

**Section XIII
Investment Disclosure**

I direct Trust Company of America to execute the attached purchase request. I understand that Trust Company of America may rely on any verbal or written funding instructions provided by myself or by my designated representative. I hereby make the following certifications:

1. I have received, read, and understood all of the offering documentation as it pertains to the purchase of this investment (s), and that I furthermore meet any and all suitability, and other requirements of the offering both declared and implied. Additionally, I have reviewed this material with my financial or legal representative to insure that my participation in this investment is not a prohibited transaction, as described in Section 4975 of the code, as amended (ERISA). To the extent that any such prohibited transaction may otherwise be involved, this investment transaction is the subject of a specific statutory exemption or administrative exemption. I recognize and understand that my account(s) with Trust Company of America is self-directed and I recognize that Trust Company of America's role is only that of a custodian (as defined by the Internal Revenue Code or ERISA, or any other applicable Federal, State, or local laws) for my account.
2. That my Trust Company of America account contains sufficient liquid funds to make the initial investment. I am aware of the fact that if this investment should contain a provision for future contractual payments, additional capital calls, and/or assessments, I acknowledge that such payments shall be borne solely by the Account to the extent authorized in payment instructions by me or my designated representative, and may reduce or exhaust the value of my entire Account. I further agree to indemnify and hold harmless Trust Company of America for any and all payments or assessments which may result from holding the investment (s) within the Account and further agree that Trust Company of America shall be under no obligation whatsoever to extend credit to the account or otherwise disburse payment beyond the cash balance of the account for any payment or assessment in my account balance that would be necessary to meet such additional funding requirements, or agree to meet any capital calls. I am aware of the administrative and annual fees associated with my account at Trust Company of America. I furthermore am aware of my obligation to insure that these fees are resolved in a reasonable and timely manner. I also am aware that regardless of the return or performance of my investment I am obligated to settle all outstanding fees owed to Trust Company of America on my behalf and recognize their right to seize or liquidate any of my holdings to meet these obligations.
3. I understand that Trust Company of America has the right to accept and/or reject any investment at their sole discretion without cause. I also understand that although Trust Company of America may accept an investment or instructions to purchase an investment on my behalf, that this in no way implies a disclosure of opinion on behalf of Trust Company of America. I recognize that Trust Company of America will not review the merits of my investment or whether the investment is acceptable under ERISA, the Internal Revenue Code, or any other applicable Federal, State, or local laws including but not limited to security laws. I understand that my account with Trust Company of America is self-directed and that it is my responsibility to review any investments to ensure compliance with above requirements and to avoid the occurrence of any prohibited transactions in my account arising out of my investments. I agree to indemnify and hold harmless Trust Company of America from any claims that this investment is not prudent, proper, diversified, or otherwise in compliance with the Internal Revenue Code or ERISA, or any other applicable Federal, State, or local laws. I also understand and agree that Trust Company of America will not be responsible to take any action should there be any default with regard to the investment. I recognize Trust Company of America's right to discontinue acting as the custodian of my account for any reason and at any time without due notice.
4. I am aware of and accept the fact that Colorado State law provides that Trust Company of America shall not be responsible for any loss resulting from making or retention of any investment pursuant to direction. I agree that any claim or dispute arising out of or in any way related to an investment shall be settled by arbitration in accordance with the rules of the American Arbitration Association. Any such arbitration proceedings or court suits, if allowed, shall be held in the County of Arapahoe, State of Colorado, and judgment upon any award may be entered in any court having jurisdiction.
5. In reference to any investment I may request that could be defined as "Non-Standard" (Limited Partnerships, Limited Liability Companies, Real Property, Trust Deeds, Promissory Notes, etc.) I am aware that Trust Company of America is a non-affiliated party and as such is under no obligation to act as a servicing agent for these investments. I recognize that serving, tax filing, management, trading, and annual valuations are the responsibility of the servicing agent and that it is my obligation to insure that these services are provided to Trust Company of America. I am aware that if no annual valuation of an investment is available, that Trust Company of America is obligated to report the most recent valuation available (this is done without regard to the age of the valuation). I am aware that Trust Company of America's role on my account is strictly that of a custodian; and that they bear no responsibility to forward to me any notices, proxy votings or other legal documents that would relate to these investments; and that if I am forwarded these items it is done only as an additional service to me and not as the actions of a servicing agent. By execution of this document, the powers of administration and management and the owner or the investment advisor appointed by the owner, is the sole fiduciary of the account within the meaning of the Code Section 7701 (a)(6). As fiduciary, the owner acknowledges sole responsibility to prepare and file and Form 990-T reporting unrelated business income of the plan that is required to be filed. The owner certifies that only the owner or the investment advisor appointed by the owner has sufficient knowledge of the required information to complete Form 990-T. The owner acknowledges that Trust Company of America, as a nondiscretionary custodian, is not a fiduciary of the plan account, does not have sufficient knowledge of the required information to prepare and file Form 990-T, and has no responsibility for the preparation or filing of any return, including Form 990-T that may have to be filed with respect to the plan account under Code 6012. In the event that the owner fails to file any required income tax form under Code Section 6012, including Form 990-T, the owner acknowledges that any penalties and interest due in connection with that failure will be paid by the owner.

