Roth

IRA

Roth Individual Retirement Account

and Disclosure Statement

IRS Form 5305-RA (Custodial)

Congratulations

By establishing a Roth IRA, you have taken an important step toward saving taxes and building a more secure future for your retirement. Contributions to a Roth IRA are not deductible, and, therefore, are not taxable when distributed. In addition, if the funds are distributed in a “qualified distribution,” the entire distribution is tax-free; therefore, the earnings on the Roth IRA are generally tax-free.

You do not have to contribute every year. However, we urge you to make additional contributions. Remember, your Roth IRA means real tax savings to you — the more you deposit, the more money you’ll have for your retirement.

This booklet, containing your Roth IRA Custodial Agreement and Disclosure Statement, is yours to keep. Please read it over carefully to understand the rules relating to your Roth IRA.

Thank you for allowing us to maintain your Roth IRA. We’re here to help you in any way we can. If you have any questions, or if we can assist you on any other matter, please let us know.

Application to Participate

This Roth IRA booklet contains two copies of the Application to Participate (printed on carbonless paper). The top copy is perforated, and after completion, is removed for the organization's files. The duplicate copy remains as a permanent part of this booklet for your records.

The Application is used to record all of the participant information necessary to establish the Roth IRA. It is important that all of the information be completed.

Roth IRA Custodial Agreement

This is the legal document that defines the Internal Revenue Service’s rules and regulations for Roth IRAs. The Custodial Agreement, together with a fully completed Application to Participate, establishes your Roth IRA with our organization.

Disclosure Statement

The Disclosure Statement is a nontechnical description of the rules governing this Roth IRA. It is easy to understand, because it’s written in layman’s language. Explanations are separated by headings that help you locate specific rules and regulations.

Roth IRA

APPLICATION TO PARTICIPATE

Roth IRA Owner Information

Check if Amendment ▶ ☐

Name ________ Social Security Number ________ Date of Birth ________

Address ________ Home Phone Number ________ Daytime Phone Number ________

City/State/Zip ________ Sex (Male or Female) ________ E-mail Address ________

Deposit Information

Type of Deposit: ☐ Regular or Spousal, for tax year __________ ☐ Rollover from a Roth IRA ☐ Recharacterization

☐ Transfer from a Roth IRA ☐ Conversion

Amount of Deposit: $ ___________________________

Beneficiary Information

Primary Beneficiary

Name ________ Relationship ________

Social Security Number/Tax I.D. Number ________ Date of Birth ________

Address ________

City/State/Zip ________

☐ **Primary Beneficiary** ☐ **Contingent Beneficiary**

Name ________ Relationship ________

Social Security Number/Tax I.D. Number ________ Date of Birth ________

Address ________

City/State/Zip ________

☐ **Primary Beneficiary** ☐ **Contingent Beneficiary**

Name ________ Relationship ________

Social Security Number/Tax I.D. Number ________ Date of Birth ________

Address ________

City/State/Zip ________

☐ **Primary Beneficiary** ☐ **Contingent Beneficiary**

Name ________ Relationship ________

Social Security Number/Tax I.D. Number ________ Date of Birth ________

Address ________

City/State/Zip ________

I, the undersigned Roth IRA Owner, hereby designate the above as my beneficiary(ies). If primary or contingent is not indicated, primary will be assumed. Unless otherwise requested herein, each payment made pursuant to this designation: (a) shall be paid in equal shares to the primary beneficiary(ies) who are living at the time of my death; or (b) if no primary beneficiary(ies) shall be living at the time of my death, such payment shall be made in equal shares to the contingent beneficiary(ies) who are then living. I have the right to change this designation at any time.

Revocation

This Roth IRA may be revoked within seven days of the date of its establishment. See the Disclosure Statement for more information. Such revocation may be made only by written notice mailed or delivered to:

Name of Financial Organization ________

Address ________

City/State/Zip ________

Contact Person ________ Phone Number ________

Name and Address of Custodian

Spousal consent (for use in community or marital property states)

I agree to my spouse's naming a primary beneficiary other than myself. I transfer (transmute) any community property interest I have in this Roth IRA into the separate property of my spouse. I agree to seek the advice of a legal or tax professional, as needed.

Signature of Spouse ________ Date ________

Adoption and Acknowledgement

This Application to Participate is made part of the Roth Individual Retirement Account. I acknowledge receipt of the Roth IRA Agreement establishing my Roth IRA, the Disclosure Statement, and a copy of this Application to Participate. I certify that, to the best of my knowledge, the information provided on this form is true and correct and it may be relied on by the Custodian. I agree to seek the advice of a legal or tax professional, as needed. The Custodian has not provided me with any legal or tax advice, and I assume full responsibility for this transaction. I will not hold the Custodian liable for any adverse consequences that may result from this transaction.

Signature of Roth IRA Owner ________ Date ________ Signature of Custodian ________ Date ________

Office Use Only

Form 5305-RA
(March 2002)
Department of the Treasury
Internal Revenue Service

Roth Individual Retirement Custodial Account
(Under Section 408A of the Internal Revenue Code)

Do not file with the Internal Revenue Service

Introduction

The Depositor whose name appears on the Application to Participate is establishing a Roth Individual Retirement Account (Roth IRA) under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death. The Custodian named on the Application to Participate has given the Depositor the disclosure statement required by Regulations section 1.408-6. The Depositor has assigned the Custodial Account the sum indicated on the Application to Participate.

