



Precious Metals IRA Investment Guide



ROTH IRA



PRECIOUS METALS ROTH IRA INVESTMENT GUIDE



CHECKLIST FOR NEW ACCOUNTS



Please note: the minimum amount required to open a Precious Metals IRA is \$5,000.

- 1. **Roth IRA Simplifier** (account application)
- 2. **\$25 Establishment Fee** - We **MUST** have a \$25 check with your completed Roth IRA Simplifier or the IRA cannot be opened.
- 3. **Roth IRA Transfer Request** OR **Roth IRA Rollover Certification** (if you already have the rollover check in hand)
- 4. **Identification** - valid, legible copy of driver's license, state-issued photo ID, passport or notarized document
- 5. **Most recent account statement** (from existing Roth IRA custodian)
- 6. **Precious Metals IRA Investment Direction** (for initial purchase)
- 7. **\$25 Check for overnight delivery** (optional)



FEE PAYMENT OPTIONS

1. Mail check or money order payable to GoldStar Trust Company
2. Call or e-mail Investor Services to request fees be taken from cash in the account (must be sufficient cash available)
3. Credit card: Call Investor Services to pay with a credit or debit card



OVERNIGHT DELIVERY AVAILABLE - \$25

GoldStar's policy is to mail all transfer and/or rollover paperwork to the current custodian by first class mail.

However, if you would like your transfer and/or rollover request to be expedited, GoldStar will prepare an overnight delivery of the paperwork to your current custodian on your behalf.

To take advantage of this service, please submit a separate check of \$25, made payable to GoldStar Trust Company, and attach to the transfer or rollover request.

Please write "Establishment Fee" and/or "Overnight Fee" in the memo section of your check.



Thank you for considering GoldStar Trust Company for your Self-Directed IRA Custodian. We are pleased to offer precious metals as a unique investment opportunity for our clients and we look forward to serving you.

In the following pages, the *Precious Metals Roth IRA Investment Guide* will cover basic information about our company and outline steps to help you establish your Precious Metals IRA.



ABOUT US

GoldStar Trust Company is a qualified IRA custodian serving precious metals dealers and their clients across the country. With over twenty years of Trust experience and leadership in the markets we serve, our capable staff is ready to assist with your retirement goals.

GoldStar:

- serves as custodian for more than 31,000 IRA accounts with total assets of over \$1.6 billion (as of March 31, 2011)
- is located in Canyon, Texas and employs more than 70 people
- is a trust-only branch of **Happy State Bank**, chartered in Happy, Texas and based out of Amarillo, Texas

Happy State Bank:

- has been in business since 1908 and is one of the largest banks in the Panhandle of Texas. For more information, visit www.happybank.com
- has current total assets of \$1.5 billion
- is a 3 1/2 star rated bank by www.bauerfinancial.com. The bank's most recent financials can be viewed at www.fdic.gov (FDIC Cert:10359)



Investor Services
(800) 486-6888
www.GoldStarTrust.com



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1. ESTABLISH YOUR SELF-DIRECTED ROTH IRA



IRA Account Application

Complete the GoldStar IRA Account Application (*Roth IRA Simplifier*) which can be obtained from our website - www.GoldStarTrust.com. GoldStar offers Self-Directed Traditional, Roth, SEP and SIMPLE IRAs. A completed Simplifier (specific to the type of IRA) with original signature is required. A nonrefundable Establishment Fee of \$25 is due with application.



Identification

Include a legible photocopy of your valid driver's license, state-issued photo ID, or passport.

2. FUND YOUR ROTH IRA

An IRA is funded through contributions, transfers and rollovers from Qualified Retirement Plans (such as 401(k), 403(b), pension and /or 457 plans). An initial minimum investment of \$5,000 is required to establish your IRA and purchase precious metals through GoldStar.



Transfer Existing IRA or Rollover Funds to GoldStar

Required documents and forms needed:

- Completed *Roth IRA Simplifier* with original signature
- Completed *Roth IRA Transfer Request* form with original signature
- Legible photocopy of your valid driver's license, state-issued photo ID, passport, or notarized document
- Most recent account statement from existing Roth IRA custodian

GoldStar will send the completed Roth IRA Transfer Request form to your resigning Roth IRA custodian and follow up periodically on your transfer until the funds (or precious metals for a transfer in-kind) are received. The transfer process typically takes 2-4 weeks.

– IMPORTANT – Contact your current plan's administrator first to see if their specific Transfer/Rollover paperwork is required.

*If you are rolling over funds from a previous retirement plan AND you, the client, have a check in hand or the rollover check has been made payable to you, please complete the **Roth IRA Rollover Certification**. Otherwise, completing this form is not necessary to open your GoldStar account.*



PRECIOUS METALS ROTH IRA INVESTMENT GUIDE

3. CHOOSE A PRECIOUS METALS DEALER

Once your IRA is funded, GoldStar will contact the precious metals dealer of your choice to facilitate the trade. You will designate the dealer to be contacted in the next step.

GoldStar Trust Company is an IRA Custodian and does not offer investment products or advice. GoldStar cannot refer dealers; it is up to you to determine the precious metals dealer to be used.

4. GIVE GOLDSTAR INVESTMENT INSTRUCTIONS

To instruct GoldStar to notify your dealer of your intent to purchase precious metals for your Self-Directed IRA, complete and sign the *Precious Metals IRA Investment Direction*. The completed investment direction authorizes GoldStar to initiate the transaction and make payment to the dealer designated. You will need to complete a new investment direction for each purchase or sale. This form can be submitted by:

Fax: (806) 655-2530
E-mail: IRAmetals@GoldStarTrust.com
Mail: P. O. Box 719, Canyon, TX 79015



IMPORTANT

If you are transferring funds to GoldStar from more than one source, it is imperative that you submit a separate investment direction for each transfer request OR direct GoldStar to wait until all of your funds are received before notice is sent to your dealer.

If you do not hear from your dealer within 2-3 business days of submitting the investment direction, please contact them to make sure they have received your instructions.

Investing in proof coins: please read the information regarding proof spreads and initial the appropriate box.

Requesting a GoldStar representative to call and verify with you the details we obtain from your dealer (by initialing the bottom left box) may delay the transaction if we cannot easily reach you.

GoldStar's policy is to notify the dealer you have chosen within 48 business hours of receipt of your Precious Metals Investment Direction unless otherwise instructed. GoldStar is not liable for pricing changes due to fluctuations in market values for precious metals.



PRECIOUS METALS ROTH IRA INVESTMENT GUIDE

5. DELIVERY AND STORAGE OF PRECIOUS METALS

Delivery and Payment

After GoldStar receives a delivery confirmation of your order from the depository, GoldStar will issue payment to your precious metals dealer, following the instructions you provide on the Investment Direction. You will now be able to view the precious metal assets in your IRA statement online (call to enroll for online access).

Storage

Precious Metals assets for GoldStar IRAs are deposited with and stored at the Delaware Depository Service Company (DDSC). DDSC is an exchange approved, limited liability company that provides a full range of secure storage, accounting, and shipping of precious metals to financial institutions and industrial companies worldwide.

Customer bullion is stored in DDSC's high-security vaults located in Wilmington, Delaware. Vaults are constructed and maintained in compliance with the Bank Protection Act and UL standards, and are equipped with time locks and automatic re-locking devices. Access is restricted and regulated by dual control procedures. The entire facility is protected by numerous, redundant alarm and security devices that are independently monitored 24 hours a day, 365 days a year. All activity in and around the facility is captured on video.

For more information about DDSC, please visit www.delawaredepository.com



All IRA assets must remain within the custody of a custodian or trustee of the IRA, which means you may not take custody of the assets yourself or choose your own storage facility. You may, however, take **distribution** of precious metals assets from the IRA at any time, which is a taxable event reported to the IRS and may also be subject to withdrawal penalties. As always, consult your investment and tax advisors regarding these matters prior to taking any action.



PRECIOUS METALS ROTH IRA INVESTMENT GUIDE

6. SET-UP FEES AND CARRYING COSTS

Use the examples in the chart below as a guide to calculate fees due when your GoldStar Precious Metals IRA is opened. Please see the [Financial Disclosure and Fee Schedule](#) for specific details or call Investor Services @ 1-800-486-6888 for an estimation of annual fees.

	ACCOUNT VALUE \$75,000 OR LESS	ACCOUNT VALUE \$100,000	ACCOUNT VALUE \$150,000
One-Time Establishment Fee	\$25	\$25	\$25
Annual IRA Maintenance Fee (\$60 minimum fee) (Use Value x .0008 if > \$75K)	\$60	\$80	\$120
Annual Storage Fee (\$100 minimum fee) (Use Value x .001 if > \$100K)	\$100	\$100	\$150
Transaction Fee	\$40	\$40	\$40
TOTALS			
INITIAL SET-UP FEES (Due when account is established)	\$225	\$245	\$335
RECURRING ANNUAL FEES (Maintenance (+) Storage)	\$160	\$180	\$270

Precious Metals IRA Maintenance and/or Storage fees may vary in the years to come according to change in account value. These fees are based on the Market Value of your account prior to the billing period.



