditional IRA balance in 17 annual installments. If the first required installment is \$10,000 and, at the request of the Participant, the Sponsor made a distribution to the Participant of only \$6,000 for a particular taxable year, the law would impose a nondeductible penalty tax on the Participant of \$2,000 (50% x (\$10,000 - \$6,000)) for that taxable year. If the underpayment of the required amount is due to a reasonable error and the Participant takes reasonable steps to remedy the error, the Revenue Service may waive the penalty for the taxable year of the underpayment.

**(8) Federal Gift Tax/Estate Tax.** The Participant's designation of a beneficiary for his or her Traditional IRA does not constitute a gift for federal gift tax purposes. However, a Participant's contribution to the separate Traditional IRA of the Participant's nonworking spouse is a present interest gift under the federal gift tax law. The making of a contribution under a spousal Traditional IRA does not require the filing of a federal gift tax return nor the paying of any federal gift tax.

The balance in a Participant's Traditional IRA at the time of the Participant's death is includible in his or her gross estate for federal estate tax purposes. The law no longer provides a Traditional IRA estate tax exclusion.

### OTHER REQUIREMENTS

**(1) Contributions Returned Before the Due Date of Return.** A Participant may withdraw a Traditional IRA contribution (including a rollover contribution) made for a taxable year and need not include the refund of the Traditional IRA contribution in income for the taxable year of the distribution, irrespective of whether the contribution is deductible, if:

- (a) the Participant receives the refund by the date (including extensions) prescribed by law for filing the Participant's income tax return for the taxable year of the contribution;
- (b) the Participant does not take a deduction with respect to the amount of the contribution; and
- (c) the Participant receives with the refunded contribution the earnings attributable to the contribution.

The Participant must report the earnings in the taxable year for which he or she made the contribution. If the Traditional IRA contribution is a rollover contribution, the contribution is includible in the Participant's gross income in the taxable year the Participant made the contribution.

**(2) No Borrowing on Account.** The Participant may not utilize the Traditional IRA for any purpose other than retirement benefits. For example, the use of the Traditional IRA as security for a loan will result in a deemed distribution of the Traditional IRA to the extent of the portion used as security. This deemed distribution would subject the Participant to current income taxation and to the 10% penalty tax on the portion of the Traditional IRA deemed distributed, unless the Participant has attained age 59½.

### RETIREMENT BENEFIT

**(1) Income Taxation Consequences.** Retirement funds accumulated in a Traditional IRA are taxable to the Participant as ordinary income when distributed. The special tax treatment afforded certain types of retirement plan distributions is not available for a Traditional IRA distribution. This rule

applies even if the original contribution to the Traditional IRA was a rollover contribution which would have qualified for the special tax treatment if the Participant had not rolled over the lump sum distribution.

**(2) Required Lifetime Distributions.** As stated earlier, distributions from the Traditional IRA must begin not later than the Participant's RBD (see "STATUTORY REQUIREMENTS"). The special rule which may permit an employee who works beyond age 70½ to delay minimum distributions from certain employer-sponsored plans until the employee retires from employment does *not* apply to Traditional IRAs. The Participant may choose to receive the funds in his or her account in a single sum distribution, in installments or under an annuity contract. In the event the Participant chooses installment payments, the fixed term of the distribution may not exceed the life expectancy factor set forth in applicable Treasury regulations. Unless the Designated Beneficiary is the Participant's spouse who is more than ten years younger than the Participant, the life expectancy factor does not take into account the Participant's Designated Beneficiary. See "STATUTORY REQUIREMENTS" regarding the required distribution rules following the Participant's death.