I ACKNOWLEDGE THAT I HAVE SOLE RESPONSIBILITY FOR DIRECTING THE INVESTMENT OF MY ACCOUNT, AND THE ADMINISTRATIVE REVIEW PERFORMED BY TRUST COMPANY OF AMERICA ON THE ABOVE OFFERING IS SOLELY TO DETERMINE THAT THE INVESTMENT IS ADMINISTRATIVELY FEASIBLE FOR TRUST COMPANY OF AMERICA TO HOLD FOR THE BENEFIT OF MY ACCOUNT. I FURTHER ACKNOWLEDGE THAT THIS REVIEW IS NOT A DUE DILIGENCE REVIEW, AND THAT TRUST COMPANY OF AMERICA HAS NOT RENDERED ANY INVESTMENT ADVICE, NOR HAS TRUST COMPANY OF AMERICA EXPRESSED ANY OPINION AS TO THE PRUDENCE OR VIABILITY OF THE INVESTMENTS, IT'S VALUE OR MANAGEMENT. I AGREE TO HOLD TRUST COMPANY OF AMERICA HARMLESS FOR ANY LOSS, DAMAGE, OR INJURY OR EXPENSE THAT MAY OCCUR AS A RESULT OF THE EXECUTION OF THIS INVESTMENT DIRECTION AND CERTIFICATION.



SELF-DIRECTED TRANSFER FORM

Account Number _____

Account Title _____

INSTRUCTIONS FOR COMPLETING TRANSFER FORM

- Please print clearly using all CAPITAL LETTERS and black ink to complete this form.
- Complete the Transfer Instructions section applicable to the kind of account or asset you are transferring, as follows:
 - For transfers from a **Mutual Fund Company**, specify the number of shares (or indicate "All") and if the shares will be liquidated or transferred in kind.
 - For accounts transferred from a **Broker/Dealer**, specify whether this is a full or partial account transfer and, in the case of a partial transfer, the securities to be transferred including the number of shares you want to transfer.
 - For Certificates of Deposit, specify if CD is to be liquidated immediately or at maturity. If at maturity, provide the maturity date, the account number and the amount to be transferred.
- You may wish to check with your current custodian or trustee to determine if additional documents are required to transfer your assets.
- If you complete the Self-Directed Transfer Form online, please print a hard copy upon completion.
- Please review the Terms and Conditions in Section VI and have all account owners date and sign the Section.

- Not all types of assets are transferable to Trust Company of America. Please contact our Client Service Team for assistance in identifying these assets. Additional fees will be incurred for the registration and maintenance of non-traditional assets such as Limited Partnerships, Private Placements, Limited Liability Companies, etc. Please contact our Client Service Team at 800-223-4133 for the appropriate documentation needed to register a non-traditional asset.
- If liquidating certain assets prior to transfer, please instruct the delivering firm to do so and cancel any dividend reinvestment option before submitting this form to Trust Company of America.

Section I Trust Company of America Account Information

If you do not have an account with Trust Company of America, please attach a completed Trust Company of America Self-Directed Account Application.

