



SELF-DIRECTED IRA APPLICATION KIT

for

- Traditional IRA
- Roth IRA
- Rollover IRA
- SEP IRA



IRA APPLICATION KIT

FOR TRADITIONAL, ROTH, ROLLOVER OR SEP IRAS

For a Traditional or Rollover IRA

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HOW TO ESTABLISH A SELF-DIRECTED IRA

IRA Services

P.O. Box 2526, Waco, TX 76702
7901 Fish Pond Rd., Waco, TX 76710
Phone: 800.955.3434
Fax: 254.751.0872
IRAServices@uwbank.com
www.SterlingTrustCompany.com

IMPORTANT! Sterling Trust Company does not investigate, sponsor, or endorse any investment product. You assume sole responsibility for the success or failure of your investments. All Sterling Trust accounts are self-directed, and you are responsible for directing the investment of assets in your account. Sterling Trust Company does not provide any investment advice, or recommend or evaluate the merits or suitability of any investment.

If Sterling Trust Company's services were suggested by a financial representative, such person is not an agent, employee, representative, or affiliate of Sterling Trust Company. Sterling Trust Company is not responsible for and is not bound by any representations, warranties, statements or agreements made by any financial representative.

- Step 1:** Read the entire 35-page [IRA Application Kit for Traditional, Roth, Rollover or SEP IRAs](#) first.
- Step 2:** Complete, sign, and date pages 7-11 of the *Individual Retirement Custodial Account Agreement* on pages 7-16. [Account cannot be processed without your signature and date in Section 6 on page 11.](#) You must also include a physical mailing address.
- Step 3:** Write a check payable to Sterling Trust Company for:
- Your IRA Contribution (if making one); and
 - Your account Establishment Fee and First Year Annual Fee as shown in the *IRA Fee Schedule* on page 6. If your account will receive funds from an IRA transfer or direct rollover, include your payment of the Establishment Fee. Your First Year Annual Fee may be deducted from the transfer/rollover proceeds, provided that Sterling Trust receives these funds within 60 days of your account being established. Any fees owed after 60 days will be billed to you including late charges.
- Step 4:** **For a Traditional, Rollover or SEP IRA**—If you wish to have your IRA funds transferred from an existing IRA account held with another firm to your Sterling Trust IRA, or rolled over directly from an eligible employer-sponsored retirement plan, refer to the instructions on page 23. Then complete and sign the *Traditional IRA Transfer Request Form/Direct Rollover Letter* on page 24. If rolling over from an employer-sponsored plan, check with the plan administrator for any additional requirements.
- For a Roth IRA**—If you wish to have your Roth IRA funds transferred from an existing Roth IRA account held with another firm to your Sterling Trust Roth IRA, refer to the instructions on page 28. Then complete and sign the *Roth IRA Transfer Request Form* on page 29. If rolling over from an employer-sponsored plan, the rollover proceeds must first be placed in a Traditional IRA and then converted to a Roth IRA. See pages 30-33 for more information. Check with your tax advisor or contact Sterling Trust's IRA Services department for more information.
- Step 5:** **For a Traditional, Rollover or SEP IRA**—If you wish to make an initial SEP contribution in connection with a Simplified Employee Pension Plan, include a copy of the completed *IRS FORM 5305-SEP* found on pages 26-27. The original signed version of this form should be retained by the employer.
- For a Roth IRA**—If you wish to convert an existing Sterling Trust Traditional IRA to a Sterling Trust Roth IRA, refer to the instructions on pages 30-31. Then complete and sign the *IRA Distribution Request for Conversion from a Sterling Traditional IRA to a Sterling Roth IRA* form found on pages 32-33. The signed form should be sent to Sterling Trust. To obtain a Sterling Trust Conversion Form, please visit our website at www.SterlingTrustCompany.com.
- Step 6:** For your convenience, you may use the *Investment Direction Authorization for Publicly Offered Investments* form on page 34 to authorize the purchase of any public asset.
- Step 7:** Send all forms, all of your checks, your investment applications/subscription documents, and any other documents or forms directly to Sterling Trust Company at one of the following addresses:
- Mailing address: Post Office Box 2526, Waco, TX 76702-2526
Physical address: 7901 Fish Pond Road, Waco, TX 76710
- Step 8:** Keep pages 12-22 for your records. This is your IRA Custodial Account Agreement and Disclosure Statement. It contains very important information and disclosures about your Sterling Trust Self-Directed IRA account.
- Step 9:** In order to direct investments within your new account, please obtain the appropriate processing checklist for the specific investment type by visiting our website at www.SterlingTrustCompany.com, or by requesting the checklist by e-mail at IRAServices@uwbank.com. Also, please read Sterling Trust Company's Private Placement Processing Procedure on page 4.

Investments not FDIC insured ■ Investments not guaranteed ■ Investments may lose value

Account Acceptance

Your account will be opened upon acceptance of your *IRA Custodial Account Agreement*, by an authorized signatory of Sterling Trust Company. Sterling Trust will then process any transfer/direct rollover requests and any investment instructions you provide. A copy of pages 7-11 of your accepted *IRA Custodial Account Agreement* and your new account number will be mailed to you.

Interested Party Designation

If you wish to authorize an additional person (other than yourself or your Representative designated in Section 5 on page 9, if one has been designated) to receive duplicate copies of your account statements and to be authorized to receive other account information, please complete the Interested Party Designation information in Section 4 of the Account Agreement. Transaction instructions will not be accepted by Sterling Trust from this individual.

Account Statements and Asset Values

Sterling Trust Company will issue quarterly account statements to you which reflect your account activity and investment holdings, including the undirected cash held in the United Western Bank NOW Account (as defined in paragraph 9 on page 10 of the *Individual Retirement Custodial Account Agreement*). You may obtain certain information regarding the rate of interest which is being paid on cash deposited in the United Western Bank NOW Account by going to the website identified in your quarterly account statement and following the instructions there. You should review your statements promptly and report any discrepancies to Sterling Trust Company within 60 days of the ending statement date. After this time Sterling Trust Company shall not be liable for the discrepancy.

Your quarterly account statements may not reflect current or accurate market values for certain types of assets, particularly limited partnerships and private placement investments. If no valuation is reported by the investment sponsor, then Sterling Trust Company may list the value of the illiquid asset at its original acquisition cost or carry forward the last known value. Sterling Trust Company may reflect a valuation of zero if assets are reported by the investment sponsor as having no market value, if the investment sponsor is in bankruptcy, or if other relevant conditions exist.

Sterling Trust Company's Private Placement Processing Procedure

All private placement investments and nonstandard assets must follow specific processing guidelines before Sterling will process a purchase or accept an in-kind transfer, rollover, or exchange-in of a private placement investment or nonstandard asset. **Sterling does not perform a due diligence review of any investment, and Sterling's processing your instructions to purchase a private placement or nonstandard asset shall not be construed as a favorable opinion as to the prudence, viability, merits, or suitability of the investment.**

You may obtain the processing checklists for the following types of investments by contacting our IRA Services department at 800.955.3434, ext. 5396, by visiting Sterling's website at www.SterlingTrustCompany.com, or by requesting the checklist by email at IRAServices@uwbank.com.

- Private Equity Investments (Private Stocks, Limited Partnerships, Limited Liability Companies, Real Estate Investment Trusts)
- Private Debt Investments (Promissory Notes, Corporate Debt Offerings, Deeds of Trust/Mortgages, Contracts for Deed/Real Estate Contracts)
- Real Estate (cash purchases or debt-financed)
- Structured Settlements
- Investment Management Agreements Sponsored by Registered Commodity Trading Advisors or Registered Investment Advisors

The above investments are subject to special asset transaction and holding fees as shown on the *IRA Fee Schedule* on page 6.

As required by the **USA PATRIOT ACT**

**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 institutions to obtain, verify and record information that identifies each person who opens an account.

What this means for you:

When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you.

We may also ask to see your driver's license or other identifying documents.

We thank you for your understanding and for joining us in securing a safer tomorrow.

Sterling Trust Company



SUMMARY OF ROLES AND RESPONSIBILITIES

RESPONSIBILITY	Party Responsible	
	Accountholder*	Sterling Trust Company
Account Establishment and Maintenance		
Select type of IRA	✓	
Payment of fees	✓	
Select any financial advisor or tax or legal professional to assist accountholder (optional)	✓	
Issue periodic statements to reflect account activity and investment holdings		✓
Receive annual fair market valuations or good-faith estimates received from investment holdings		✓
File required IRS Forms 1099 and 5498 with the Internal Revenue Service		✓
Determine mandatory distribution amount (for accountholders age 70½ and older)	✓	
Provide courtesy calculation of mandatory distribution amount (based solely on the account(s) held with Sterling Trust)		✓
Withdraw correct mandatory distribution amount	✓	
Determine income tax consequences	✓	
Protect accountholders' privacy and confidentiality of personal information		✓
Investments		
Choose and direct all investments	✓	
Communicate investment instructions to Sterling Trust	✓	
Determine suitability of investments	✓	
Review the prudence, viability or merits of any investment	✓	
Appoint any advisor or person the accountholder deems appropriate to assist in making any decision regarding investments	✓	
Monitor performance of all investments and actions of investment sponsors	✓	
Determine investment gains or losses	✓	
Seek and appoint any investment servicing agents required for real estate, real estate notes, trust deeds, etc.	✓	
Monitor and determine any Unrelated Business Taxable Income (UBTI) tax that may be due and provide instruction for filing of IRS Form 990-T	✓	
Process investment directions as instructed		✓
Ensure investments are properly registered: <i>Sterling Trust Co. Custodian FBO (client's name and STC account #)</i> using Sterling's TIN # 76-0115756		✓
Hold any investment instruments/certificates in safekeeping		✓
Receive confirmation of all investment transactions and activity		✓

* An Accountholder may designate a representative to assist in making investment, financial, tax or legal decisions regarding your Sterling Trust account. If such a person is designated, it is important to understand that this person is not a **representative, agent or employee of Sterling Trust Company.**



IRA FEE SCHEDULE FOR TRADITIONAL, ROTH, SEP, OR SIMPLE IRAS

Effective 3-1-2007

Precious Metals IRA—May hold only allowable precious metals including American Eagle gold, silver, and platinum coins, other coins as allowed under Internal Revenue Code §408(m)(3), and other precious metal products that meet the minimum fineness requirements and are manufactured by a NYMEX or COMEX approved refiner/assayer.

Basic IRA—May hold any number or combination of publicly registered or traded investments including any asset permitted in the Precious Metals IRA, Mutual Funds, Public Stocks, Bonds, REITs, Brokerage Accounts, Perth Mint Certificates, Public Limited Partnerships, Annuities, Bank Certificates of Deposit, United Western Bank NOW Accounts, and U.S. Government Securities.

Flex IRA—May hold any asset permitted in the Precious Metals IRA and/or the Basic IRA as well as Private Stocks, Private Limited Partnerships, Limited Liability Companies, Promissory Notes or Corporate Debt Offerings, Futures Trading Accounts, Trust Deeds/Real Estate Contracts, Real Estate, or other private placement investments or non-standard assets.

Fees	Precious Metals IRA	Basic IRA	Flex IRA
■ Set-up Fees: <i>Charged at time of account establishment</i>			
One-Time Establishment Fee	\$ 15	\$ 25	\$ 25
First Year Annual Fee <i>\$10 late fee for every 30 days account has past-due fees</i>	\$ 60	\$ 65	\$ 75
■ Annual Renewal Fee: <i>Charged upon account anniversary date \$10 late fee for every 30 days account has past-due fees</i>	\$ 60	\$ 65	1/10 of 1% (.001) of total market value Minimum = \$75; Maximum = \$550
■ Processing Fees: <i>Charged at time investment is processed</i>			
Private Placement/Non-standard Asset Processing Fee <i>Charged for initial and subsequent purchases, including subsequent purchases sent to a managed commodity trading account</i>	N/A	N/A	\$ 25 each
Futures Trading Account Processing Fee <i>(per broker or FCM account)</i>	N/A	N/A	\$100 per initial purchase
Real Estate Processing Fee	N/A	N/A	\$175 per purchase
Real Estate Sale Fee	N/A	N/A	\$100
■ Special Asset Holding Fees: <i>Charged with the annual renewal fee</i>			
Private Placement and Non-standard Asset Holding Fee	N/A	N/A	\$ 25 per asset (up to 10 assets); Max = \$250
Futures Trading Account Holding Fee	N/A	N/A	\$100 per FCM account
Real Estate Holding Fee	N/A	N/A	\$100 per property
Debt-Financed Real Estate Holding Fee	N/A	N/A	\$200 per property
■ Precious Metals Storage Fee: <i>Charged at account establishment & each January</i>	\$100	\$100	\$100
■ Special Service Fees: <i>Charged at time service is rendered</i>			
Distribution Via Check Fee	\$ 8 each	\$ 8 each	\$ 8 each
Distribution Via Wire Fee	\$ 25 each	\$ 25 each	\$ 25 each
Scheduled Distributions (Monthly or Quarterly) Via ACH Fee	— Free —	— Free —	— Free —
Federal Withholding Fee	\$ 5 each	\$ 5 each	\$ 5 each
State Withholding Fee	\$ 5 each	\$ 5 each	\$ 5 each
Wire Transfer Fee for Investment Purchase (Domestic)	\$ 25 each	\$ 25 each	\$ 25 each
Wire Transfer Fee (International)	\$ 50 each	\$ 50 each	\$ 50 each
Stop Payment Fee	\$ 25 each	\$ 25 each	\$ 25 each
Return Check Fee	\$ 25 each	\$ 25 each	\$ 25 each
Safekeeping Fee <i>(Charged annually with renewal fee)</i>	\$ 25 annually	\$ 25 annually	\$ 25 annually
Coin Shipping/Handling Fee <i>(\$50 minimum)</i>	Cost + \$10	Cost + \$10	Cost + \$10
Cashier's Check Fee	\$ 25 each	\$ 25 each	\$ 25 each
Roth Conversion Fee <i>(Charged per cash or per asset conversion)</i>	\$ 25 each	\$ 25 each	\$ 25 each
990-T Processing Fee	\$ 50 each	\$ 50 each	\$ 50 each
■ Termination Fees: <i>(Charged at time service is rendered)</i>			
Partial Termination Fee	\$ 25 per asset	\$ 25 per asset	\$ 25 per asset
Full Termination Fee	\$125	\$125	\$200
■ Additional Fees May be Charged for Extraordinary Services. Any Fees Charged to MasterCard or VISA Will Incur a 4% Surcharge.			

3/27/2008/md

2. Select Your IRA Fee Schedule

Effective 3-1-2007

Refer to Sterling Trust's IRA Fee Schedule shown on page 6. Choose the fee schedule that best fits your needs, based on the investment(s) you plan to hold. If no selection is made, Sterling Trust will default to the Flex IRA fee schedule. Your Annual Fee will be determined each year based on the type(s) of investment(s) held.

- Precious Metals IRA**—Hold an unlimited number of allowable precious metals.
Set-up Fee is \$15; First Year Fee and Annual Renewal Fee is \$60; Annual Coin Storage Fee is \$100
- Basic IRA**—Hold and trade unlimited number of public assets.
Set-up Fee is \$25; First Year Fee and Annual Renewal Fee is \$65
- Flex IRA**—Hold public and private placement or non-standard investments.
*Set-up Fee is \$25; First Year Fee is \$75
Annual Fee is .001 x market value of account: Minimum = \$75 Maximum = \$550
Special Asset Holding Fees may also apply.*

- Set-up fees and First Year Fees will be charged at time of account set-up or will be deducted from available funds prior to any investment being processed.
- Annual fees will be charged annually upon anniversary of account opening date.
- Special service fees may apply. See full fee schedule on page 6.
- Additional fees may be charged for extraordinary services.

3. Select Type of IRA: **Must choose one before proceeding** Traditional IRA Roth IRA

Account to be funded by:

- IRA Contribution:** \$ [] contribution for tax year ending December 31, 20 []. *Checks must be made payable to Sterling Trust.* For 2007, an individual may contribute up to the maximum of 100% of compensation or \$4,000, whichever is smaller. In addition, an individual age 50 or older may make a catch-up contribution of up to \$1,000. For 2008, the maximum IRA contribution increases to \$5,000 (plus a catch-up contribution of up to \$1,000 for individuals age 50 and over).
- Direct Transfer of Existing IRA from Another Custodian:**
(Please complete and submit the applicable IRA Transfer Request Form.)
- Rollover IRA:** \$ []
This Rollover Contribution is the result of:
 - Proceeds which I have actually or constructively received from a qualified pension or profit sharing plan, a 403(b) plan or another IRA.
 - Direct Rollover from the Trustees of a qualified employer retirement plan. (Please complete and submit the *Traditional IRA Transfer Request Form/Direct Rollover Letter*.)
I hereby certify that the cash and/or in-kind transfer of assets which I deposit as a Rollover Contribution meets all of the requirements for an "eligible rollover contribution" under applicable law. I further certify that, if I have had constructive receipt of funds or property as indicated by checking the "Rollover IRA" box above, that this rollover is being made within 60 days of my receipt of same. I acknowledge that my designation of this account as a "Rollover IRA" is irrevocable, unless I later determine that all or any portion of the assets deposited are an excess contribution. If I have elected a Traditional IRA, I understand that if I ever elect to combine regular annual IRA contributions, accumulated regular IRA contributions, or employer Simplified Employee Pension (SEP) plan contributions with funds rolled over from a qualified plan, I forfeit the right to subsequently roll this IRA into another qualified retirement plan. I understand that Sterling Trust Company will not monitor the nature of contributions to my Account, and has no duty to question my actions should I combine rollover IRA assets with regular contribution IRA assets. I hereby hold harmless Sterling Trust Company from any liability for any financial loss, damage, or injury which I may sustain as a result of combining rollover and regular contribution IRA assets.
- SEP IRA (applicable only in a Traditional IRA):** \$ []
If this Account is established in connection with a Simplified Employee Pension (SEP), an employer may contribute up to the smaller of 25% of the individual's compensation or \$45,000 for 2007 (increases to \$46,000 for 2008). In addition to the employer contributions, the individual may make annual IRA contributions as described under "IRA Contribution" above. Must submit this application with a copy of IRS Form 5305-SEP.
- Conversion Roth IRA (applicable only in a Roth IRA):** (Choose from one of the two options below.)
 - Conversion from an existing Sterling Trust Traditional IRA
(Please complete and submit Sterling Trust's *IRA Distribution Request for Conversion from a Sterling Traditional IRA to a Sterling Roth IRA* form.)
 - Conversion from a Traditional IRA held at another IRA trustee or custodian
You will need to transfer your existing Traditional IRA to a Sterling Traditional IRA in order to convert to a Sterling Roth IRA. To obtain a Sterling Traditional IRA kit, go to www.sterlingtrustcompany.com. In addition you will need to complete and submit the *IRA Distribution Request for Conversion from a Sterling Traditional IRA to a Sterling Roth IRA* form.
- Beneficiary IRA:** \$ [] (Styled as: *Your Name, Bene FBO Deceased Name [Deceased]*)
For an individual who wishes to establish a Beneficiary IRA for the purpose of receiving cash/assets from an inherited IRA. One account per beneficiary.
If a Beneficiary or Accountholder is known to the Custodian to be a minor, the Custodian shall have no independent duty to obtain or verify any information that any person claiming to be the parent, other legal representative of such Beneficiary or Accountholder is entitled to act on behalf of such Beneficiary or Accountholder but may instead rely on the representations of such parent or other legal representative that he or she has the authority to so act. I agree that Custodian shall have no liability for, and shall be fully indemnified against, any cost or damage it incurs in connection with its good faith reliance on such representations.

4. Choose any Optional Authorizations on Your Sterling IRA Account

The following selections are optional features available on your Sterling IRA. Select only the item(s) you wish to authorize or not authorize.

- ➔ **Interested Party Designation:** I authorize Sterling Trust Company to release information to the following person regarding my account including copies of quarterly statements or other written, verbal, or electronic communications. I understand that Sterling Trust will not accept transaction instructions from this individual. (Please leave blank if you do not wish to have an Interested Party designated for your account.)

Interested Party Name [] Phone [] - [] - [] Fax [] - [] - []
Address [] City [] State [] Zip [] - []

- ➔ **Telephone Authorization:** I authorize Sterling Trust Company to honor telephone transaction requests from me or my Representative (if I have designated one) for my Account. My Social Security Number will be required as verification before any request will be accepted. I understand and agree that Sterling Trust Company will not be liable for any loss, expense or cost arising out of any request affected hereunder. (Note: This authorization applies only to investment directions given to Sterling Trust Company. It does not automatically authorize telephone exchange or redemption privileges for any investment.)

- Telephone Authorization automatically applies to your account unless this box is checked. Check this box only if you **do not** want telephone authorization on your account.

➔ **Payment of Account Fees:** The Annual Renewal Fees and any Special Asset Holding Fees for my Account should be: *(Check only one box)*

Invoiced to me annually at the: (Choose from one of the two options below)

___ Accountholder's address

___ Following address:

Automatically withdrawn from the assets of my Account. (Account must have liquid assets.)

If no option is chosen above, Sterling Trust will assume automatic withdrawal of Annual Fees and any Special Asset Holding Fees from the Account. The Accountholder will be responsible for any unpaid fees should the Account be illiquid or have insufficient funds to cover all fees. Sterling Trust will charge a late fee for every 30-day period that account fees are past due.

