

SIMPLE IRA DISCLOSURE STATEMENT

RIGHT TO REVOKE YOUR SIMPLE IRA ACCOUNT

You may revoke your SIMPLE IRA within 7 days after you sign the SIMPLE IRA Account Application by hand-delivering or mailing a written notice to the name and address indicated on the SIMPLE IRA Account Application. If you revoke your account by mailing a written notice, such notice must be postmarked by the 7th day after you sign the Account Application. If you revoke your SIMPLE IRA within the 7 day period you will receive a refund of the entire amount of your contributions to the IRA without any adjustment for earnings or any administrative expenses. If you exercise this revocation, we are still required to report the contribution on Form 5498 (except transfers) and the revoked distribution on Form 1099-R

GENERAL RULES REGARDING SIMPLE IRAs

- The Custodian will accept only employee salary deferral contributions and employer matching or nonelective contributions made on your behalf under a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) may be made to our SIMPLE IRA; however, the Custodian will also accept transfers or rollovers from other SIMPLE IRAs established on your behalf.
- All contributions must be made in cash, unless you are making a rollover contribution and the Custodian accepts non-cash rollover contributions.
- The Custodian of your IRA must be a bank, savings and loan association, credit union or a person who is approved to act in such a capacity by the Secretary of the Treasury.
- Your interest in your IRA is nonforfeitable at all times.
- The assets in your IRA may not be commingled with other property except in a common trust fund or common investment fund.
- No portion of your IRA funds may be invested in life insurance contracts.
- No portion of your IRA funds may be invested 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. 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 Custodian.
- 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 70 1/2. Rules regarding these required distributions are described below.

WHO IS ELIGIBLE TO ESTABLISH A SIMPLE IRA?

You are permitted to establish a SIMPLE IRA only if you are a Participant in SIMPLE Retirement Plan established by your Employer or if you were a Participant in a SIMPLE Retirement plan established by a former Employer.

CONTRIBUTIONS

Salary Reduction Contributions – A salary reduction contribution is a contribution made pursuant to your election to have your Employer contribute a portion of your compensation to your SIMPLE IRA instead of paying to you directly. Compensation includes salaries, wages, tips, commissions, bonuses, alimony, royalties from creative efforts and "earned income" in the case of self-employed. The amount you may contribute for any one year may not exceed the "applicable annual dollar limitation" described below. This is your contribution limit.

Applicable Annual Dollar Limitation

Tax Year	Contribution Limit
2001	\$6,500
2002	\$7,000
2003	\$8,000
2004	\$9,000
2005	\$10,000
2006	\$10,000
2007	\$10,500
2008	\$10,500
2009	\$11,500
2010	\$11,500
2011	\$11,500
2012	\$11,500
2013	\$12,000
2014	\$12,000
2015	\$12,500
2016	\$12,500
2017	\$12,500
2018	\$12,500
2019	\$13,000

After 2014, the \$12,000 annual limit will be subject to cost-of living increases in increments of \$500, rounded to the lower increment.

Catch-up Contributions - Beginning for 2002, if an individual has attained the age of 50 before the close of the taxable year for which an annual contribution is being made and meets the other eligibility requirements for making SIMPLE salary reduction contributions, the annual contribution limit for that individual would be increased as follows:

Tax Year	Normal Limit	Additional Catch-up	Total Contribution
2002	\$7,000	\$500	\$7,500
2003	\$8,000	\$1,000	\$9,000
2004	\$9,000	\$1,500	\$10,500
2005	\$10,000	\$2,000	\$12,500
2006	\$10,000	\$2,500	\$12,500
2007	\$10,500	\$2,500	\$13,000
2008	\$10,500	\$2,500	\$13,000
2009	\$11,500	\$2,500	\$14,000
2010	\$11,500	\$2,500	\$14,000
2011	\$11,500	\$2,500	\$14,000
2012	\$11,500	\$2,500	\$14,000
2013	\$12,000	\$2,500	\$14,500
2014	\$12,000	\$2,500	\$14,500
2015	\$12,500	\$3,000	\$15,500
2016	\$12,500	\$3,000	\$15,500
2017	\$12,500	\$3,000	\$15,500
2018	\$12,500	\$3,000	\$15,500
2019	\$13,000	\$3,000	\$16,000

After 2019, the \$3,000 additional catch-up amount will be subject to cost-of living increases in increments of \$500, rounded to the lower increment.

Employer Contributions

Your Employer may make additional contributions to your SIMPLE IRA. The amount of the Employer's contribution is determined by the terms of SIMPLE Retirement Plan adopted by your Employer. In general, your Employer must make a matching contribution to your SIMPLE IRA in an amount equal to your salary reduction contributions, up to 3% of your compensation. Your Employer may also make a nonelective contribution of 2% of compensation, in lieu of the matching contribution, whether you make salary reduction contributions or not. In addition, your Employer is permitted to temporarily reduce the matching contribution. Your Employer must notify you before making contributions under either of these alternative formulas. Your Employer should provide you with a copy of the executed SIMPLE Retirement Plan and a Summary Description of the plan. These documents describe the provisions of the plan.