Account Owner _____

Trust Company of America Account Number _____

Social Security Number/Tax ID Number _____

Section II Account to be Transferred to Trust Company of America

Name of Current Institution _____

Business Phone Number _____

Street Address or PO Box _____

City _____ State _____ Zip+4 _____

Title of Account as it appears on your statement _____

Account Number _____

Additional Information:

- Please be advised that one or more of the following fees may be charged to your account from the delivering firm before the transfer is complete.
 - Account Termination Fee
 - Account Transfer Fee
 - Account Wire Fee
 - Account Surrender Fee
 - Account Redemption Fee
 - Account Early Withdrawal Fee
- It may take several weeks to complete an account transfer. This is due in part to the type of securities being transferred and the procedures of the institution facilitating the transfer. Access to assets may be unavailable during the transfer process, resulting in your inability to trade, liquidate or meet cash needs.

Section III Type of Account

A. Type of Account Being Transferred:

- IRA
- Rollover IRA
- ROTH IRA
- SEP IRA
- SIMPLE IRA
- Qualified Plan
- Other _____

B. Type of Account at Trust Company of America:

- IRA
- Rollover IRA
- ROTH IRA
- SEP IRA
- SIMPLE IRA
- Other _____

Section IV Transfer Instructions (Please attach a copy of your most recent statement.)

Unless otherwise indicated, all holdings will be transferred to Trust Company of America. For Mutual Funds, all dividends and Capital Gains will be reinvested. If reinvestment is not allowed, Trust Company of America will accept all distributions in cash. **Sales charges for liquidations may apply. I understand that all ineligible Proprietary products (including mutual funds) and all No-Load Money Market Funds cannot be transferred in kind and will have to be liquidated.**

- Full Transfer
 - Transfer my entire account to Trust Company of America in kind
 - Liquidate my entire account and send a check to Trust Company of America
 - Liquidate my entire account and wire the funds to Trust Company of America
 - Transfer my entire account to Trust Company of America after liquidating the assets specified below
- Partial Transfer
 - Please transfer Cash in the amount of \$ _____ by check
 - Please transfer Cash in the amount of \$ _____ by wire
 - Please transfer only the assets specified below

Description of Asset	Quantity (Indicate # of shares or all)	Type of Transfer (Select one)	Trust Company of America Omnibus Account Number (for internal use only)
		<input type="checkbox"/> Transfer In Kind <input type="checkbox"/> Liquidate Immediately <input type="checkbox"/> Liquidate on Maturity Date of ____/____/____	
		<input type="checkbox"/> Transfer In Kind <input type="checkbox"/> Liquidate Immediately <input type="checkbox"/> Liquidate on Maturity Date of ____/____/____	
		<input type="checkbox"/> Transfer In Kind <input type="checkbox"/> Liquidate Immediately <input type="checkbox"/> Liquidate on Maturity Date of ____/____/____	
		<input type="checkbox"/> Transfer In Kind <input type="checkbox"/> Liquidate Immediately <input type="checkbox"/> Liquidate on Maturity Date of ____/____/____	
		<input type="checkbox"/> Transfer In Kind <input type="checkbox"/> Liquidate Immediately <input type="checkbox"/> Liquidate on Maturity Date of ____/____/____	

Attach an additional sheet if necessary.

Please note that there may be early withdrawal penalties on Certificates of Deposits that cannot be transferred "in-kind" to Trust Company of America.