Billing

- Maintenance Fees are assessed annually on the anniversary date in which your account is opened.
- Storage Fees are assessed annually in the month Delaware Depository first received notification of the metals to be purchased.

Example:

For a new investor (with an account value of \$75,000 or less) the fees for the first year are \$225 (this is due when the account is opened) and \$160 each following year. A \$40 transaction fee is charged for each subsequent purchase or sale. For a small investment, this can represent excessive carrying costs. Please bear in mind, investments in precious metals do not yield any dividends and these costs must be paid annually in cash by the investor.



PRECIOUS METALS ROTH IRA INVESTMENT GUIDE

7. ALLOWABLE METALS AND VALUATION

An IRA may hold investments in certain precious metals allowed by the Internal Revenue Code. Coin or bullion that is not specifically permitted are considered to be collectibles and are disallowed for IRAs. The allowable exceptions were broadened by the *Taxpayer Relief Act of 1997*, effective January 1, 1998.

The specific precious metals permitted are: silver, gold and platinum American Eagle coins, a coin issued under the laws of any State, and gold, silver, platinum or palladium bullion that meets the minimum fineness requirements.

Fineness Requirements

- Currently, gold must be .9950 pure, silver must be .9990 pure, and both platinum and palladium must be .9995 pure to qualify.
- Bullion bars must be fabricated by COMEX, NYMEX, or ISO 9000 approved refiners in order to be accepted by GoldStar.
- Proof coins must be ungraded, complete with certificate of authenticity and in original mint packaging.
- Bullion coins must be uncirculated in excellent condition.

ACCOUNT VALUATION

Call Investor Services to set up your password and access your GoldStar account online!

A statement of your account will be mailed out bi-annually in January and July of each year. You may view your statement online, 24 hours a day at www.GoldStarTrust.com. The valuations (Market Values) of precious metals shown on your statement reflect estimated bid values for each asset and not a firm price gauge to buy or sell through a dealer. Additionally, these estimated values do not include dealer mark-ups, discounts, or commissions. Current price estimations for bullion and proof products can be obtained from various sources including your dealer or websites such as www.bullionvalues.com.





PRECIOUS METALS ROTH IRA INVESTMENT GUIDE

EXAMPLES OF ALLOWABLE PRECIOUS METALS

• Gold

American Eagle coins
U.S. Buffalo Bullion coins
Canadian Maple Leaf coins
Austrian Philharmonic coins
Australian Kangaroo/Nugget coins
Credit Suisse – PAMP Suisse Bars
Various bars and rounds .995

• Platinum

American Eagle coins
Canadian Maple Leaf coins
Australian Koala coins
Various bars .9995

• Silver

American Eagle coins
Canadian Maple Leaf coins
Austrian Vienna Philharmonic coins
Australian Kookaburra coins
Mexican Libertad
Various bars and rounds .999

• Palladium

Canadian Maple Leaf coins
Various bars .9995

Bullion bars and rounds must be fabricated by COMEX, NYMEX, or ISO 9000 approved refiners



EXAMPLES OF UNACCEPTABLE PRECIOUS METALS

- rare or collectible coins, including certified or “graded” coins
- South African Krugerrand
- Swiss 20 Franc
- French 20 Franc
- Belgian 20 Franc
- Mexican 50 Peso
- Chilean 100 Peso
- Italian 20 Lira
- Hungarian 100 Korona
- Austrian Corona
- U.S. Liberty
- U.S. Buffalo Proof
- Dutch 10 Guilder
- British Britannia



PRECIOUS METALS ROTH IRA INVESTMENT GUIDE

CONTACT INFORMATION

Hours

Mon. – Thurs. 7 am – 5 pm CST

Fri. 7 am – 4 pm CST

Investor Services

(800) 486-6888

Mailing Address

GoldStar Trust Company

PO Box 719

Canyon, TX 79015

Physical / Overnight Address

1401 4th Avenue

Canyon, TX 79015

Fax

(806) 655-2530 (Precious Metals)

(806) 655-2490 (Main)

E-mail

IRAmetals@GoldStarTrust.com (Precious Metals)

Info@GoldStarTrust.com (Investor Services)

Website

www.GoldStarTrust.com





IMPORTANT! CONTACT YOUR CURRENT PLAN ADMINISTRATOR TO SEE IF THEY REQUIRE THEIR OWN PAPERWORK

GOLDSTAR IRA ACCOUNT OWNER

Name: _____ SS #: _____ Date of Birth: ____/____/____
Address: _____ Daytime Phone #: _____
E-mail: _____

CURRENT ROTH IRA INFORMATION

Please provide a copy of a recent statement from your Roth IRA trustee

Trustee's Name: _____ Account #: _____
Trustee's Address: _____ Phone #: _____
City, State, & Zip _____

ASSET LIQUIDATION INSTRUCTIONS

Close my current account after transfer Partial transfer

Asset Description	Quantity in IRA	Quantity To Be Transferred	Liquidate Immediately	Liquidate at Maturity	Transfer in Kind
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please make check payable as follows: GoldStar Trust Company, FBO: _____ IRA.
(IRA Holder's Name)

SPECIAL INSTRUCTIONS *(Wire transfer request, etc.)*

CLIENT AUTHORIZATION

I authorize the transfer of the IRA assets in the manner described above and certify that all of the information provided by me is correct and may be relied upon by GoldStar Trust Company.

I understand that I am responsible for determining my eligibility to transfer within the limits set forth by tax laws, related regulations and plan agreements. I assume responsibility for any tax consequences or penalties that may apply to the transfer of these assets and I agree that the Trustee or Custodian shall in no way be held responsible.

Client's Signature

Date

GOLDSTAR TRUST COMPANY LETTER OF ACCEPTANCE

GoldStar Trust Company agrees to serve as the new Custodian for the account of the above-named individual, and as Custodian, we agree to accept the assets being transferred.

GoldStar Account Identification # _____

GoldStar Trust Company
Tax ID# 74-2557688

Authorized Signature for GoldStar

Date

SIGNATURE GUARANTEE

Check with your current custodian to determine if a Medallion Stamp Guarantee is required. This is NOT a requirement of GoldStar Trust Company.



IMPORTANT INFORMATION! READ BEFORE COMPLETION OF THIS FORM

GoldStar Trust Company ("GoldStar") does not offer investment advice and does not buy or sell precious metals. You determine the precious metals dealer to be used for your IRA. GoldStar is disqualified by the Internal Revenue Code from trading with an IRA for which it is the custodian. GoldStar is compensated through administrative fees and cash management fees. GoldStar is not liable for pricing changes due to fluctuations in market values for precious metals.

NEW ACCOUNTS: All precious metals IRA related fees (establishment, storage, maintenance & transaction fees) must be paid prior to your initial transaction.

GOLDSTAR IRA ACCOUNT OWNER

Name _____ Account Number _____ New Account
(if known) _____ Pending
Address _____ Daytime Phone _____
E-mail _____

TRANSACTION FEE (\$40.00)

To avoid delaying your transaction, GoldStar's policy is to deduct fees due from available cash in your account unless otherwise instructed.

Alternate Fee Payment Options:

- Check is enclosed (payable to GoldStar)
- Credit Card: Call Investor Services to pay via credit or debit card.

FUNDS COMING IN FROM MULTIPLE TRANSFERS OR ROLLOVERS?

(complete this section only if applicable)

- Wait until all IRA funds are received before notifying the dealer below.
- Notify the dealer below as soon as IRA funds become available. This may result in more than one transaction (\$40.00 processing fee for each investment direction).

REQUIRED – PLEASE SELECT EITHER PURCHASE OR LIQUIDATE BELOW

GoldStar will notify your dealer of your intent upon receipt of this form. If you do not hear from your dealer within 48 hours, please contact them to make sure they received your instructions.

- PURCHASE:** Please notify the dealer below of my intent to purchase.
- LIQUIDATE:** Please notify the dealer below of my intent to sell.

Dealer _____ Phone _____

Representative _____ E-mail _____

Initial here to authorize purchase of proof coins for your IRA and to acknowledge receipt of disclosure concerning price spreads for proof coins from your dealer (see Investment Disclosures for Precious Metals IRAs).

Quantity	Type of Metal	Description of Bullion or Coin	Troy Oz. Each	Price	Amount
THIS SECTION FOR DEALER USE					
Special Instructions				Total	

VERIFICATION OPTION

If you would like for a GoldStar representative to call and verify with you the specific details we obtain from your dealer, please initial here and provide a phone number at which you can be reached.

Phone #: _____ - _____ - _____

CAUTION: If you initial the box above, the transaction may be delayed if we cannot easily reach you.

If the box above is left blank, GoldStar will proceed with the transaction without further verification from you.