The Depositor and the Custodian make the following agreement:

ARTICLE I

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

ARTICLE II

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

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

ARTICLE III

The Depositor's interest in the balance in the Custodial Account is nonforfeitable.

ARTICLE IV

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

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

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

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

ARTICLE VII

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

ARTICLE VIII

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

ARTICLE IX

1. Spouse Beneficiary—If the Depositor dies before his or her entire interest is distributed to him or her and the Depositor's surviving spouse is the designated beneficiary, as an alternative to Article V, subparagraph 3, the surviving spouse may choose one of the options of Article V, subparagraph 1. If option (a) is chosen, such distributions may be delayed until December 31 of the year the Depositor would have attained age 70½.

2. Amendments—The Custodian has the right to amend this Custodial Agreement at any time to comply with necessary laws and regulations, without the consent of the Depositor. Such amendments may be made retroactively to comply with statutory or regulatory changes. The Custodian also has the right to amend this Custodial Agreement for any other reason. The Depositor is deemed to have automatically consented to any amendment unless the Depositor notifies the Custodian, in writing, that the Depositor does not consent to the amendment within 30 days after the Custodian mails a copy of the amendment to the Depositor.

3. Responsibilities—The Custodian shall receive all contributions, shall make distributions and pay benefits from the Custodial Account, shall file such statements or reports as may be required, and do other things as may be required of a Roth IRA custodian. If applicable, and unless otherwise specified by the Depositor, his spouse, or his beneficiaries, the Custodian, at its sole discretion, from time to time, shall cast any votes that may be attributable to the Depositor's interest under this agreement. The Custodian shall use reasonable care, skill, prudence, and diligence in the administration and investment of the Custodial Account and in executing any written instructions by the Depositor, and shall be entitled to rely on information submitted by the Depositor. The Custodian shall have no duties under this Agreement and no responsibility for the administration of the Custodial Account, except for such duties imposed by law or this agreement. The Custodian is authorized to invest all or part of the plan's assets in deposits of the financial organization acting as Custodian of this Roth IRA. The Custodian has no responsibility or duty to determine whether contributions to, or distributions from, this Roth IRA comply with the laws or regulations, or this Custodial Agreement. The Custodian is not responsible for timely paying any death distribution amount. If the Custodian fails to enforce any of the provisions of this Agreement, such failure shall not be construed as a waiver of such provisions, or of the Custodian's right thereafter to enforce each and every such provision.

4. Resignation, Removal, and Appointment of Custodian—The Custodian may resign at any time by giving 30 days prior written notice of such resignation to the Depositor. The Depositor shall fill any vacancy in the office of Custodian. If, after 30 days from notice of resignation, the Depositor does not notify the Custodian, in writing, of the appointment of a successor Custodian of the Roth IRA, the resigning Custodian has the right to appoint a successor Custodian of the Roth IRA or, at its sole discretion, the resigning Custodian may transfer the Roth IRA to a successor custodian or distribute the Roth IRA assets to the Depositor. The Custodian is authorized to reserve such funds it deems necessary to cover any fees or charges against the Roth IRA.

5. Applicable Law— This Agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this Agreement, the law of the Custodian's domicile shall govern.

6. Severability— If any part of this Agreement is held to be unenforceable or invalid, the remaining parts shall not be affected. The remaining parts shall be enforceable and valid as if any unenforceable or invalid parts were not contained herein.

General Instructions

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

Purpose of Form

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

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

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

Definitions

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

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

Depositor. The Depositor is the person who establishes the Custodial Account.

Specific Instructions

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

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

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

Roth IRA Custodial Disclosure Statement

Introduction

This disclosure statement describes the statutory and regulatory provisions applicable to the operation and tax treatment of your Roth IRA. It is intended to provide you with a clear explanation of the rules governing your Roth IRA. Please review the disclosure carefully.

Because of the complexity of the rules, you should consult with your tax advisor if you have any questions regarding this material. Further information concerning your Roth IRA can be obtained from any district office of the Internal Revenue Service (IRS).

Revocation of Account

Procedure. IRS regulations require that this disclosure statement be given to you at least seven days before the account is established, or on the date the account is established if you may revoke the account within at least seven days after it is established. The Roth IRA described in this statement provides for delivery of the required disclosure statement at the time the Roth IRA is established. Accordingly, you are entitled to revoke your Roth IRA for any reason within seven days after the date it is established. Such revocation may be made only by written notice mailed or delivered to the person and the Organization at the address indicated on your Application to Participate. If mailed, your revocation notice shall be deemed mailed on the date of the postmark if deposited in the mail in the United States in an envelope or other appropriate wrapper with first-class postage prepaid. If sent by registered or certified mail, the date of registration or certification will be the date on which it is deemed mailed. Upon revocation within the seven-day period, you are entitled to a return of the entire amount paid into your Roth IRA without adjustment for administrative expenses, penalties, commissions, or fluctuations in market value.