- Any brokerage commissions attributable to the assets in your SIMPLE IRA will be charged to your SIMPLE IRA. You cannot reimburse your SIMPLE IRA for those commissions.
- 8.05 **Investment of Amounts in the SIMPLE IRA:** You have exclusive responsibility for and control over the investment of the assets of your SIMPLE IRA. All transactions shall be subject to any and all restrictions or limitations, direct or indirect, which are imposed by our charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed; our policies and practices; and this Agreement. After your death, your beneficiary(ies) shall have the right to direct the investment of your SIMPLE IRA assets, subject to the same conditions that applied to you during your lifetime under this Agreement (including, without limitation, Section 8.03 of this article). We shall have no discretion to direct any investment in your SIMPLE IRA. We assume no responsibility for rendering investment advice with respect to your SIMPLE IRA, nor will we offer any opinion or judgment to you on matters concerning the value or suitability of any investment or proposed investment for your SIMPLE IRA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we shall have the right to hold any uninvested amounts in cash, and we shall have no responsibility to invest uninvested cash unless and until directed by you. We will not exercise the voting rights and other shareholder rights with respect to investments in your SIMPLE IRA unless you provide timely written directions acceptable to us.
- You will select the type of investment for your SIMPLE IRA assets, provided, however, that your selection of investments shall be limited to those types of investments that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact offer for investment in SIMPLE IRAs. We may, in our sole discretion, make available to you, additional investment offerings, which shall be limited to publicly traded securities, mutual funds, money market instruments and other investments that are obtainable by us and that we are capable of holding in the ordinary course of our business.
- 8.06 **Beneficiary(ies):** If you die before you receive all of the amounts in your SIMPLE IRA, payments from your SIMPLE IRA will be made to your beneficiary(ies).
- You may designate one or more persons or entities as beneficiary of your SIMPLE IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during your lifetime. Unless otherwise specified, each beneficiary designation you file with us will cancel all previous ones. The consent of a beneficiary(ies) shall not be required for you to revoke a beneficiary designation. If you have designated both primary and contingent beneficiaries and no primary beneficiary(ies) survives you, the contingent beneficiary(ies) shall acquire the designated share of your SIMPLE IRA. If you do not designate a beneficiary, or if all of your primary and contingent beneficiary(ies) predecease you, your estate will be the beneficiary.
- A spouse beneficiary shall have all rights as granted under the Code or applicable Regulations to treat your SIMPLE IRA as his or her own.
- We may allow, if permitted by state law, an original SIMPLE IRA beneficiary(ies) (the beneficiary(ies) who is entitled to receive distribution(s) from an inherited SIMPLE IRA at the time of your death) to name a successor beneficiary(ies) for the inherited SIMPLE IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during the original SIMPLE IRA beneficiary's(ies') lifetime. Unless otherwise specified, each beneficiary designation form that the original SIMPLE IRA beneficiary(ies) files with us will cancel all previous ones. The consent of a successor beneficiary(ies) shall not be required for the original SIMPLE IRA beneficiary(ies) to revoke a successor beneficiary(ies) designation. If the original SIMPLE IRA beneficiary(ies) does not designate a successor beneficiary(ies), his or her estate will be the successor beneficiary. In no event shall the successor beneficiary(ies) be able to extend the distribution period beyond that required for the original SIMPLE IRA beneficiary.
- 8.07 **Required Minimum Distributions:** Your required minimum distribution is calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if your spouse is your sole designated beneficiary and is more than 10 years younger than you, your required minimum distribution is calculated each year using the joint and last survivor table in Regulations section 1.401(a)(9)-9. If you fail to request your required minimum distribution by your required beginning date, we can, at our complete and sole discretion, do any one of the following:
- make no distribution until you give us a proper withdrawal request;
 - distribute your entire SIMPLE IRA to you in a single sum payment; or
 - determine your required minimum distribution from your SIMPLE IRA each year based on your life expectancy, calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9, and pay those distributions to you until you direct otherwise.
- We will not be liable for any penalties or taxes related to your failure to take a required minimum distribution.
- 8.08 **Termination of Agreement, Resignation, or Removal of Custodian:** Either party may terminate this Agreement at any time by giving written notice to the other. We can resign as Custodian at any time effective 30 days after we mail written notice of our resignation to you. Upon receipt of that notice, you must make arrangements to transfer your SIMPLE IRA to another financial organization. If you do not complete a transfer of your SIMPLE IRA within 30 days from the date we mail the notice to you, we have the right to transfer your SIMPLE IRA assets to a successor SIMPLE IRA custodian or trustee that we choose in our sole discretion, or we may pay your SIMPLE IRA to you in a single sum. We shall not be liable for any actions or failures to act on the part of any successor custodian or trustee, nor for any tax consequences you may incur that result from the transfer or distribution of your assets pursuant to this section.
- If this Agreement is terminated, we may charge your SIMPLE IRA a reasonable amount of money that we believe is necessary to cover any associated costs, including but not limited to, one or more of the following:
- any fees, expenses or taxes chargeable against your SIMPLE IRA;
 - any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your SIMPLE IRA.
- If we are required to comply with Regulations section 1.408-2(e), and we fail to do so, or we are not keeping the records, making the returns or sending the statements as are required by forms or Regulations, the IRS may, after notifying you, require you to substitute another trustee or custodian.
- We may establish a policy requiring distribution of the entire balance of your SIMPLE IRA to you in cash or property if the balance of your SIMPLE IRA drops below the minimum balance required under the applicable investment or policy established.
- 8.09 **Successor Custodian:** If our organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if our entire organization (or any portion which includes your SIMPLE IRA) is bought by another organization, that organization (or agency) shall automatically become the trustee or custodian of your SIMPLE IRA, but only if it is the type of organization authorized to serve as a SIMPLE IRA trustee or custodian.
- 8.10 **Amendments:** We have the right to amend this Agreement at any time. Any amendment we make to comply with the Code and related Regulations does not require your consent. You will be deemed to have consented to any other amendment unless, within 30 days from the date we mail the amendment, you notify us in writing that you do not consent.
- 8.11 **Withdrawals or Transfers:** All requests for withdrawal or transfer shall be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Withdrawals shall be subject to all applicable tax and other laws and regulations, including possible early withdrawal penalties or surrender charges and withholding requirements.
- 8.12 **Transfers from Other Plans:** We can receive amounts transferred or rolled over to this SIMPLE IRA from the custodian or trustee of another SIMPLE IRA. We reserve the right not to accept any transfer or rollover.
- 8.13 **Liquidation of Assets:** We have the right to liquidate assets in your SIMPLE IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties or surrender charges properly chargeable against your SIMPLE IRA. If you fail to direct us as to which assets to liquidate, we will decide, in our complete and sole discretion, and you agree not to hold us liable for any adverse consequences that result from our decision.
- 8.14 **Restrictions on the Fund:** Neither you nor any beneficiary may sell, transfer or pledge any interest in your SIMPLE IRA in any manner whatsoever, except as provided by law or this Agreement. The assets in your SIMPLE IRA shall not be responsible for the debts, contracts or torts of any person entitled to distributions under this Agreement.
- 8.15 **What Law Applies:** This Agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this Agreement, the law of our domicile shall govern.
- If any part of this Agreement is held to be illegal or invalid, the remaining parts shall not be affected. Neither your nor our failure to enforce at any time or for any period of time any of the provisions of this Agreement shall be construed as a waiver of such provisions, or your right or our right thereafter to enforce each and every such provision.
- 8.16 **Summary Description Requirements:** Notwithstanding Article V above, we will be deemed to have satisfied our summary description reporting requirements under Code section 408(l)(2) if either
- a. we provide a summary description directly to you, or
 - b. we provide our name, address and withdrawal procedures to you, and your employer provides you with all other required information.