I acknowledge:

- I am solely responsible for all matters regarding taxation arising from transactions involving my IRA as well as determining that investments I direct are allowable under applicable law and regulations.
- GoldStar has not rendered any advice and has no discretion or responsibility to direct any investment for my self-directed IRA.
- **I am solely responsible for the selection of my dealer and negotiation of prices and terms.**
- I understand that precious metal investments are received by, stored at, and delivered from a depository. Annual fees are due for this storage, and neither GoldStar nor the depository is responsible for purity, weight, metal content, or authenticity of any coins or bars.
- I understand that with exception of cash invested in an FDIC insured bank account, investments held in my IRA may lose value, are not FDIC insured, and are not guaranteed by GoldStar.

IMPORTANT: READ BEFORE SIGNING!

X _____
Signature of Account Holder Date



Use the Precious Metals IRA Investment Direction form to provide investment directions to GoldStar Trust Company (GoldStar) for the purchase or sale of precious metals by your self-directed IRA. The IRA may be a Traditional IRA (including SEP or Conduit), Roth IRA, or SIMPLE IRA. By directing investment in precious metals, you acknowledge and agree to GoldStar's terms and conditions for precious metals investment in self-directed IRAs.

REQUIREMENTS

To invest in precious metals through a self-directed IRA, you must first establish a valid IRA and have cash available in the IRA. Obtain application kits and forms from GoldStar, a dealer, or www.goldstartrust.com. Cash comes from contributions, transfers and rollovers from other IRAs, rollovers from Qualified Retirement Plans (such as a 401k), or from the sale of other assets.

DEALER AND INVESTMENT DIRECTIONS

You determine the precious metals dealer to be used for your IRA. GoldStar does not offer investment products, and does not buy or sell precious metals. GoldStar is disqualified by the Internal Revenue Code from trading with an IRA for which it is the custodian. GoldStar is compensated through administrative fees and cash management fees. Negotiate the precious metals to be purchased or sold and the price directly with the dealer and give written directions to GoldStar. GoldStar will make a reasonable effort to notify the dealer when funds arrive. However, it is the customer's responsibility to monitor IRA assets and investments.

FUNDING NOTICE TO DEALERS

GoldStar's policy is to notify the dealer you have chosen within 48 business hours of receipt of your investment direction unless otherwise instructed. If you are transferring or rolling over funds to GoldStar from more than one source, it is imperative that you submit a separate investment direction for each transfer request OR direct GoldStar to wait until all funds are received before notice is sent to your dealer. Please notify GoldStar of your intentions on the investment direction form(s), in a separate letter, or by emailing IRAmetals@goldstartrust.com. There is a \$40 transaction fee for each purchase. GoldStar is not liable for pricing changes due to fluctuations in market values for precious metals.

STATEMENTS

Access to your account information is available 24/7 via GoldStar's web site at www.goldstartrust.com. Please call our Investor Services Department at (800) 486-6888 to establish a password. Additionally, paper statements are mailed semi-annually.

FAIR MARKET VALUES AND PRICING

The market values of precious metals shown on your Statement of Assets reflect estimated bid values for each asset and are not a firm price gauge to buy or sell through a dealer. These estimated values do not include dealer mark-ups, discounts, or commissions. This price is used for reports of fair market value to the IRS. Contact a dealer for specific, current price quotes for precious metals, or on websites such as www.bullionvalues.org.

PRICE SPREADS AND PROOF AMERICAN EAGLE COINS

Generally, the value of precious metals at the bid price will be less than the amount paid if precious metals prices have not changed. The difference between the price at which precious metals can be bought and the price at which they can be sold at a particular time is called "price spread". In addition to bullion coins, "proof" American Eagle coins may be held in an IRA if they are ungraded and not considered to be collectible coins. Proof coins delivered for an IRA must be accompanied by intact box and packaging with matching certificate of authenticity. Price spread has generally been greater for proof coins than the price spread for bullion precious metals. Obtain all necessary information from your dealer before investing.

STORAGE AND DELIVERY OF PRECIOUS METALS

All precious metals are stored at a specialized depository. A fee is charged for storage based on the calendar year. The full annual charge is due for each full or fractional calendar year during which precious metals are stored. Dealers deliver directly to the depository which issues formal advice of its receipt. GoldStar relies on the accuracy of advice by the depository.

DISTRIBUTION OR SALE OF PRECIOUS METALS

Delivery is required when a customer requests "in kind" distribution of precious metals from the IRA, or directs GoldStar to deliver precious metals to a dealer for sale. The cost of shipment is paid by the customer or deducted from the IRA if shipped to a dealer for sale, or paid COD if sent "in kind" to the customer. Costs include U.S. Postal Service postage and insurance, and packaging by the depository. You may request distribution of precious metals from an IRA at anytime, though IRS taxes and/or penalties may apply. Please contact GoldStar for a Withdrawal Statement or go online at www.goldstartrust.com.

CANCELLATIONS

In the event that either a GoldStar IRA holder or their dealer wishes to cancel a purchase or sale of precious metals after the terms have been settled and instructions are sent to GoldStar, the cancellation must be agreed upon by both parties in writing and submitted to GoldStar within 10 business days.



SELF-DIRECTED IRA OR ESA

This account is termed a Self-Directed Individual Retirement Account (IRA) or Education Savings Account (ESA). You may direct the investment of your funds within this IRA or ESA into any investment instrument approved by, or through GoldStar Trust Company. GoldStar Trust Company will not exercise any investments discretion regarding your IRA or ESA, as this is solely your responsibility.

Because this is a Self-Directed IRA or ESA, no projection of the growth of your IRA or ESA can be reasonably shown or guaranteed. The value of your IRA or ESA will be solely dependent upon the performance of any investment instrument chosen by you.

INVESTMENT OPTIONS:

This is a Self-Directed IRA or ESA; you choose the investments which will fund your IRA or ESA. Your investment choices are limited to Church Bonds, Charter School Bonds, Church Loan and Extension Fund Investments, Fixed-Rate Investments, Bank Certificates of Deposit, Money Market Funds, Mutual Funds, Publicly Traded Securities in U.S. Exchanges, Privately Offered Stock, Brokerage Accounts, REITs, Limited Liability Company Stock, Promissory Notes or Corporate Debt Offerings, American Eagle gold, silver, platinum and palladium coins, and other coins as allowed under Internal Revenue Code Section 408(m)(3) and other precious metals products that meet the minimum fineness requirements, Swiss Annuities, Treasuries and approved bank accounts outside the U.S. Examples of investments not permitted in the Self-Directed IRA or ESA are Limited Partnerships, Real Estate, Collectibles, and Viaticals.

IRA AND ESA TYPES:

Church Bond IRA or ESA - May hold only Church or Charter School Bonds. Also includes Church Loan and Extension Fund Investments where the account holder pays the fee.

Standard IRA or ESA - May hold any number or combination of Fixed-Rate Investments, Bank Certificates of Deposit, Money Market Funds, Mutual Funds, Publicly Traded Securities in U.S. Exchanges, Privately Offered Stock, Brokerage Accounts, REITs, and Limited Liability Company Stock, Promissory Notes or Corporate Debt Offerings as well as Church or Charter School Bonds.

Specialized IRA or ESA - May hold any number or combination of American Eagle gold, silver, platinum and palladium coins, and other coins as allowed under Internal Revenue Code Section 408(m)(3) and other precious metals products that meet the minimum fineness requirements, Swiss Annuities, Treasuries, approved bank accounts outside the U.S. as well as any asset allowed in the Church Bond and/or Standard IRA or ESA.

FEES	CHURCH BOND IRA OR ESA	STANDARD IRA OR ESA	SPECIALIZED IRA OR ESA
ANNUAL MAINTENANCE FEE: The fee must be paid when the account is established and will be billed annually upon anniversary date.	\$45	\$50	Eight-hundredths of 1% (.0008) of total market Minimum = \$60; Maximum = \$250 Accounts with a total market value over \$75,000 will have a fee greater than \$60 The market value used to determine the fee will include any additional funds received within the first 30 days of the account being initially funded.
FEES SPECIFIC TO TYPE OF ASSET:			
Church and Charter School Bonds: Purchase, Sale, Maturity or Call Above fees do not apply to any investments for which GoldStar is the paying agent and registrar. The fee for each applicable transaction completed during the year will be accrued and added to the annual maintenance fee billing. The fee is not taken when the service is rendered.	\$5 Each	\$5 Each	\$5 Each
All Allowable Assets other than Church Bonds, Precious Metals, Bank Accounts held outside the US, and Swiss Annuities Purchase, Sale, Maturity or Call The fee for each applicable transaction completed during the year will be accrued and added to the annual maintenance fee billing. The fee is not taken when the service is rendered.	N/A	\$5 Each	\$5 Each
Listed Securities and U.S. Treasuries: Investment, Sale, Distribution, or Transfer Applies only to security trades transacted by GoldStar's omnibus account at Primevest Financial Services, Inc. and all U.S. Treasury	N/A	Brokerage Fees (at cost) plus \$25	Brokerage Fees (at cost) plus \$25