5. Optional Representative Designation

Please complete the information and sign below only if you wish to authorize your financial advisor, broker, financial planner, or other person of your choice as your Representative on your Account. Before you appoint a Representative on your Account, you should understand that your Representative:

- is authorized to give investment directions on your behalf to Sterling Trust Company,
- will have unlimited access to your Account information, and
- will receive copies of your Account statements and other correspondence.

By my signature below, I choose to appoint the person(s) shown below as my Representative on my Sterling Trust Company ("Sterling") Account for the purpose of communicating investment directions to Sterling and receiving information on my Account, in accordance with this Section, Section 9.4 of Sterling's Terms of Sterling Trust Company Individual Retirement Custodial Account, and Section "O" of Sterling's Disclosure Statement. I further acknowledge that:

- 1) I understand that my Representative is my authorized agent and is not in any way an agent, employee, or representative of Sterling.
- 2) I understand that my Representative may be a registered representative of a broker dealer organization, a financial advisor or other person that I deem acceptable.
- 3) I understand that Sterling has not made and will not make any recommendation or investigation with respect to my Representative, nor does Sterling Trust Company compensate my Representative in any manner.
- 4) I understand that I may appoint and/or remove my Representative at any time by delivering my written notice on a form acceptable to Sterling. If I remove my Representative, I understand that such removal shall not have the effect of canceling any notice, instruction, direction or approval received by Sterling from my removed Representative before Sterling receives my notice of removal.
- 5) I instruct Sterling to pay for or receive payment from security or other investment transactions communicated by my Representative as shown below, as indicated by broker confirmations of trade or other requests for payment received by Sterling.
- 6) I understand that it is solely my responsibility to direct my Representative to execute trades or other investments for my Sterling Account, and all instructions, directions, and/or confirmations received from my Representative, his agent(s), or his broker dealer, whether written or oral, shall be assumed by Sterling to have been authorized by me.
- 7) Without limitation, I agree to indemnify and hold Sterling harmless for any loss or breach of any kind which may result from any action or inaction that it takes or omits in good faith in accordance with, and in its reliance upon, any certificate, notice, confirmation, instruction, or other written or oral (if so elected) communication purporting to have been delivered at my direction on behalf of my Account by my Representative or brokerage firm.

Signature
of Individual

Date

 / /

Representative Name

Rep #

Representative Address

City

State

Zip

 -

Phone ()

 -

Fax ()

 -

Email Address

Broker Dealer Name

Broker Dealer Address

City

State

Zip

 -

Phone ()

 -

Dealer Firm Authorized Signature (if required by Dealer)

Date

 / /

6. Signatures—By signing below, I hereby make the following representations:

- 1) I appoint Sterling Trust Company ("Sterling") as Custodian of my Account. I acknowledge that I have received and read Sterling's *Individual Retirement Custodial Account Agreement* and Sterling's *Disclosure Statement* on the date shown below, and I agree to be bound by the terms and conditions contained in these documents. I understand that, within seven (7) days from the date that I open my Account, I may revoke this application and close my Account without penalty by mailing or delivering a written notice to Sterling.
- 2) I acknowledge that my Account is self directed and I am solely responsible for the selection, management, and retention of all investments held within my Account. I understand and acknowledge that Sterling will exercise no discretion with respect to the funds in my Account, will not under any circumstances provide investment advice or recommendations, and will in all events invest all of the funds in my Account solely and exclusively at my direction. I further understand that I am not entering into a "trust" agreement with Sterling, but rather I am entering into a "custodial" agreement under which Sterling has no duties or responsibilities with respect to the investment of the funds in my Account. **Finally, I understand and intend that Sterling shall not assume the responsibilities of a trustee, a "fiduciary," or a person entitled to exercise any discretionary authority with respect to the funds in my Account, as those terms and concepts are defined in the Internal Revenue Code, ERISA, or other applicable federal, state or local laws.**
- 3) I understand that if I have chosen to appoint a Representative in Section 5 on **page 9** of this Agreement, or should I ever appoint a Representative on a form acceptable to Sterling, such person is my agent and is not in any way an agent, employee, or representative of Sterling. I understand that Sterling has not made and will not make any recommendation or investigation with respect to my Representative, nor does Sterling compensate my Representative in any manner.
- 4) I understand that if a financial representative suggested that I retain Sterling's services as custodian for investments made through my Account, that such financial representative is not in any way an agent, employee, representative, or affiliate of Sterling. I acknowledge that Sterling is not responsible for and is not bound by any representations, warranties, statements or agreements made by any financial representative. I further understand that Sterling does not compensate such financial representatives in any manner.
- 5) I understand that Sterling does not review the prudence, viability or merits of any investment or whether the investment is acceptable under ERISA, the Internal Revenue Code, or any other applicable federal, state or local laws, including securities laws. I acknowledge that it is my responsibility to review any investments to ensure compliance with the above requirements and to avoid the occurrence of any prohibited transactions in my Account arising out of my investments. I understand that I should have all investments reviewed by my attorney and/or tax advisor.
- 6) I consent to Sterling's fee schedule as specified on **page 6**, and any amendments made thereto.
- 7) I agree to promptly give instructions to Sterling as necessary to enable Sterling to carry out its duties under my Custodial Account Agreement.
- 8) I represent that whenever information as to any taxable year is required to be filed with the Internal Revenue Service, that I will file such information with the Internal Revenue Service unless filed by Sterling.
- 9) I understand that United Western Bancorp, Inc. is the parent company of both Sterling and United Western Bank ("UW Bank"). I hereby expressly direct that Sterling deposit all undirected cash from any source, including without limitation contributions, transfers, rollovers or cash income from any asset of my Account, in a negotiable order of withdrawal or transaction account maintained by Sterling at UW Bank on behalf of accountholders (the "UW Bank NOW Account") until such time as I give Sterling a further investment direction. I further understand the UW Bank NOW Account will pay a rate of interest on my funds deposited therein which is determined by reference to a published money rate index (the "Index") as disclosed from time to time on a website identified to me in my quarterly account statement. The actual annual percentage yield to me on my funds deposited in the UW Bank NOW Account for a month in question may be more than, but shall not be less than, the Index in use at the time. The actual annual percentage yield to me on my funds for a month in question will also be identified on such website. I further understand that the initial Index in force for calendar months beginning with December 2005 shall be the "Interest Checking" rate as published in the "Latest Week" column of the "Other Money Rates" portion of the "Market Laboratory/Economic Indicators" section of the last weekly issue of Barron's magazine published prior to the beginning of such calendar month in question (e.g., Index as published in the last weekly issue of November 2005 shall apply for December 2005); and that such initial Index, and any future Index established, may be changed from time to time by UW Bank by simply identifying the new Index on such website. I further understand that the interest rate paid by UW Bank on the UW Bank NOW Account may not be the same as the interest rate UW Bank pays to other IRA custodians who are customers of UW Bank, or pays to third parties on other negotiable order of withdrawal or interest bearing accounts. I understand that, as a result of my direction, Sterling is required to deposit all undirected cash in my Account in the UW Bank NOW Account.
- 10) I understand that it is my sole responsibility to manage the investment(s) held within my Account, and that Sterling has no responsibility to question any investment directions given by me or my Representative (if I have appointed one), regardless of the nature of the investment. I understand that Sterling is in no way responsible for monitoring the performance of investments or for the performance of any investment held within my Account.
- 11) I understand that, except to the extent of the cash which is invested in the UW Bank NOW Account (which is FDIC-insured), or directed into other FDIC-insured bank products, the investments within my Account are not FDIC-insured, nor are any investments guaranteed by Sterling, and that such investments may lose value.
- 12) I understand that distributions I receive from my Account are subject to Federal income tax withholding unless I elect to not have withholding apply. By signing and dating below, I elect not to have withholding apply to "in-kind" distributions from my Account, subject to my right to revoke this election at a later date. If I should revoke this election and have withholding apply to "in-kind" distributions, I understand that it will be my responsibility to ensure that this Account maintains a sufficient amount of cash to satisfy my withholding election. I understand that I am responsible for paying Federal income tax on the taxable portion of my distribution(s) and that I may be subject to tax penalties if my payments of estimated tax and withholding, if applicable, are not adequate.
- 13) I understand that Sterling may terminate my Account upon 30 days' written notice and will do so should I fail to pay any fees and expenses under **Article XIV** of Sterling's *Terms of Sterling Trust Company Individual Retirement Custodial Account* and Sterling's *Disclosure Statement*.

CONTINUED ON PAGE 11—PAGE 11 MUST BE SIGNED



6. Signatures (Continued)

- 14) I understand that Sterling will terminate my Account, if upon 30 days' written notice, Sterling does not receive a fair market value valuation as required by Section 9.8 of Sterling's *Terms of Sterling Trust Company Individual Retirement Custodial Account* and Sterling's *Disclosure Statement*.
- 15) I consent to Sterling's amendment of any document which is included in this "The Sterling Trust Company IRA Application Kit" ("Kit"), of which this Agreement is a part; provided that any such amendment complies with the requirements set forth in Section 15.1 of the "Terms of Sterling Trust Company Individual Retirement Custodial Account (Form 5305-A/Form 5305-RA)" which comprises another part of this Kit.

ARBITRATION AGREEMENT

- 16) I AND STERLING AGREE THAT ALL CLAIMS AND DISPUTES OF EVERY TYPE AND MATTER WHICH MAY ARISE BETWEEN THE DEPOSITOR AND CUSTODIAN, INCLUDING AND DISPUTES REGARDING THE SCOPE OF THIS ARBITRATION AGREEMENT, SHALL BE RESOLVED BY BINDING ARBITRATION ADMINISTERED BY THE NATIONAL ARBITRATION FORUM UNDER THE CODE OF PROCEDURE THEN IN EFFECT. ANY AWARD OF THE ARBITRATOR MAY BE ENTERED AS A JUDGMENT IN ANY COURT HAVING JURISDICTION. IN ANY MATTER IN WHICH THE AMOUNT IN DISPUTE EXCEEDS \$100,000.00, THE ARBITRATION PROCEEDINGS SHALL TAKE PLACE IN WACO, TEXAS. IN THE EVENT A COURT HAVING JURISDICTION FINDS ANY PORTION OF THIS AGREEMENT UNENFORCEABLE, THAT PORTION SHALL NOT BE EFFECTIVE AND THE REMAINDER OF THE AGREEMENT SHALL REMAIN EFFECTIVE. INFORMATION MAY BE OBTAINED AND CLAIMS MAY BE FILED AT ANY OFFICE OF THE NATIONAL ARBITRATION FORUM, WWW.ARBITRATION-FORUM.COM, OR AT P.O. BOX 50191, MINNEAPOLIS, MN 55045. THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED UNDER THE FEDERAL ARBITRATION ACT, 9 U.S.C. SECTIONS 1-16.

BY SIGNING THIS AGREEMENT, THE PARTIES ARE GIVING UP ANY RIGHT THEY MIGHT HAVE TO SUE EACH OTHER IN COURT AND HAVE THEIR CASE DECIDED BY A JUDGE OR JURY.

Signature of Individual Date / /
(Required – signature and date must be completed above or application will be rejected)

Acceptance by Sterling Trust Company, as Custodian: (to be completed by Sterling)

Authorized Signatory Date / /

10-13-08-md



TERMS OF STERLING TRUST COMPANY INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT TRADITIONAL OR ROTH

(For Traditional IRAs Under Section 408(a) of the Internal Revenue Code
and Roth IRAs Under Section 408(A) of the Internal Revenue Code)

Traditional IRA
IRS Form 5305-A

Roth IRA
IRS Form 5305-RA

(Rev. March 2002)
Department of the Treasury
Internal Revenue Service

The following provisions are part of the Traditional or Roth Individual Retirement Account Custodial Adoption Agreement (hereinafter called the "Agreement") made between Sterling Trust Company, a Texas Trust Company (hereinafter called the "Custodian") and each individual (hereinafter called the "Depositor") who executes the Agreement for the purpose of establishing an individual retirement account (hereinafter called the "custodial account") as described in Section 408(a) or Section 408(A) of the Internal Revenue Code of 1986 ("IRC"), as amended, or any successor statute (hereinafter called the "Code"). Articles I-VII below utilize the model IRS language shown on Traditional IRA Form 5305-A and IRS Roth IRA Form 5305-RA. As permitted under these IRS model forms, Sterling Trust Company has added the provisions in Articles XIII through XVII. Please refer to the provision that pertains to the type of IRA account (Traditional or Roth) that you have elected.

ARTICLE I

Traditional IRA

- 1.1 Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an Employer contribution to a simplified employee pension plan as described in section 408(k), or a recharacterized contribution described in section 408A(d)(6), 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.

Roth IRA

- 1.1 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

Traditional IRA

- 2.1 The depositor's interest in the balance in the custodial account is nonforfeitable.

Roth IRA

- 2.1 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.
- 2.2 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

Traditional IRA

- 3.1 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)).
- 3.2 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.

Roth IRA

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

ARTICLE IV

Traditional IRA

- 4.1 Notwithstanding any provision of this Agreement to the contrary, the distribution of the depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
- 4.2 The depositor's entire interest in the custodial account must be, or begin to be, distributed not later than the depositor's required beginning date, April 1 following the calendar year in which the depositor reaches age 70½. By that date, the depositor may elect, in a manner acceptable to the custodian, to have the balance in the custodial account distributed in:
- A single sum or
 - Payments over a period not longer than the life of the depositor or the joint lives of the depositor and his or her designated beneficiary.
- 4.3 If the depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:

- (a) If the depositor dies on or after the required beginning date and:

- the designated beneficiary is the depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
- the designated beneficiary is not the depositor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the depositor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
- there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the depositor as determined in the year of the depositor's death and reduced by 1 for each subsequent year.

- (b) If the depositor dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below:

- The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the depositor's death. If, however, the designated beneficiary is the depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the depositor would have reached age 70½. But, in such case, if the depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(i) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.
- The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the depositor's death.

- 4.4 If the depositor dies before his or her entire interest has been distributed and if the designated beneficiary is not the depositor's surviving spouse, no additional contributions may be accepted in the account.

- 4.5 The minimum amount that must be distributed each year, beginning with the year containing the depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows:

- The required minimum distribution under paragraph 2(b) for any year, beginning with the year the depositor reaches age 70½, is the depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the depositor's (or, if applicable, the depositor and spouse's) attained age (or ages) in the year.
- The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the depositor's death (or the year the depositor would have reached age 70½, if applicable under paragraph 3(b)(i)), is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).
- The required minimum distribution for the year the depositor reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

- 4.6 The owner of two or more traditional IRAs may satisfy the minimum distribution requirements described above by taking from one traditional IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

Roth IRA

- 4.1 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)).
- 4.2 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

Traditional IRA

- 5.1 The depositor agrees to provide the custodian with all information necessary to prepare any reports required by section 408(i) and Regulations sections 1.408-5 and 1.408-6.
- 5.2 The custodian agrees to submit to the Internal Revenue Service (IRS) and depositor the reports prescribed by the IRS.

Roth IRA

- 5.1 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.
- 5.2 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.
- 5.3 If the Depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the Depositor.

ARTICLE VI

Traditional IRA

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

Roth IRA

- 6.1 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).
- 6.2 The Custodian agrees to submit to the IRS and Depositor the reports prescribed by the IRS.

ARTICLE VII

Traditional IRA

- 7.1 This agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. As permitted under this IRS model form, Sterling Trust Company has added the provisions in Article VIII through XVII and these Articles may also be amended from time to time as provided in paragraph 15.1.

Roth IRA

- 7.1 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.
- 7.2 This agreement will be amended as necessary to comply with the provisions of the Code, the related regulations, and other published guidance. As permitted under this IRS model form, Sterling Trust Company has added the provisions in Articles XIII through XVII, and these may also be amended from time to time as provided in paragraph 15.1.

ARTICLE VIII Contributions

Traditional IRA

- 8.1 All contributions made to the custodial account shall be in cash, except in the case of a rollover or transfer contribution.
- 8.2 For any year, Depositor may contribute to his or her IRA during the calendar year and not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).
- 8.3 Except in the case of a rollover IRA or a plan-to-plan transfer, contributions made by or on behalf of Depositor shall not be made during or after the calendar year in which Depositor attains age 70½ years.
- 8.4 The Depositor assumes sole responsibility for determining that contributions to the custodial account do not exceed the limits specified in the Code. With respect to any contribution designated by the Depositor as a rollover contribution, the Depositor warrants:
 - (a) that such amount is an "eligible rollover distribution" under Section 402 of the Code received from a qualified plan or 403(b) plan, another individual retirement account or annuity, or a U.S. retirement bond, and is rolled over directly from an eligible retirement plan, or contributed to the custodial account established hereunder within sixty (60) days of its receipt by Depositor.
 - (b) that in case of a rollover from a qualified plan or 403(b) plan, the amount of such rollover contribution is an amount equal to or less than the excess of the qualified total distribution or partial distribution over amounts contributed thereto by Depositor (other than qualified voluntary employee contributions as described in Section 219 (e) of the Code) and, if any portion of such rollover consists of property other than cash, such distribution to Depositor consisted of the same property being contributed to the custodial account established hereunder; and
 - (c) that, in the case of a rollover contribution from another individual retirement account or individual retirement annuity, such other account or annuity was not itself funded by a rollover contribution from another IRA within one (1) year of the date of the contribution to the custodial account established hereunder.

- 8.5 The Custodian will not be responsible for the computation and the collection of any contributions under this Agreement, and shall be under no duty to determine whether the nature or amount of any contributions is in accordance with this Agreement or the Code. In addition, the Custodian shall not be responsible for computing or maintaining a record of the deductible portion of any contribution.

Roth IRA

- 8.1 All contributions made to the custodial account shall be in cash, except in the case of a rollover or conversion contribution.
- 8.2 For any year, Depositor, if eligible, may contribute to his or her IRA during the calendar year and not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).
- 8.3 The Custodian will not be responsible for the computation and the collection of any contributions under this Agreement, and shall be under no duty to determine whether the nature or amount of any contributions is in accordance with this Agreement or the Code. In addition, the Custodian shall not be responsible for computing or maintaining a record of the deductible portion of any contribution.

ARTICLE IX Investments

Traditional and Roth IRAs

- 9.1 Depositor retains all responsibilities and duties for the selection, management, and retention of investments, to the exclusion of the Custodian, pursuant to his power as "Settlor" under Section 114.003 of The Texas Trust Code. At the direction of the Depositor, the Custodian shall invest all contributions to the account and earnings thereon. If the Depositor has not given the Custodian investment direction orders, or if such investment direction orders are unclear in the opinion of the Custodian, with respect to all or a portion of any cash held in the Account, all such undirected cash shall be deposited by the Custodian, as soon as reasonably possible, in the UW Bank NOW Account pending receipt of an investment direction or required clarification. If investment direction orders are not received as required or, if received, are unclear in the opinion of the Custodian, all or a portion of the contribution may be held uninvested without liability for loss of income or appreciation and without liability for interest pending receipt of such orders or clarification. Upon death of the Depositor, the beneficiary(ies) and/or representative for the estate of the Depositor assume all rights and responsibilities for investment of the account.
- 9.2 The Custodian will perform sub-accounting and interest posting functions related to the UW Bank NOW Account and will receive a fee directly from United Western Bank for such services. Depositor understands that such fees may be less or more than the fees which would be paid by United Western Bank to other customers under similar circumstances.
- 9.3 The Depositor may appoint an Investment Advisor, qualified under Section 3(38) of the Employee Retirement Income Security Act of 1974 ("ERISA"), to direct the investment of the IRA. The Depositor shall notify the Custodian in writing of any such appointment by providing the Custodian a copy of the instruments appointing the Investment Advisor and evidencing the Investment Advisor's acceptance of such appointment, an acknowledgment by the Investment Advisor that it is a fiduciary of the account, and a certificate evidencing the Investment Advisor's current registration under the Investment Advisor's Act of 1940. The Custodian shall comply with any directions furnished to it by the Investment Advisor, unless and until it receives written notification from the Depositor that the Investment Advisor's appointment has been terminated. The Depositor's removal of an Investment Advisor shall not have the effect of canceling any notice, instruction, direction or approval received by the Custodian from the removed Investment Advisor before the Custodian receives said notice of removal from the Depositor. References herein relating to the Depositor's direction of investments shall be deemed to refer to the Investment Advisor to the extent the Investment Advisor has been given the investment direction authority of the Depositor.
- 9.4 On a form acceptable to the Custodian, the Depositor may designate a representative for the purpose of communicating investment directions to the Custodian and receiving information on the account. Said Depositor's Representative ("Rep") may be a registered representative of a broker/dealer organization, a financial advisor or other person as may be acceptable to the Depositor. The Rep shall be the authorized agent of the Depositor, and not an agent of the Custodian. The Custodian shall comply with any directions furnished it by the Rep, unless and until it receives written notification from the Depositor that the Rep's appointment has been terminated. The Depositor may appoint and/or remove a Rep by written notice to the Custodian provided that the Depositor's removal of a Rep shall not have the effect of canceling any notice, instruction, direction, or approval received by the Custodian from the removed Rep before the Custodian receives said notice of removal from the Depositor.
- 9.5 In the Agreement or on a form acceptable to the Custodian, the Depositor may authorize the Custodian to accept verbal investment directions from the Depositor, his Investment Advisor, or his Rep. References herein relating to the Depositor's verbal direction of investments shall be deemed to refer to the Investment Advisor and his Rep to the extent of each of their investment direction authority from the Depositor. Said verbal investment directions may be given by telephone or in person in the offices of the Custodian. Depositor agrees that Custodian is not responsible for verifying the propriety of any verbal investment direction which it may receive, other than requiring Depositor's Social Security Number and Account Number for identification purposes. Depositor further agrees that the Custodian is not responsible for unauthorized trades in the account which may be effected under this Section.
- 9.6 If the Depositor directs the Custodian to purchase publicly-traded securities, orders shall be executed through a securities broker/dealer registered under the Securities Exchange Act of 1934 designated by the Depositor upon such form as the Custodian may prescribe. Any brokerage account maintained in connection herewith shall be in the name of the Custodian for the benefit of the Depositor. Investment directions may be given directly to the designated broker by the Depositor (in such manner as the broker may require or permit, including without limitation via the broker's website or other electronic means) and the Custodian shall not be responsible for the execution of such orders. In connection with investment directions by Depositor given directly to the broker, Depositor agrees that Depositor shall comply fully with any terms and conditions required by such broker. The Custodian shall be authorized to honor transactions within the brokerage account without obligation to verify prior authorization

of same by the Depositor. Without limiting the generality of any other indemnification by Depositor to Custodian, Depositor does hereby agree to indemnify, defend and hold harmless Custodian from and against any and all claims, losses, causes of action, expenses (including reasonable attorneys' fees), costs and liabilities suffered or incurred by Custodian arising from or relating to (a) any direction or order given, or alleged to be given, by Depositor or Rep to any such broker or (b) any errors or misconduct on the part of the broker in processing, executing, safekeeping or reporting any such direction or order, or alleged direction or order, or the securities or proceeds resulting therefrom. Any cash received by the brokerage account, whether as income or proceeds of transactions, shall be held by the brokerage account pending directions, and the Custodian shall have no obligation to direct the broker to remit such cash until directed to do so by the Depositor, but may receive remittances without direction if the same are made by the broker. Investments outside the brokerage account shall be made in accordance with the other provisions of this Article. When securities are purchased within the brokerage account requiring that funds be remitted by the Custodian to make settlement, Depositor agrees to telephonically notify or instruct the broker or Rep to telephonically notify the Custodian on the trade date of the pending securities transaction, and to request delivery of the custodial account assets necessary to settle the trade. Without limiting the generality of any other indemnification by Depositor to Custodian, Depositor agrees to hold the Custodian harmless for any losses resulting from the Depositor's failure to notify the Custodian of the pending trade and request for settlement in the above prescribed manner.