General Instructions

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

Purpose of Form

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

Do not file Form 5305-SA with the IRS. Instead, keep it with your records. For more information on SIMPLE IRAs, including the required disclosures the Custodian must give the Participant, see **Pub. 590, Individual Retirement Arrangements (IRAs)**.

Definitions

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

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

Transfer SIMPLE IRA

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

Specific Instructions

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

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

DISCLOSURE STATEMENT

RIGHT TO REVOKE YOUR SIMPLE IRA

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

If you send your notice by first class mail, your revocation will be deemed mailed as of the postmark date. If you have any questions about the procedure for revoking your SIMPLE IRA, please call the Custodian at the telephone number listed on the Application.

REQUIREMENTS OF A SIMPLE IRA

- A. **CASH CONTRIBUTIONS** - Your contribution must be in cash, unless it is a rollover contribution.
- B. **MAXIMUM CONTRIBUTION** - The only contributions which may be made to your SIMPLE IRA are employee elective deferrals under a qualified salary reduction agreement, employer contributions and other contributions allowed by Code or related Regulations, which are made under a SIMPLE IRA plan maintained by your employer. Employee elective deferrals shall not exceed the lesser of 100 percent of your compensation for the calendar year or \$7,000 for 2002, \$8,000 for 2003, \$9,000 for 2004, and \$10,000 for 2005 with possible cost-of-living adjustments in 2006 and beyond. Your employer may make additional contributions to your SIMPLE IRA within the limits prescribed in Internal Revenue Code (Code) section 408(p). Your employer is required to provide you with information which describes the terms of its SIMPLE IRA plan.
- C. **CATCH-UP CONTRIBUTIONS** - If you are age 50 or older by the close of the plan year, you may make an additional contribution to your SIMPLE IRA. The maximum additional contribution is \$500 for 2002, \$1,000 for 2003, \$1,500 for 2004, \$2,000 for 2005, \$2,500 for 2006 with possible cost-of-living adjustments in year 2007 and beyond.
- D. **NONFORFEITABILITY** - Your interest in your SIMPLE IRA is nonforfeitable.
- E. **ELIGIBLE CUSTODIANS** - The Custodian of your SIMPLE IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- F. **COMMINGLING ASSETS** - The assets of your SIMPLE IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- G. **LIFE INSURANCE** - No portion of your SIMPLE IRA may be invested in life insurance contracts.
- H. **COLLECTIBLES** - You may not invest the assets of your SIMPLE IRA in collectibles (within the meaning of Code section 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum or palladium bullion (as described in Code section 408(m)(3)) are also permitted as SIMPLE IRA investments.
- I. **REQUIRED MINIMUM DISTRIBUTIONS** - You are required to take minimum distributions from your SIMPLE IRA at certain times in accordance with Regulations section 1.408-8. Below is a summary of the SIMPLE IRA distribution rules.