FEES	CHURCH BOND IRA OR ESA	STANDARD IRA OR ESA	SPECIALIZED IRA OR ESA
BANK ACCOUNTS OUTSIDE THE U.S.:			
Annual Asset Holding Fee <i>The fee must be paid when the account is established and will be billed annually with maintenance fee.</i>	N/A	N/A	\$200
Currency Exchange Order	N/A	N/A	\$15
Additional Purchase and/or Liquidation Order <i>Charged when the service is rendered.</i>	N/A	N/A	\$75
SWISS ANNUITIES:			
Annual Asset Holding Fee <i>The fee must be paid when the account is established and will be billed annually with maintenance fee.</i>	N/A	N/A	\$25
Establishment, Distribution or Transfer	N/A	N/A	\$100
Modification or Surrender <i>Charged when the service is rendered.</i>	N/A	N/A	\$25
PRECIOUS METALS:			
One-Time Establishment Fee – Due with Application	N/A	N/A	Nonrefundable \$25
Investment or Liquidation	N/A	N/A	\$40
Distribution or Transfer	N/A	N/A	\$25
Coin/Bar Shipping and Handling to a Dealer, Supplier, or a Different Depository <i>Charged when the service is rendered.</i>	N/A	N/A	Cost of Shipping and Insurance Plus \$10
Coin/Bar Shipping and Handling Directly to the Account Holder <i>Charged when the service is rendered.</i>	N/A	N/A	Cost of Shipping and Insurance Cash on Delivery. COD - Cash on Delivery
PRECIOUS METALS STORAGE FEE:			
The fee must be paid when the account is established and will be billed annually in the month that the depository first received notification of the metals to be purchased.	N/A	N/A	\$1.00 per \$1,000 of value (10 basis points) with a \$100 minimum storage fee. No maximum fee.
The market value used to determine the fee will include the value of all metals reported to the depository to be purchased within the first 30 days of the initial purchase.			Accounts holding metals with values in excess of \$100,000 will have a storage fee greater than \$100.
GENERAL ACCOUNT ADMINISTRATION FEES: Charged when the service is rendered.			
Distribution Via Check Fee	\$5	\$5	\$5
Distribution Via Wire Fee	\$25	\$25	\$25
Distribution Via ACH Fee	Free	Free	Free
Periodic Distributions Via ACH Fee	Free	Free	Free
Wire Transfer Fee	\$25	\$25	\$25
Overnight Fee	\$25	\$25	\$25
Partial Transfer Fee	\$25	\$25	\$25
Roth Conversion Fee	\$25	\$25	\$25
Research Assistance Fee	\$25	\$25	\$25
Insufficient Funds / Returned Check Fee	\$50	\$50	\$50
Late Fees <i>Any fees not paid within 30 days of the due date will have late fees accrue at the rate of .0083% per month or 10% per annum</i>	.0083 per month or 10% per annum	.0083 per month or 10% per annum	.0083 per month or 10% per annum



FEES	CHURCH BOND IRA OR ESA	STANDARD IRA OR ESA	SPECIALIZED IRA OR ESA
CASH MANAGEMENT FEE:	GoldStar Trust Company receives a monthly record keeping fee on the uninvested cash equal to .000833 or 1.00% per annum. If and when the interest rate earned on the uninvested cash in a given month is below 1.15%, .15% will be paid on the uninvested cash and the difference will be retained as the record keeping fee. Interest earnings will be posted monthly to each account. Accounts that close during a month will not earn interest for that month.		
TERMINATION FEES:			
Full Termination Fee	\$50	\$50	\$50

RIGHT TO MAKE ADJUSTMENTS TO THIS FEE SCHEDULE:

GoldStar Trust Company reserves the right to make any adjustments in its fees for custodial or agency services when such adjustments are warranted by changes in governing laws, regulations operating technology or economic conditions. This schedule may be modified only upon revision by GoldStar of its published schedule of IRA fees. Such fees shall become effective on the 30th day after mailing the notice of such revision to the participant at the address shown on the records of GoldStar.

EARNINGS:

The method for computing and allocating annual earnings (interest, dividends, etc.) on your investments will vary with the nature and issuer of the investment chosen. Please refer to the prospectus or contract of the investment(s) of your choice for the method(s) used for computing and allocating annual earnings. The valuations of nonstandard assets such as Privately Offered Stock and other Private Placement Investments are reported at either the most recent price provided to the custodian by the investment issuer or at investment cost. Nonstandard assets are generally illiquid, and the custodian does not seek to verify the valuations provided to it by the investment issuer. The custodian does not guarantee that the reported valuation could be received in the event the position was sold or liquidated. As such, the reported valuation may be different from the actual value and should be used as guidance and for reporting purposes only since the valuation was not obtained or verified by a third party.

Custodian shall be under no obligation to forward any proxies, financial statements or other literature received by it in connection with or relating to Custodial Property held under this agreement. Custodian shall be under no obligation to take any action with regard to proxies, stock dividends, warrants, rights to subscribe, plans of reorganization or recapitalization, or plans for exchange of securities.



Section 326 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) authorizes and requires the Department of the Treasury to add to its rules for banks to establish Customer Identification Programs. Previously, trust companies were not treated as banks and trust relationships were not treated as "accounts." However, GoldStar and the GoldStar IRA account establishment process are now subject to these requirements.

NOTICE

Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

When you open an account, we will ask for your name, residence address, social security number, date of birth, and other information that will allow us to identify you. We may also ask for copies of your passport, driver's license or other identifying documents.

For Precious Metals IRAs: a non-refundable Establishment Fee of \$25 is due with application.

We are required to compare your identity to lists of persons and organizations maintained by any federal agency designated by the Department of the Treasury. If your name appears on any of these lists, we must refuse to open your account, close your account if it is already open, notify federal authorities, and follow all federal directives. If you attempt to falsify or conceal your identity, we may be required to file a Suspicious Activity Report.

We may also use independent sources to verify identifying information. Federal law requires us to retain the identification information for a certain period of time (currently five years after closing your account), and may require that we provide this information to federal authorities without notice to you.

This notice is in addition to our Privacy Disclosure and may describe potential disclosures of non-public personal information that were not known to us at the time that the Privacy Disclosure was prepared.



IDENTIFYING DOCUMENTS REQUESTED

The easiest means for GoldStar to comply is to receive documents with your application, such as:

- Any document with your notarized signature
- A notarized copy of your passport or driver's license or other state-issued photo ID that is not expired
- An ordinary copy of your unexpired photo ID, if GoldStar is able to complete other procedures



IDENTIFYING DOCUMENTS REQUIRED

If you intend to direct investment outside the U.S., GoldStar will require a notarized copy of your passport (or driver's license if you do not have a passport). This may be the same document that is to be forwarded to a non-U.S. bank.



QUESTIONS OR CONCERNS?

GoldStar Trust Company
Investor Services Department
P.O. Box 719
Canyon, TX 79015
(800) 486-6888

Rules And Conditions Applicable To Rollovers

GENERAL INFORMATION

A rollover is a way to move money or property from one Roth IRA or eligible retirement plan to another Roth IRA. The Internal Revenue Code (IRC) limits how many distributions may be rolled over, how quickly they must be completed and how the Trustee or Custodian must report them. By properly completing this form you are certifying to the Trustee or Custodian that you have satisfied the rules and conditions applicable to a rollover and that you are making an irrevocable election to treat the transaction as a rollover.

ROTH IRA TO ROTH IRA ROLLOVER REQUIREMENTS (Option One)

1. TIMELINESS

The funds you receive from the distributing Roth IRA must be deposited into another Roth IRA within 60 days after you receive them. However, this period is 120 days for certain rollovers relating to first-home purchases. When counting the 60 (or 120) days include weekends and holidays. Receipt generally means the day you actually have the funds in hand. For example, the 60 days would begin on the day following the day you pick up the check from the Trustee or Custodian or you receive the check in the mail.

The IRS has the authority to grant extensions to the 60 (or 120) day rule in cases where a hardship would be related (e.g., casualty, disaster, etc.). Generally, in order to receive this relief you must apply for a Private Letter Ruling accompanied by the applicable user fee. An automatic waiver (no application to the IRS) is available if all the following are true: (1) the financial institution receives the funds prior to the expiration of the 60-day rollover period, (2) you follow all procedures required for depositing the funds into an eligible Roth IRA within the 60-day period, (3) the funds are not deposited due to financial institution error, (4) the funds are deposited into a Roth IRA within one year from the beginning of the 60-day rollover period, and (5) if the financial institution had deposited the funds as instructed, it would have been a valid rollover.