9.7 Depositor may direct the Custodian to purchase "non-standard" investments, which include but are limited to investments individually negotiated by the Depositor or his Rep, and investments that are part of a private placement of securities offered in reliance upon exemptions provided by Sections 3(B) and 4(2) of the Securities Act of 1933 and Regulation D promulgated thereunder. The Custodian may identify investments or classes of investments which are unacceptable due to their posing an administrative burden on the Custodian or potential for prohibited transactions. For such investments, the Custodian reserves the right to not follow the Depositor's or Rep's direction or to not process such an investment. The Custodian's decision to reject certain assets for reasons of administrative feasibility or potential for constituting a prohibited transaction may not be construed as either investment advice, the exercise of discretion with respect to investments, an evaluation of the investment's prudence or viability, or a determination that such investment is in fact a prohibited transaction and, likewise, the Custodian's decision to accept a direction to purchase certain assets may not be construed as either investment advice, the exercise of discretion with respect to investments, an evaluation of the investment's prudence or viability, or a determination that such investment is not, in fact, a prohibited transaction. If the Depositor or his Rep should direct the Custodian to purchase a non-standard investment, as defined above, the following special certifications and provisions shall apply:

- (a) Depositor agrees to submit or cause to be submitted all offering documentation related to the non-standard investment for an administrative review by the Custodian. The Custodian reserves the right to charge a reasonable fee for such administrative review so requested by the Depositor or his Rep;
- (b) If the non-standard investment(s) contains a provision for future contractual payments or assessments, including margin calls, Depositor acknowledges that such payments shall be borne solely by the IRA account, that authorization to make such payments shall come from Depositor or his Rep, and that making such payments may reduce or exhaust the value of the IRA account. Depositor further agrees to maintain sufficient liquid funds in his IRA account to cover any such payments or assessments, and agrees that the Custodian shall not be responsible for monitoring the balance of the account to verify compliance with this Section. Depositor agrees to indemnify the Custodian and hold it harmless for any and all payments or assessments which may result from holding the non-standard investment within the IRA account, and further agrees that the Custodian shall be under no obligation whatsoever to extend credit to the account or otherwise disburse payment beyond the cash balance of the account for any payment or assessment related to the nonstandard investment(s);
- (c) If the non-standard investment(s) contain administrative and/or maintenance requirements or duties beyond the Custodian's capabilities or expertise to provide, then Depositor agrees to seek out suitable agents or counsel necessary to perform such duties and deliver a written service agreement acceptable to the Custodian for execution on behalf of the Depositor's IRA account;
- (d) If the Depositor directs the Custodian to enter into an individually-negotiated debt instrument, including a promissory note, deed of trust, real estate contract, mortgage note or debenture, then Depositor agrees to enter into a Note Servicing Agent Agreement with a third-party Agent on a form acceptable to the Custodian or, in the alternative, the Depositor may serve as his own Note Servicing Agent. The Note Servicing Agent shall be the agent of the Depositor and not of the Custodian, and shall be responsible for administering the terms of the debt instrument on behalf of the Depositor's Account. Should the third party Note Servicing Agent ever become unwilling or unable to perform the duties outlined in the Note Servicing Agent agreement, then Depositor understands and agrees that all duties of the Note Servicing Agent shall revert to Depositor until a successor third party Agent is named. Likewise, should Depositor fail to appoint a Note Servicing Agent, Depositor understands that he/she becomes responsible for fulfilling the duties of the Note Servicing Agent until Depositor names a successor third party Note Servicing Agent. Depositor understands that Custodian does not offer or provide any servicing or collection duties with respect to any note or debt instrument, nor will Custodian monitor the maturity date or take any action with regard to the maturity of any note or debt unless specifically authorized by Depositor in writing. Should Depositor elect to renew or renegotiate the terms of any note or debt instrument, Depositor agrees to notify Custodian in writing and provide appropriate written instructions for Custodian to return any original note or debt instrument to debtor.
- (e) The Custodian shall have no duty to monitor the performance of any investment, the action of any investment sponsor, or the action of the Depositor and/or those of his heirs, successors, agents, or assigns. Nor shall the Custodian be required to monitor the acts of any paid consultant to whom the Custodian may have contractually delegated any duties or responsibilities pursuant to Depositor's or his Rep's directions:

- (f) Depositor agrees to be responsible for any and all collection actions, including contracting with a collection agency or instituting legal action, and to bring any other suits or actions which may become necessary to protect the rights of the account as a result of the operation or administration of the investment(s); and
- (g) Depositor may not direct the purchase of a life insurance contract or a "collectible" as defined in Code Section 408(m).

9.8 The Custodian may value assets of the account on a quarterly basis utilizing various outside sources available to it. However, the Custodian shall not guarantee the accuracy of prices obtained from quotation services, independent appraisal services, investment sponsors, or other outside sources. Values for brokerage accounts shall be equal to the total equity value of the account, and shall reflect only those assets which are priced by the brokerage firm. Individual assets held within the brokerage account shall not be listed individually on statements furnished by the Custodian.

In the absence of direction from the Secretary of the Treasurer or his authorized representative to the contrary, the value of illiquid assets such as limited partnerships, limited liability companies, or privately-held stock, shall be determined by a fair market value from the investment sponsor or other source chosen by Custodian in its sole discretion. Promissory notes and privately-offered corporate debt may have valuations reflected at the face value shown on the original note or debt instrument or if the note is such that it is subject to an amortization schedule, valuation may be shown at amortized value.

If the investment sponsor is unwilling or unable to provide a fair market value, then the Custodian may list the value of the illiquid asset at its original acquisition cost or carry forward the last known value. Custodian's periodic statement may reflect a valuation of zero if assets which are reported by the investment sponsor as having no market value, are in bankruptcy, or if other relevant condition exists.

For investments that are not publicly tradable on a securities exchange, the Custodian shall seek a valuation of such securities from the sponsor/issuer of the investment. If a value is not received within ninety (90) days after request, then, upon notice from the Custodian, it is the duty of the Depositor to provide the Custodian with the fair market value of the investment from the investment sponsor or from an independent appraisal service of the Depositor's choice, provided such appraisal service is acceptable to Custodian. Custodian reserves the right to resolve differences in values in any manner Custodian deems appropriate. If the Depositor fails to do so, within six (6) months after notice, then the Custodian shall be authorized, entitled and directed to distribute such investment in-kind at fair market value, which may be original acquisition cost or the last known value, to the Depositor. The Custodian will resign and distribute the account if asset values cannot be obtained.

9.9 If investment(s) selected by the Depositor or his Rep generate Unrelated Business Taxable Income (UBTI), Depositor understands that such income, when considered in conjunction with all such income from all IRA accounts, may be taxable to the IRA account to the extent that all UBTI for a given taxable year exceeds the threshold amount set by the IRS (currently \$1000). In such instances, the IRS requires that a Form 990-T be filed for the IRA account along with the appropriate amount of tax. Depositor understands that the Custodian does not monitor the amount of UBTI in the IRA account and does not prepare Form 990-T. Depositor agrees to monitor UBTI for this and any other IRA account which he may hold, and further agrees to prepare, or have prepared, the proper 990-T tax form and forward it to the Custodian for filing, along with authorization to pay any tax due from the IRA account.

9.10 The Depositor understands that certain transactions are prohibited for tax-exempt IRA accounts under Code Section 4975. Depositor further understands and acknowledges that the determination of whether a transaction is prohibited depends on all of the relevant facts and circumstances surrounding the purchase. The Depositor acknowledges that, should the IRA account engage in a prohibited transaction, the fair market value of the account will become a taxable distribution to the Depositor in the taxable year in which the transaction was made. In addition, if the Depositor is under age 59½, additional premature distribution penalty taxes may apply. Depositor hereby warrants that he will not enter into a transaction, or cause a transaction to be entered into, which is prohibited under Section 4975 of the Code. Depositor further warrants that, if a transaction is questionable due to Depositor's relationship to the investment sponsor, he will consult with such counsel and advisors as Depositor may deem necessary prior to directing or causing the direction of that transaction.

9.11 Without limitation, the Depositor understands and acknowledges that Custodian will act solely as agent for the Depositor and under the instructions of the Depositor with respect to the investment of the assets of the Account, and will in no event act without such instructions or exercise any discretion with respect to investments. Acting in that capacity, Custodian shall place orders for the purchases of securities provided the Depositor has sufficient funds in the Account or arranges to make funds available in advance for such purposes, and will also place orders for the sale of securities provided such securities are held by Custodian and in deliverable form. The Depositor authorizes the Custodian to charge the Account for the cost of all securities purchased or received from the securities sold or delivered against payment. If the Depositor directs the Custodian to place an order for a mutual fund investment and there are insufficient funds in the account to cover the settlement cost, Depositor agrees to deposit in the account immediately (and in any event not later than the settlement date) sufficient liquid funds to cover the cost of the investment. Depositor agrees that the Custodian shall be under no obligation whatsoever to extend credit to the account or otherwise disburse payment beyond the cash balance of the account for any purchase of a mutual fund investment. In the event Depositor fails to timely deposit sufficient funds in the account to cover the cost of any such investment, the Custodian, at its option, may cancel the order for the investment or, if the investment already has been acquired, sell the investment and reimburse itself for any costs or expenses incurred by the Custodian in settling the purchase order. Depositor agrees that Custodian shall not be liable for any actions or inactions taken or omitted to be taken by Custodian in accordance with this provision, and further agrees, without limiting the generality of any other agreement by Depositor to indemnify Custodian, to indemnify and hold Custodian harmless for its actions in canceling a purchase order for a mutual fund investment in the account or selling the investment to reimbursement itself as provided above.

ARTICLE X Custodial Account Administration

Traditional and Roth IRAs

- 10.1 It shall be the sole duty of the Custodian to maintain a custodial account in the name of the Depositor and to make payments and distributions as directed by the Depositor or his Rep. Pursuant to the directions of the Depositor or his Rep, the Custodian shall invest and reinvest the assets in the custodial account without any duty to diversify. Pursuant to the directions of the Depositor or his Rep, the custodian shall invest and reinvest without regard to whether such investment is authorized by applicable laws for IRA or custodial investment. Pursuant to the directions of the Depositor or his Rep, the Custodian shall invest and reinvest in securities obtainable "over the counter" or on a recognized exchange, savings media and any other acceptable public or non-standard investment which in the sole judgment of the Custodian will not impose an unreasonable administrative burden. The Custodian's determination of what constitutes an unreasonable administrative burden may not be construed as investment advice, an opinion on the investment's prudence or viability, or whether such investment is authorized by applicable laws for IRA or custodial account investment. The custodial account shall reflect the amounts contributed by the Depositor, receipts, investments, distributions, disbursements, and all other transactions.
- 10.2 The Custodian shall have the following powers and authority in the administration of the custodial account:
- Pursuant to the Depositor's or his Rep's directions, to exercise or sell options, to convert privileges or subscription rights for additional securities and to make payments therefore, and to invest in any annuity contract issued by any legal reserve life insurance company.
 - In the absence of specific investment instructions from the Depositor or his Rep, to vote in person or by proxy upon securities held by the Custodian. The Custodian shall have no responsibility to notify or forward to the Depositor or his Rep any notices, proxies, assessments or other documents received by the Custodian on behalf of the account unless the Depositor or his Rep so requests each such document in writing. The Custodian shall not be required to vote securities for which the Custodian has not received instructions from the Depositor or his Rep., and Custodian's decisions with respect to voting, or not voting, such securities may not be construed as investment advice, the exercise of discretion with respect to the investment in the securities, or the exercise of any fiduciary responsibility with respect to the voting of such securities.
 - Pursuant to the Depositor's directions, to consent to or participate in dissolutions, reorganizations, consolidations, mergers, sales, transfers or other changes in securities held by the Custodian, and in such connection, to delegate the Custodian's powers and to pay assessments, subscriptions and other charges.
 - To make, execute and deliver as Custodian any and all contracts, waivers, releases or other instruments necessary or proper for the exercise of any of the foregoing powers.
 - In the absence of specific investment instructions from the Depositor, to leave any property comprising the custodial account (with the exception of a cash, which will be held in the UW Bank NOW Account) for safe keeping with such banks, brokers and other custodians as the Custodian may select.
 - To hold any securities in bearer form or in the name of banks, brokers and other custodians or in the name of the Custodian without qualifications or description or in the name of any nominee.
 - To employ suitable agents and counsel and to pay their reasonable expenses and compensation.
 - To do and perform all acts or things reasonably necessary or desirable to carry out the power and authority granted to the Custodian.
- 10.3 Custodian shall process investment directions and/or invest funds which it receives in accordance with Depositor's directions within seven (7) business days of receipt of such directions and/or funds plus necessary administrative and processing time. Custodian shall be under no duty to credit interest or earnings on the funds received, and Depositor agrees that Custodian shall not be liable for any market value adjustment which may occur during or after said processing time.
- 10.4 The Custodian shall exercise no discretion with respect to the funds in the Account and, without limitation, shall be under no duty to question said directions, but rather, except to the extent otherwise expressly provided hereunder, shall be required to follow the directions of the Depositor, his Rep, or Investment Advisor. The Custodian will not render investment advice of any kind, but will act only at the direction of the Depositor, his Rep, or Investment Advisor with respect to the investment and reinvestment of the Depositors' account, and shall not be liable for any loss which results from the exercise of control over his account by the Depositor, his Rep, or Investment Advisor. In the case of any solicitation received by the Custodian with respect to the Depositor's account (including but not limited to third party tender offers with respect to limited partnership interests in the account), the Custodian will transmit such materials to the Depositor (or to his Rep or Investment Advisor, as directed by the Depositor); however, the Custodian must have at least ten (10) days from the date it receives instructions from the Depositor (or his Rep or Investment Advisor) to transmit such instructions to the soliciting party by the date specified in the solicitation. The Custodian shall have no obligation to transmit any solicitation received or instructions given with respect to the Depositor's account by other than regular mail, and shall not be responsible for any failure to respond to a solicitation by the deadline specified therein due to (i) delays in the mail or (ii) where the Custodian has less than ten (10) days from the date instructions are received from the Depositor (or his or her Rep or Investment Advisor) and the specified deadline for responding. Custodian need not honor offers or recognize communications that are not addressed to each Depositor's account by name. The Custodian shall not be responsible for any action taken by the Depositor or his Rep as a result of information concerning the account or any investment which may be transmitted or not transmitted to the Depositor or his Rep. The Custodian shall have no responsibility or duty to review or monitor any securities or other property held within the account, nor shall the Custodian be held liable for its failure to act because of the absence of any directions from the Depositor. The Custodian shall not be liable for the actions or inactions of any prior trustee, custodian, or other service provider or agent of the Depositor which may have occurred prior to the transfer of the IRA account assets to the Custodian. Without limiting the generality of any other indemnification of Custodian by the Depositor, the Depositor shall indemnify and hold Custodian harmless for any losses resulting from Custodian's action or inaction in relation to investment directions

received from Depositor, his Rep, or Investment Advisor, for the actions or inactions of Agents appointed by the Depositor or by the Custodian at the direction of the Depositor, and for any tax consequence resulting from the Depositor's or Rep's direction to engage in any transaction, including, without limitation, any investment in life insurance contracts, any investment in collectibles, or any investment or other directed activity that constitutes a prohibited transaction under Section 4975 of the Code.

ARTICLE XI Beneficiary Designation

Traditional and Roth IRAs

- 11.1 The Depositor may from time to time designate, upon such form as the Custodian shall prescribe, any trust or persons contingently or successively, to whom the Custodian shall pay the Depositor's interest in the custodial account in the event of his death. Such primary and contingent beneficiary designation shall be effective when filed with the Custodian and shall revoke all prior beneficiary designations made before that date by Depositor.
- 11.2 If a Depositor fails to name a beneficiary in accordance with Section 11.1, or if all beneficiaries named by a Depositor predecease him, then the remaining balance of the custodial account shall be payable to the spouse of the Depositor, or if there is no spouse living, then to the estate of the Depositor.
- 11.3 When and after distributions of the custodial account to the Depositor's beneficiary commence, all rights and obligations of the Depositor under this Agreement shall inure to, and be exercised by, such beneficiary.
- 11.4 If the beneficiary designated to receive payments hereunder is a minor or person of unsound mind, whether so formally adjudicated or not, the Custodian, in its discretion, may make such payment to such person as may be acting as parent, guardian, committee, conservator, custodian, or legal representative of such minor or incompetent and the receipt of payment by any such person as selected by the Custodian shall be a full and complete discharge to the Custodian for any sums so paid.

ARTICLE XII Payout of Benefits

Traditional and Roth IRAs

- 12.1 If the Depositor has selected a distribution option involving life contingencies, the Depositor may direct the Custodian to utilize the amount in the custodial account which would otherwise be available as a lump sum distribution to purchase an annuity from such insurance company as the Depositor may select to satisfy the requirements of Article IV of this Agreement.
- 12.2 Depositor's election as to the method of distribution under Section 4.3 of this Agreement must be made at least thirty (30) days before the Required Beginning Date, which is defined as April 1 of the calendar year immediately following the calendar year in which the Depositor reaches age 70½. If no election is made, the Custodian will make distributions over a period not to exceed the Depositor's single life expectancy.
- 12.3 When determining the amount to be distributed for the second distribution calendar year and subsequent distribution calendar years, the Depositor's life expectancy (or the joint life expectancy of the Depositor and his named beneficiary) shall not be recalculated unless such recalculation is elected by the Depositor on a form acceptable to the Custodian.

ARTICLE XIII Duties, Records, Reports

Traditional and Roth IRAs

- 13.1 The Custodian's sole duties to the Depositor regarding reporting shall be to send Depositor a copy or facsimile of IRS Form 5498 and/or an annual calendar year statement of the assets of the account within time frames established by the IRS. The Custodian may, but is not obligated to, furnish periodic reports to the Depositor detailing transactions performed under this custodial account and the value of assets held within the account.
- 13.2 The Custodian shall have no liability or responsibility for transactions reported or not reported on any periodic statement unless Depositor or his Rep file written exceptions or objections within 60 days after receipt of the report or statement. Upon receipt of written notification under this Section, the Custodian's liability and responsibility shall be to fully investigate the exceptions or objections, make any adjustments, correct any entries, or otherwise reconcile the account as may be necessary. If any such adjustments or corrections are required, the Custodian shall issue a revised statement for the reporting period(s) in question.