If you have any questions about revoking your Roth IRA, please call the Custodian's contact person at the phone number on your Application to Participate.

Qualifications

The Roth IRA. A Custodial Roth IRA is a Custodial account organized in the United States that allows certain eligible individuals to accumulate funds for retirement under favorable tax conditions. Contributions to a Roth IRA are not deductible, but if the funds are distributed in a "qualified distribution," they are tax-free; therefore, the earnings on the Roth IRA are generally tax-free.

Qualified Custodial Account. This Roth IRA Custodial Account uses the precise language of Form 5305-RA provided by the Internal Revenue Service (including any additional language permitted by such form) and is treated as approved. IRS approval represents a determination as to form and not to the merits thereof.

Contributions

All contributions (other than certain rollover, recharacterization, or conversion contributions) must be made in cash and are subject to the following limitations:

Regular. Contributions to a Roth IRA (except for rollovers, recharacterizations, or conversions) cannot exceed the amount of compensation includible in gross income for the tax year or the applicable dollar amount (defined below), whichever is less. If your adjusted gross income (AGI) is below a certain level, you may contribute the maximum amount. However, if your AGI is above a specified level, the dollar limit of the contribution you make to your Roth IRA may be reduced or eliminated.

If you are single, and your adjusted gross income (AGI) is $110,000* or more ($160,000* or more if married and filing jointly, or $10,000* or more if married and filing separately) you are not eligible to contribute to a Roth IRA.

Contributions to a Roth IRA are aggregated with Traditional IRA contributions for the purpose of the annual contribution limit. Therefore, you may contribute up to the lesser of the applicable dollar limit or 100% of earned income per year to a Traditional IRA and a Roth IRA combined.

Applicable Dollar Amount. The applicable dollar amount is higher if you are at least age 50 on December 31 of the year for which you are contributing. After 2008, the applicable dollar amount may be increased due to cost-of-living adjustments. The applicable dollar amounts are:

Year	Under Age 50	Age 50 or older	Year	Under Age 50	Age 50 or older
2006	$4,000	$5,000	2009 and later	$5,000*	$6,000*
2007	$4,000	$5,000			
2008	$5,000	$6,000			

* Subject to cost-of-living adjustments

Spousal. You may make spousal Roth IRA contributions for a year, if: 1) your spouse has "compensation" that is includible in gross income for such year; 2) you have less compensation than your spouse for such year; and 3) you file a joint federal income tax return for such year.

If you are the higher compensated spouse, your contribution must be made in accordance with the regular contribution rules above. If you are the lower compensated spouse, your contribution may not exceed the lesser of the applicable dollar limit (defined earlier) or 100% of the combined compensation of you and your spouse, reduced by the amount of your spouse's IRA contribution.

Contributions for your spouse must be made to a separate Roth IRA established by your spouse as the depositor or grantor of his or her own Roth IRA and your spouse becomes subject to all of the privileges, rules, and restrictions generally applicable to Roth IRAs. This includes conditions of eligibility for distribution; designation of beneficiaries and distribution in the event of your spouse's death; tax treatment of withdrawals and distributions.

No Maximum Age Limit. There is no maximum age limit for making a Roth IRA contribution. Attainment of age 70½ does not prevent you from contributing to a Roth IRA.

April 15 Funding Deadline. Contributions to a Roth IRA for the previous tax year must be made by the tax-filing deadline (not including extensions) for filing your federal income tax return. If you are a calendar-year taxpayer, your deadline is usually April 15. If April 15 falls on a Saturday, Sunday, or legal holiday, the deadline is the following business day.

Lower Contribution Limits. To determine the maximum contribution to a Roth IRA if your AGI is between $95,000* and $110,000* (between $150,000* and $160,000* if married, filing jointly or between $0 and $10,000 if married, filing separately), the following steps must be taken:

(a) Subtract your AGI from $110,000* ($160,000* if married, filing jointly; $10,000 if married, filing separately).

(b) Multiply the result in Step 'a' by the applicable dollar amount divided by $15,000 ($10,000 if married).

(c) If the result in Step 'b' is not a multiple of $10, round up to the next multiple of $10.

(d) The result in Step 'c' is your allowable contribution limit. If it is more than $0, but less than $200, your allowable contribution limit is $200.

However, if you are a single taxpayer and your AGI is $110,000* or above ($160,000* or above if married and filing jointly, or $10,000 or above if married and filing separately), you are not permitted to make a Roth IRA contribution for the year. For this purpose, a deductible Traditional IRA contribution is not allowed as a deduction in computing AGI, and any amount of a rollover/conversion from a Traditional IRA to a Roth IRA is not taken into account.

* Subject to cost-of-living adjustments.

Individuals Eligible to Make Contributions. Any individual who has compensation, defined to include salaries, wages, taxable alimony, professional fees, self-employment income and other income for personal services included in gross income, may contribute to a Roth IRA under this plan. This includes an individual who is age 70½ or older. This also includes an individual who is a participant in a workplace retirement plan (WRP). U.S. military personnel whose taxable compensation is reduced because of pay exclusions for combat service may use such excluded pay for the purpose of making a Roth IRA contribution. Income from property, such as dividends, interest, or rent, does not qualify as compensation under the plan.