2. TWELVE MONTH RESTRICTION

You are entitled to one distribution per year per Roth IRA which may be rolled over. Twelve (12) months must pass after receipt of one distribution which you roll over before you may take another distribution from the same Roth IRA to roll over. A Roth IRA is created by executing a plan agreement, not by depositing a contribution into a separate investment within an existing Roth IRA.

You are entitled to roll over the same assets only once in a twelve (12) month period. Twelve (12) months must elapse between the time you receive a distribution of the assets to be rolled over until the time you receive another distribution of those same assets for rollover purposes.

ELIGIBLE RETIREMENT PLAN TO ROTH IRA ROLLOVER REQUIREMENTS (Option Two)

1. ELIGIBLE PERSON

Only an eligible person may roll funds from a 401(a), 403(b), or 457(b) Plan, into a Roth IRA. You will only be an eligible person if you were or are a participant in the distributing plan, the surviving spouse beneficiary of a deceased participant, or the alternate payee identified in a Qualified Domestic Relations Order (QDRO). A QDRO is a domestic relations order issued in a divorce proceeding which meets certain conditions and grants to an alternate payee (e.g., exspouse) the right to receive all or a portion of a participant's benefits under a QRP. If the alternate payee is a spouse or former spouse, the alternate payee may be able to roll over all or a portion of the amount received to a Roth IRA. In order to roll over retirement plan assets, other than designated Roth 401(k) or 403(b) contributions, you must meet the following eligibility requirements. 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 roll over the retirement plan assets to a Roth IRA. Beginning in 2010, these eligibility requirements will be eliminated. A nonspouse beneficiary may only roll over to an inherited Roth IRA. A rollover to an inherited Roth IRA must be done as a direct rollover from an eligible retirement plan.

2. ELIGIBLE PLAN

A distribution will not be eligible to be rolled over unless that distribution is made from an eligible retirement plan. An eligible retirement plan is a plan that is qualified under IRC Section 401(a), 403(b), or 457(b).

3. ELIGIBLE ROLLOVER DEPOSIT

Only certain types of eligible retirement plan distributions, called "eligible rollover distributions," may be deposited into a Roth IRA. Eligible rollover distributions include most distributions from eligible plans except the following:

Required Minimum Distributions – Distributions which represent required minimum distributions paid during a participant's first distribution calendar year or later may not be rolled over.

Substantially Equal Periodic Payments – For purposes of determining an eligible rollover distribution, substantially equal periodic payments are defined as a series of substantially equal distributions made not less frequently than annually and calculated 1) over the life (or life expectancy) of the individual or the joint lives (or life expectancies) of the individual and the individual's beneficiary or, 2) for a specified period of 10 years or more.

P.S. 58 Costs – If you received distribution of a life insurance policy from a plan, the amounts attributable to the cost of life insurance purchased by the plan which have been previously taxed to the participant may not be rolled over.

Property Distributions – If property other than cash is distributed, only the same property or the proceeds from its sale may be rolled over. If you receive property but wish to roll over cash, you must actually sell the property and roll over the proceeds.

Hardship Distributions – Distributions taken on account of financial hardship are not eligible to be rolled over.

4. TIMELINESS

If the check is payable to you, the funds you receive from the distributing plan must be deposited in a Roth IRA within 60 days after you receive them. When counting the 60 days include weekends and holidays. Receipt generally means the day you actually have the funds in hand.

The IRS has the authority to grant extensions to the 60 day rule in cases where a hardship occurs (e.g. casualty, disaster, etc.). Generally, in order to receive this relief you must apply for a Private Letter Ruling accompanied by the applicable user fee. An automatic waiver (no application to the IRS) is available if all the following are true: (1) the financial institution receives the funds prior to the expiration of the 60-day rollover period, (2) you follow all procedures required for depositing the funds into an eligible Roth IRA within the 60-day period, (3) the funds are not deposited due to financial institution error, (4) the funds are deposited into a Roth IRA within one year from the beginning of the 60-day rollover period, and (5) if the financial institution had deposited the funds as instructed, it would have been a valid rollover.

MILITARY DEATH GRATUITY AND SGLI PAYMENT ROLLOVER REQUIREMENTS (Option Three)

AMOUNT AND TIMELINESS

If you have received a military death gratuity or a payment from the Servicemembers' Group Life Insurance program, you may be able to roll over the proceeds to a Roth IRA. The rollover contribution amount is limited to the sum of the death benefits received, less any such amount that was rolled over to a Coverdell education savings account. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. For deaths occurring between October 7, 2001 and June 17, 2008, proceeds may be rolled over no later than one year from June 17, 2008.

ROTH INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

Form 5305-RA under Section 408A of the Internal Revenue Code

FORM (REV. MARCH 2002)

The Depositor named on the Application is establishing a Roth Individual Retirement Account under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death.

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

The Depositor has assigned the custodial account the sum indicated on the Application.

The Depositor and the Custodian make the following agreement:

ARTICLE I

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

ARTICLE II

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

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

ARTICLE III

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

ARTICLE IV

1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).

2. No part of the custodial account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

ARTICLE V

1. If the Depositor dies before his or her entire interest is distributed to him or her and the Depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with (a) below or, if elected or there is no designated beneficiary, in accordance with (b) below:

(a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the Depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the Depositor.

(b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.

2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the Depositor's death and subtracting 1 from the divisor for each subsequent year.

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

ARTICLE VI

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

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

ARTICLE VII

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

ARTICLE VIII

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

ARTICLE IX

9.01 *Definitions:* In this part of this Agreement (Article IX), the words "you" and "your" mean the Depositor, the words "we," "us" and "our" mean the Custodian, "Code" means the Internal Revenue Code, and "Regulations" means the Treasury Regulations.

9.02 *Notices and Change of Address:* Any required notice regarding this Roth IRA will be considered effective when we send it to the intended recipient at the last address which we have in our records. Any notice to be given to us will be considered effective when we actually receive it. You, or the intended recipient, must notify us of any change of address.

9.03 *Representations and Responsibilities:* You represent and warrant to us that any information you have given or will give us with respect to this Agreement is complete and accurate. Further, you agree that any directions you give us, or action you take will be proper under this Agreement, and that we are entitled to rely upon any such information or directions. If we fail to receive directions from you regarding any transaction, or if we receive ambiguous directions regarding any transaction, or we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable to us is received from you or the appropriate government or judicial authority. We shall not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act, and you agree to reimburse us for any loss we may incur as a result of such directions, actions or failures to act. We shall not be responsible for any penalties, taxes, judgments or expenses you incur in connection with your Roth IRA. We have no duty to determine whether your contributions or distributions comply with the Code, Regulations, rulings or this Agreement. We may permit you to appoint, through written notice acceptable to us, an authorized agent to act on your behalf with respect to this Agreement (e.g., attorney-in-fact, executor, administrator, investment manager), however, we have no duty to determine the validity of such appointment or any instrument appointing such authorized agent. We shall not be responsible for losses of any kind that may result from directions, actions or failures to act by your authorized agent, and you agree to reimburse us for any loss we may incur as a result of such directions, actions or failures to act by your authorized agent. You will have sixty (60) days after you receive any documents, statements or other information from us to notify us in writing of any errors or inaccuracies reflected in these documents, statements or other information. If you do not notify us within 60 days, the documents, statements or other information shall be deemed correct and accurate, and we shall have no further liability or obligation for such documents, statements, other information or the transactions described therein.

By performing services under this Agreement we are acting as your agent. You acknowledge and agree that nothing in this Agreement shall be construed as conferring fiduciary status upon us. We shall not be required to perform any additional services unless specifically agreed to under the terms and conditions of this Agreement, or as required under the Code and the Regulations promulgated thereunder with respect to Roth IRAs. You agree to indemnify and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs and expenses, including attorney's fees, arising from, or in connection with this Agreement.

To the extent written instructions or notices are required under this Agreement, we may accept or provide such information in any other form permitted by the Code or applicable regulations.

9.04 *Service Fees:* We have the right to charge an annual service fee or other designated fees (e.g., a transfer, rollover or termination fee) for maintaining your Roth IRA. In addition, we have the right to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your Roth IRA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your Roth IRA at our discretion. We reserve the right to charge any additional fee upon 30 days notice to you that the fee will be effective. Fees such as subtransfer agent fees or commissions may be paid to us by third parties for assistance in performing certain transactions with respect to this Roth IRA.

Any brokerage commissions attributable to the assets in your Roth IRA will be charged to your Roth IRA. You cannot reimburse your Roth IRA for those commissions.