EXCESS CONTRIBUTIONS

Generally, an excess SIMPLE salary deferral is any salary reduction contribution which exceeds the applicable annual dollar limitation. You should withdraw excess elective deferrals and any allocable income, from your SIMPLE IRA by the deadline (including extensions) for filing your tax return for the year for which the excess deferral was made. If you withdraw the excess by such time, the distribution, including both the excess contribution and the allocable income, is taxable in the year for which the contribution was made. If the excess contribution and allocable income is withdrawn after the deadline (including extensions) the distribution is taxable in the year in which it is made. You may not be transfer or roll over excess deferrals tax-free to another SIMPLE IRA. If you fail to withdraw excess elective deferrals, and any allocable income, by the deadline (including extensions), the excess elective deferrals are subject to a 6% excise tax for each year they remain in your SIMPLE IRA. Distributions made before the Participant attains age 59 1/2, including distributions to correct excess deferrals, from the SIMPLE IRA are subject to an additional 10% tax (or 25% if withdrawn within the first 2 years of participation) on early distributions. The rules for determining and allocating income attributable to excess elective deferrals and other excess SIMPLE contributions are the same as those governing regular IRA excess contributions. The trustee or custodian of your SIMPLE IRA will inform you of the income allocable to such excess amounts.

ROLLOVERS

Rollover Contributions from Another SIMPLE IRA - A rollover from another SIMPLE IRA is any amount you receive from one SIMPLE IRA and redeposit (roll over) some or all of it over into another SIMPLE IRA. You are not required to roll over the entire amount received from the first SIMPLE IRA. However, any amount you do not roll over will be taxed at ordinary income tax rates for Federal income tax purposes and may be subject to an additional tax if the distribution is a premature distribution.

Rollover Distributions from a SIMPLE IRA - A distribution from a SIMPLE IRA may only be rolled over to another SIMPLE IRA during the first two years that the participant participated in the employer's SIMPLE plan. After the initial two year period, a distribution from a SIMPLE IRA may be rolled over to any IRA maintained by the individual or any qualified plan, 403(b), or 457(b) plan that will accept the rollover. The two year period begins on the first day that the employer deposits contributions into the participant's SIMPLE IRA.

The following special rules also apply to rollovers between IRAs:

- The rollover must be completed no later than the 60th day after the day the distribution was received by you
- You may have only one IRA to IRA rollover during a 12 consecutive month period measured from the date you received a distribution from an IRA which was rolled over to another IRA. (See IRS Publication 590 for more information).
- 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 the property that is rolled over into the second IRA.
- You are required to make an irrevocable election indicating that this transaction will be treated as a rollover contribution.
- 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.
- 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.
- If you are age 70 1/2 or older and wish to roll over to another IRA, you must first satisfy the required minimum distribution for that year and then the rollover of the remaining amount may be made.
- A SIMPLE IRA may receive rollovers contributions from another SIMPLE IRA, a Traditional IRA, a SEP IRA, a Governmental 457(b) plan, or a 403(b) plan. A SIMPLE IRA may not receive rollover contributions from a Roth IRA or a designated Roth account.

DISTRIBUTIONS

Taxation of Distributions - When you start withdrawing from your SIMPLE IRA, you may take the distributions in periodic 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. All taxable distributions from your SIMPLE IRA are taxed at ordinary income tax rates for Federal income tax purposes and are not eligible for any favorable tax treatment.

Premature Distributions - If you are under age 59 1/2 and receive a distribution from your IRA account, a 10% additional income tax will apply to the taxable portion of the distribution unless the distribution is received due to death; disability; a series of substantially equal periodic payments at least annually over your life expectancy or the joint life expectancy of you and your designated beneficiary; medical expenses in excess of 7 1/2% of your adjusted gross income; health insurance premiums paid by certain unemployed individuals; qualified acquisition costs of a first time homebuyer; qualified higher education expenses; a qualifying rollover distribution; the timely withdrawal of the principal amount of an excess or nondeductible contribution; or due to an IRS levy.

If you request a distribution in the form of a series of substantially equal payments, and you modify the payments before 5 years have elapsed and before attaining age 59 1/2, the 10% additional income tax will apply retroactively to the year payments began through the year of such modification. In addition, if a distribution is made to you within the first two years of participation and none of the exception above applies, the 10% additional tax is increased to 25%.