ARTICLE XIV Fees and Expenses

Traditional and Roth IRAs

- 14.1 EXCEPT AS PROVIDED IN SECTION 9.2, THE DEPOSITOR SHALL BE CHARGED BY THE CUSTODIAN FOR ITS SERVICES HEREUNDER IN ACCORDANCE WITH THE CURRENT POSTED FEE SCHEDULE OF THE CUSTODIAN AS IT MAY BE AMENDED FROM TIME TO TIME. ANY INCOME TAXES OR OTHER TAXES OF ANY KIND WHATSOEVER THAT MAY BE LEVIED UPON OR IN RESPECT OF THE CUSTODIAL ACCOUNT, ANY TRANSFER TAXES INCURRED IN CONNECTION WITH THE INVESTMENT AND REINVESTMENT OF ASSETS IN THE CUSTODIAL ACCOUNT, AND ALL OTHER ADMINISTRATIVE EXPENSES INCURRED BY THE CUSTODIAN IN THE PERFORMANCE OF ITS DUTIES, INCLUDING FEES FOR LEGAL SERVICES WHICH THE CUSTODIAN MAY NECESSARILY INCUR TO MAINTAIN THE CUSTODIAL ACCOUNT SHALL BE PAID BY THE DEPOSITOR AND THE DEPOSITOR HEREBY COVENANTS AND AGREES TO PAY THE SAME.
- 14.2 In the event the Depositor shall at any time fail to discharge any liability under this Article, such liability shall be charged to the custodial account and the Depositor is deemed to have expressly directed the Custodian, as agent for the Depositor and acting under Depositor's authority and supervision, to liquidate investments of the custodial account, until there is sufficient cash in the custodial account to pay the liability to the Custodian. Notwithstanding any provisions of this Agreement, the Depositor expressly authorizes and directs the Custodian to make such liquidation and to pay such liability from the liquidated investments of the Account, and acknowledges that in carrying out that direction the Custodian acts solely at the direction of Depositor. If the custodial account is not sufficient to satisfy such liability, the Depositor shall be liable for any deficiency.

- 14.3 THE CUSTODIAN'S CURRENT POSTED FEE SCHEDULE MAY BE AMENDED AT ANY TIME UPON 30 DAYS' WRITTEN NOTICE TO THE DEPOSITOR. THE CUSTODIAN RESERVES THE RIGHT TO CHARGE FEES IN ADDITION TO ITS POSTED FEE SCHEDULE FOR EXTRAORDINARY OR SPECIAL SERVICES, OR FOR UNFORESEEN EXPENSES TO THE ACCOUNT, INCLUDING LEGAL EXPENSES INCURRED BY THE CUSTODIAN. THE CUSTODIAN DOES NOT PRORATE FEES. ON A FORM ACCEPTABLE TO THE CUSTODIAN, THE DEPOSITOR MAY ELECT TO PAY FEES DIRECTLY, OR HAVE THEM WITHDRAWN FROM THE ASSETS OF THE ACCOUNT. TERMINATION FEES ARE DUE AND PAYABLE UPON DISTRIBUTION TO THE DEPOSITOR OR UPON TRANSFER TO ANOTHER TRUSTEE OR CUSTODIAN.**
- 14.4 Depositor agrees to bear sole responsibility for the prosecution or defense, including the employment of legal counsel, of any and all legal actions or suits involving Depositor's account which may arise or become necessary for the protection of the investments in that account, including any actions lodged against the Custodian. Depositor also agrees to bear sole responsibility for enforcing any judgments rendered in favor of the account, including judgments rendered in the name of Sterling Trust Company as Custodian of the account.
- 14.5 The Custodian, upon thirty (30) days notice, may terminate and distribute the depositor's account for non-payment of fees and expenses.

ARTICLE XV Amendment and Termination

Traditional and Roth IRAs

- 15.1 The Depositor irrevocably delegates to the Custodian the right and power to amend this Agreement. Except as hereafter provided, the Custodian will give the Depositor 30 days' written notice of any amendment. In case of a retroactive amendment required by law, the Custodian will provide written notice to the Depositor of the amendment within 30 days after the amendment is made, or if later, by the time that notice of the amendment is required to be given under regulations or other guidance provided by the IRS. The Depositor shall be deemed to have consented to any such amendment unless the Depositor notifies the Custodian to the contrary within 30 days after notice to the Depositor and requests a distribution or transfer of the balance of the account. The Custodian's termination fee shall be applicable to any account so distributed or transferred.
- 15.2 The Depositor may terminate this Agreement at any time by delivery of written notice of such termination to the Custodian. Upon such termination, the Custodian shall continue to hold the assets and distribute them in accordance with the previous instructions of the Depositor and the provisions of this Agreement unless the Custodian receives other instructions from the Depositor (such as those involving a rollover) which the Custodian may follow, without liability and without any duty to ascertain whether such payout is proper under the provisions of the Code or of any other plan.
- 15.3 Upon request of the Depositor in writing to the Custodian, the Custodian shall transfer all assets in the custodial account to the Depositor, to a qualified retirement plan, or to another individual retirement account established by the Depositor. The Custodian is authorized, however, to reserve such sum of money or property as it may deem advisable for payment of all its fees, compensation, costs and expenses, or for any other liabilities constituting a charge against the assets of the custodial account or against the Custodian, with any balance of such reserve remaining after the payment of all such items to be paid over to the successor custodian or custodian.
- 15.4 The Custodian, upon thirty (30) days notice, may terminate and distribute the depositor's account for failure to annually provide valuation information with regard to the depositor's assets so that the Custodian does not lose non-bank custodian status with the Internal Revenue Service.

ARTICLE XVI Resignation or Removal of Custodian

Traditional and Roth IRAs

- 16.1 Upon written notice to the Custodian, the Depositor may remove it from its office hereunder. Such notice, to be effective, shall designate a successor trustee or custodian and shall be accompanied by the successor's written acceptance. The Custodian may at any time resign upon thirty (30) days' written notice to Depositor, whereupon the Depositor shall appoint a successor to the Custodian. In the event of resignation of the Custodian and failure to appoint a qualified successor, the Custodian may appoint a successor trustee or custodian, or distribute the assets of the IRA account to the Depositor.
- 16.2 Depositor understands that in-kind distributions received from the Account are subject to Federal income tax withholding unless Depositor elects not to have withholding apply. By signing the Agreement, Depositor elects not to have withholding apply to distributions from the Account, subject to Depositor's right to revoke this election at a later date. Depositor also understands that if this election is revoked and there is no cash or insufficient cash in the Account at the time of distribution, Custodian must sell any non-cash Investments to pay withholding and will distribute the remaining proceeds, if any. Depositor understands and accepts the responsibility for paying Federal income tax on the taxable portion of any distribution from the Account and that Depositor may be subject to tax penalties if payments of estimated tax and withholding, if applicable, are inadequate.
- 16.3 The successor trustee or custodian shall be a bank, insured credit union, or other person satisfactory to the Secretary of the Treasury pursuant to Section 408(a)(2) of the Code. Upon receipt by the Custodian of written acceptance by its successor of such successor's appointment, the Custodian shall transfer and pay over to such successor the assets of the custodial account and all records (or copies thereof) of Custodian pertaining thereto. The Custodian is authorized, however, to reserve such sum of money or property as it may deem advisable for payment of all its fees, compensation, costs and expenses, or for payment of any other liabilities constituting a charge on or against the assets of the custodial account or on or against the Custodian, with any balance of such reserve remaining after the payment of all such items to be paid over to the successor trustee or custodian.
- 16.4 The Custodian shall not be liable for the acts or omissions of its successor.

ARTICLE XVII Miscellaneous

Traditional and Roth IRAs

- 17.1 Neither the Depositor nor any beneficiary of the Depositor shall have any right to pledge, hypothecate, anticipate or in any way create a lien upon any assets or part of the custodial account. Distributions to the Depositor, his beneficiaries, spouse, heirs-at-law, or legal representatives, excepting minors and persons under legal disability, shall be made only to them and upon their personal receipts and endorsements and no interest in the custodial account, or any part thereof, shall be assignable in anticipation of payment either by voluntary or involuntary act, or by operation of law, or be liable in any way for the debts or defaults of such Depositor, his beneficiaries, spouse, or heirs-at-law. The provisions of this paragraph shall not apply to the extent that they violate any applicable law.
- 17.2 The custodial account created hereunder is created for the exclusive benefit of the Depositor or his beneficiaries, and at no time shall it be possible for any part of the assets of the custodial account to be used for or diverted to purposes other than for the exclusive benefit of the Depositor or his beneficiaries.
- 17.3 Notwithstanding the provisions of Sections 17.1 and 17.2 above, in the event the Depositor and the Depositor's spouse obtain a Separation Instrument, as described in Section 408(d)(6) of the Code, the Depositor may direct the Custodian in writing to transfer the appropriate portion of the assets in the Depositor's account directly to the Depositor's former spouse or to an IRA maintained by the Depositor's former spouse, provided the transfer is in accordance with the Separation Instrument, a copy of which shall be furnished to the Custodian. The transfer of assets to the Depositor's former spouse may be in cash or in-kind, pursuant to directions contained in the Separation Instrument.
- 17.4 The Custodian shall be under no duties whatsoever except such duties as are specifically set forth in this Agreement. The Custodian shall be fully protected in acting upon any instrument, certificate, or paper believed by it to be genuine and to be signed or presented by the proper person or persons, and the Custodian shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained. Without limiting the generality of any other indemnification of the Custodian by the Depositor, the Depositor shall at all times duly indemnify and save harmless the Custodian from any liability which may arise hereunder except liability arising from the gross negligence or willful misconduct of the Custodian.
- 17.5 THE PARTIES AGREE THAT ALL CLAIMS AND DISPUTES OF EVERY TYPE AND MATTER WHICH MAY ARISE BETWEEN THE DEPOSITOR AND CUSTODIAN, INCLUDING ANY DISPUTES REGARDING THE SCOPE OF THIS ARBITRATION AGREEMENT, SHALL BE RESOLVED BY BINDING ARBITRATION ADMINISTERED BY THE NATIONAL ARBITRATION FORUM UNDER THE CODE OF PROCEDURE THEN IN EFFECT. ANY AWARD OF THE ARBITRATOR MAY BE ENTERED AS A JUDGMENT IN ANY COURT HAVING JURISDICTION. IN ANY MATTER IN WHICH THE AMOUNT IN DISPUTE EXCEEDS \$100,000.00, THE ARBITRATION PROCEEDINGS SHALL TAKE PLACE IN WACO, TEXAS. IN THE EVENT A COURT HAVING JURISDICTION FINDS ANY PORTION OF THIS AGREEMENT UNENFORCEABLE, THAT PORTION SHALL NOT BE EFFECTIVE AND THE REMAINDER OF THE AGREEMENT SHALL REMAIN EFFECTIVE. INFORMATION MAY BE OBTAINED AND CLAIMS MAY BE FILED AT ANY OFFICE OF THE NATIONAL ARBITRATION FORUM, WWW.ARBITRATION-FORUM.COM, OR AT P.O. BOX 50191, MINNEAPOLIS, MN 55045. THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED UNDER THE FEDERAL ARBITRATION ACT, 9 U.S.C. SECTIONS 1-16.**
- BY SIGNING THIS AGREEMENT, THE PARTIES ARE GIVING UP ANY RIGHT THEY MIGHT HAVE TO SUE EACH OTHER IN COURT AND HAVE THEIR CASE DECIDED BY A JUDGE OR JURY.**
- 17.6 Depositor agrees to be responsible for any and all collection actions, including contracting with a collection agency or instituting legal action, and bringing any other suits or actions which may become necessary to protect the rights of the Account. Depositor understands that any legal filings made on behalf of this Investment are to be made in the name of "Sterling Trust Company, Custodian for benefit of (Depositor's Name)." Depositor agrees to not institute legal action on behalf of the Account without Custodian's written consent to litigate and that Depositor shall prosecute any legal action. Depositor agrees that any such legal action will be carried out in a manner that does not cause Custodian to incur any costs or legal exposure.
- 17.7 The custodial account created hereunder may be utilized by an employer in conjunction with IRS FORM 5305-SEP or other approved prototype or individually-designed document to establish a Simplified Employee Pension (SEP) Plan.
- 17.8 Any notice or statement which the Custodian is required to give hereunder shall be deemed given when mailed to the intended recipient at his last known address. Any notice or statement to be given to the Custodian shall be deemed given only when actually received by the Custodian.
- 17.9 Words used in the masculine shall apply to the feminine where applicable and wherever the context of this Agreement indicates the plural shall be read as the singular, and the singular as the plural.
- 17.10 The captions of Articles in this Agreement are included for convenience only and shall not be considered a part of, or an aid to, the construction of this Agreement.
- 17.11 This Agreement is intended to qualify under Section 408(a) and 408(A) of the Code and if any term or provision hereof is subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with that intent.
- 17.12 This Agreement is accepted by the Custodian in, and administered under, the laws of the State of Texas. All contributions to the Custodian shall be deemed to take place in the State of Texas.

GOVERNING LAW. THIS AGREEMENT AND ALL AMENDMENTS HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED THEREIN.



DISCLOSURE STATEMENT TRADITIONAL OR ROTH IRA

Sterling Trust Company presents the following Disclosure Statement pursuant to Internal Revenue Service Regulations which require that the information contained therein be given to individuals for whom an Individual Retirement Account (hereinafter "IRA" or "account") is established.

The following disclosures apply to both Traditional and Roth IRAs:

A. RIGHT OF REVOCATION

Regulations of the Internal Revenue Service require that this Disclosure Statement be given to a participant at least seven days before the account is established, or, the participant may revoke the account within at least seven days after it is established. Copies of the Adoption Agreement establishing the IRA and related documents are included in the booklet containing this Disclosure Statement. By executing the Adoption Agreement, you acknowledge receipt of this Disclosure Statement. Accordingly, you are entitled to revoke the IRA within seven days after the date of your execution of the Adoption Agreement. Such revocation may be made only by written notice which at your option may be mailed or delivered to Sterling Trust Company as follows:

<p>Mailing Address: Sterling Trust Company 7901 Fish Pond Road Waco, Texas 76710</p>	<p>Delivery Address: Sterling Trust Company Post Office Box 2526 Waco, Texas 76702-2526</p>
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If mailed, the revocation notice shall be deemed mailed on the date of the postmark (or if by registered or certified mail, the date of registration or certification) if deposited in the mail in the United States in an envelope or other appropriate wrapper, first class postage prepaid, properly addressed. Upon revocation within the seven-day period, Sterling Trust Company will return the current fair market value of the amount contributed to the IRA, without penalty, service charge, or administrative expense.

The following disclosures apply to Traditional IRAs:

B. STATUTORY REQUIREMENTS OF AN IRA—CODE SEC. 408(a)

An individual retirement account is a trust account created by a written governing instrument that meets the following requirements:

1. The trustee or custodian must be a bank, federally insured credit union, savings and loan association, or another person eligible to act as a trustee or custodian.
2. Except for rollovers and direct transfers (the tax free transfer of retirement funds from one retirement plan to another, described below) and employer contributions to a simplified employed pension plan or SIMPLE plan, contributions may not exceed the lesser of 100% of your compensation, or \$4,000 for 2007, \$5,000 for 2008, with the potential for cost-of-living adjustment in 2009 and beyond. The contribution must be in cash. At no time may the contribution ever exceed more than 100% of compensation.
3. You will have a nonforfeitable interest in the account.
4. No part of the trust funds will be invested in life insurance contracts nor may the assets be commingled with other property except in a common trust fund or common investment fund.
5. You may not invest the assets of your IRA in collectibles (as described in Section 408(m) of the Internal Revenue Code). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or any other tangible personal property specified by the IRS. However, if the Custodian permits, specially minted US gold, silver and platinum coins and certain state-issued coins are permissible IRA investments. Beginning on 1/1/98 you may also invest in certain gold, silver, platinum or palladium bullion. Such bullion must be permitted by the Custodian and held in the physical possession of the IRA trustee or custodian.
6. Your interest in your IRA must begin to be distributed to you by the April 1st following the calendar year you attain the age of 70½. The methods of distribution, election deadlines, and other limitations are described in detail below.

C. LIMITATIONS AND RESTRICTIONS ON THE DEDUCTION OR AN IRA—CODE SEC. 219

Eligible Individuals

You are permitted to make a regular contribution to your IRA for any taxable year prior to the taxable year you attain age 70½, and if you receive compensation for such taxable year. Compensation includes salaries, wages, tips, commissions, bonuses, alimony, royalties from creative efforts and "earned income" in the case of self-employees. The amount that is deductible depends upon whether or not you are an active participant in a retirement plan maintained by your employer; your adjusted gross income (AGI); your marital status; and your tax filing status.

Maximum Contribution Allowance

The maximum amount you may contribute for any one year is the lesser of 100% of your compensation or, \$4,000 for 2007, \$5,000 for 2008, with the potential for cost-of-living adjustment in 2009 and beyond. This is your contribution limit. The deductibility of regular IRA contributions depends upon your marital status, tax filing status, whether or not you are an "active participant" and your AGI.

Catch-Up Contributions

If you will attain the age of 50 by the end of the taxable year (December 31), you may make an additional "Catch-Up" contribution to your IRA. The maximum additional contribution limit is \$1,000 for tax years 2007 and beyond.

Active Participant

You are considered an active participant if you participate in your employer's qualified pension, profit-sharing, or stock bonus plan qualified under Section 401(a) of the Internal Revenue Code ("the Code"); qualified annuity under Section 403(a) of the Code; a simplified employee pension plan (SEP); a Savings Incentive Match Plan for Employees (SIMPLE); a retirement plan established by a government for its employees (this does not include a Section 457 plan); tax-sheltered annuities or custodial accounts under Section 403(b) of the Code; and pre-1959 pension trusts under Section 501(c)(18) of the Code.

If you are not sure whether you are covered by an employer-sponsored retirement plan, check with your employer or check your Form W-2 for the year in question. The W-2 form will have a check in the "pension plan" box if you are covered by a retirement plan. You can also obtain IRS Publication 923 for more information on active participation in retirement plans for IRA deduction purposes.

Deductibility of Regular Contributions

If neither you nor your spouse is an active participant in a qualified retirement plan (including qualified pension, profit sharing or stock bonus plans, tax-sheltered annuity plans, Simplified Employee Pension (SEP) Plans, SIMPLE Plans, certain government-sponsored plans, and plans described under Section 501(c)(18) of the Internal Revenue Code), then you may deduct the full amount of your IRA contribution without regard to your adjusted gross income or filing status.

If you or your spouse is an active participant in an employer sponsored retirement plan, you may be entitled to only a partial (reduced) deduction or no deduction at all, depending on your level of adjusted gross income (AGI) and your filing status. Your deduction begins to decrease (phase out) when your AGI falls within the thresholds set forth for the tax year as shown in the table below and a calculation must be made to determine your deductible limit for the year. Your deduction is eliminated altogether when it reaches or exceeds the upper threshold of the scale.

For contributions made for taxable years, beginning 2006 and after, the dollar thresholds for active participants in employer-sponsored plans are as follows:

	Married Participants	Single Participants
2008	\$ 85,000 - \$105,000	\$ 53,000 - \$ 63,000
2007	\$ 83,000 - \$103,000	\$ 52,000 - \$ 62,000
2006	\$ 75,000 - \$ 85,000	\$ 50,000 - \$ 60,000

Married persons filing separate returns (who lived together at any time during the year) have a beginning threshold of zero. Therefore the phase out range remains \$0-\$10,000.

Non deductible Contributions

Even if you are not eligible for an IRA deduction or full deduction, the law allows you to make a non deductible contribution up to the maximum of the lesser of the amounts described previously above or 100% of compensation. These contributions, while not currently excludable from income, do accumulate tax-deferred earnings until the account is distributed. The total amount of deductible and non deductible contributions still must not exceed the maximum amounts stated above.

You are responsible for reporting non-deductible contributions to the IRS on Form 8606, filed with your annual tax filing. In addition, you are responsible for keeping records as to the cumulative amount of non deductible contributions made to your IRA. You may be subject to IRS penalties should you overstate your non deductible amount or fail to file Form 8606.

No deduction is allowed with respect to a rollover contribution (the tax free transfer of retirement funds from one retirement plan to another, described below).

Your employer may take a Simplified Employer Pension (SEP) contribution on your behalf into this IRA up to the lesser of 25% of your compensation or \$45,000 for 2007 or \$46,000 for 2008 (subject to annual cost of living adjustments, if any, announced by the IRS, for tax years 2009 and following). This limit is a per employer limit. Your employer may contribute to this IRA or any other IRA on your behalf under a SEP plan even if you are age 70½ or over, and even if you are covered under a qualified plan of another employer for the year.

The contribution to your IRA reduces your gross income. Therefore, even if you do not itemize your deductions and you use the standard deduction, you may still claim a deduction for contributions to your IRA.

You must make contributions to your account prior to April 15th following the year in which you claim the deduction.

Tax Credits for Contributions

For tax years 2007 and 2008, you may be eligible to receive a tax credit on your IRA contribution. This tax credit is in addition to any deduction that may be allowed, and may not exceed \$1,000 (up to \$2,000 if filing jointly) in any given year. You may be eligible for a tax credit if you are a) age 18 or older, b) not a dependent of another tax payer, and c) not a full-time student.

The credit is based on income levels and filing status as shown in the chart below and ranges from 0 to 50 percent of eligible contributions. Please refer to IRS Form 8880 to determine your credit rate.

Adjusted Gross Income				
		Head of Household		
	Joint Return	Head of Household	All other cases	%
2008	\$1 - \$32,000	\$1 - \$24,000	\$1 - \$16,000	50%
	\$32,001 - \$34,500	\$24,001 - \$25,875	\$16,601 - \$17,250	20%
	\$34,501 - \$53,000	\$25,876 - \$39,750	\$17,251 - \$26,500	10%
	Over \$53,000	Over \$39,750	Over \$26,500	0%
2007	\$1 - \$31,000	\$1 - \$23,250	\$1 - \$15,500	50%
	\$31,001 - \$34,000	\$23,251 - \$25,500	\$15,501 - \$17,000	20%
	\$34,001 - \$52,000	\$25,501 - \$39,000	\$17,001 - \$26,000	10%
	Over \$52,000	Over \$39,000	Over \$26,000	0%

See your tax advisor for more information.

Age 70½

No deduction will be allowed for contributions made for the tax year in which you attain age 70½.