Tax Credits for Roth IRA Contributions. If you are age 18 or over, and you are not a full-time student or claimed as a dependent on another taxpayer's return, you may be eligible for a nonrefundable tax credit for a Roth IRA contribution. The credit, which ranges from 10% to 50% of the Roth IRA contribution (up to $2,000), is based on your AGI and tax-filing status. The amount of any contribution eligible for the credit is reduced by taxable distributions you or your spouse received from IRAs or qualified retirement plans during the taxable year for which the credit is claimed, the two taxable years prior to the year the credit is claimed, and during the period after the end of the taxable year and prior to the due date for filing your tax return for the year. In the case of a distribution from a Roth IRA, this rule applies to any such distribution, whether taxable or not.

Recharacterization of Contributions. Generally, if you make a contribution to a Traditional IRA or to a Roth IRA, you may transfer (recharacterize) the contribution plus net income attributable to a Roth IRA or to a Traditional IRA by the applicable date (generally October 15 of the year following the year for which the contribution was made). Such a contribution is treated as though it were made to the receiving plan, and not the original plan.

Employees of Bankrupt Employers. If you participated in a 401(k) plan and your employer is now bankrupt, you may be able to make special catch-up contributions of up to $3,000 per year to your Roth IRA for 2007 through 2009. Specific requirements apply, including an indictment or conviction resulting from business transactions related to the bankruptcy. Additionally, if you make special catch-up contributions, you may not also make the regular catch-up Roth IRA contributions that are generally available to individuals age 50 or older.

Converting to a Roth IRA

You may be allowed to "convert" your IRA (other than a Roth IRA) to a Roth IRA. The conversion amount is subject to federal income taxation (but no 10% penalty tax).

$100,000 AGI Limit for Conversions before 2010. For years before 2010, if you are a single taxpayer, or a married individual who files jointly, you may convert your IRAs to Roth IRAs if your AGI, with certain modifications, is $100,000 or less. If you are a single taxpayer (or a married individual who files jointly) with AGI of more than $100,000, you may not convert your

IRAs to Roth IRAs. Also, if you are a taxpayer who is married, but files separately, you may not convert your IRAs to Roth IRAs regardless of AGI. However, beginning in 2010, the $100,000 AGI limit for conversions is eliminated and married taxpayers filing a separate return are permitted to convert.

Taxation of Conversion. The taxable portion of the IRA distribution is included in your income for the year in which the IRA distribution is received, but the amount is not subject to the IRS 10% early distribution penalty. For conversions in 2010, unless you elect otherwise, none of the income from the conversion is included in income in 2010; instead, half of the income resulting from the conversion is includible in income in 2011 and the other half in 2012.

Beginning in 2008, you may be eligible to convert funds from your WRP (other than a Roth 401(k) or Roth 403(b)) directly to your Roth IRA without first rolling over the funds to a Traditional IRA.

Other Conversion Rules. The one-rollover-per-year rule does not apply to the distribution from the Traditional IRA that is converted to a Roth IRA (i.e., if you already rolled over one distribution from a Traditional IRA to another Traditional IRA within 365 days, you may still roll over to a Roth IRA). You may convert all or part of your Traditional IRA to a Roth IRA. The one-rollover-per-year rule does apply to rollovers from a Roth IRA to a Roth IRA.

The 60-day rollover rule does apply to a distribution from a Traditional IRA or a Roth IRA that is converted or rolled over to a Roth IRA. Amounts converted or rolled over do not count towards the annual Roth IRA contribution limit.

If you are under age 59½ and withdraw any converted amount that was taxable when converted within the five-year period that begins with the taxable year in which the rollover contribution was made, the IRS 10% early distribution penalty would apply, unless a specific exception to the penalty (such as disability, excessive medical expenses, first-home purchase, etc.) applies.

Rollover Contributions

Introduction. You may be able to roll over a distribution from a Roth IRA or from a designated Roth Account (i.e., a Roth 401(k) or Roth 403(b)) by depositing the amount within 60 days of receipt of the distribution (unless an exception applies) in a Roth IRA. Since penalties may apply if ineligible amounts are rolled over, you should consult with a tax advisor if you have any questions.

Roth IRA-to-Roth IRA Rollovers. You may withdraw all or any portion of the assets from one Roth IRA (including this one) and roll over all or any part of these assets to a Roth IRA. If the withdrawal includes property (anything other than cash), the actual property received may generally be rolled over. Only one rollover from one Roth IRA to another Roth IRA is allowed within any one-year period.

Transfer Incident to Divorce. As part of a divorce decree, property settlement, or agreement of legal separation, all or a portion of an individual's Roth IRA may be awarded to a spouse or former spouse. The portion awarded to the receiving spouse will be treated as a Roth IRA for such spouse.