9.05 *Investment of Amounts in the IRA:* You have exclusive responsibility for and control over the investment of the assets of your IRA. All investment transactions, including the reinvestment of dividends, interest, and proceeds from securities sales, shall be directed by you. Absent or pending such direction, we shall be entitled on a daily basis to sweep all IRA account balances. Such balances shall be invested in short-term investments, which shall include insured savings accounts, insured savings certificates, federal funds, insured money market accounts, government securities, federal agency securities, and treasury notes, bonds and bills in which book value and interest is guaranteed (including any of the foregoing offered by Happy State Bank) ("Temporary Investments"). We shall have all power and authority necessary to hold, administer, vote and negotiate such Temporary Investment so as to enforce every right and benefit thereunder on your behalf. In making all Temporary Investments, we shall not be limited to investments now or hereinafter designated by statute or decision of a court as "legal investments" for funds held by fiduciaries. You hereby agree that we may, but shall not be required (unless required under applicable law) to inform you by forwarding materials or otherwise communicating with you under the provisions of Article VIII as to any questions, decisions or other matters for which a vote may be requested, necessary or helpful as to any Temporary Investment, and we shall thereafter have no responsibility whatsoever with respect thereto. You agree and acknowledge that unless required by applicable law, we are not responsible for communicating, forwarding, or notifying any party, including you, with respect to any communication or matter which comes to the attention of or is received by us with respect to Trust investments, including Temporary Investments, and that you are responsible for making separate arrangements for receiving such communications.

9.06 *Beneficiary(ies):* If you die before you receive all of the amounts in your Roth IRA, payments from your Roth IRA will be made to your beneficiary(ies).

You may designate one or more persons or entities as beneficiary of your Roth 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 Roth 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.

If your surviving spouse is the designated beneficiary, your spouse may elect to treat your Roth IRA as his or her own Roth IRA, and would not be subject to the required minimum distribution rules. Your surviving spouse will also be entitled to such additional beneficiary payment options as are granted under the Code or applicable Regulations.

We may allow, if permitted by state law, an original Roth IRA beneficiary(ies) (the beneficiary(ies) who is entitled to receive distribution(s) from an inherited Roth IRA at the time of your death) to name a successor beneficiary(ies) for the inherited Roth 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 Roth IRA beneficiary's(ies') lifetime. Unless otherwise specified, each beneficiary designation form that the original Roth 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 Roth IRA beneficiary(ies) to revoke a successor beneficiary(ies) designation. If the original Roth 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 Roth IRA beneficiary.

9.07 *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 Roth IRA to another financial organization. If you do not complete a transfer of your Roth IRA within 30 days from the date we mail the notice to you, we have the right to transfer your Roth IRA assets to a successor Roth IRA custodian or trustee that we choose in our sole discretion, or we may pay your Roth 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 to your Roth 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 Roth IRA;
- any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your Roth 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 Roth IRA to you in cash or property if the balance of your Roth IRA drops below the minimum balance required under the applicable investment or policy established.

9.08 *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 Roth IRA) is bought by another organization, that organization (or agency) shall automatically become the trustee or custodian of your Roth IRA, but only if it is the type of organization authorized to serve as a Roth IRA trustee or custodian.

9.09 *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.

9.10 *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.

You are not required to take a distribution from your Roth IRA at age 70½. At your death, however, your beneficiary(ies) must begin taking distributions in accordance with Article V and Section 9.06 of this Agreement. We will make no distributions to you from your Roth IRA until you provide us with a written request for a distribution on a form provided by or acceptable to us.

9.11 *Transfers from Other Plans:* We can receive amounts transferred to this Roth IRA from the custodian or trustee of another Roth IRA as permitted by the Code. We reserve the right not to accept any transfer.

9.12 *Liquidation of Assets:* We have the right to liquidate assets in your Roth IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties or surrender charges properly chargeable against your Roth 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.

9.13 *Restrictions on the Fund:* Neither you nor any beneficiary may sell, transfer or pledge any interest in your Roth IRA in any manner whatsoever, except as provided by law or this Agreement.

The assets in your Roth IRA shall not be responsible for the debts, contracts or torts of any person entitled to distributions under this Agreement.

9.14 *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.

9.15 *Broker:* The Broker will be responsible for the execution of securities orders. The Broker may require that you sign an agreement which sets forth, among other things, its responsibilities and your responsibilities regarding securities transactions for your Roth IRA.

9.16 *Prohibited Transaction:* If during any taxable year you engage in a so-called "prohibited transaction" with respect to your regular Roth IRA, Spousal Roth IRA, or Rollover Roth IRA, the account will lose its tax-exempt status. In this event, the fair market value of all account assets, valued as of the first day of such taxable year, will be deemed distributed to you and includible in your gross income. These prohibited transactions would include borrowing money from your account or pledging your account or any portion thereof as security for a loan. If you pledge your account or any portion thereof as security for a loan, such pledge position will be deemed distributed to you and includible in your gross income. If you have not yet attained age fifty-nine and one-half

(59½) years of age, an additional excise tax equal to ten percent (10%) of the amount pledged will be imposed on such funds includible in gross income. Similarly, if your spouse engages in a prohibited transaction with respect to his or her account, it will result in the same consequences because he or she is the individual for whose benefit the account was established. The assets in your Roth IRA shall not be responsible for the debt, contracts or torts of any person entitled to distributions under this Agreement.

- 9.17 *Mediation/Arbitration:* If a dispute arises out of or relates to this agreement, or the performance or breach thereof, the parties agree first to try in good faith to settle the dispute by mediation under the commercial mediation rules of the American Arbitration Association, before resorting to arbitration. Thereafter, any remaining unresolved controversy or claim arising out of or relating to this agreement, or the performance or breach thereof, shall be settled by arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. Any mediation or arbitration shall be conducted in Canyon, TX. The sole arbitrator shall be a retired or former judge of the Randall County Superior Court. Judgement upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

General Instructions

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

Purpose of Form

Form 5305-RA is a model custodial account agreement that meets the requirements of section 408A and has been pre-approved by the IRS. A Roth Individual Retirement Account (Roth IRA) is established after the form is fully executed by both the individual (Depositor) and the Custodian. This account must be created in the United States for the exclusive benefit of the Depositor and his or her beneficiaries.

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

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

Definitions

IRA Conversion Contributions. IRA Conversion Contributions are amounts rolled over, transferred, or considered transferred from a nonRoth IRA to a Roth IRA. A nonRoth IRA is an individual retirement account or annuity described in section 408(a) or 408(b), other than a Roth IRA.

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

Depositor. The depositor is the person who establishes the custodial account.

Specific Instructions

Article I. The Depositor may be subject to a 6% tax on excess contributions if (1) contributions to other individual retirement arrangements of the Depositor have been made for the same tax year, (2) the Depositor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or (3) the Depositor's and spouse's compensation is less than the amount contributed by or on behalf of them for the tax year. The Depositor should see the Disclosure Statement or Pub. 590 for more information.

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

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

DISCLOSURE STATEMENT

RIGHT TO REVOKE YOUR ROTH IRA

You have the right to revoke your Roth IRA within seven (7) days of the receipt of the Disclosure Statement. If revoked, you are entitled to a full return of the contribution you made to your Roth 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 Roth IRA, please call the Custodian at the telephone number listed on the Application.

REQUIREMENTS OF A ROTH IRA

A. **CASH CONTRIBUTIONS** – Your contribution must be in cash, unless it is a rollover or conversion contribution.

B. **MAXIMUM CONTRIBUTION** – The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$3,000 for years 2002-2004, \$4,000 for years 2005-2007, and \$5,000 for 2008, with possible cost-of-living adjustments in years 2009 and thereafter. If you also maintain a Traditional IRA (i.e., an IRA subject to the limits of Internal Revenue Code (Code) sections 408(a) or 408(b)), the maximum contribution to your Roth IRAs is reduced by any contributions you make to your Traditional IRA. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

Your Roth IRA contribution is further limited if your modified adjusted gross income (MAGI) equals or exceeds \$150,000 if you are a married individual filing a joint income tax return, or equals or exceeds \$95,000 if you are a single individual. Married individuals filing a joint income tax return with MAGI equaling or exceeding \$160,000 may not fund a Roth IRA. Single individuals with MAGI equaling or exceeding \$110,000 may not fund a Roth IRA. Married individuals filing a separate income tax return with MAGI equaling or exceeding \$10,000 may not fund a Roth IRA. The MAGI limits described above are subject to cost-of-living increases for tax years beginning after 2006.

If you are married filing a joint income tax return and your MAGI is between the applicable MAGI phaseout range for the year, your maximum Roth IRA contribution is determined as follows: (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI from it; (2) divide the result by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 and your MAGI is \$155,000, your maximum Roth IRA contribution for 2002 is \$1,500. This amount is determined as follows: [(\$160,000 minus \$155,000) divided by \$10,000] multiplied by \$3,000.

If you are single and your MAGI is between the applicable MAGI phaseout for the year, your maximum Roth IRA contribution is determined as follows: (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI from it; (2) divide the result by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 and your MAGI is \$98,000, your maximum Roth IRA contribution for 2002 is \$2,400. This amount is determined as follows: [(\$110,000 minus \$98,000) divided by \$15,000] multiplied by \$3,000.

C. **CONTRIBUTION ELIGIBILITY** – You are eligible to make a regular contribution to your Roth IRA, regardless of your age, if you have compensation and your MAGI is below the maximum threshold. Your Roth IRA contribution is not limited by your participation in a retirement plan, other than a Traditional IRA.