Marital Status

Since a deduction is available to each eligible individual, your marital status and whether or not you file a joint return will have no effect on contributions to an IRA. Both husband and wife can claim the deduction if each individual is eligible and each adopts a separate IRA. If they do, the deduction is computed separately for each spouse whether or not they file a joint tax return.

Community property laws of a state or other jurisdiction do not apply to IRAs. Therefore, you and your spouse must meet the qualifications individually and determine the amount of deductible contributions on the income that each of you has earned individually. You may not claim a deduction based on the earnings of your spouse, even though a state's law may provide that each spouse owns half of the income.

The deductible contribution limitation is increased if you make a contribution to an IRA established for your non-compensated spouse. (See SECTION "L" below.)

D. PROHIBITED TRANSACTIONS

If you or your beneficiary engages in a prohibited transaction described in Code Sec. 4975, the entire account will lose its exemption from tax and you must include the fair market value of the account in your income for the year in which the prohibited transaction took place. In addition, you may incur certain penalties for engaging in the transaction as well as the premature distribution penalty tax if you are under age 59½ (see below). Examples of prohibited transactions are the borrowing of the income or corpus from an account, selling property to or buying property from the account, or receiving more than reasonable compensation for service performed for the account.

E. PLEDGING ACCOUNT AS SECURITY

If you use your account or any portion thereof as security for a loan, the portion so used is treated as distributed to you and may be subject to the 10% penalty tax on premature distributions if you are under age 59½ (see below). Accordingly, if you invest in securities, you may not sell short or execute purchases in an amount greater than available cash.

F. PREMATURE DISTRIBUTIONS

If you receive a payment from your IRA before you attain the age of 59½, the payment will be considered a premature distribution, unless it falls under one of the following exceptions:

1. Distributions made due to your death;
2. Distributions made due to your disability;
3. Any distribution to an alternate payee under a qualified domestic relations order;
4. Distributions made to pay for qualified first-time home purchases, not to exceed \$10,000;
5. A qualifying rollover distribution; or
6. The timely withdrawal of the principal amount of an excess or nondeductible contribution.

If you qualify for one of the exemptions under Code 72(t) as indicated below, you will need to file IRS Form 5329. Please consult your tax advisor for any questions.

1. Substantially equal payments
2. First-time homebuyer (limited to \$10,000)
3. Medical expenses
4. Higher education
5. Insurance premiums

If you receive a premature distribution, the amount received is included in your gross income in the taxable year of receipt. In addition, your income tax liability for that tax year is increased by an amount equal to 10% of the premature distribution includible in your gross income.

If your account is disqualified because you engaged in a prohibited transaction, described above, the amount deemed distributed to you is included in your gross income. The premature distribution penalty tax (10% of the amount of the deemed distribution) will also apply if you had not attained the age of 59½ before the beginning of such tax year.

If you plan to take a series of substantially equal payments qualifying for penalty exemption under Internal Revenue Code section 72(t), and you modify the payments before 5 years have elapsed and before attaining age 59½, the 10% additional income tax will apply retroactively to the year payments began through the year of such modification.

G. FEDERAL ESTATE AND GIFT TAXES

Generally there is no specific exclusion for IRAs under the estate tax rules. Therefore, in the event of your death, your IRA balance will be includible in your gross estate for federal estate tax purposes. However, if your surviving spouse is the beneficiary of your IRA, the amount in your IRA may qualify for the marital deduction available under Section 2056 of the Internal Revenue Code. A

transfer of property for federal gift tax purposes does not include an amount which a beneficiary receives from an IRA plan.

H. TAXATION OF DISTRIBUTIONS

Taxable distributions from your IRA are taxed as ordinary income regardless of their source. They are not eligible for capital gains treatment or the special 5-year or 10-year averaging rules that may apply to lump-sum distributions from qualified employer plans.

The distributions you receive from your IRA are subject to Federal Income Tax Withholding unless you elect not to have the withholding apply. You may elect not to have withholding apply to your distribution. If you do not make an election, Federal Income tax will be withheld at the rate of 10% of the distribution amount. If you elect not to have withholding apply to your distribution, or if you do not have enough Federal Income Tax withheld from your distribution, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

Sterling Trust will withhold state income tax according to the State Income Tax Withholding Requirements chart located on Sterling Trust's IRA Distribution Request form, unless otherwise instructed. (Not applicable in all states.)

I. EXCISE TAX ON EXCESS CONTRIBUTIONS

Generally an excess IRA contribution which exceeds the contribution limits, and such excess contribution, is subject to a 6% excise tax penalty on the principal amount of the excess each year until the excess is corrected.

Method of withdrawing excess in a timely manner. This 6% penalty may be avoided, if the excess amount plus the earnings attributable to the excess are distributed by your tax filing deadline including extensions for the year the excess contribution was made, and you do not take a deduction for such excess amount. If you decide to correct your excess in this manner, the principal amount of the excess returned is not taxable, however, the earnings attributable to the excess are taxable to you in the year in which the contribution was made. In addition, if you are under age 59½ the earnings attributable are subject to a 10% premature distribution penalty. THIS IS THE ONLY METHOD OF CORRECTING AN EXCESS CONTRIBUTION THAT WILL AVOID THE 6% PENALTY.

Method of withdrawing excess after tax filing due date. If you do not correct your excess contribution in the manner prescribed above by the due date for filing your tax return, then you may withdraw the principal amount of the excess (no earnings need be distributed). The 6% penalty will, however, apply first to the year in which the excess was made and each subsequent year until it is withdrawn.

Undercontribution method. Another method of correcting an excess contribution is to treat a prior year excess as a regular contribution in a subsequent year. Basically all you do is undercontribute in the first subsequent year where you have an unused contribution limit until your excess amount is used up. However, once again you will be subject to the 6% penalty in the first year and each subsequent year that an excess remains.

J. REQUIRED DISTRIBUTIONS

Taxation of distributions. When you start withdrawing from your IRA, you may take the distributions in regular payments, random withdrawals or in a single sum payment. Generally all amounts distributed to you from your IRA are included in your gross income in the taxable year in which they are received. However, if you have made nondeductible contributions to your IRA, the nontaxable portion of the distribution, if any, will be a percentage based upon the ratio of your unrecovered nondeductible contributions to the aggregate of all IRA balances, including SEP and rollover contributions, as of the end of the year in which you take the distribution, plus distributions from the account during the year. All taxable distributions from your IRA are taxed at ordinary income tax rates for federal income tax purposes and are not eligible for either capital gains treatment or 5/10 year averaging.

Age 70½ required minimum distributions. Once you attain age 70½, you are required to take the minimum distributions from your IRA each year. Below is a summary of the IRA distribution rules.

You are required to take a minimum distribution from your IRA for the year in which you reach age 70½ and for each year thereafter. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain age 70½. The minimum distribution for any taxable year is equal to the amount obtained by dividing your IRA balance as of December 31 of the prior year by the applicable divisor (provided by the IRS and located in IRS Publications 590).

The applicable divisor is generally determined using the Uniform Lifetime Table (provided by the IRS). The table assumes a designated beneficiary that is exactly 10 years younger than you, regardless of who you designated as your beneficiary(ies), if any. If your spouse is your sole designated beneficiary, and is more than 10 years younger than you, the required minimum distribution is determined annually using the actual joint life expectancy of you and your spouse obtained from the Joint and Last Survivor Table provided by the IRS, rather than the life expectancy divisor from the Uniform Lifetime Table.

Death distributions. If you die,

1. On or after your required beginning date, distributions must be made to your beneficiary(ies) over the longer of the single life expectancy of your designated beneficiary(ies), or your remaining life expectancy. If a beneficiary other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no designated beneficiary of your IRA for the purpose of determining the distribution period. If your IRA does not have a designated beneficiary, distributions will begin utilizing your single life expectancy, reduced by one thereafter each year.
2. Before your required beginning date, the entire amount remaining in your account will, at the election of your designated beneficiary(ies), either
 - a. be distributed by the December 31st of the year containing the fifth anniversary of your death, or
 - b. be distributed over the remaining life expectancy of your designated beneficiary(ies).

Your designated beneficiary(ies) must elect either option (a) or (b) by the December 31st of the year following the year of your death. If no election is made, distribution calculations will default in

accordance with option (b). In the case of distributions under option (b), distributions must commence by the December 31st of the year following the year of your death.

If your spouse is the designated beneficiary, distributions need not commence until the December 31st 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 IRA for purposes of determining the distribution period. If there is no designated beneficiary of your IRA, the entire IRA must be distributed by the December 31st of the year containing the fifth anniversary of your death.

A spouse who is the sole designated beneficiary of your entire IRA may elect to redesignate your IRA at his or her own. Regardless of whether or not the spouse is the sole designated beneficiary of your IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own IRA.

CAUTION: These transactions are often complex. If you have any questions regarding minimum distributions, please see a competent tax advisor.

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

K. ROLLOVER IRAS

Rollover contribution from another IRA. A rollover from another IRA is any amount you receive from one IRA and roll some or all of it over into another IRA. You are not required to roll over the entire amount received from the first IRA. However, any amount you do not roll over will be taxed at ordinary income tax rates for federal income tax purposes.

The following special rules also apply to rollovers between IRAs:

1. The rollover must be completed no later than the 60th day after the day the distribution was received by you.
2. You may have only one IRA to IRA rollover during a 12 consecutive month period measured from the date you received a distribution of an IRA which was rolled over to another IRA. (See IRS Publication 590 for more information.)
3. The same property you receive in a distribution must be the same property you roll over into the second IRA. For example, if you receive a distribution from an IRA of property, such as stocks, that same stock must be rolled over into the second IRA.
4. You are required to make an irrevocable election indicating that this transaction will be treated as a rollover contribution.
5. You are not required to receive a complete distribution from your IRA in order to make a rollover contribution into another IRA, nor are you required to roll over the entire amount you received from the first IRA.
6. If you inherit an IRA due to the death of the participant, you may not roll this IRA into your own IRA unless you are the spouse of the decedent.
7. If you are age 70½ or older and wish to roll over to another IRA, you must first satisfy the minimum distribution requirement for that year and then the rollover of the remaining amount may be made.
8. Rollovers from a SEP or an Employer-IRA follow the IRA to IRA rollover rules since your contributions under these types of plans are funded directly into your own IRA.

Rollovers to Roth IRAs. You are not permitted to make a qualified rollover contribution to a Roth IRA from any IRA plan (other than another Roth IRA) if your AGI for the year during which the rollover is made exceeds \$100,000 single or joint or you are a married individual filing a separate return. AGI means the adjusted gross income determined from the year during which the rollover is made, but reduced by the taxable amount of an IRA distribution includible in income but only with respect to such amount that was rolled over to a Roth IRA. Taxable IRA distributions that are not rolled over to a Roth IRA are included in the AGI amount. Qualified rollovers between Roth IRAs are permitted regardless of your AGI.

Taxation in rolling over from Traditional IRA to Roth IRA. The amount that would have been included in your income if you had taken a distribution is included in gross income "ratably" over a 4-tax-year period beginning with the tax year in which the distribution is made. In order for the taxable amount of an IRA distribution to be included in income ratably over 4 years, such rollover must be made before 1/1/99. Any rollovers from an IRA to a Roth IRA after 12/31/98 will be fully includible in income the year in which rolled over. The 10% premature distribution tax shall not apply to the taxable amount of an IRA rolled to a Roth IRA. Income tax withholding will apply to the distribution. Note: Pending technical corrections would apply the 10% premature additional tax to a distribution from a Roth IRA of an amount that was rolled over from a traditional IRA if the distribution is made before the first day of the taxable year immediately following the 5-year period beginning with the year of the rollover unless an exception applies. Also, if the distribution is attributable to a rollover conversion made in 1998, an additional 10% tax will apply to the portion includible in income regardless of age.

Contribution conversion of Traditional IRA to Roth IRA. Generally, the conversion of a traditional IRA to a Roth IRA is treated as a distribution and subsequent rollover conversion contribution. However, if an individual decides by their tax filing deadline (not including extensions) to transfer a current year contribution plus earnings thereon from an IRA to a Roth IRA, no amount shall be includible in gross income as long as no deduction was taken for the contribution. In addition, you are permitted to "convert" a contribution plus earnings from a Roth IRA to a traditional IRA by your tax filing deadline, including extensions.

Qualified rollover contribution. This term includes: (a) Rollovers between Roth IRA accounts; and (b) Traditional IRA to a Roth IRA. Qualified rollovers must meet the general IRA rollover rules outlined above, except that the 12 month rollover restriction shall not apply to rollovers between a traditional IRA and a Roth IRA. However, the 12 month rule shall apply to rollovers between Roth IRAs. Rollovers from employer-sponsored plans, such as qualified plans and 403(b)s, to a Roth IRA are not permitted. However, you could roll over from the employer plan to a traditional IRA, and then roll over to a Roth IRA. A rollover conversion from a SEP IRA (provided the 2-year holding period has been met) to a Roth IRA is permitted.

Rollovers from Employer-sponsored plans. Employer-Sponsored Plans Eligible for Rollovers to IRAs—Rollovers to IRAs are permitted if you have received an eligible rollover distribution from one of the following:

1. A qualified plan under Section 401(a);
2. A qualified annuity under Section 403(a); or
3. A Tax-Sheltered Annuity (TSA) or Custodial Account under Section 403(b).

Eligible rollover distributions before 1/1/93: Eligible rollover distributions from a qualified plan, annuity or TSA include a qualified total distribution, a partial distribution or a total distribution to you as an eligible alternate payee under a qualified domestic relations order (QDRO). (The following citations are from the Internal Revenue Code prior to its amendment under the Unemployment Compensation Amendments Act of 1992.)

A Qualified Total Distribution includes either a lump sum distribution (as defined under §402(e)(4)(A)), a plan termination distribution (as defined under §402(a)(5)(E)(i)(I)), or a distribution of accumulated deductible employee contributions (as defined under §402(a)(5)(E)(i)(III)). A Partial Distribution is also permitted to be rolled over if it meets the requirements under §402(a)(5)(D). A spouse or former spouse may make a rollover pursuant to a QDRO (as defined under §414(p)) if it meets the requirements under §402(a)(6)(F).

The following special rules apply to a rollover from an employer-sponsored plan to an IRA:

1. The rollover must be completed no later than the 60th day after the day the distribution was received by you.
2. You are required to make an irrevocable election indicating that this transaction will be treated as a rollover contribution.
3. You are not required to contribute the entire amount you received from the qualified plan, qualified annuity or TSA distribution.
4. If you are age 70½ or older and wish to roll over your qualified plan, qualified annuity or TSA distribution to an IRA, you must first satisfy the minimum distribution requirement for that year and then the rollover of the remaining amount may be made.
5. If your distribution consists of money which was nondeductible employee contributions, these amounts may not be rolled over to an IRA.
6. If your distribution consists of property (i.e., stocks) you may either roll over the same property (the same stock) or you may sell the distributed property and roll over the proceeds from the sale. This is true whether the proceeds from the sale are more or less than the fair market value of the property on the date of distribution. You may not keep the property received in the distribution and roll over cash which represents the fair market value of the property.

Conduit IRAs before 1/1/93. A conduit IRA is an IRA which contains only qualified total distributions from qualified plans, annuities and TSAs. The IRA is then used as a "holding account" until you subsequently roll that IRA back into another qualified plan, annuity or TSA. In order to take advantage of this conduit treatment, you must establish a separate IRA plan into which the qualified total distribution will be rolled over. When you decide to roll the conduit IRA back into a qualified plan or TSA, the entire balance in the IRA plan must be distributed. However, you are not required to roll over the entire amount into a qualified plan or TSA. Any amounts not rolled back into a qualified plan or TSA will be taxed to you at ordinary income tax rates. A surviving spouse who rolls a qualified total distribution to the spouse's own IRA may not use that IRA as a Conduit IRA.

Eligible rollover distributions after 12/31/92: Eligible rollover distributions from a qualified plan, annuity, or TSA generally include any distribution which is not:

1. Part of a series of substantially equal payments that are made at least once a year and that will last for:
 - a. your lifetime (or your life expectancy), or
 - b. your lifetime and your beneficiary's lifetime (or joint life expectancies), or
 - c. a period of ten years or more.
2. Attributable to your required minimum distribution for the year;
3. Attributable to your "after-tax" employee contributions to the plan, since these amounts will be non-taxable when they are paid to you; or
4. Attributable to a "hardship" distribution from a 401(k) plan.

Direct rollover to another plan. You can elect a direct rollover of all or any portion of your payment that is an "eligible rollover distribution," as described above. In a direct rollover, the eligible rollover distribution is paid directly from the Plan to an IRA or another employer plan that accepts rollovers. If you elect a direct rollover, you are not taxed on the payment until you later take it out of the IRA or the employer plan, and you will not be subject to the 20% mandatory income tax withholding otherwise applicable to Eligible Rollover Distributions which are paid directly to you. Your employer is required to provide you with a Notice regarding the effects of electing or not electing a direct rollover to an IRA or another employer plan. Although a direct rollover is accomplished similar to a transfer, the Custodian must report the direct rollover on Form 5498 as a rollover contribution.

Eligible rollover distribution paid to you. If you choose to have your eligible rollover distribution paid to you (instead of electing a direct rollover), you will receive only 80% of the payment, because the plan administrator is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes. However, you may still roll over the payment to an IRA within 60 days of receiving the distribution. The amount rolled over will not be taxed until you take it out of the IRA. If you want to roll over 100% of the payment to an IRA, you must replace the 20% that was withheld from other sources. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over. In either event, the 20% that was withheld can be claimed on your income tax return as a credit toward that year's tax liability.

Conduit IRAs after 12/31/92. A direct rollover (or rollover within 60 days of receipt) of any eligible rollover distribution may be treated as a "Conduit IRA," provided that a separate IRA is established for purposes of retaining the ability to later roll these funds back into a qualified plan or 403(b) plan, however, the amount distributed must be rolled over to the qualified plan or 403(b) plan.

In addition, a surviving spouse may also treat such conduit IRA for purposes of rolling over into the surviving spouse's qualified plan or 403(b) plan.

Special rules for surviving spouses, alternative payees, and other beneficiaries. If you are a surviving spouse, you may choose to have an eligible rollover distribution paid in a direct rollover to an IRA or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to an IRA, but you cannot roll it over to an employer plan. If you are the spouse or former spouse alternate payee with respect to a Qualified Domestic Relations Order, you may have the payment paid as a direct rollover or paid to you which you may roll over to an IRA or another employer plan. If you are a beneficiary other than the surviving spouse, you cannot choose a direct rollover and you cannot roll over the payment yourself.

L. SPOUSAL IRA CONTRIBUTIONS

Eligibility. An individual may make spousal IRA contributions on behalf of himself and his spouse if he is eligible to establish and contribute to an IRA in his own right (i.e., he must have "compensation" which is includable in his gross income). If you (the compensated spouse) are over the age of 70½ and your non-compensated spouse is under age 70½, then a contribution may still be made for the year into the IRA established by your non-compensated spouse. You must file a joint tax return for the year for which the contribution is made.

Limitation on contributions. In order to make spousal IRA contributions, separate IRAs are established for the individual and for his spouse. The maximum allowed limit on spousal contributions which may be deducted by the contributing spouse in a given tax year is the lesser of 100% of his compensation or \$8,000 for tax year 2007, and \$10,000 for tax year 2008. This amount may be increased with cost-of-living adjustments in 2009 and beyond. The maximum amount allowed as a deduction may be divided between the individual's IRA and the Spousal IRA in any manner provided the amount contributed to either IRA is not more than the maximum individual contribution limit as outlined in Section C above.

If your spouse will attain the age of 50 by the end of the taxable year (December 31), and is eligible you may make an additional "Catch-Up" contribution to the spouse's IRA. The maximum additional contribution limit is \$1,000 for tax years 2007 and 2008.

Miscellaneous. Each spouse becomes the owner or "Depositor" of his own IRA account and must execute the Adoption Agreement establishing the account. Once an IRA is established for a non-working spouse, the spouse, as the owner and "Depositor" of that IRA, becomes subject to all of the privileges, rules and restrictions applicable to IRAs generally.

M. FORM 5329

You must file IRS Form 5329 with your tax return for each tax year during which a premature distribution takes place or less than the required minimum amount is distributed.

If you are under age 59½ and receive a premature distribution from your IRA, an additional 10% income tax will apply on the taxable amount of the distribution.

If you make an excess contribution to your IRA and it is not corrected on a timely basis, an excise tax of 6% is imposed on the excess amount. This tax will apply each year to any part or all of the excess which remains in your account.

If you are age 70½ or over or if you should die, and the appropriate required minimum distributions are not made from your IRA, an additional tax of 50% is imposed upon the difference between what should have been distributed and what was actually distributed.

The following disclosures apply to Roth IRAs:

B. REQUIREMENTS OF A ROTH IRA

- Your contribution must be in cash, unless it is a rollover or conversion 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 \$4,000 for 2007, and \$5,000 for 2008, with possible cost-of-living adjustments in years 2009 and after. 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 the maximum limits shown in the chart below.

Modified Adjusted Gross Income (MAGI) Limits for Roth IRA Contribution Eligibility			
Filing Status	2008	2007	2006
Single/Head of Household	\$101,000 - \$116,000	\$99,000 - \$114,000	\$95,000 - \$110,000
Married Filing Jointly	\$159,000 - \$169,000	\$156,000 - \$166,000	\$150,000 - \$160,000
Married Filing Separately	\$0 - \$10,000	\$0 - \$10,000	\$0 - \$10,000

For 2007, your Roth IRA contribution is reduced if your modified adjusted gross income (MAGI) equals or exceeds \$156,000 and you are a married individual filing a joint income tax return, or if it equals or exceeds \$99,000 if you are a single individual. Married individuals filing a joint income tax return with MAGI equaling or exceeding \$166,000 may not fund a Roth IRA. Single individuals with MAGI equaling or exceeding \$114,000 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.