### PROHIBITED TRANSACTIONS

To ensure the proper use of the funds deposited in the Traditional IRA, the Traditional IRA may not engage directly or indirectly in certain prohibited transactions. In brief, these transactions are:

- (1) The sale or exchange, or leasing, of any property between the Traditional IRA and a disqualified person;
- (2) The lending of money or other extension of credit between the Traditional IRA and a disqualified person;
- (3) The furnishing of goods, services or facilities between the Traditional IRA and a disqualified person;
- (4) The transfer to, or use by or for the benefit of, a disqualified person of the income or assets of the Traditional IRA;
- (5) Any act by a disqualified person who is a fiduciary whereby he or she deals with the income or assets of a Traditional IRA in his or her own interest or for his or her own account; or
- (6) The receipt of any consideration for his or her own personal account by any disqualified person who is a fiduciary from any party dealing with the Traditional IRA in connection with the transaction involving the income or assets of the Traditional IRA.

For purposes of the prohibited transaction rules, a "disqualified person" will include the Participant, the Participant's beneficiary and persons or entities (corporations, trusts, estates or partnerships) which stand in close relationship to the Participant. In addition, a Traditional IRA participant is a fiduciary with respect to his or her own Traditional IRA. Of course, the prohibited transaction rules do not apply to the Participant's receipt of normal retirement benefits under his or her Traditional IRA.

If a prohibited transaction affecting a Participant's Traditional IRA occurs, the Traditional IRA will lose its tax-exempt status. Furthermore, the Participant must include the entire Traditional IRA balance in his or her gross income for the taxable year in which the prohibited transaction occurs. See "Withdrawal of Funds/Premature Distributions."

### TAX ADVICE

This Disclosure Statement, together with the Traditional IRA document, should answer most questions concerning the Sponsor's Traditional IRA. If a Participant has additional questions regarding Traditional IRAs, the Participant should consult his or her tax adviser. Also, the Participant may obtain additional information regarding the Traditional IRA from any District Office of the Internal Revenue Service. See in particular Revenue Service Publication 590.

### ADMINISTRATIVE EXPENSE

Section 8.01 of the Traditional IRA document provides the Sponsor will receive reasonable annual compensation for the administration of the Participant's Traditional IRA. The Sponsor and the Participant will agree to the

**Traditional IRA Disclosure Statement**

compensation the Sponsor is to receive for the normal administration of the Participant's Traditional IRA at the time the Participant establishes the Traditional IRA. The Sponsor will not increase its normal charge for the administration of the Participant's Traditional IRA without notice to the Participant.

**FINANCIAL DISCLOSURE**

Article VI of the Traditional IRA indicates who has the responsibility for the investment of the IRA assets. If the Traditional IRA designates the Participant to invest the Traditional IRA assets, the Trustee or Custodian will invest the assets of the Account only in accordance with written directions from the Participant. If the Traditional IRA designates the Trustee to invest the Traditional IRA assets, the Trustee has full investment responsibility for the assets in the Account. Article VI of the Plan lists permitted investments. These investments include securities, bonds, annuities, bank accounts and other savings investments, government obligations, real estate and other personal property. Thus, the assets of the Account, at any given time between its establishment and its termination through distribution of all of the assets, may contain one or more of the above-listed permitted investments, depending on which investments the Participant or Trustee has selected and the authority of the Trustee/Custodian to make the investment. It therefore is impossible to project the value of the Account assets to the Participant at any given time. This section, however, will provide several hypothetical financial projections for the Account assuming the Participant places all assets in the Account in an interest-bearing savings account. Investments in securities, variable annuities and bonds are sold through documents called "prospectuses" which give full details of the offering, including the amount of sales commissions and other expenses. In most cases, a prospectus includes hypothetical financial projections based on past performance activities. Prior to the Participant's investment direction to the Trustee/Custodian, the Participant will receive such a prospectus either from the issuer of the securities or from a securities broker. The Participant should understand fully all disclosures contained in the document prior to proceeding with the investment.

If the Trustee/Custodian receives written direction from the Participant to invest the assets of the Account in interest-bearing instruments, the exact balance of the Participant's Account at any time will depend upon the interest rate payable (which varies from time to time), the length of time for the interest-bearing instrument to earn interest and, of course, the amount of the contributions the Participant actually makes.