Designated Roth Account-to-Roth IRA Rollovers. Generally, you are eligible to roll over a distribution from a designated Roth account to a Roth IRA. For the purpose of determining the taxation of subsequent Roth IRA distributions, the nontaxable portion of a designated Roth account distribution that is rolled over to a Roth IRA is treated as a regular Roth IRA contribution for distribution purposes. The taxable portion of a designated Roth account distribution that is rolled over to a Roth IRA is treated as earnings in the Roth IRA. The one-rollover-per year limitation does not, however, apply to rollovers of funds between a designated Roth account and a Roth IRA.

Distributions

Aggregation and Ordering Rules. When you take a distribution from a Roth IRA, that Roth IRA is aggregated with all your other Roth IRAs (but not Traditional IRAs) for taxation and penalty purposes.

Also, distributions from Roth IRAs are aggregated and special ordering rules are designed to determine taxation and penalties.

Distributions from Roth IRAs are treated as paid in the following order:

1. Regular and spousal Roth IRA contributions, then
2. Conversion contributions, in first-in, first-out order, (within which a distribution is treated as first being paid from funds that were includible in income as a result of the conversion, then from funds that were not includible in income as a result of the conversion (i.e., nondeductible contributions to the Traditional IRA), then
3. Earnings.

Qualified Distributions. A distribution from a Roth IRA is a qualified distribution, and therefore the earnings are tax- and penalty-free, if it is paid:

(a) After you reach age 59½, or

(b) After you are totally and permanently disabled, or

(c) To your beneficiary after your death, or

(d) To you for a first-time home purchase.

And it is paid:

After the five-taxable-year period that begins with the first taxable year for which you make any Roth IRA contribution, including a conversion from a Traditional IRA.

Nonqualified Distributions. A distribution that is not a "qualified distribution" is considered a nonqualified distribution and the earnings portion, if any, is taxable and may be subject to the IRS 10% early distribution penalty.

Taxation of the Earnings/Interest Portion of Nonqualified Distributions. To determine the taxable portion of the distribution, distributions are treated as first being paid from the accumulated contributions to the Roth IRA. Thus, Roth IRA distributions are not taxable until all of the contributions to the Roth IRA have been recovered. All of your Roth IRAs are aggregated for this purpose. Only the earnings/interest portion of a nonqualified distribution is taxable.

Distributions of Contributions are Tax- and Penalty-Free. A distribution of regular or spousal contributions in a Roth IRA is always tax- and penalty-free, regardless of whether the distribution is a qualified or nonqualified distribution.

Required Minimum Distributions. The required minimum distribution (RMD) rules do not apply to Roth IRAs prior to the Roth IRA owner's death. You are not required to take distributions from your Roth IRA. However, your beneficiaries may be required to take distributions after your death. For 2006 and 2007 only, if you are age 70½ or older, you can make a qualified charitable distribution (QCD) of otherwise taxable assets directly from your Roth IRA to a charity you designate. This special distribution rule allows you to donate up to $100,000 annually to charitable organizations completely tax-free.

Death Distribution Options. If you die before the entire interest in your Roth IRA is distributed, your beneficiary or beneficiaries may generally elect one of the following options: 1) to receive the balance in the account by December 31 of the fifth year following the year of your death (the five-year rule), or 2) to receive equal or substantially equal payments over a period not exceeding your designated beneficiary's life expectancy (the life-expectancy rule). A nonspouse beneficiary should elect one of these methods of distribution by December 31 of the year following the year of your death. Your spouse beneficiary should elect one of these methods of distribution by the earlier of (1) December 31 of the fifth year following the year of your death, or (2) December 31 of the year you would have attained age 70½. If an election is not timely made by the beneficiary, distributions will be made under the life-expectancy rule. If you do not designate a beneficiary, or if your designated beneficiary is not an individual, the Roth IRA must generally be closed using the five-year rule. However, a special rule applies if your designated beneficiary is a trust that satisfies certain conditions. In that case, the Roth IRA could be paid to the trust under the life-expectancy rule.

If distributions are made under the life-expectancy rule, they must commence by December 31 of the year following the year of your death. However, if your spouse is the beneficiary, distributions do not have to commence until December 31 of the year you would have attained age 70½, if later. If your designated beneficiary is your surviving spouse, his single life expectancy will be based on his attained age on his birthday each year. If your designated beneficiary is not your surviving spouse, his single life expectancy will be determined using his attained age on his birthday in the year following the year of your death, and reduced by one each year thereafter.

Additional Options Available to the Surviving Spouse. In addition to the options available above, your surviving spouse beneficiary may elect to treat his or her interest in your Roth IRA as his or her own Roth IRA. The result of such an election is that the surviving spouse will then be considered the owner of the Custodial Account. The election may be made by your surviving spouse redesignating the Roth IRA in his or her own name as the Roth IRA owner, rather than the beneficiary. The election will be deemed to have been made if either of the following occurs: 1) your surviving spouse does not receive a required death distribution in any calendar year following the year of your death, or 2) any additional amounts are contributed to the account by your surviving spouse.

Transactions Subject to Excise Taxes and/or Disqualification

Early Distribution Penalty. For nonqualified distributions, the IRS 10% early distribution penalty will not apply if the distribution is paid on or after the date you reach age 59½, or if one of the exceptions to the IRS 10% early distribution penalty applies. These exceptions are the same exceptions that apply to distributions from Traditional IRAs (e.g., disability, death, higher-education expenses, etc.).