For 2007, if you are married filing a joint income tax return and your MAGI is between \$156,000 and \$166,000, your maximum Roth IRA contribution is determined as follows: (1) Subtract your MAGI from \$166,000; (2) divide the difference by \$10,000; and (3) multiply the result in step (2) 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 \$160,000, your maximum Roth IRA contribution for 2007 is \$2,400. This amount is determined as follows: [(\$166,000 minus \$160,000) divided by \$10,000] multiplied by \$4,000.

For 2007, if you are single and your MAGI is between \$99,000 and \$114,000, your maximum Roth IRA contribution is determined as follows: (1) Subtract your MAGI from \$114,000; (2) divide the difference by \$15,000; and (3) multiply the result in step (2) 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 2007 is \$4,000. This amount is determined as follows: [(\$114,000 minus \$98,000) divided by \$15,000] multiplied by \$4,000 (and limited by the maximum annual IRA contribution).

- 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.
- 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 \$1,000 for years 2007 and 2008.
- The trustee or custodian must be a bank, federally insured credit union, savings and loan association, or another person or entity eligible to act as a trustee or custodian.
- You will have a nonforfeitable interest in the account at all times.
- No part of the trust funds will be invested in life insurance contracts nor may the assets be commingled with other property except in a common trust fund or common investment fund.
- You may not invest the assets of your Roth IRA in collectibles (as described in Section 408(m) of the Internal Revenue Code). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or any other tangible personal property specified by the IRS. However, if the Custodian permits, specially minted US gold, silver and platinum coins and certain state-issued coins are permissible Roth IRA investments. You may also invest in certain gold, silver, platinum or palladium bullion as described in Code section 408(m)(3), if the trustee or custodian permits. If the trust acquires collectibles within the meaning of Code section 408(m) after December 31, 1981, trust assets will be treated as a distribution in an amount equal to the cost of such collectibles.
- Your regular annual Roth IRA contributions for any taxable year may be deposited at any time during that taxable year and up to the due date for the filing of your federal income tax return for that taxable year, no extensions. Generally, this will be April 15th of the following year.
- No amount is required to be distributed prior to the death of the individual for whose benefit the account was originally established.
- Separate records will be maintained for the interest of each individual.
- The account is established for the exclusive benefit of the individual or his or her beneficiaries.

C. 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:

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

Your designated beneficiary(ies) 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.

D. INCOME TAX CONSEQUENCES OF ESTABLISHING A ROTH IRA

- No deduction is allowed for Roth IRA contributions, including transfers, rollovers and conversion contributions.
- 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 the Custodian. 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.
- For taxable years beginning on or after January 1, 2002, you may be eligible to receive a tax credit for your Traditional or Roth IRA contributions. This credit will be allowed in addition to any tax deduction that may apply, and may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are:
 - age 18 or older as of the close of the taxable year,
 - not a dependent of another taxpayer, and
 - not a full-time student.

The credit is based upon your income (see chart below), and will range from 0 to 50 percent of eligible contributions. In order to determine the amount of your contributions, add all of the contributions made to your Traditional or 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				
	Joint Return	Head of Household	All other cases	%
2008	\$1 - \$32,000	\$1 - \$24,000	\$1 - \$16,000	50%
	\$32,001 - \$34,500	\$24,001 - \$25,875	\$16,601 - \$17,250	20%
	\$34,501 - \$53,000	\$25,876 - \$39,750	\$17,251 - \$26,500	10%
	Over \$53,000	Over \$39,750	Over \$26,500	0%
2007	\$1 - \$31,000	\$1 - \$23,250	\$1 - \$15,500	50%
	\$31,001 - \$34,000	\$23,251 - \$25,500	\$15,501 - \$17,000	20%
	\$34,001 - \$52,000	\$25,501 - \$39,000	\$17,001 - \$26,000	10%
	Over \$52,000	Over \$39,000	Over \$26,000	0%

See your tax advisor for more information.

- 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. LIMITATIONS AND RESTRICTIONS

- 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 \$8,000 for 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 \$1,000 for 2007 and beyond.

- 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.
- Capital gains treatment and 10-year forward income averaging authorized by Code section 402 do not apply to Roth IRA distributions.
- 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.

F. TAXATION OF DISTRIBUTIONS

The taxation of Roth IRA distributions depends on whether the distribution is a qualified distribution or a nonqualified distribution.

- 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.

- 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 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 and your conversion contributions. However, the 10 percent early distribution penalty may apply to conversion contributions distributed within the five-year period beginning with the year in which the conversion occurred. These "ordering rules" are complex. If you have any questions regarding the taxation of distributions from your Roth IRA, please see a competent tax advisor.

G. 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.

H. 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.

- 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).
- 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). However, 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 includable 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.
- 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. However, 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 includable in your gross income. Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty.
- Written Election.** At the time you make a proper rollover 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.
- No Rollovers from Employer-Sponsored Retirement Plans.** You may not roll over distributions from your employer's qualified retirement plan, 403(a) annuity plan, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan into your Roth IRA.

I. 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.

J. 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.

K. 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.

L. 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.

M. FEDERAL TAX PENALTIES

- 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), or 10) a levy issued by the IRS.
- 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.

3. **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.
4. **Penalty reporting.** You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes.

The following disclosures apply to both Traditional and Roth IRAs:

N. ADDITIONAL SELF-DIRECTION REQUIREMENTS UNDER THE STERLING TRUST COMPANY IRA—FINANCIAL DISCLOSURE

Under the Sterling Trust Company Self-Directed Traditional Individual Retirement Custodial Account, you are required to direct the Custodian with respect to the investment of funds in your account. In the absence of direction from you, or your Representative (as described in Section "O" below), the Custodian will not make or dispose of any investments or distribute any funds held in the account. The Custodian has no power or duty to question the direction of a specified investment, to review any investments held in the account or to make any suggestions to you with respect to the investment, retention or disposition of any asset in the account. The Custodian will not be liable for any loss of any kind which may result by reason of any action taken by it in accordance with direction from you or your Representative, or by reason of any failure to act because of the absence of any directions. The Custodian may refuse to execute an investment direction if it determines in its discretion that the investment would not be administratively feasible.

Investment of undirected cash. In the event that cash is received, or otherwise held, by the Custodian for which you have not given the Custodian a different investment direction, you automatically have directed the Custodian to deposit all such undirected cash in the United Western Bank ("UW Bank") NOW Account. The cash shall remain deposited in the UW Bank NOW Account, earning interest which shall be posted to your account no less than monthly, until you give the Custodian an investment direction with respect to such cash. If you have given the Custodian a previous investment direction which includes a direction to reinvest cash generated from such directed investment, the Custodian shall retain in cash the amount of cash generated by such directed investment, but which is less than the applicable minimum reinvestment amount, and you automatically have directed the Custodian to deposit such retained insufficient cash in the UW Bank NOW Account until the accumulated balance of cash from that directed investment equals or exceeds the minimum reinvestment amount.

Unrelated business taxable income. There is an exception to the tax-exempt status of your IRA when you invest in any security which is debt-financed, or a limited partnership which actively conducts a trade or business rather than receiving passive income or which is publicly traded. Unrelated Business Taxable Income (UBTI) from such an investment may be taxable to your account if it exceeds \$1,000 in any tax year. For purposes of the \$1,000 limit, all of your IRA accounts are considered to be one account. These taxes are an expense of your account and should be paid by you using assets in the account, and should be filed utilizing IRS Form 990-T. Sterling Trust Company does not calculate UBTI for your account and does not prepare Form 990-T. If your account has any investment which generates UBTI, you are responsible for preparing or having prepared on behalf of your IRA account the appropriate 990-T form. Upon completion, the form should be forwarded to Sterling Trust Company for filing, along with instructions to pay any required tax.

Asset valuation. Sterling Trust Company shall periodically value the assets in your IRA account utilizing various outside sources available to it. However, Sterling Trust Company shall not guarantee the accuracy of prices obtained from quotation services, independent appraisal services, investment sponsors or parties related thereto or other outside sources. Values for brokerage accounts shall be equal to the total equity value of the account, and shall reflect only those assets which are priced by the brokerage firm. Individual assets held within the brokerage account shall not be listed or priced individually on statements furnished by Sterling Trust Company.

In the absence of direction from the Secretary of the Treasurer or his authorized representative to the contrary, the value of illiquid assets such as limited partnerships, limited liability companies, or privately-held stock, shall be determined by a fair market value from the investment sponsor or other source chosen by Sterling Trust Company in its sole discretion. Promissory notes and privately-issued corporate debt may have valuations reflected at the face value shown on the original note or debt instrument, or if the note is such that it is subject to an amortization schedule, valuation may be shown at amortized value.

If the investment sponsor is unwilling or unable to provide a fair market value, then Sterling Trust Company may list the value of the illiquid asset at its original acquisition cost or carry forward the last known value. Sterling Trust Company may reflect a valuation of zero if assets are reported by the investment sponsor as having no market value, if the investment sponsor is in bankruptcy, or if other relevant conditions exist.

For investments that are not publicly tradable on a securities exchange, Sterling Trust Company shall seek a valuation of such securities from the sponsor/issuer of the investment. If a value is not received within ninety (90) days after request, then, upon notice from Sterling Trust Company, it is the duty of the Accountholder to provide Sterling Trust Company with the fair market value of the investment from the investment sponsor or from an independent appraisal service of the Accountholder's choice, provided such appraisal service is acceptable to Sterling Trust Company. Sterling Trust Company reserves the right to resolve differences in values in any manner it deems appropriate. If the Accountholder fails to do so, within six (6) months after notice, then Sterling Trust Company shall be authorized, entitled and directed to distribute such investment in-kind at fair market value, which may be original acquisition cost or the last known value, to the Accountholder.

Growth in value. As stated in Articles IX and X of the Sterling Trust Company Traditional Individual Retirement Account Custodial Agreement, the assets of your IRA account will be invested only at the direction of you or your Representative. You are entitled to direct the investment of the assets in your IRA in a wide variety of investments, but Sterling Trust Company has no responsibility to offer investment advice, and will not offer any investment advice or assume any fiduciary responsibility with respect to which investments may be best for your IRA account and, because you are responsible for directing all investments, you assume sole responsibility for the success or failure of your investments. The value of assets in your IRA account at any given time will depend upon the amount of your contributions, the mix of assets, and the performance of the investments you have chosen. Accordingly, growth and value of your IRA account is not guaranteed, and the

value of the assets in your account at any given point in time in the future is impossible to predict. Except to the extent cash is invested in the UW Bank NOW Account, which is FDIC-insured, or directed into other FDIC-insured bank products, the IRA account is not FDIC-insured, nor guaranteed in any way by Sterling Trust Company, or any government agency, or any other entity. Neither Sterling Trust Company's acceptance, nor its rejection, of an investment direction is ever related in any way to the prudence, merit or viability of the investment and may not be considered, or construed, as either investment advice, the exercise of discretion with respect to investments, an evaluation of the investment's prudence or viability, or a determination that such investment in fact is, or is not, a prohibited transaction.

O. REPRESENTATIVE PROVISIONS

If you have designated a Representative in Section 5 on page 9 of the Sterling Trust Company Traditional Individual Retirement Custodial Account Agreement or on a form acceptable to Sterling Trust Company, your designation is subject to the following provisions:

1. You recognize that Sterling Trust Company is entitled to rely on directions from your Representative, and you agree that Sterling Trust Company shall be under no duty to make an investigation with respect to any instructions received from your Representative. You also recognize that your Representative may choose to communicate investment directions to Sterling Trust Company via an agent, such as his office staff or broker/dealer organization;
2. You are solely responsible for managing the investment of your IRA Account, and for directing your Representative. All instructions, directions, and/or confirmations received by Sterling Trust Company from your Representative shall be assumed to have been authorized by you;
3. You recognize that such Representative is your agent, and not an agent, employee, or representative of Sterling Trust Company;
4. You understand that your Representative may be a registered representative of a broker/dealer organization, a financial advisor, or other person that you deem acceptable.
5. You understand that Sterling Trust Company has not made and will not make any recommendation or investigation with respect to your Representative, nor does Sterling Trust Company compensate your Representative in any manner.
6. You may remove your Representative and either designate a new Representative or choose not to designate any representative, by written notice to Sterling Trust Company on a form acceptable to Sterling. However, removal of a Representative will not have the effect of canceling any instruction, direction, or confirmation which has been received by Sterling Trust Company from the Representative prior to the date that notice of removal is received and processed by Sterling Trust Company; and
7. You agree to indemnify and hold Sterling Trust Company harmless from any and all liability or claims, including, but not limited to, damages, court costs, legal fees, and costs of investigation as a result of (i) any loss or diminution of your IRA funds resulting from changes in the market value of such funds; (ii) reliance or action taken in reliance on written or oral instructions received from you or your Representative; (iii) any exercise or failure to exercise investment direction authority by you or your Representative; (iv) Sterling Trust Company's refusal on advice of counsel to act in accordance with any exercise of investment direction by you or your Representative; (v) any other act or failure to act by you or your Representative; (vi) any prohibited transaction or plan disqualification due to any actions taken or not taken by Sterling Trust Company in reliance on directions from you or your Representative; or (vii) any other act Sterling Trust Company takes in good faith hereunder.

P. CUSTODIAN FEES

A schedule of the fees and charges of Sterling Trust Company is included in the IRA Application Kit. This schedule may be amended from time to time upon 30 days' written notice to you. Sterling Trust Company reserves the right to charge additional fees over and above those shown on the fee schedule for extraordinary services or expenses. Examples of extraordinary services include, but are not limited to, stop payment fees, incoming or outgoing wire charges, checks returned for insufficient funds, safekeeping fees for tangible assets, or the administrative review of a private placement. You are responsible for the payment of all fees, expenses or other charges relating to your IRA account. If you do not pay such charges upon billing, or if you make an automatic withdrawal election, the fees, expenses and charges will be withdrawn from the assets of your account. Sterling Trust Company, upon 30 days written notice, may terminate and distribute your account for non-payment of fees and expenses.

Sterling Trust Company will perform all sub-accounting and interest posting functions (where applicable) for the UW Bank NOW Account and it will receive a fee for these services, paid directly to Sterling from United Western Bank. Such fees shall be a per-account administrative charge of the type which would be borne directly by United Western Bank, or paid to a third-party for similar services, but may exceed the amount United Western Bank would pay to a third party providing such services. However, no portion of such sub-accounting and interest posting fees paid by United Western Bank to Sterling will be charged to your account. The per-account amount of such fees or charges will be disclosed from time to time by Sterling on a website, the address of which will be identified in the accountholder's Quarterly Account Statement.

Q. IRS APPROVAL AS TO FORM

The Sterling Trust Company Traditional Individual Retirement Custodial Account Agreement is treated as approved as to form by the Internal Revenue Service since it utilizes precise language of Form 5305-A currently provided by the Internal Revenue Service, plus additional language permitted by such form. The Internal Revenue Service approval is a determination only as to the form of the account, and does not represent a determination of the merits of the account.

R. SUBSTITUTION OF NON-BANK CUSTODIAN

The non-bank Custodian shall substitute another trustee or custodian if the non-bank Custodian receives Notice from the Commissioner of Internal Revenue that such substitution is required because it has failed to comply with the requirements of Regulations section 1.408-2(e).

S. ADDITIONAL INFORMATION

Additional information regarding Individual Retirement Accounts may be obtained from any district office of the Internal Revenue Service. In particular, you may wish to obtain IRS Publication 590, Individual Retirement Arrangements, by calling the IRS at (800) TAX-FORM or by going to the Internet, www.irs.gov.



INSTRUCTIONS FOR COMPLETING THE TRADITIONAL IRA TRANSFER REQUEST FORM/ DIRECT ROLLOVER LETTER

IRA Services

P.O. Box 2526, Waco, TX 76702
7901 Fish Pond Rd., Waco, TX 76710
Phone: 800.955.3434
Fax: 254.751.0872
IRAServices@uwbank.com
www.SterlingTrustCompany.com

Please utilize the instructions below to complete the **Traditional IRA Transfer Request Form/Direct Rollover Letter**. A separate **Traditional IRA Transfer Request Form/Direct Rollover Letter** is needed for each account you wish to transfer. Prior to completing this form, you may photocopy it if more than one form is needed.

Section I:

1. Mark the appropriate box on the form:
"Traditional," "SEP," or "Other (Indicate the type of account to be transferred)"
2. Include your name, social security number, name of present Trustee/Custodian, the account number at your present Trustee/Custodian, appropriate address, telephone number, and contact name at your current Trustee/Custodian.
3. Sterling will mail the original, completed Transfer/Rollover Form via First Class mail. If you wish the form be sent by other means, you will need to indicate it in the "Special Delivery" box.

Section II:

From the options provided, please select the action you want to occur in the transfer of your account. You will need to mark "Full (Complete)" if you wish to transfer your entire account to Sterling. If only a partial transfer is desired, you will need to mark "Partial."

Tips:

- "Liquidate" means that the asset(s) will be sold and the proceeds sent to Sterling.
- An "In-Kind" transfer means that the asset(s) will not be sold, but the ownership will simply change to your Sterling Traditional IRA.
- If only a partial transfer of certain asset(s) is desired, please list all assets to be liquidated or transferred in-kind in the spaces provided as well as mark the appropriate box. A copy of a recent statement (dated within 6 months) from your current trustee/custodian is required.

Section III:

You will need to select how you wish for your funds to be returned to Sterling.

Section IV:

Sign and date the **Transfer Form** in the space provided. Also, you will need to indicate the type of account you have with Sterling. Please contact your current trustee/custodian to inquire if they require your signature to be guaranteed. If your current trustee/custodian requires a signature guarantee, one should be obtained from an authorized member of the **Securities Transfer Agents Medallion Program (STAMP)**. Check with your local bank or broker/dealer to see if they offer this service and are members of STAMP. **Note: a notary public is not acceptable.**

Other Information:

- ➔ Send the completed **Transfer Form** along with a copy of your most recent statement to Sterling. If you do not have an IRA already established with Sterling, a completed **Individual Retirement Custodial Account Agreement** and payment of your fees must accompany this **Transfer Form**.
- ➔ If you are transferring in-kind private equity, private debt, or real estate, you will need to complete the appropriate checklist located at www.SterlingTrustCompany.com.
- ➔ If the **Transfer Form** is complete, Sterling will sign the letter of acceptance and mail the request to your current trustee/custodian. If the **Transfer Form** is missing required information, it will be returned to the account holder to be completed.
- ➔ If you request to send the **Transfer Form** via overnight but do not include a physical address, Sterling will send the **Transfer Form** via First Class mail to the address provided.
- ➔ Please note that some transfers may take two weeks to several months to complete. Sterling will follow up on the request until the transfer has been completed or finalized.
- ➔ If your current trustee/custodian sends any additional paperwork to you to complete, please do so promptly and return it to them. In addition, please send a copy of this paperwork to Sterling.
- ➔ If you are transferring a Brokerage IRA and wish to transfer as cash, you will need to liquidate the appropriate assets prior to completing and submitting the **Transfer Form**.

3/7/2008/SHmd



TRADITIONAL IRA TRANSFER REQUEST FORM/ DIRECT ROLLOVER LETTER

(Sterling Trust Company is Non-ACAT eligible)

IRA Services
P.O. Box 2526, Waco, TX 76702
7901 Fish Pond Rd., Waco, TX 76710
Phone: 800.955.3434
Fax: 254.751.0872
IRAServices@uwbank.com
www.SterlingTrustCompany.com

Please complete Sections I, II, III, and IV

Section I: IRA Transfer/Rollover

I am transferring/rolling over from one of the following type of accounts (check one):

Traditional SEP Other (Indicate type of account to be transferred: _____)

- **Please Note****
- If you are rolling over an account from a Qualified Plan, please contact your plan administrator to verify if additional forms are required and for eligibility. In addition, please provide a current statement.
 - If you are transferring an annuity, you may incur surrender/penalty charges. These charges may be deducted and are authorized by my signature below. The original policy or a statement of loss is attached.
 - If you are transferring in-kind private equity, private debt, or real estate, you will need to complete the appropriate checklist located at www.sterlingtrustcompany.com.
 - If you are transferring a Brokerage IRA and wish to transfer as cash, you will need to liquidate the appropriate assets prior to completing and submitting the *Transfer Form*.

Name (Your name as it appears at the present Trustee/Custodian)	Social Security Number	Special Delivery Sterling Trust will mail this original, completed Transfer/Rollover request to your resigning Trustee/Custodian by First Class mail unless otherwise indicated. If the following is not completed properly, the Transfer/Rollover request will be sent via First Class mail. <input type="checkbox"/> Check enclosed for \$25.00 to send Transfer via overnight. <input type="checkbox"/> Use attached pre-addressed airbill. <input type="checkbox"/> Send overnight via: ___DHL ___FedEx ___UPS 3 rd Party Billing # _____
Name of Present Trustee or Custodian	Account Number at present Trustee/Custodian	
Physical Address Required —Address for mailing or delivering this Transfer Request (check with your present Trustee/Custodian)	City, State, Zip Code	
Telephone Number (please include the area code)	Contact Name	

Section II: Transfer of existing account [choose either "Full (Complete)" or "Partial"]

- Full (Complete) (Please choose one of the following):
 ___ Transfer my entire account IN-KIND (Change of ownership only. Any money market fund must be liquidated and transferred as cash).
 ___ **Current statement less than 6 months old required**
 ___ Liquidate all assets and transfer as cash.
- Partial (Please choose one of the following):
 ___ Only \$ _____
 ___ All cash in account.
 ___ Please transfer only the assets listed below (If In-Kind, a current statement less than 6 months old is required).