D. **CATCH-UP CONTRIBUTION** – If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your Roth IRA. The maximum additional contribution is \$500 for years 2002-2005 and \$1,000 for years 2006 and beyond.

E. **CATCH-UP CONTRIBUTIONS ALLOWED IN CERTAIN EMPLOYER BANKRUPTCIES** – You may be eligible to contribute an additional catch-up contribution of up to \$3,000 each year in 2006 through 2009. To be eligible, the following conditions must be met: 1) you were a participant in a 401(k) plan in which the employer matched at least 50% of your contributions to the plan with employer stock, 2) the employer must have been a debtor in a bankruptcy case in an earlier year and must have been indicted or convicted as a result of the events leading up to the bankruptcy, and 3) you must have been a participant in the 401(k) plan at least six months before the bankruptcy case was filed. If you choose to make these special catch-up contributions, you will not be eligible for the normal catch-up contribution for individuals age 50 and older.

F. **NONFORFEITABILITY** – Your interest in your Roth IRA is nonforfeitable.

G. **ELIGIBLE CUSTODIANS** – The Custodian of your Roth IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.

H. **COMMINGLING ASSETS** – The assets of your Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.

I. **LIFE INSURANCE** – No portion of your Roth IRA may be invested in life insurance contracts.

J. **COLLECTIBLES** – You may not invest the assets of your Roth 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 Roth IRA investments.

K. **BENEFICIARY PAYOUTS** – 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. The entire amount remaining in your account will, at the election of your beneficiary(ies), either

1. be distributed by December 31 of the year containing the fifth anniversary of your death, or
2. be distributed over the remaining life expectancy of your designated beneficiary(ies).

If your spouse is your sole designated beneficiary, he or she must elect either option (1) or (2) by the earlier of December 31 of the year containing the fifth anniversary of your death, or December 31 of the year you would have attained age 70½. Your designated beneficiary(ies), other than a spouse who is the sole designated beneficiary, must elect either option (1) or (2) 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 (2). In the case of distributions under option (2), distributions must commence by December 31 of the year following the year of your death. Generally if your spouse is the designated beneficiary, distributions need not commence until December 31 of the year you would have attained age 70½, if later. If a beneficiary(ies) other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no designated beneficiary(ies) of your Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

A spouse who is the sole designated beneficiary of your entire Roth IRA will be deemed to elect to treat your Roth IRA as his or her own by either (1) making contributions to your Roth IRA or (2) failing to timely remove a required minimum distribution from your Roth IRA. Regardless of whether or not the spouse is the sole designated beneficiary of your Roth IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own Roth IRA.

L. **WAIVER OF 2009 BENEFICIARY PAYMENT** – No beneficiary life expectancy payments are required from an inherited Roth IRA for calendar year 2009. If the five year rule applies to a Roth IRA with respect to any decedent, the five year period is determined without regard to calendar year 2009. For example, if a Roth IRA owner died in 2007, the beneficiary's five year period ends in 2013 instead of 2012.

INCOME TAX CONSEQUENCES OF ESTABLISHING A ROTH IRA

A. **CONTRIBUTIONS NOT DEDUCTED** – No deduction is allowed for Roth IRA contributions, including transfers, rollovers and conversion contributions.

B. **CONTRIBUTION DEADLINE** – The deadline for making a Roth IRA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar year taxpayer, and you make your Roth IRA contribution on or before April 15, your contribution is considered to have been made for the previous tax year if you designate it as such.

C. **TAX CREDIT FOR CONTRIBUTIONS** – You may be eligible to receive a tax credit for your Roth IRA contributions. This credit 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 contributions made to your Roth IRA and reduce these contributions by any distributions that you have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your contributions that do not exceed \$2,000.

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

*Adjusted gross income includes foreign earned income and income from Guam, America Samoa, North Mariana Islands and Puerto Rico. AGI limits are subject to cost-of-living adjustments for tax years beginning after 2006.

D. **TAX-DEFERRED EARNINGS** – The investment earnings of your Roth IRA are not subject to federal income tax as they accumulate in your Roth IRA. In addition, distributions of your Roth IRA earnings will be free from federal income tax if you take a qualified distribution, as described below.

E. **TAXATION OF DISTRIBUTIONS** – The taxation of Roth IRA distributions depends on whether the distribution is a qualified distribution or a nonqualified distribution.

1. **Qualified Distributions** – Qualified distributions from your Roth IRA (both the contributions and earnings) are not included in your income. A qualified distribution is a distribution which is made after the expiration of the five-year period beginning January 1 of the first year for which you made a contribution to any Roth IRA (including a conversion from a Traditional IRA), and is made on account of one of the following events:

- attainment of age 59½,
- disability,
- the purchase of a first home, or
- death.

For example, if you made a contribution to your Roth IRA for 1998, the five-year period for determining whether a distribution is a qualified distribution is satisfied as of January 1, 2003.

2. **Nonqualified Distributions** – If you do not meet the requirements for a qualified distribution, any earnings you withdraw from your Roth IRA will be included in your gross income and, if you are under age 59½, may be subject to an early distribution penalty. However, when you take a distribution, the amounts you contributed annually to any Roth IRA account and any military death gratuity or Servicemembers' Group Life Insurance (SGLI) payments that you rolled over to a Roth IRA, will be deemed to be removed first, followed by conversion contributions made to any Roth IRA on a first-in, first-out basis. Therefore, your nonqualified distributions will not be taxable to you until your withdrawals exceed the amount of your annual contributions, military death gratuity or SGLI payments, and your conversions.

F. **REQUIRED MINIMUM DISTRIBUTIONS** – You are not required to take distributions from your Roth IRA at age 70½ (as required for Traditional and SIMPLE IRAs). However, your beneficiary(ies) is generally required to take distributions from your Roth IRA after your death. See the section titled *Beneficiary Payouts* in this Disclosure Statement regarding beneficiary's(ies') required minimum distributions.

G. **ROLLOVERS AND CONVERSIONS** – Your Roth IRA may be rolled over to another Roth IRA of yours, may receive rollover contributions, or may receive conversion contributions provided that all of the applicable rollover or conversion rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property to your Roth IRA from another Roth IRA. Conversion is a term used to describe the movement of Traditional IRA or SIMPLE IRA assets to a Roth IRA. A conversion is generally a taxable event. The rollover and conversion rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

1. **Roth IRA to Roth IRA Rollovers** – Funds distributed from your Roth IRA may be rolled over to a Roth IRA of yours if the requirements of Code section 408(d)(3) are met. A proper Roth IRA to Roth 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 Roth IRA to Roth IRA rollover from the distributing Roth 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. Roth IRA assets may not be rolled over to other types of IRAs (e.g., Traditional IRA, SIMPLE IRA).

2. **Traditional IRA to Roth IRA Conversions** – If your MAGI 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 Traditional IRA(s) into your Roth IRA(s). Beginning in 2010, the \$100,000 MAGI limit and the married filing separate tax filing restriction will be eliminated for conversion eligibility. If you are age 70½ or older you must remove your required minimum distribution prior to converting your Traditional IRA. The amount of the conversion from your Traditional IRA to your Roth IRA shall be treated as a distribution for income tax purposes, and is includible in your gross income (except for any nondeductible contributions). Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty.

3. **SIMPLE IRA to Roth IRA Conversions** – If your MAGI 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 savings incentive match plan for employees of small employers (SIMPLE) IRA(s) into your Roth IRA(s), provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. Beginning in 2010, the \$100,000 MAGI limit and the married filing separate tax filing restriction will be eliminated for conversion eligibility. If you are age 70½ or older you must remove your required minimum distribution prior to converting your SIMPLE IRA. The amount of the conversion from your SIMPLE IRA to your Roth IRA shall be treated as a distribution for income tax purposes and is includible 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.

4. **Rollovers of Roth Elective Deferrals** – Roth elective deferrals distributed from a 401(k) cash or deferred arrangement or 403(b) tax-sheltered annuity may be rolled into your Roth IRA.

5. **Rollovers from Employer-Sponsored Retirement Plans** – Distributions taken from your qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan after December 31, 2007 may be rolled over to your Roth IRA. If you are a spouse, nonspouse, or qualified trust beneficiary who has inherited a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan, you may be eligible to directly roll over the assets to an inherited Roth IRA. The inherited Roth IRA is subject to the beneficiary distribution requirements. Roth IRA conversion rules, as described above, will apply to rollovers by beneficiaries or plan participants, including the requirement to include the taxable portion in income in the year distributed.

6. **Beneficiary Rollovers from 401(k) or 403(b) Plans Containing Roth Elective Deferrals** – If you are a spouse, nonspouse, or qualified trust beneficiary of a deceased 401(k) or 403(b) plan participant who had made Roth elective deferrals to the plan, you may directly roll over the Roth elective deferrals, and their earnings, to an inherited Roth IRA. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.