Also, if you are under age 59½ and you withdraw any converted amount that was taxable when converted within the five-year period that begins with the taxable year in which the conversion contribution was made, the IRS 10% early distribution penalty would apply, unless one of the specific exceptions to the penalty applies. If you have served as a member of the military reserves, the IRS 10% early distribution penalty will not apply to qualified reservist distributions (QRDs) from your IRA. To qualify, you must have been called to active duty between September 11, 2001 and December 31, 2007 for more than 179 days, or for an indefinite period. To qualify for a QRD, you must take the distribution while on active duty. You also may redeposit a QRD within two years after the end of your active duty, or by August 17, 2008, whichever date is later.

Excess Roth Contributions. Excess contributions to a Roth IRA are subject to a 6% penalty tax unless removed (along with net income attributable) by the applicable date (generally October 15 of the year following the year for which the contribution was made). An excess contribution could occur for many reasons including, for example, if you contribute more than the applicable dollar limit or 100% of earned income, or if you are not permitted to make a Roth IRA contribution because your AGI is too high.

Prohibited Transactions. You may not engage in a prohibited transaction (within the meaning of the Internal Revenue Code section 4975) with respect to the Roth IRA.

Pledging Plan Assets Prohibited. You may not pledge the assets of this Roth IRA as security for a loan.

Borrowing Plan Assets Prohibited. You may not borrow money from this Roth IRA.

Penalty for Excess Accumulations. After you die, if the distributions described in the section titled "Death Distribution Options," do not occur within the time required by law, a penalty tax may be incurred equal to 50 percent of the difference between the amount required to be distributed and the amount actually distributed each year. The Secretary of the Treasury may waive the penalty if the inadequate distribution is due to reasonable error and reasonable steps are being taken to correct the situation.

Taxpayer Reporting for Excise Tax/Disqualification. If a transaction has occurred for which a penalty tax is imposed, such as an excess contribution or an excess accumulation, you may be required by the Internal Revenue Service to attach Form 5329 to your federal income tax return.

Investment

Investment of Contributions. Contributions under the Plan are held in a Custodial account for your exclusive benefit, or that of your surviving spouse or your beneficiaries who may include your estate, your dependents or any other persons or entities you may designate, in writing, to the Custodian. Your interest in the account is fully vested and nonforfeitable. The funds in this plan shall be invested in savings accounts, certificates of deposit, and any other investments that are, or may become, legal for the Custodian to make available for investment. The assets of the Custodial Account may not be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5) of the Internal Revenue Code). At no time may any portion of the funds be invested in life insurance contracts or collectibles. The prohibition against investment in collectibles does not apply to certain gold, silver, and platinum coins minted by the government of the United States or any state thereof, or to certain gold, silver, platinum, and palladium bullion.

Financial Disclosure

Projection of Future Balance. The balance in a Roth IRA increases as a direct result of both the level of contribution and the investment return. The tables on the next page provide a projection of the amount of money that would be available for withdrawal from your Roth IRA if a projection can be reasonably made. *These amounts are projections only and do not necessarily reflect the amounts that you could withdraw in all events at the end of each year. The rate of interest payable on the investments is subject to change for the duration of the Roth IRA and cannot be guaranteed at a constant rate.*

Time Deposit Account. If your contributions are invested in a fixed-term time deposit account, early withdrawal penalties could be imposed if your funds were withdrawn prior to the maturity of the account. The penalties would affect the amount of money that would be available if your funds were withdrawn from your Roth IRA. The tables on the next page project the accumulated balance without penalty as well as the amount of money that would be available if a 1-, 3-, or 6-month early withdrawal penalty were imposed on the entire amount withdrawn. The penalty may vary on the term of the account and the early withdrawal policy in effect at the time the account is established or renewed. You will be provided with the rules for each time deposit account in which your Roth IRA funds are invested.

Variable Rate Account. If your Roth IRA funds are invested in a variable rate account in which the rate of return is frequently adjusted, the projected value of your Roth IRA in future years cannot be reasonably made. The growth in the value of your Roth IRA is neither guaranteed nor projected. You will receive the appropriate rules for the account which state the method for computing and allocating account earnings, a description of each type of charge, and the amount thereof, that may be made against the account, and the method used in computing the penalties.

Custodial Fees. The Custodian may charge reasonable fees for administering the Custodial Account, preparing reports, keeping records, and other services. Such fees may include, but are not limited to, opening fees, administration fees, transaction fees, transfer fees, closing fees, and investment commissions. The Custodian may also charge the Custodial Account the reasonable costs of fiduciary insurance, counsel fees, and reasonable compensation for its services as Custodian. Such fees, if any, may be: 1) charged directly to and deducted from the Custodial Account, and would reduce the account value of this Roth IRA, or 2) billed directly to you. If the Custodian has a fee policy at the time this Roth IRA is established, the Custodian will provide a separate fee schedule to you. The Custodian will give you at least 30 days prior notice before imposing a new fee or changing an existing fee.

If the fee will be deducted from the Custodial Account, either Method 2 on the next page will be completed or a separate financial projection will be attached and made part of this Disclosure Statement. Method 1, on the next page, assumes that either there is no Custodial fee, or Custodial fees are billed directly to you.