1. You are required to take a minimum distribution from your SIMPLE IRA for the year in which you reach age 70 1/2 and for each year thereafter. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain age 70 1/2. The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the prior year by the applicable divisor.

2. The applicable divisor is generally determined using the uniform lifetime table provided by the IRS. The table assumes a designated beneficiary exactly 10 years younger than you, regardless of who is named as your beneficiary(ies), if any. If your spouse is your sole designated beneficiary, and is more than 10 years younger than you, the required minimum distribution is determined annually using the actual joint life expectancy of you and your spouse obtained from the joint and last survivor table provided by the IRS, rather than the life expectancy divisor from the uniform lifetime table.

We reserve the right to do any one of the following by April 1 of the year following the year in which you turn age 70 1/2

- (a) make no distribution until you give us a proper withdrawal request,
- (b) distribute your entire SIMPLE IRA to you in a single sum payment, or

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

Your designated beneficiary(ies) must elect either option (i) or (ii) by December 31 of the year following the year of your death. If no election is made, distribution will be calculated in accordance with option (ii). In the case of distributions under option (ii), distributions must commence by December 31 of the year following the year of your death. If your spouse is the designated beneficiary, distributions need not commence until December 31 of the year you would have attained age 70 1/2, if later. If a beneficiary(ies) other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no designated beneficiary(ies) of your SIMPLE IRA for purposes of determining the distribution period. If there is no designated beneficiary of your SIMPLE IRA, the entire SIMPLE IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

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

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

INCOME TAX CONSEQUENCES OF ESTABLISHING A SIMPLE IRA

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

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

- B. **TAX CREDIT FOR CONTRIBUTIONS** - For taxable years beginning on or after January 1, 2002, and ending on or before December 31, 2006, you may be eligible to receive a tax credit for your SIMPLE IRA deferrals. This credit will be allowed in addition to any tax deduction that may apply, and may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are

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

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

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

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

- C. **TAX-DEFERRED EARNINGS** - The investment earnings of your SIMPLE IRA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).
- D. **ROLLOVERS AND CONVERSIONS** - Your SIMPLE IRA may be rolled over to a SIMPLE IRA of yours, may receive rollover contributions, and may be converted to a Roth IRA, provided that all of the applicable rollover and conversion rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property from your SIMPLE IRA to either a Traditional IRA or another SIMPLE IRA. Conversion is a term used to describe the movement of SIMPLE IRA assets to a Roth IRA. A conversion is generally a taxable event. The rollover and conversion rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.
- SIMPLE IRA to SIMPLE IRA Rollovers** - Funds distributed from your SIMPLE IRA may be rolled over to a SIMPLE IRA of yours if the requirements of Code section 408(d)(3) are met. A proper SIMPLE IRA to SIMPLE IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another SIMPLE IRA to SIMPLE IRA rollover from the distributing SIMPLE IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months.
 - SIMPLE IRA to Traditional IRA Rollovers** - Funds may be distributed from your SIMPLE IRA and rolled over to your Traditional IRA without IRS penalty, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. As with SIMPLE IRA to SIMPLE IRA rollovers, the requirements of Code section 408(d)(3) must be met. A proper SIMPLE IRA to Traditional IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another SIMPLE IRA to Traditional IRA or SIMPLE IRA to SIMPLE IRA rollover from the distributing SIMPLE IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months.
 - SIMPLE IRA to Employer-Sponsored Retirement Plans** - As permitted by Code or applicable Regulations, you may roll over, directly or indirectly, any eligible rollover distribution from a SIMPLE IRA to an employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. However, the employer-sponsored retirement plan must allow for such rollover contributions. An eligible rollover distribution is defined as any taxable distribution from a SIMPLE IRA that is not a part of a required minimum distribution. An employer-sponsored retirement plan may not be rolled over to a SIMPLE IRA.
 - SIMPLE IRA to Roth IRA Conversions** - If your modified adjusted gross income is not more than \$100,000, and you are not married filing a separate income tax return, you are eligible to convert all or any portion of your existing SIMPLE IRA(s) into your Roth IRA(s), provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. However, if you are age 70 1/2 or older you must remove your required minimum distribution prior to converting your SIMPLE IRA. The amount of the conversion from your SIMPLE IRA to your Roth IRA shall be treated as a distribution for income tax purposes, and is includable in your gross income. Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty.
 - Written Election** - At the time you make a proper rollover to a SIMPLE IRA, you must designate in writing to us, your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.
- E. **RECHARACTERIZATIONS** - If you have converted from a SIMPLE IRA to a Roth IRA, you may recharacterize the conversion along with net income attributable back to the SIMPLE IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions), for the year in which the conversion was completed.