Exhibits A and B of this Disclosure Statement illustrate the balance of a hypothetical Participant's Traditional IRA at any time between age 18 and 70. Each of these Exhibits assumes a level annual contribution of \$1,000 at the beginning of each year and a specified constant rate of return compounded daily. The rate of return is higher in Exhibit B than in Exhibit A.

Though there is no guarantee the Participant will receive the specified rate of return over the assumed period, a Participant may analyze the potential financial advantage from the Traditional IRA by examining Exhibits A and B. Each Exhibit lists 52 numbers to take into account for anyone establishing a Traditional IRA from age 18 to age 69. To determine the possible financial effect of the Traditional IRA accumulation at any given age, subtract the Participant's present age from the given age. The Participant then should consult the "Year End Balance" appearing opposite the resulting figure. That "Year End Balance" is the accumulation under the assumed facts of a \$1,000 level, first day of the year annual contribution with the specified constant compounded daily rate of return. For example, assume a Participant is age 40 on January 1. This Participant's estimated projected Traditional IRA balance at age 70 is the dollar amount listed for year 30. We determine this amount by subtracting 40 from 70, which equals 30. The dollar figure opposite line 30 is the projected balance at age 70. The dollar figure for year 30 is larger in

Exhibit B than in Exhibit A because Exhibit B assumes a higher rate of interest.

To determine the amount the Participant may withdraw, in single sum, at any time during the period of maintaining the Traditional IRA, the Participant should look to the year-end balance opposite the particular year for which the Participant wishes the single sum withdrawal information. For example, again assuming a \$1,000 level, first day of the year annual contribution with the specified constant compounded daily rate of return, the Participant may withdraw the amount specified for year 8 on the last day of the eighth year (assuming no prior withdrawals).

Exhibits A and B provide projected financial information on the basis of level annual contributions to the Traditional IRA. If a Participant establishes a Traditional IRA with a rollover contribution, the rollover may be the only funds in the Traditional IRA.

Exhibits C and D of this Disclosure Statement outline the balance of a hypothetical Participant's Traditional IRA at any time between age 18 and age 70. Exhibits C and D assume a rollover contribution of \$1,000 on the first day of the year with the Participants making no other contributions to the Traditional IRA and a specified constant rate of return compounded daily. The rate of return is higher in Exhibit D than in Exhibit C. To determine the possible financial effect of the Traditional IRA accumulation at any given age, the Participant should subtract his or her present age from the given age. The Participant then should consult the "Year End Balance" appearing opposite the resulting figure. That "Year End Balance" is the accumulation under the assumed facts of a rollover contribution of \$1,000 on the first day of the year with the Participant making no other contributions and the specified constant compounded daily rate of return. To illustrate, assume a Participant is age 40 on January 1. This Participant's estimated projected Traditional IRA balance at age 70 is the amount stated for year 30. We determine this amount by subtracting 40 from 70, which equals 30. The dollar figure opposite line 30 is the projected balance at age 70. The dollar figure for year 30 is larger in Exhibit D than in Exhibit C because Exhibit D assumes a higher rate of return.

To determine the amount the Participant may withdraw, in single sum, at any time during the period of maintaining the Traditional IRA, the Participant should look to the year-end balance opposite the particular year for which the Participant wishes the single sum withdrawal information. For example, again assuming a rollover contribution of \$1,000 on the first day of the year with the Participant making no other contributions to the Traditional IRA and the specified constant rate of return compounded daily, the Participant may withdraw the amount specified for year 8 on the last day of the eighth year (assuming no prior withdrawals).

The amount the Participant would be able to withdraw, in single sum, under a Traditional IRA consisting of assets held in kind will depend upon the interest, dividends or other earnings received by the Sponsor with respect to those assets. In particular, the Participant should review Article VI of the Traditional IRA Plan with respect to investment of the Participant's contribution to the Traditional IRA.