Projection of Future Balance (Use Method 1 or Method 2)

Method 1

Regular Roth IRA Projection

This table has been prepared assuming that you will make level annual contributions of $1,000 on the first day of each year, with an annual percentage yield of 1%. For example, if you attain age 40 in the year you start making contributions to your Roth IRA, you will have been in the plan 21 years at the end of the year in which you attain age 60, 26 years at age 65, and 31 years at age 70. Using the assumptions stated above, you can read across the table and see that your account value without penalty would be $23,471.59 at age 60, $29,820.89 at age 65, and $36,494.07 at age 70.

Account Values

Number of Years	No Penalty	1-Month Penalty	3-Month Penalty	6-Month Penalty
1	$ 1,010.00	$ 1,009.17	$ 1,007.50	$ 1,005.00
2	$ 2,030.10	$ 2,028.43	$ 2,025.08	$ 2,020.05
3	$ 3,060.40	$ 3,057.88	$ 3,052.83	$ 3,045.25
4	$ 4,101.01	$ 4,097.62	$ 4,090.85	$ 4,080.70
5	$ 5,152.02	$ 5,147.76	$ 5,139.26	$ 5,126.51
6	$ 6,213.54	$ 6,208.41	$ 6,198.16	$ 6,182.78
7	$ 7,285.67	$ 7,279.66	$ 7,267.64	$ 7,249.60
8	$ 8,368.53	$ 8,361.62	$ 8,347.81	$ 8,327.10
9	$ 9,462.21	$ 9,454.41	$ 9,438.79	$ 9,415.37
10	$10,566.83	$10,558.12	$10,540.68	$10,514.52
11	$11,682.50	$11,672.86	$11,653.59	$11,624.67
12	$12,809.33	$12,798.76	$12,777.62	$12,745.92
13	$13,947.42	$13,935.91	$13,912.90	$13,878.37
14	$15,096.90	$15,084.44	$15,059.53	$15,022.16
15	$16,257.86	$16,244.45	$16,217.62	$16,177.38
16	$17,430.44	$17,416.06	$17,387.30	$17,344.15
17	$18,614.75	$18,599.39	$18,568.67	$18,522.60
18	$19,810.90	$19,794.55	$19,761.86	$19,712.82
19	$21,019.00	$21,001.66	$20,966.98	$20,914.95
20	$22,239.19	$22,220.84	$22,184.15	$22,129.10
21	$23,471.59	$23,452.22	$23,413.49	$23,355.39
22	$24,716.30	$24,695.91	$24,655.12	$24,593.94
23	$25,973.46	$25,952.03	$25,909.17	$25,844.88
24	$27,243.20	$27,220.72	$27,175.77	$27,108.33
25	$28,525.63	$28,502.10	$28,455.02	$28,384.42
26	$29,820.89	$29,796.28	$29,747.07	$29,673.26
27	$31,129.10	$31,103.41	$31,052.04	$30,974.99
28	$32,450.39	$32,423.61	$32,370.06	$32,289.74
29	$33,784.89	$33,757.02	$33,701.27	$33,617.64
30	$35,132.74	$35,103.75	$35,045.78	$34,958.82
31	$36,494.07	$36,463.96	$36,403.74	$36,313.40
32	$37,869.01	$37,837.76	$37,775.27	$37,681.54
33	$39,257.70	$39,225.31	$39,160.53	$39,063.35
34	$40,660.28	$40,626.73	$40,559.63	$40,458.99
35	$42,076.88	$42,042.16	$41,972.73	$41,868.58
36	$43,507.65	$43,471.75	$43,399.95	$43,292.26
37	$44,952.72	$44,915.63	$44,841.45	$44,730.19
38	$46,412.25	$46,373.96	$46,297.37	$46,182.49
39	$47,886.37	$47,846.86	$47,767.84	$47,649.31
40	$49,375.24	$49,334.50	$49,253.02	$49,130.81
41	$50,878.99	$50,837.01	$50,753.05	$50,627.11
42	$52,397.78	$52,354.55	$52,268.08	$52,138.38
43	$53,931.76	$53,887.26	$53,798.26	$53,664.77
44	$55,481.07	$55,435.30	$55,343.75	$55,206.42
45	$57,045.89	$56,998.82	$56,904.68	$56,763.48
46	$58,626.34	$58,577.97	$58,481.23	$58,336.11
47	$60,222.61	$60,172.92	$60,073.54	$59,924.48
48	$61,834.83	$61,783.82	$61,681.78	$61,528.72
49	$63,463.18	$63,410.82	$63,306.10	$63,149.01
50	$65,107.81	$65,054.09	$64,946.66	$64,785.50
51	$66,768.89	$66,713.80	$66,603.62	$66,438.35
52	$68,446.58	$68,390.11	$68,277.16	$68,107.74

Rollover Roth IRA Projection

This table has been prepared assuming the initial and only contribution to your Roth IRA is a rollover of $1,000 on the first day of the year, with an annual percentage yield of 1%. For example, if you attain age 40 in the year in which you roll over $1,000 to your Roth IRA, you will have been in the plan 21 years at the end of the year in which you attain age 60, 26 years at age 65, and 31 years at age 70. Using the assumptions stated above, you can read across the table and see that your account value without penalty would be $1,232.39 at age 60, $1,295.26 at age 65, and $1,361.33 at age 70.