7. **Rollover of Military Death Benefits** – If you receive or have received a military death gratuity or a payment from the Servicemembers' Group Life Insurance (SGLI) program, you may be able to roll over the proceeds to your Roth IRA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Coverdell education savings account. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. For deaths occurring between October 7, 2001 and June 17, 2008, proceeds may be rolled over no later than one year from June 17, 2008. Any amount that is rolled over under this provision is considered nontaxable basis in your Roth IRA.

8. **Qualified HSA Funding Distribution** – If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free HSA funding distribution from your Roth IRA and directly deposit it to your HSA. The amount of the qualified HSA funding distribution may not exceed the maximum HSA contribution limit in effect for the type of high deductible health plan coverage (i.e., single or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. For further detailed information, you may wish to obtain IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*.

9. **Rollovers of Settlement Payments from Bankrupt Airlines** – If you are a qualified airline employee who has received an airline settlement payment from a commercial airline carrier under the approval of an order of a Federal bankruptcy court in a case filed after September 11, 2001, and before January 1, 2007, you are allowed to roll over any portion of the proceeds into your Roth IRA by the later of 180 days after receipt of such amount, or June 21, 2009. To obtain more information on this type of rollover, you may wish to visit the IRS website at www.irs.gov.

10. **Rollover of Exxon Valdez Settlement Payments** – If you receive a qualified settlement payment from Exxon Valdez litigation, you may roll over the amount of the settlement, up to \$100,000, reduced by the amount of any qualified Exxon Valdez settlement income previously contributed to a Traditional or Roth IRA or eligible retirement plan in prior taxable years. You will have until your tax return due date (not including tax extensions) for the year in which the qualified settlement income is received to make the rollover contribution. To obtain more information on this type of rollover, you may wish to visit the IRS website at www.irs.gov.

11. **Written Election** – At the time you make a proper rollover or conversion to a Roth IRA, you must designate in writing to us, your election to treat that contribution as a rollover or conversion. Once made, the election is irrevocable.

H. **TRANSFER DUE TO DIVORCE** – If all or any part of your Roth IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's Roth IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another Roth IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Roth IRA to another.

I. **RECHARACTERIZATIONS** – If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income attributable, you may elect to treat the original contribution as having been made to the Roth IRA. The same methodology applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. If you have converted from a Traditional IRA to a Roth IRA you may recharacterize the conversion along with net income attributable back to the Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions), for the year for which the original contribution was made or conversion completed.

LIMITATIONS AND RESTRICTIONS

A. **SPOUSAL ROTH IRA** – If you are married and have compensation, you may contribute to a Roth IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation. You must file a joint income tax return for the year for which the contribution is made. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.

The amount you may contribute to your Roth IRA and your spouse's Roth IRA is the lesser of 100 percent of your combined compensation or \$6,000 for 2002-2004, \$8,000 for 2005-2007 and \$10,000 for 2008. This amount may be increased with cost-of-living adjustments in 2009 and beyond. However, you may not contribute more than the individual contribution limit to each Roth IRA. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.

If your spouse is age 50 or older by the close of the taxable year, and is otherwise eligible, you may make an additional contribution to your spouse's Roth IRA. The maximum additional contribution is \$500 for years 2002-2005, and \$1,000 for years 2006 and beyond.

B. **GIFT TAX** – Transfers of your Roth 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 Roth IRA distributions.

D. **INCOME TAX TREATMENT** – Any nonqualified withdrawal of earnings from your Roth IRA may be subject to federal income tax withholding. You may, however, elect not to have withholding apply to your Roth 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 Roth IRA, as described in Code section 4975, your Roth IRA will lose its tax-deferred or tax-exempt status, and you must generally include the value of the earnings in 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 Roth IRA: (1) taking a loan from your Roth IRA; (2) buying property for personal use (present or future) with Roth IRA funds; or (3) receiving certain bonuses or premiums because of your Roth IRA.

F. **PLEDGING** – If you pledge any portion of your Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution, and may be included in your gross income for the taxable year in which you pledge the assets to the extent it represents earnings.

FEDERAL TAX PENALTIES

A. **EARLY DISTRIBUTION PENALTY** – If you are under age 59½ and receive a nonqualified Roth IRA distribution, an additional tax of 10 percent will generally apply to the amount includable in income in the year of the distribution. If you are under age 59½ and receive a distribution of conversion amounts within the five-year period beginning with the year in which the conversion occurred, an additional tax of 10 percent will generally apply to the amount of the distribution. The additional tax of 10 percent will generally not apply if a distribution is made on account of 1) death, 2) disability, 3) a qualifying rollover, 4) the timely withdrawal of an excess contribution, 5) a series of substantially equal periodic payments (at least annual payments) made over your life expectancy or the joint life expectancy of you and your beneficiary, 6) medical expenses which exceed 7.5 percent of your adjusted gross income, 7) health insurance payments if you are separated from employment and have received unemployment compensation under a federal or state program for at least 12 weeks, 8) certain qualified education expenses, 9) first-home purchases (up to a life-time maximum of \$10,000), 10) a levy issued by the IRS, or 11) active military duty (see *Qualified Reservist Distributions*, below).

B. **EXCESS CONTRIBUTION PENALTY** – An additional tax of six percent is imposed upon any excess contribution you make to your Roth IRA. This additional tax will apply each year in which an excess remains in your Roth IRA. An excess contribution is any amount that is contributed to your Roth IRA that exceeds the amount that you are eligible to contribute.

C. **EXCESS ACCUMULATION PENALTY** – As previously described, your beneficiary(ies) is generally required to take certain required 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 Roth 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 Roth IRAs from your District Office of the IRS. In particular, you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements*, by calling 1-800-TAX-FORM, or by visiting www.irs.gov on the Internet.

C. **IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT** – To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.

D. **HURRICANE-RELATED RELIEF** – If you are an individual who sustained an economic loss due to, or are otherwise considered affected by, hurricane Katrina, Rita or Wilma, you may be eligible for favorable tax treatment on distributions and rollovers from your Roth IRA. Qualified distributions include Roth IRA distributions made on or after specified dates for each hurricane and before January 1, 2007 to a qualified individual. For a complete definition of what constitutes a qualified individual and a qualified hurricane distribution for purposes of hurricane relief, refer to IRS Publication 4492, *Information for Taxpayers Affected by Hurricanes Katrina, Rita and Wilma*.

1. **10 Percent Penalty Exception on Qualified Distributions** – Qualified hurricane distributions are not subject to the 10 percent early distribution penalty tax. This penalty exception applies only to the first \$100,000 of qualified distributions to each individual.

2. **Taxation May be Spread Over Three Years** – If you receive qualified hurricane distributions, you may elect to include the distribution in your gross income ratably over three years, beginning with the year of the distribution.

3. **Repayment of Qualified Hurricane Distributions** – You may roll over qualified hurricane distributions to an eligible retirement plan, and avoid federal income taxation, within three years of the date of receipt of the distribution. The 60-day rollover rule does not apply to these distributions.

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

- E. **QUALIFIED RESERVIST DISTRIBUTIONS** – If you are a qualified reservist called to active duty, you may be eligible to take penalty-free distributions from your Roth IRA and recontribute those amounts to an IRA generally within a two-year period from your date of return. For further detailed information you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements* from the IRS.
- F. **CHARITABLE DISTRIBUTIONS** – If you are age 70½ or older, you may make tax-free distributions of up to \$100,000 per year directly from your Roth IRA to certain charitable organizations. Special tax rules may apply. This provision applies to distributions during tax years 2008 and 2009, or until such later time as extended by Congress. For further detailed information you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements* from the IRS.
- G. **HEARTLAND DISASTER RELATED TAX RELIEF** – If you are an individual who has sustained an economic loss due to, or are otherwise considered affected by, the severe storms, tornadoes and flooding that occurred in the Midwestern disaster area, you may be eligible for favorable tax treatment on distributions and rollovers from your Roth IRA. Qualified disaster recovery assistance distributions include Roth IRA distributions made on or after specified dates for each disaster, and before January 1, 2010 to a qualified individual. For more information on this tax relief, refer to IRS Publication 4492-B, *Information for Affected Taxpayers in the Midwestern Disaster Area*.
1. **10 Percent Penalty Exception on Qualified Distributions** – Qualified disaster recovery assistance distributions are not subject to the 10 percent early distribution penalty tax. This penalty exception applies only to the first \$100,000 of qualified distributions to each individual.
 2. **Taxation May be Spread Over Three Years** – If you received qualified disaster recovery assistance distributions, you may elect to include the distribution in your gross income ratably over three years, beginning with the year of the distribution.
 3. **Repayment of Qualified Disaster Recovery Assistance Distributions** – You may roll over qualified disaster recovery assistance distributions to an eligible retirement plan, and avoid federal income taxation, within three years of the date of receipt of the distribution. The 60-day rollover rule does not apply to these distributions.