The Sponsor emphasizes the financial projections in the accompanying Exhibits do not necessarily reflect the actual amounts a Participant will have available in his or her Traditional IRA at the end of the stated periods. The financial information provided with this Disclosure Statement represents projections only, and the Sponsor is not, in any way, able to guarantee a stated amount for any Traditional IRA. The interest rate on a Traditional IRA or Traditional IRAs in which the Sponsor invests a Participant's contributions may change as a result of inflation or other factors. In addition, all Traditional IRAs are subject to present and future federal and state laws and regulations. These laws and regulations also may change the amount available in a Participant's Traditional IRA which is invested in savings instruments.

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**Traditional IRA Disclosure Statement**

**EXHIBIT A**

**Financial Disclosure  
Schedule of Year End Balances  
Assumed 5% Return Compounded Daily  
Annual \$1,000 Contribution Made at Beginning of Year**

<u>Year</u>	<u>Year End Balance</u>	<u>Year</u>	<u>Year End Balance</u>
1	\$ 1,051.27	27	\$ 58,585.67
2	2,156.43	28	62,640.48
3	3,318.25	29	66,903.17
4	4,539.64	30	71,384.40
5	5,823.64	31	76,095.37
6	7,173.47	32	81,047.86
7	8,592.50	33	86,254.25
8	10,084.28	34	91,727.56
9	11,652.54	35	97,481.47
10	13,301.20	36	103,530.37
11	15,034.39	37	109,889.38
12	16,856.43	38	116,574.40
13	18,771.88	39	123,602.15
14	20,785.53	40	130,990.19
15	22,902.42	41	138,757.00
16	25,127.84	42	146,921.99
17	27,467.35	43	155,505.58
18	29,926.80	44	164,529.23
19	32,512.34	45	174,015.50
20	35,230.43	46	183,988.11
21	38,087.87	47	194,471.99
22	41,091.81	48	205,493.35
23	44,249.75	49	217,079.75
24	47,569.59	50	229,260.15
25	51,059.63	51	242,065.01
26	54,728.60	52	255,526.34

**EXHIBIT C**

**Financial Disclosure  
Schedule of Year End Balances  
Assumed 5% Return Compounded Daily  
\$1,000 Contribution Made One Time Only**

<u>Year</u>	<u>Year End Balance</u>	<u>Year</u>	<u>Year End Balance</u>
1	\$ 1,051.27	27	\$ 3,857.07
2	1,105.17	28	4,054.81
3	1,161.83	29	4,262.69
4	1,221.39	30	4,481.23
5	1,284.01	31	4,710.97
6	1,349.84	32	4,952.49
7	1,419.04	33	5,206.39
8	1,491.79	34	5,473.31
9	1,568.27	35	5,753.91
10	1,648.67	36	6,048.90
11	1,733.19	37	6,359.01
12	1,822.05	38	6,685.02
13	1,915.46	39	7,027.74
14	2,013.66	40	7,388.03
15	2,116.90	41	7,766.80
16	2,225.43	42	8,164.98
17	2,339.52	43	8,583.58
18	2,459.46	44	9,023.64
19	2,585.55	45	9,486.26
20	2,718.10	46	9,972.60
21	2,857.45	47	10,483.87
22	3,003.94	48	11,021.35
23	3,157.94	49	11,586.39
24	3,319.84	50	12,180.40
25	3,490.04	51	12,804.86
26	3,668.97	52	13,461.33

**EXHIBIT B**

**Financial Disclosure  
Schedule of Year End Balances  
Assumed 8% Return Compounded Daily  
Annual \$1,000 Contribution Made at Beginning of Year**