QUANTITY (All, # of Shares, or \$ Amount)	DESCRIPTION OF ASSET (Name of Fund, Security, or Asset)	INSTRUCTIONS (Please check only one box per asset)
		<input type="checkbox"/> Liquidate or <input type="checkbox"/> In-Kind
		<input type="checkbox"/> Liquidate or <input type="checkbox"/> In-Kind

Section III: Instruction to Resigning Trustee/Custodian/Plan Sponsor (See attached for delivery instructions.)

- I wish to have my funds wired.
- I wish to have a check or re-registration paperwork mailed via:
 ___ First Class mail
 ___ Overnight delivery and charge my account the overnight fee.
 ___ Overnight delivery via: ___DHL ___FedEx ___UPS 3rd Party billing number _____

Section IV: Accountholder Signature

This transfer of assets is to be executed from fiduciary to fiduciary in such a manner that will not place me in actual or constructive receipt of all or any part of my assets. Further, I understand that Sterling Trust Company will accept the transfer of the account as referenced above.

Accountholder Signature	Date	Sterling IRA No.	Signature Guarantee (Affix Medallion Stamp)
Type of account with Sterling: <input type="checkbox"/> Traditional <input type="checkbox"/> Beneficiary Traditional <input type="checkbox"/> SEP			Your resigning trustee/custodian may require your signature be guaranteed by a Medallion Program member.

Section V: Acceptance by Sterling Trust

Sterling Trust Company has entered into an Individual Retirement Custodian Agreement with the person named above, and Sterling Trust Company, as Custodian of such account, agrees and does hereby accept transfer of the assets described above to such account.

By: _____ Date: _____

Sterling Trust Company Authorized Signatory

frmt/10/13/08/md 3/7/2008//SHmd



SIMPLIFIED EMPLOYEE PENSION REQUIREMENTS

A **Simplified Employee Pension (SEP)** is a plan which, subject to certain conditions, enables an employer to make deductible contributions to its employees' IRAs. For 2007, if the plan meets the SEP requirements, the employer may deduct up to the lesser of \$45,000 or 25% of the employee's compensation for amounts contributed to the IRA by the employer. For 2008, up to \$46,000 may be deducted. In addition, an employee may make his or her annual IRA contributions up to the lesser of \$5,000 (or \$6,000 if age 50 or over) or 100% of compensation, and may be entitled to a deduction for such contribution.

The following is a general description of the requirements of a Simplified Employee Pension:

1. The employer makes contributions to Individual Retirement Accounts for all of his employees who have (a) attained age twenty-one (21) and (b) performed service during at least three of the five preceding calendar years.
2. The contributions must bear a uniform relationship to the total compensation of each employee. The contributions may not discriminate in favor of officers, 10% shareholders, self-employed or highly compensated individuals.
3. For 2007, only the first \$225,000 of compensation may be taken into account in determining the amount of employer contribution. For 2008, the annual COLA for maximum SEP compensation (under §408(k)(2)(c)) is \$230,000.
4. The contributions must be 100% vested when made, and the employer may make no restrictions on withdrawal from the IRAs.
5. The contributions must be made under a written allocation formula specifying the requirements for participation in the allocation and the method of computing the allocation. Contributions must be made no later than the due date of the employer tax return, plus extensions.
6. The regular individual retirement plan tax rules generally govern the IRA of each employee, except that the dollar limitation on deductibility of contributions is increased to the annual DC limit under §415(c)(1)(A). Also, the employee can make regular annual contributions to the IRA as described above.

When the requirements of the Simplified Employee Pension are met, the employer will be entitled to a tax deduction for contributions not exceeding 25% of the compensation paid to his employees during the calendar year ending with or within the taxable year. The employee will not be required to include the amount of the employer's contribution to his IRA in computing his gross income for tax purposes.

An employer establishing a SEP Plan will be responsible for certain administrative tasks, including determination of eligible employees and calculation of contributions for each participant. Sterling Trust does not perform any of these employer administrative functions, nor does it offer such services at an additional fee. Sterling's responsibility shall be limited to the custodial duties associated with any participant IRAs established with Sterling under the Plan.

An employer may establish a Simplified Employee Pension by executing an Agreement on *IRS Form 5305-SEP*, which follows this page and which describes in more detail the characteristics and requirements of a Simplified Employee Pension. A copy of *IRS Form 5305-SEP* must be given to each covered employee.

**Simplified Employee Pension—Individual
Retirement Accounts Contribution Agreement****(Under section 408(k) of the Internal Revenue Code)****Do not file
with the Internal
Revenue Service**

_____ makes the following agreement under section 408(k) of the Internal Revenue Code and the instructions to this form.
(Name of employer)

Article I—Eligibility Requirements (check applicable boxes—see instructions)

The employer agrees to provide discretionary contributions in each calendar year to the individual retirement account or individual retirement annuity (IRA) of all employees who are at least _____ years old (not to exceed 21 years old) and have performed services for the employer in at least _____ years (not to exceed 3 years) of the immediately preceding 5 years. This simplified employee pension (SEP) includes **does not** include employees covered under a collective bargaining agreement, includes **does not** include certain nonresident aliens, and includes **does not** include employees whose total compensation during the year is less than \$450*.

Article II—SEP Requirements (see instructions)

The employer agrees that contributions made on behalf of each eligible employee will be:

- A.** Based only on the first \$205,000* of compensation.
- B.** The same percentage of compensation for every employee.
- C.** Limited annually to the smaller of \$41,000* or 25% of compensation.
- D.** Paid to the employee's IRA trustee, custodian, or insurance company (for an annuity contract).

Employer's signature and date_____
Name and title**Instructions**

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

Purpose of Form

Form 5305-SEP (Model SEP) is used by an employer to make an agreement to provide benefits to all eligible employees under a simplified employee pension (SEP) described in section 408(k).

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

For more information on SEPs and IRAs, see Pub. 560, Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans), and Pub. 590, Individual Retirement Arrangements (IRAs).

Instructions to the Employer

Simplified employee pension. A SEP is a written arrangement (a plan) that provides you with an easy way to make contributions toward your employees' retirement income. Under a SEP, you can contribute to an employee's traditional individual retirement account or annuity (traditional IRA). You make contributions directly to an IRA set up by or for each employee with a bank, insurance company, or other qualified financial institution. When using Form 5305-SEP to establish a SEP, the IRA must be a Model traditional IRA established on an IRS form or a master or prototype traditional IRA for which the IRS has issued a favorable opinion letter. You may not make SEP contributions to a Roth IRA or a SIMPLE IRA. Making the agreement on Form 5305-SEP does not establish an employer IRA described in section 408(c).

When not to use Form 5305-SEP. Do not use this form if you:

1. Currently maintain any other qualified retirement plan. This does not prevent you from maintaining another SEP.
2. Have any eligible employees for whom IRAs have not been established.
3. Use the services of leased employees (described in section 414(n)).
4. Are a member of an affiliated service group (described in section 414(m)), a controlled group of corporations (described in section 414(b)), or trades or businesses under common control (described in sections 414(c) and 414(o)), unless all eligible employees of all the members of such groups, trades, or businesses participate in the SEP.
5. Will not pay the cost of the SEP contributions. Do not use Form 5305-SEP for a SEP that provides for elective employee contributions even if the contributions are made under a salary reduction agreement. Use Form 5305A-SEP, or a nonmodel SEP.

Note. SEPs permitting elective deferrals cannot be established after 1996.

Eligible employees. All eligible employees must be allowed to participate in the SEP. An eligible employee is any employee who: (1) is at least 21 years old, and (2) has performed "service" for you in at least 3 of the immediately preceding 5 years. You can establish less restrictive eligibility requirements, but not more restrictive ones.

Service is any work performed for you for any period of time, however short. If you are a member of an affiliated service group, a controlled group of corporations, or trades or businesses under common control, service includes any work performed for any period of time for any other member of such group, trades, or businesses.

Excludable employees. The following employees do not have to be covered by the

SEP: (1) employees covered by a collective bargaining agreement whose retirement benefits were bargained for in good faith by you and their union, (2) nonresident alien employees who did not earn U.S. source income from you, and (3) employees who received less than \$450* in compensation during the year.

Contribution limits. You may make an annual contribution of up to 25% of the employee's compensation or \$41,000*, whichever is less. Compensation, for this purpose, does not include employer contributions to the SEP or the employee's compensation in excess of \$205,000*. If you also maintain a salary reduction SEP, contributions to the two SEPs together may not exceed the smaller of \$41,000* or 25% of compensation for any employee.

You are not required to make contributions every year, but when you do, you must contribute to the SEP-IRAs of all eligible employees who actually performed services during the year of the contribution. This includes eligible employees who die or quit working before the contribution is made.

Contributions cannot discriminate in favor of highly compensated employees. Also, you may not integrate your SEP contributions with, or offset them by, contributions made under the Federal Insurance Contributions Act (FICA).

If this SEP is intended to meet the top-heavy minimum contribution rules of section 416, but it does not cover all your employees who participate in your salary reduction SEP, then you must make minimum contributions to IRAs established on behalf of those employees.

Deducting contributions. You may deduct contributions to a SEP subject to the limits of section 404(h). This SEP is maintained on a calendar year basis and contributions to the

* For 2005 and later years, this amount is subject to annual cost-of-living adjustments. The IRS announces the increase, if any, in a news release, in the Internal Revenue Bulletin, and on the IRS website at www.irs.gov.

SEP are deductible for your tax year with or within which the calendar year ends. Contributions made for a particular tax year must be made by the due date of your income tax return (including extensions) for that tax year.

Completing the agreement. This agreement is considered adopted when:

- IRAs have been established for all your eligible employees;
- You have completed all blanks on the agreement form without modification; and
- You have given all your eligible employees the following information:

1. A copy of Form 5305-SEP.
2. A statement that traditional IRAs other than the traditional IRAs into which employer SEP contributions will be made may provide different rates of return and different terms concerning, among other things, transfers and withdrawals of funds from the IRAs.
3. A statement that, in addition to the information provided to an employee at the time the employee becomes eligible to participate, the administrator of the SEP must furnish each participant within 30 days of the effective date of any amendment to the SEP, a copy of the amendment and a written explanation of its effects.
4. A statement that the administrator will give written notification to each participant of any employer contributions made under the SEP to that participant's IRA by the later of January 31 of the year following the year for which a contribution is made or 30 days after the contribution is made.

Employers who have established a SEP using Form 5305-SEP and have furnished each eligible employee with a copy of the completed Form 5305-SEP and provided the other documents and disclosures described in *Instructions to the Employer and Information for the Employee*, are not required to file the annual information returns, Forms 5500 or 5500-EZ for the SEP. However, under Title I of the Employee Retirement Income Security Act of 1974 (ERISA), this relief from the annual reporting requirements may not be available to an employer who selects, recommends, or influences its employees to choose IRAs into which contributions will be made under the SEP, if those IRAs are subject to provisions that impose any limits on a participant's ability to withdraw funds (other than restrictions imposed by the Code that apply to all IRAs). For additional information on Title I requirements, see the Department of Labor regulation at 29 CFR 2520.104-48.

Information for the Employee

The information below explains what a SEP is, how contributions are made, and how to treat your employer's contributions for tax purposes. For more information, see Pub. 590.

Simplified employee pension. A SEP is a written arrangement (a plan) that allows an employer to make contributions toward your retirement. Contributions are made to a traditional individual retirement account/annuity (traditional IRA). Contributions must be made to either a Model traditional IRA executed on an IRS form or a master or prototype traditional IRA for which the IRS has issued a favorable opinion letter.

An employer is not required to make SEP contributions. If a contribution is made, however, it must be allocated to all eligible employees according to the SEP agreement. The Model SEP (Form 5305-SEP) specifies that the contribution for each eligible employee will be the same percentage of compensation (excluding compensation greater than \$205,000*) for all employees.

Your employer will provide you with a copy of the agreement containing participation rules and a description of how employer contributions may be made to your IRA. Your employer must also provide you with a copy of the completed Form 5305-SEP and a yearly statement showing any contributions to your IRA.

All amounts contributed to your IRA by your employer belong to you even after you stop working for that employer.

Contribution limits. Your employer will determine the amount to be contributed to your IRA each year. However, the amount for any year is limited to the smaller of \$41,000* or 25% of your compensation for that year. Compensation does not include any amount that is contributed by your employer to your IRA under the SEP. Your employer is not required to make contributions every year or to maintain a particular level of contributions.

Tax treatment of contributions. Employer contributions to your SEP-IRA are excluded from your income unless there are contributions in excess of the applicable limit. Employer contributions within these limits will not be included on your Form W-2.

Employee contributions. You may make regular IRA contributions to an IRA. However, the amount you can deduct may be reduced or eliminated because, as a participant in a SEP, you are covered by an employer retirement plan.

SEP participation. If your employer does not require you to participate in a SEP as a condition of employment, and you elect not to participate, all other employees of your employer may be prohibited from participating. If one or more eligible employees do not participate and the employer tries to establish a SEP for the remaining employees, it could cause adverse tax consequences for the participating employees.

An employer may not adopt this IRS Model SEP if the employer maintains another qualified retirement plan. This does not prevent your employer from adopting this IRS Model SEP and also maintaining an IRS Model Salary Reduction SEP or other SEP. However, if you work for several employers, you may be covered by a SEP of one employer and a different SEP or pension or profit-sharing plan of another employer.

SEP-IRA amounts—rollover or transfer to another IRA. You can withdraw or receive funds from your SEP-IRA if, within 60 days of receipt, you place those funds in the same or another IRA. This is called a "rollover" and can be done without penalty only once in any 1-year period. However, there are no restrictions on the number of times you may make "transfers" if you arrange to have these funds transferred between the trustees or the custodians so that you never have possession of the funds.

Withdrawals. You may withdraw your employer's contribution at any time, but any amount withdrawn is includible in your income unless rolled over. Also, if withdrawals

occur before you reach age 59½, you may be subject to a tax on early withdrawal.

Excess SEP contributions. Contributions exceeding the yearly limitations may be withdrawn without penalty by the due date (plus extensions) for filing your tax return (normally April 15), but are includible in your gross income. Excess contributions left in your SEP-IRA after that time may have adverse tax consequences. Withdrawals of those contributions may be taxed as premature withdrawals.

Financial institution requirements. The financial institution where your IRA is maintained must provide you with a disclosure statement that contains the following information in plain, nontechnical language:

1. The law that relates to your IRA.
 2. The tax consequences of various options concerning your IRA.
 3. Participation eligibility rules, and rules on the deductibility of retirement savings.
 4. Situations and procedures for revoking your IRA, including the name, address, and telephone number of the person designated to receive notice of revocation. This information must be clearly displayed at the beginning of the disclosure statement.
 5. A discussion of the penalties that may be assessed because of prohibited activities concerning your IRA.
 6. Financial disclosure that provides the following information:
 - a. Projects value growth rates of your IRA under various contribution and retirement schedules, or describes the method of determining annual earnings and charges that may be assessed.
 - b. Describes whether, and for when, the growth projections are guaranteed, or a statement of the earnings rate and the terms on which the projections are based.
 - c. States the sales commission for each year expressed as a percentage of \$1,000.
- In addition, the financial institution must provide you with a financial statement each year. You may want to keep these statements to evaluate your IRA's investment performance.

Paperwork Reduction Act Notice. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	1 hr., 40 min.
Learning about the law or the form	1 hr., 35 min.
Preparing the form	1 hr., 41 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224. Do not send this form to this address. Instead, keep it with your records.



INSTRUCTIONS FOR COMPLETING THE ROTH IRA TRANSFER REQUEST FORM

IRA Services
P.O. Box 2526, Waco, TX 76702
7901 Fish Pond Rd., Waco, TX 76710
Phone: 800.955.3434
Fax: 254.751.0872
IRAServices@uwbank.com
www.SterlingTrustCompany.com

Please utilize the instructions below to complete the **Roth IRA Transfer Request Form**. A separate **Roth IRA Transfer Request Form** is needed for each account you wish to transfer. Prior to completing this form, you may photocopy it if more than one form is needed.

Section I:

1. Include your name, social security number, name of present Trustee/Custodian, the account number at your present Trustee/Custodian, appropriate address, telephone number, and contact name at your current Trustee/Custodian.
2. Sterling will mail the original, completed Transfer/Rollover Form via First Class mail. If you wish the form be sent by other means, you will need to indicate it in the "Special Delivery" box.

Section II:

From the options provided, please select the action you want to occur in the transfer of your account. You will need to mark "Full (Compete)" if you wish to transfer your entire account to Sterling. If only a partial transfer is desired, you will need to mark "Partial."

Tips:

- "Liquidate" means that the asset(s) will be sold and the proceeds sent to Sterling.
- An "In-Kind" transfer means that the asset(s) will not be sold, but the ownership will simply change to your Sterling Roth IRA.
- If only a partial transfer of certain asset(s) is desired, please list all assets to be liquidated or transferred in-kind in the spaces provided as well as mark the appropriate box. A copy of a recent statement (dated within 6 months) from your current trustee/custodian is required.

Section III:

You will need to select how you wish for your funds to be returned to Sterling.

Section IV:

Sign and date the **Transfer Form** in the space provided. Also, you will need to indicate the type of account you have with Sterling. Please contact your current trustee/custodian to inquire if they require your signature to be guaranteed. If your current trustee/custodian requires a signature guarantee, one should be obtained from an authorized member of the **Securities Transfer Agents Medallion Program (STAMP)**. Check with your local bank or broker/dealer to see if they offer this service and are members of STAMP. **Note: a notary public is not acceptable.**

Other Information:

- ➔ Send the completed **Transfer Form** along with a copy of your most recent statement to Sterling. If you do not have an IRA already established with Sterling, a completed **Individual Retirement Custodial Account Agreement** and payment of your fees must accompany this **Transfer Form**.
- ➔ If you are transferring in-kind private equity, private debt, or real estate, you will need to complete the appropriate checklist located at www.SterlingTrustCompany.com.
- ➔ If the **Transfer Form** is complete, Sterling will sign the letter of acceptance and mail the request to your current trustee/custodian. If the **Transfer Form** is missing required information, it will be returned to the accountholder to be completed.
- ➔ If you request to send the **Transfer Form** via overnight but do not include a physical address, Sterling will send the **Transfer Form** via First Class mail to the address provided.
- ➔ Please note that some transfers may take two weeks to several months to complete. Sterling will follow up on the request until the transfer has been completed or finalized.
- ➔ If your current trustee/custodian sends any additional paperwork to you to complete, please do so promptly and return it to them. In addition, please send a copy of this paperwork to Sterling.
- ➔ If you are transferring a Brokerage IRA and wish to transfer as cash, you will need to liquidate the appropriate assets prior to completing and submitting the **Transfer Form**.



ROTH IRA TRANSFER REQUEST FORM

(Sterling Trust Company is Non-ACAT eligible)

IRA Services
 P.O. Box 2526, Waco, TX 76702
 7901 Fish Pond Rd., Waco, TX 76710
 Phone: 800.955.3434
 Fax: 254.751.0872
 IRAServices@uwbank.com
 www.SterlingTrustCompany.com

Please complete Sections I, II, III, and IV

Section I: Roth IRA Transfer

****Please note****

- If you are transferring an annuity, you may incur surrender/penalty charges. These charges may be deducted and are authorized by my signature below. The original policy or a statement of loss is attached.
- If you are transferring in-kind private equity, private debt, or real estate, you will need to complete the appropriate checklist located at www.SterlingTrustCompany.com.
- If you are transferring a Brokerage IRA and wish to transfer as cash, you will need to liquidate the appropriate assets prior to completing and submitting the **Transfer Form**.

Name (Your name as it appears at the present Trustee/Custodian)	Social Security Number
Name of Present Trustee or Custodian	Account Number at present Trustee/Custodian
Physical Address Required —Address for mailing or delivering this Transfer Request (check with your present Trustee/Custodian)	City, State, Zip Code
Telephone Number (please include the area code)	Contact Name

Special Delivery

Sterling Trust will mail this original, completed Transfer/Rollover request to your resigning Trustee/Custodian by First Class mail unless otherwise indicated. If the following is not completed properly, the Transfer/Rollover request will be sent via First Class mail.

Check enclosed for \$25.00 to send Transfer via overnight.

Use attached pre-addressed airbill.

Send overnight via: ___DHL ___FedEx ___UPS

3rd Party Billing #

Section II: Transfer of existing account [choose either "Full (Complete)" or "Partial"]

- Full (Complete) (Please choose one of the following):
- ___ Transfer my entire account IN-KIND (Change of ownership only. Any money market fund must be liquidated and transferred as cash.)
 Current statement less than 6 months old required
 - ___ Liquidate all assets and transfer as cash.
- Partial (Please choose one of the following):
- ___ Only \$ _____
 - ___ All cash in account.
 - ___ Please transfer only the assets listed below (If In-Kind, a current statement less than 6 months old is required).

QUANTITY (All, # of Shares, or \$ Amount)	DESCRIPTION OF ASSET (Name of Fund, Security, or Asset)	INSTRUCTIONS (Please check only one box per asset)
		<input type="checkbox"/> Liquidate or <input type="checkbox"/> In-Kind
		<input type="checkbox"/> Liquidate or <input type="checkbox"/> In-Kind

Section III: Instruction to Resigning Trustee/Custodian (See attached for delivery instructions.)