LIMITATIONS AND RESTRICTIONS

- A. **DEDUCTION OF ROLLOVERS AND TRANSFERS** - A deduction is not allowed for rollover contributions or transfers.
- B. **GIFT TAX** - Transfers of your SIMPLE IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under Code section 2501.
- C. **SPECIAL TAX TREATMENT** - Capital gains treatment and 10-year forward income averaging authorized by Code section 402 do not apply to SIMPLE IRA distributions.
- D. **INCOME TAX TREATMENT** - Any withdrawal from your SIMPLE IRA is subject to federal income tax withholding. You may, however, elect not to have withholding apply to your SIMPLE IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.
- E. **PROHIBITED TRANSACTIONS** - If you or your beneficiary engage in a prohibited transaction with your SIMPLE IRA, as described in Code section 4975, your SIMPLE IRA will lose its tax-deferred status, and you must include the value of your account in your gross income for the taxable year you engage in the prohibited transaction. The following transactions are examples of prohibited transactions with your SIMPLE IRA: (1) taking a loan from your SIMPLE IRA; (2) buying property for personal use (present or future) with SIMPLE IRA funds; or (3) receiving certain bonuses or premiums because of your SIMPLE IRA.
- F. **PLEDGING** - If you pledge any portion of your SIMPLE IRA as collateral for a loan, the amount so pledged will be treated as a distribution, and will be included in your gross income for the taxable year in which you pledge the assets.

FEDERAL TAX PENALTIES

- A. **EARLY DISTRIBUTION PENALTY** - If you are under age 59 1/2 and receive a SIMPLE IRA distribution, an additional tax of 10 percent will apply, unless made on account of 1) death, 2) disability, 3) a qualifying rollover, 4) the timely withdrawal of an excess contribution, 5) a series of substantially equal periodic payments (at least annual payments) made over your life expectancy or the joint life expectancy of you and your beneficiary, 6) medical expenses which exceed 7.5 percent of your adjusted gross income, 7) health insurance payments if you are separated from employment and have received unemployment compensation under a federal or state program for at least 12 weeks, 8) certain qualified education expenses, 9) first-home purchases (up to a life-time maximum of \$10,000), or 10) a levy issued by the IRS. This additional tax will apply only to the portion of a distribution which is includable in your taxable income. If less than two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer, the additional tax shall be increased from 10 percent to 25 percent.
- B. **EXCESS CONTRIBUTION PENALTY** - An additional tax may be assessed against you by the IRS for contributions which exceed the permissible limits under Code section 408(a) and 408(p).
- C. **EXCESS ACCUMULATION PENALTY** - As previously described, you must take a required minimum distribution by your required beginning date for the year you attain age 70 1/2 and by the end of each year thereafter. Your beneficiary(ies) is required to take certain minimum distributions after your death. An additional tax of 50 percent is imposed on the amount of the required minimum distribution which should have been taken but was not.
- D. **PENALTY REPORTING** - You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes.

OTHER

- A. **IRS PLAN APPROVAL** - The Agreement used to establish this SIMPLE IRA has been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.
- B. **ADDITIONAL INFORMATION** - You may obtain further information on SIMPLE IRAs from your District Office of the IRS. In particular, you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements*, by calling 1-800-TAX-FORM or by visiting www.irs.gov on the internet.