<u>Year</u>	<u>Year End Balance</u>	<u>Year</u>	<u>Year End Balance</u>
1	\$ 1,083.28	27	\$ 99,759.81
2	2,256.77	28	109,150.84
3	3,527.99	29	119,323.93
4	4,905.07	30	103,344.21
5	6,396.83	31	142,282.24
6	8,012.82	32	155,214.44
7	9,763.39	33	169,223.60
8	11,659.74	34	184,399.41
9	13,714.01	35	200,839.02
10	15,939.36	36	218,647.68
11	18,350.03	37	237,939.41
12	20,961.45	38	258,837.70
13	23,790.35	39	281,476.35
14	26,854.83	40	306,000.29
15	30,174.51	41	332,566.53
16	33,770.65	42	361,345.14
17	37,666.27	43	392,520.36
18	41,886.30	44	426,291.78
19	46,457.77	45	462,875.60
20	51,409.94	46	502,506.03
21	56,774.51	47	545,436.79
22	62,585.83	48	591,942.72
23	68,881.10	49	642,321.55
24	75,700.63	50	696,895.81
25	83,088.07	51	756,014.88
26	91,090.72	52	820,057.24

**EXHIBIT D**

**Financial Disclosure  
Schedule of Year End Balances  
Assumed 8% Return Compounded Daily  
\$1,000 Contribution Made One Time Only**

<u>Year</u>	<u>Year End Balance</u>	<u>Year</u>	<u>Year End Balance</u>
1	\$ 1,083.28	27	\$ 8,699.04
2	1,173.49	28	9,390.98
3	1,271.22	29	10,173.04
4	1,377.08	30	11,020.23
5	1,491.76	31	11,937.97
6	1,615.99	32	12,932.14
7	1,750.57	33	14,009.10
8	1,896.35	34	15,175.74
9	2,054.27	35	16,439.54
10	2,225.34	36	17,808.58
11	2,410.66	37	19,219.64
12	2,611.41	38	20,898.20
13	2,828.88	39	22,638.55
14	3,064.46	40	24,523.83
15	3,319.66	41	26,566.12
16	3,596.11	42	28,778.48
17	3,895.59	43	31,175.08
18	4,220.01	44	33,771.26
19	4,571.44	45	36,583.65
20	4,952.14	46	39,630.25
21	5,364.54	47	42,930.56
22	5,811.29	48	46,505.71
23	6,295.24	49	50,378.59
24	6,819.49	50	54,574.00
25	7,387.40	51	59,118.79
26	8,002.60	52	64,042.06



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**5. AGE 70 ½ INFORMATION**

Check one of the following:

- I am under the age 70 ½ and do not turn age 70 ½ at anytime during the calendar year.
- I am age 70 ½ or older and understand that no part of my required distribution is eligible for transfer or rollover. I further understand that there may be significant tax penalties resulting if I do transfer or roll over any part of my required distribution.

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**6. INVESTMENT INFORMATION**

I direct my transfer or direct rollover into the Rogé Partners Fund to be invested as follows:

Account Number \_\_\_\_\_ Amount \$ \_\_\_\_\_

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**7. SIGNATURES AND CERTIFICATIONS**

I certify that I have established an IRA with the Rogé Partners Fund, of which First National Bank is the Custodian and Gemini Fund Services, LLC, is the Custodian’s agent. I agree to inform my present Custodian that I am transferring from to determine if specific documentation or a signature guarantee is required. I understand that I am responsible for determining my eligibility for all transfers or direct rollovers. I agree to hold the Custodian harmless against any and all situations arising from an ineligible transfer or direct rollover. I acknowledge that the Custodian cannot provide legal advice and I agree to consult with my own tax professional for advice.

\_\_\_\_\_  
(Signature of IRA Owner)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature of Guarantee\*)

\_\_\_\_\_  
(Date)

**\*IMPORTANT: Your resigning trustee may require a signature guarantee. Please check with them for instruction.**

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**To be completed by a First National Bank Representative**

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First National Bank hereby confirms that it has accepted its appointment as Custodian of the Rogé Partners Fund IRA. ***Make check payable to:***

Rogé Partners Fund, FBO \_\_\_\_\_

First National Bank Representative \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

Mail check to: **Rogé Partners Fund**  
c/o Gemini Fund Services, LLC  
4020 South 147<sup>th</sup> Street, Suite 2  
Omaha, NE 68137  
  
1-888-800-ROGE (1-888-800-7643)