- I wish to have my funds wired.
- I wish to not have my funds wired or am transferring funds in-kind.
 Please send the check/re-registration as follows (check one):
- ___ First Class mail
 - ___ Overnight delivery and charge my account the overnight fee.
 - ___ Overnight delivery via: ___DHL ___Fed EX ___UPS
- 3rd Party billing number

Section IV: Accountholder Signature

This transfer of assets is to be executed from fiduciary to fiduciary in such a manner that will not place me in actual or constructive receipt of all or any part of my asset. Further, I understand that Sterling will accept the transfer of the account as referenced above.

Accountholder Signature	Date	Sterling IRA No.

Signature Guarantee (Affix Medallion Stamp)

Your resigning trustee/custodian may require your signature be guaranteed by a Medallion Program member.

Type of account with Sterling: Roth Beneficiary Roth

Section V: Acceptance by Sterling Trust

Sterling Trust Company has entered into an Individual Retirement Custodian Agreement with the person named above, and Sterling Trust Company, as Custodian of such account, agrees and does hereby accept transfer of the assets described above to such account.

By: <input style="width: 90%; height: 25px;" type="text"/>	Date: <input style="width: 80%; height: 25px;" type="text"/>
Sterling Trust Company Authorized Signatory	



HOW TO CONVERT YOUR TRADITIONAL IRA TO A STERLING ROTH IRA

Sterling Trust Company
P.O. Box 2526, Waco, TX 76702
7901 Fish Pond Rd., Waco, TX 76710
800.955.3434
iraservices@uwbank.com
www.sterlingtrustcompany.com

Follow the easy steps under **Option 1, 2, 3, or 4 . . .**

Option 1: If you have an existing Sterling Traditional IRA and an existing Sterling Roth IRA, choose this option.

- Complete and sign the *IRA Distribution Request for Conversion from a Sterling Traditional IRA to a Sterling Roth IRA* form on **pages 32–33**.

Fees incurred: \$25 per asset that is converted

Option 2: If you have an existing Sterling Traditional IRA but currently do not have a Sterling Roth IRA, choose this option.

1. Complete and sign the *Individual Retirement Custodial Account Agreement for Traditional, Roth, Rollover or SEP IRAs* on **pages 7–11**.
2. Complete and sign the *IRA Distribution Request for Conversion from a Sterling Traditional IRA to a Sterling Roth IRA* form on **pages 32–33**.
3. Please include a check for your new Sterling Roth IRA fee if you have not elected to have this withdrawn from available cash in your account.

Fees incurred: Precious Metals IRA - \$75 ~ Basic IRA - \$90 ~ Flex IRA - \$100 new account fees unless otherwise specified in your Account Agreement. (See Sterling's Fee Schedule in the IRA Application Kit for Traditional, Roth, Rollover or SEP IRAs or your *Individual Retirement Custodial Account Agreement*.)

Option 3: If you have a Sterling Roth IRA but do not have a Sterling Traditional IRA, choose this option.

Example: You rollover money into a new Sterling Traditional IRA and convert to an existing Sterling Roth IRA.

1. Complete and sign the *Individual Retirement Custodial Account Agreement for Traditional, Roth, Rollover or SEP IRAs* on **pages 7–11**.
2. Complete and sign the *IRA Distribution Request for Conversion from a Sterling Traditional IRA to a Sterling Roth IRA* form on **pages 32–33**.
3. Please include a check for your new Sterling Traditional IRA fee if you have not elected to have this withdrawn from available cash in your account.

Fees incurred: Precious Metals IRA - \$75 ~ Basic IRA - \$90 ~ Flex IRA - \$100 new account fees unless otherwise specified in your Account Agreement. (See Sterling's Fee Schedule in the IRA Application Kit for Traditional, Roth, Rollover or SEP IRAs or your *Individual Retirement Custodial Account Agreement*.)

Option 4: If you do not have a Sterling Traditional IRA or Sterling Roth IRA, choose this option.

1. If you choose to convert your entire Traditional Sterling IRA and close your Sterling Traditional IRA upon conversion, see letter "a." If you choose to maintain both your Sterling Traditional IRA and your Sterling Roth IRA, see letter "b."
 - a. In addition to Numbers 2 and 3, you will need to complete the IRA Application Kit for Traditional, Roth, Rollover or SEP IRAs and select both "Traditional" and "Roth" in Section 3, "Select Type of IRA," on the *Individual Retirement Custodial Account Agreement*. Also, you will need to include a letter of instruction explaining your actions.
 - b. In addition to Numbers 2 and 3, you will need to complete two separate IRA Application Kits for Traditional, Roth, Rollover or SEP IRAs. On one set of documents, you will need to select "Traditional" in Section 3, "Select Type of IRA," on the *Individual Retirement Custodial Account Agreement* to establish your Traditional IRA. On the second set of documents, you will need to select "Roth" in Section 3, "Select Type of IRA," on the *Individual Retirement Custodial Account Agreement* to establish your Roth IRA.
2. Complete and sign the *IRA Distribution Request for Conversion from a Sterling Traditional IRA to a Sterling Roth IRA* form on **pages 32–33**.
3. Please include a check for your new Sterling Traditional IRA and Sterling Roth IRA fee if you have not elected to have this withdrawn from available cash in your account.

Fees incurred: Precious Metals IRA - \$25 ~ Basic IRA - \$25 ~ Flex IRA - \$25 Set-up Fee for the Traditional IRA unless otherwise specified in your *Individual Retirement Custodial Account Agreement*.

Precious Metals IRA - \$75 ~ Basic IRA - \$90 ~ Flex IRA - \$100 new account fees unless otherwise specified in your *Individual Retirement Custodial Account Agreement*. (See Sterling's *IRA Fee Schedule* in the IRA Application Kit for Traditional, Roth, Rollover or SEP IRAs or your *Individual Retirement Custodial Account Agreement*.)

(Continued on next page)

HOW TO CONVERT YOUR TRADITIONAL IRA TO A STERLING ROTH IRA *(Continued)*

Submit the above forms to Sterling Trust Company as follows:

By mail: Sterling Trust Company
P.O. Box 2526
Waco, TX 76702-2526

By overnight: Sterling Trust Company
7901 Fish Pond Road
Waco, TX 76710

Additional Information

- Because conversions are a taxable event, we are required to file the **IRS Form 1099-R** on January 31 of the year following the year in which the distribution takes place. The cash and/or assets which are converted into your Roth IRA will be filed on **IRS Form 5498** on May 31 of the year following the year in which the rollover takes place.
- If you are only converting part of your **Sterling IRA** assets to an existing **Sterling Roth IRA**, we will be required to re-register the asset with the investment sponsor to reflect your new **Roth** account number. You will be responsible for a \$25 per asset re-registration fee which may be deducted from available cash in your account (if any), or you will need to remit a check payable to Sterling Trust before your conversion will be processed.
- If you have an existing **Traditional IRA** and **Roth IRA** with Sterling and are converting the entire **Traditional IRA** to your **Roth IRA**, there will be a \$25 re-registration fee per asset. You will not need to complete an **Individual Retirement Custodial Account Agreement for Traditional, Roth, Rollover or SEP IRAs** to establish a **Roth Custodial Account** or provide the new account fee.
- If you are 70½ years or older, you must withdraw your Required Minimum Distribution (RMD) before converting to a **Roth IRA**.

Revised 2/22/2008/SHmd



IRA DISTRIBUTION REQUEST FOR CONVERSION FROM A STERLING TRADITIONAL IRA TO A STERLING ROTH IRA

IRA Services

P.O. Box 2526, Waco, TX 76702
7901 Fish Pond Rd., Waco, TX 76710
Phone: 800.955.3434
Fax: 254.751.0872
IRAServices@uwbank.com
www.SterlingTrustCompany.com

Account Name Sterling IRA Account

Address Date of Birth - -

Social Sec # - -

1. This distribution will be: Premature (under age 59½) Normal (age 59½ or older)
2. This will be a total GROSS or partial GROSS conversion of my Traditional Sterling IRA to my Roth IRA A/C # .

- You will need to include your Roth Custodial Account Agreement and a check for the new account fee (see your appropriate fee schedule or your Account Agreement if you do not currently have a Roth IRA.)
- You will need to include your fee in the amount of \$25.00 per asset if you are requesting a partial transfer from an existing Traditional IRA to an existing Roth IRA.

3. The assets to be converted to my Roth IRA are:

<i>Name of Asset</i>	<i>Number of Shares/Units</i>	<i>Approximate Value</i>
<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	\$ <input type="text"/>

4. **Withholding Election:** Distributions from your self-directed Sterling Individual Retirement Account (IRA) are subject to federal income tax withholding and may be subject to state income tax withholding unless you elect not to have withholding apply. Unless you elect otherwise, federal (and state, if applicable) income tax must be withheld from your IRA distributions.

You may elect not to have withholding apply to your distribution(s) by selecting the appropriate statement in the Tax Withholding Election section below, signing this form, and returning it to Sterling.

Failure to complete the withholding section below will result in the automatic withholding of federal (and state, if applicable) income tax. The rate of withholding will be ten percent (10%) for federal taxes. The rate of state tax withholding will be the minimum percentage rounded to the next whole dollar of state withholding required based on the chart below, if applicable. Sterling will *not* reverse any federal or state withholding should you neglect to make an election.

If you elect not to have withholding apply to your distribution(s), or if you do not have enough federal (and state, if applicable) income tax withheld from your distribution(s), you may be responsible for payment of estimated tax. You may incur penalties under estimated tax rules if your withholding and estimated tax payments are not sufficient. Please review the withholding notice below prior to making this election. For federal income tax withholding information, please see Publication 505, Tax Withholding and Estimated Tax, available from www.irs.gov or most IRS offices.

NOTICE OF FEDERAL WITHHOLDING ON DISTRIBUTIONS FROM IRAS: The distributions you receive from your Individual Retirement Account are subject to Federal Income Tax Withholding unless you elect not to have the withholding apply. You may elect not to have withholding apply by checking the appropriate box and signing and dating the election above. If you elect not to have withholding apply to your distribution, or if you do not have enough Federal Income Tax withheld from your distribution, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

FEDERAL WITHHOLDING ELECTION: You must have sufficient cash for the withholding. A \$5.00 fee applies for Federal Withholding (Choose only one. If no election is chosen, Federal Income Tax will be withheld at a flat 10% rate and any applicable State Tax will be withheld according to the attached State Income Tax Withholding Requirements chart.)

- I elect **NOT** to have Federal Income Tax withheld.
- I elect to have Federal Income Tax withheld at a flat 10% rate.
- I elect to have Federal Income Tax withheld in the amount of \$ which is **more than** the 10% rate.

**IRA DISTRIBUTION REQUEST FOR CONVERSION
FROM A STERLING TRADITIONAL IRA TO A STERLING ROTH IRA**

(Continued)

NOTICE OF STATE WITHHOLDING ON IRA DISTRIBUTIONS: Sterling will withhold state income tax according to the attached State Income Tax Withholding Requirements chart located below, unless otherwise instructed. (Not applicable in all states.) The chart below indicates the minimum amount to be withheld.

STATE INCOME TAX WITHHOLDING REQUIREMENTS	
State of Residence	State Income Tax Withholding is not Required
AK, AZ, FL, HI, IL, MI, NH, NV, SD, TN, TX, WA, WY	State income tax is not required. We will not withhold for these states.
AL, AR, CO, CT, GA, ID, IN, KY, LA, MD, MN, MO, MT, NE, NJ, NM, NY, ND, OH, RI, SC, UT, WI, WV	State Income Tax Withholding is Voluntary
	<ul style="list-style-type: none"> We will withhold state income tax only if you instruct us to do so. You must indicate the amount to withhold. For CO, CT, MO, & NJ amounts must be whole dollars.
CA, NC, OR, DE, VT	State Income Tax Withholding is Mandatory Where Federal Withholding Applies
	If federal tax is withheld, you cannot opt out of state withholding. We will withhold state tax as indicated below. CA - 10% of federal tax withheld DE - you must tell us the amount to withhold NC - 4% of gross distribution OR - 8% of gross distribution VT - 24% of federal tax withheld
IA, KS, ME, MA, OK	State Income Tax Withholding Is Mandatory Where Federal Withholding Applies
	We will withhold state tax as indicated below unless you indicate otherwise: IA - 5% of gross distribution KS - you must tell us the amount to withhold ME - 5% of gross distribution MA - 5.6% of gross distribution OK - 8% of gross distribution
PA, MS	State Income Tax Withholding is Mandatory on Premature Distributions or a Series of Substantially Equal Payments Under IRC § 72(T)
	We will withhold state tax as indicated below: PA - 2.8% MS - 5%
VA	State Income Tax Withholding is Mandatory on Qualified Plan Distributions Only
	We will not withhold state income tax on distributions from IRA, Roth, SEP, or Simple accounts.

STATE WITHHOLDING ELECTION (NOT APPLICABLE FOR ALL STATES): You must have sufficient cash for the withholding. A \$5.00 fee applies for State Withholding (If federal withholding is deducted from your distribution, state withholding may also apply. Amounts withheld will be rounded up to the next whole dollar.)

- I elect NOT to have state income tax withheld. (Not applicable to all states. See chart above.)
- Withhold state income tax according to the State Income Tax Withholding Requirements chart above.
- Withhold _____% of the gross distribution.
- Withhold \$ _____ of the gross distribution.

5. **Signature:** The undersigned hereby authorizes and directs Sterling to distribute funds from the Participant's Traditional Sterling IRA for the purpose of converting to a Sterling Roth IRA. The undersigned hereby certifies that this distribution is being requested for the reason described above and acknowledges review of the **Notice of Withholding on Distributions from IRAs** appearing below. Sterling may rely on the certification without further investigation or inquiry and shall incur no liability for this distribution request or its processing.

Participant's Signature

Date

frmt 9-22-08-md 3/10/2008/SHmd



INVESTMENT DIRECTION AUTHORIZATION FOR PUBLICLY-OFFERED INVESTMENTS ONLY

IRA Services

P.O. Box 2526, Waco, TX 76702
 7901 Fish Pond Rd., Waco, TX 76710
 Phone: 800.955.3434
 Fax: 254.751.0872
 IRAServices@uwbank.com
 www.SterlingTrustCompany.com

Important! Read before completing this form:

You may use this form if you wish to instruct Sterling Trust Company to process purchases, liquidations, or exchanges of publicly-offered investments within your Sterling Trust account. Such investments include mutual funds, annuities, public limited partnerships, bank certificates of deposit (CDs), or other publicly-offered investments. Public stocks must be bought and sold through a brokerage account established in the name of "Sterling Trust Company, Custodian FBO Accountholder Name, (IRA account #)." Please refer to the Processing Checklist for Publicly-Offered Investments for more information.

Please do not use this form to authorize investment transactions in private stocks, private limited partnerships, private LLCs, promissory notes, trust deeds, real estate contracts, real estate, or other privately-offered or nonstandard assets.

Accountholder Name

Sterling Trust Account Number

Instructions: Many investments have similar names. Please list the full name of the investment(s); do not abbreviate. Be sure to include share class for mutual fund purchases and bank's name, phone number, rate and term for CD purchases. You may photocopy this form if additional copies are needed. By signing this form, you or your Designated Representative authorize Sterling Trust to process the following transaction(s):

Purchase: *For new purchases, be sure to provide the proper (non-IRA) investment application(s). Only broker dealer information (if any) should be completed prior to Sterling Trust's receipt.*

<i>Investment Name</i>		<i>Amount</i>
<input style="width: 95%;" type="text"/>	\$	<input style="width: 95%;" type="text"/>
<input style="width: 95%;" type="text"/>	\$	<input style="width: 95%;" type="text"/>
<input style="width: 95%;" type="text"/>	\$	<input style="width: 95%;" type="text"/>

Special Instructions:

Liquidate:

<i>Investment Name</i>	<i>Shares</i>	OR	<i>Dollars</i>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	\$	<input style="width: 95%;" type="text"/>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	\$	<input style="width: 95%;" type="text"/>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	\$	<input style="width: 95%;" type="text"/>

Exchange:

	<i>Investment Name</i>	<i>Shares</i>	OR	<i>Dollars</i>
From:	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	\$	<input style="width: 95%;" type="text"/>
To:	<input style="width: 95%;" type="text"/>			
From:	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	\$	<input style="width: 95%;" type="text"/>
To:	<input style="width: 95%;" type="text"/>			
From:	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	\$	<input style="width: 95%;" type="text"/>
To:	<input style="width: 95%;" type="text"/>			

Acknowledgment and Signature:

I verify that I have received and read all pertinent information relating to the above investment(s), including the prospectus and any other offering documents. I understand that Sterling Trust Company has not rendered any investment advice nor commented on the prudence, viability, suitability, or merits of any investment. I further agree to indemnify and hold Sterling Trust Company harmless for any and all costs, obligations, losses, claims, damages and expenses resulting from this authorization. I understand that, except to the extent of the cash which is invested in the United Western Bank NOW Account (which is FDIC insured), or directed into other FDIC-insured bank products, investments held within my Account are not FDIC-insured, nor are any amounts in my Account guaranteed by Sterling, and such investments may lose value.

Signature:
 Accountholder or Representative

Date: - -

Daytime Phone: - -

Fax: - -

frmt 9/23/2008/md



PERSONAL INFORMATION PRIVACY PROTECTION POLICY

At Sterling Trust Company, protecting your privacy and the confidentiality of your personal information is important to us. We value your business and the trust you put in us, and to offer you the financial products and services you seek, we collect, maintain and use information about you. To help you better understand how your personal information is protected at Sterling Trust Company, we are providing you with the following statement describing our practices and policies with respect to the privacy of your customer information. In the event you terminate your customer relationship with us, or become an inactive customer, we will continue to adhere to the policies and practices described in this notice.

Information We Collect About You

As your trusted financial institution, we collect, retain and use nonpublic personal information about individual current and former customers to provide products and services to our customers. We may collect the following categories of nonpublic personal information about you:

- Information we receive from you, through applications for our products or services or other forms; and
- Information about your transactions with us, our affiliates or with nonaffiliated third parties.

Information We Disclose About You and To Whom

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.

Information We Share

Sterling Trust Company does not disclose nonpublic personal information about you to any affiliated or unaffiliated third parties, unless required by law.

Please note: Sterling Trust Company will continue to contact its individual customers with offers for its own products and services. You will continue to receive marketing messages via your statement, as well as direct marketing solicitations.

We Protect Your Information

The protection of your nonpublic personal information is of utmost importance to us. That's why Sterling Trust Company maintains strict practices and procedures to safeguard your privacy in accordance with this privacy policy. We restrict employee access to customer information to only those who have a business reason to know such information, and we educate our employees about the importance of confidentiality and customer privacy.

How to File a Complaint

Sterling Trust Company is chartered under the laws of the State of Texas and by state law is subject to regulatory oversight by the Texas Department of Banking. Any consumer wishing to file a

complaint against Sterling Trust Company should contact the Texas Department of Banking through one of the means indicated below:

In Person or U.S. Mail: 2601 North Lamar Blvd; Suite 300
Austin, Texas 78705-4294
Telephone Number: 877.276.5554
Fax Number: 512.475.1313
Email: consumer.complaints@banking.state.tx.us
Website: www.banking.state.tx.us

We appreciate the opportunity to serve your financial needs. We pledge to follow the policies, safeguards and guidelines as described in this notice, and to protect the confidentiality of your information. Your relationship is very important to us, and we will take great care to honor these commitments to you. Thank you for choosing Sterling Trust Company.

This notice applies only to nonpublic personal information about individuals who obtain financial products or services primarily for personal, family or household purposes.

Sterling Trust Company reserves the right to change any of its privacy policies and related procedures at any time, in accordance with applicable federal and state laws. You will receive appropriate notice if our Privacy Policy changes.

Sterling Trust Company is a wholly-owned subsidiary of United Western Bancorp, Inc. ("UWBK"). The UWBK group of companies includes:

United Western Bank	Community Development Funding I, LLC
Matrix Tower Holdings, LLC	Charter Facilities Holding Corp.
Matrix Financial Services Corporation	Charter Facilities Funding, LLC
Matrix Insurance Services Corporation	Charter Facilities Funding I, LLC
Matrix Bancorp Trading, Inc.	Charter Facilities Funding II, LLC
First Matrix Investment Services Corp.	Charter Facilities Funding III, LLC
First Matrix LLC	Charter Facilities Funding IV, LLC
Matrix Funding Corp.	Charter Facilities Funding V, LLC
UW Asset Corp.	Charter Facilities Funding VI, LLC
The Vintage Group, Inc.	Charter Facilities Funding VII, LLC
Vintage Delaware Holdings, Inc.	Charter Facilities Funding VIII, LLC
Sterling Trust Company	Charter Facilities Funding IX, LLC
MSCS Ventures, Inc.	Charter Facilities Funding X, LLC
Equi-Mor Holdings, Inc.	Matrix Bancorp Capital Trust I, II, III, IV, V & VI, VIII
New Century Academy Property Management Group, LLC	UWBK Colorado Fund, LLC
UWBK Management Fund, Inc.	

For More Information

If you have any questions regarding our Personal Information Privacy Protection Policy, or would like to receive a copy of this Policy, please call us toll-free at 800.955.3434 or visit our Internet site at www.sterlingtrustcompany.com.

Policy Revised: September 2004
Subsidiary Listing Revised: June 30, 2007