Account Values

Number of Years	No Penalty	1-Month Penalty	3-Month Penalty	6-Month Penalty
1	$1,010.00	$1,009.17	$1,007.50	$1,005.00
2	$1,020.10	$1,019.26	$1,017.58	$1,015.05
3	$1,030.30	$1,029.45	$1,027.75	$1,025.20
4	$1,040.60	$1,039.75	$1,038.03	$1,035.45
5	$1,051.01	$1,050.14	$1,048.41	$1,045.81
6	$1,061.52	$1,060.64	$1,058.89	$1,056.27
7	$1,072.14	$1,071.25	$1,069.48	$1,066.83
8	$1,082.86	$1,081.96	$1,080.18	$1,077.50
9	$1,093.69	$1,092.78	$1,090.98	$1,088.27
10	$1,104.62	$1,103.71	$1,101.89	$1,099.15
11	$1,115.67	$1,114.75	$1,112.91	$1,110.15
12	$1,126.83	$1,125.90	$1,124.04	$1,121.25
13	$1,138.09	$1,137.15	$1,135.28	$1,132.46
14	$1,149.47	$1,148.53	$1,146.63	$1,143.78
15	$1,160.97	$1,160.01	$1,158.10	$1,155.22
16	$1,172.58	$1,171.61	$1,169.68	$1,166.77
17	$1,184.30	$1,183.33	$1,181.37	$1,178.44
18	$1,196.15	$1,195.16	$1,193.19	$1,190.23
19	$1,208.11	$1,207.11	$1,205.12	$1,202.13
20	$1,220.19	$1,219.18	$1,217.17	$1,214.15
21	$1,232.39	$1,231.38	$1,229.34	$1,226.29
22	$1,244.72	$1,243.69	$1,241.63	$1,238.55
23	$1,257.16	$1,256.13	$1,254.05	$1,250.94
24	$1,269.73	$1,268.69	$1,266.59	$1,263.45
25	$1,282.43	$1,281.37	$1,279.26	$1,276.08
26	$1,295.26	$1,294.19	$1,292.05	$1,288.84
27	$1,308.21	$1,307.13	$1,304.97	$1,301.73
28	$1,321.29	$1,320.20	$1,318.02	$1,314.75
29	$1,334.50	$1,333.40	$1,331.20	$1,327.90
30	$1,347.85	$1,346.74	$1,344.51	$1,341.18
31	$1,361.33	$1,360.20	$1,357.96	$1,354.59
32	$1,374.94	$1,373.81	$1,371.54	$1,368.13
33	$1,388.69	$1,387.54	$1,385.25	$1,381.82
34	$1,402.58	$1,401.42	$1,399.11	$1,395.63
35	$1,416.60	$1,415.43	$1,413.10	$1,409.59
36	$1,430.77	$1,429.59	$1,427.23	$1,423.69
37	$1,445.08	$1,443.88	$1,441.50	$1,437.92
38	$1,459.53	$1,458.32	$1,455.91	$1,452.30
39	$1,474.12	$1,472.91	$1,470.47	$1,466.82
40	$1,488.86	$1,487.64	$1,485.18	$1,481.49
41	$1,503.75	$1,502.51	$1,500.03	$1,496.31
42	$1,518.79	$1,517.54	$1,515.03	$1,511.27
43	$1,533.98	$1,532.71	$1,530.18	$1,526.38
44	$1,549.32	$1,548.04	$1,545.48	$1,541.65
45	$1,564.81	$1,563.52	$1,560.94	$1,557.06
46	$1,580.46	$1,579.15	$1,576.55	$1,572.63
47	$1,596.26	$1,594.95	$1,592.31	$1,588.36
48	$1,612.23	$1,610.90	$1,608.24	$1,604.24
49	$1,628.35	$1,627.00	$1,624.32	$1,620.29
50	$1,644.63	$1,643.27	$1,640.56	$1,636.49
51	$1,661.08	$1,659.71	$1,656.97	$1,652.85
52	$1,677.69	$1,676.30	$1,673.54	$1,669.38

Method 2

The following projection of account values represents the amounts that would be available in your Roth IRA at the end of each of the first five years and at the end of the years in which you attain ages 60, 65, and 70. These balances are not guaranteed. The actual balances will depend on many factors, including the interest rates and terms of future investments. The following balances, which are only projections, are based on the custodial fees discussed on the previous page, if any, and the following assumptions:

☐ Regular Roth IRA: Assuming an annual $1,000 deposit made on the first day of each year.

☐ Rollover Roth IRA: Assuming a one-time $1,000 deposit made on the first day of the first year.

Investment annual percentage yield ______________

Penalty for early withdrawal of investment ______________

End of year	Account Value
1	$______________
2	$______________
3	$______________
4	$______________
5	$______________

End of year you attain age	Account Value
60	$______________
65	$______________
70	$______________