Age 70 1/2 Required Minimum Distributions - You are required to begin receiving minimum distributions from your IRA by your required beginning date (the April 1 of the year following the year you attain age 70 1/2). The year you attain age 70 1/2 is referred to as your "first distribution calendar year". Your minimum distribution for each year beginning with the calendar year you attain the age of 70 1/2 is generally based upon the value of your account at the end of the prior year divided by the factor for your age derived from the Uniform Lifetime Distribution Period Table regardless of who or what entity is your named beneficiary. This uniform table assumes you have a designated beneficiary exactly 10 years younger than you. However, if your spouse is your sole beneficiary and is more than 10 years younger than you, your required minimum distribution for each year is based upon the joint life expectancies of you and your spouse. The account balance that is used to determine each year's required minimum amount is the fair market value of each IRA you own as of the prior December 31st, adjusted for outstanding rollovers (or transfers) as of such prior December 31st and recharacterizations that relate to a conversion or failed conversion made in the prior year.

However, no payment will be made from this IRA until you provide the Custodian with a proper distribution request acceptable by the Custodian. Upon receipt of such distribution request, you may switch to a joint life expectancy in determining the required minimum distribution if your spouse was your sole beneficiary as of the January 1st of the calendar year that contains your required beginning date and such spouse is more than 10 years younger than you. The required minimum distribution for the second distribution calendar year and for each subsequent distribution calendar year must be made by December 31 of each such year.

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 penalty of 50% of the difference between the amount required to be distributed and the amount actually distributed. If you are subject to that tax, you are required to file IRS Form 5329.

Reporting the Required Minimum Distribution - Beginning for minimum distributions that are required for calendar 2003, the custodial account must provide a statement to each IRA owner who is subject to required minimum distributions that contains either the amount of the minimum or an offer by the Custodian to perform the calculation if requested by the IRA owner. The statement must inform the IRA owner that required minimum distributions apply and the date by which such amount must be distributed. The statement must further inform the IRA owner that beginning in 2004, the Custodian must report to the IRS that the IRA owner is required to receive a minimum for the calendar year.

Death Distributions - If you die before your required beginning date and you have a designated beneficiary, the balance in your IRA will be distributed to your beneficiary over the beneficiary's single life expectancy. These distributions must commence no later than December 31st of the calendar year following the calendar year of your death. However, if your spouse is your sole beneficiary, these distributions are not required to commence until the December 31st of the calendar year you would have attained the age of 70 1/2, if that date is later than the required commencement date in the previous sentence. If you die before your required beginning date and you do not have a designated beneficiary, the balance in your IRA must be distributed no later than the December 31st of the calendar year that contains the fifth anniversary of your death.

If you die on or after your required beginning date and you have a designated beneficiary, the balance in your IRA will be distributed to your beneficiary over the beneficiary's single life expectancy. These distributions must commence no later than December 31st of the calendar year following the calendar year of your death. If you die on or after your required beginning date and you do not have a designated beneficiary, the balance in your IRA must be distributed over a period that does not exceed your remaining single life expectancy determined in the year of your death. However, the required minimum distribution for the calendar year that contains the date of your death is still required to be distributed. Such amount is determined as if you were still alive throughout that year. If your spouse is your sole beneficiary, your spouse may elect to treat your IRA as his or her own IRA, whether you die before or after your required beginning date. If you die after your required beginning date and your spouse elects to treat your IRA as his or her own IRA, any required minimum that has not been distributed for the year of your death must still be distributed to your surviving spouse and then the remaining balance can be treated as your spouse's own IRA.

PROHIBITED TRANSACTIONS

If you or your beneficiaries engage in a prohibited transaction (as defined under Section 4975 of the Internal Revenue Code) with your IRA, it will lose its tax exemption and you must include the value of your account in your gross income for that taxable year. If you pledge any portion of your IRA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year.

PENALTIES

If you are under age 59 1/2 and receive a premature distribution from your IRA, an additional 10% income tax will apply on the taxable amount of the distribution unless an exception applies. 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 70 1/2 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.

You must file IRS Form 5329 with the Internal Revenue Service for any year an additional tax is due. You must file IRS Form 8606 for any year you make a nondeductible IRA contribution, rollover over after-tax employee contributions from your employer's plan, convert from your traditional IRA to a Roth IRA or recharacterize a contribution to your traditional IRA. The penalty for not filing Form 8606, when required, is \$50.

INCOME TAX WITHHOLDING

All withdrawals from your IRA (except a direct transfer to another traditional IRA or any recharacterization) are subject to Federal income tax withholding. You may, however, elect not to have withholding apply to your IRA distribution in most cases. If withholding does apply to your distribution, the applicable rate of withholding is 10% of the amount of the distribution. In addition to Federal income tax withholding, distributions from IRAs may also be subject to state income tax withholding.

TRANSFERS

A direct transfer of all or a portion of your funds is permitted from this IRA to another traditional IRA or visa versa. Transfers do not constitute a distribution since you are never in receipt of the funds. The monies are transferred directly to the new trustee or custodian. If you should transfer all or a portion of your IRA to your former spouse's IRA under a divorce decree (or under a written instrument incident to divorce) or separation instrument, you will not be deemed to have made a taxable distribution, but merely a transfer. The portion so transferred will be treated at the time of the transfer as the IRA of your spouse or former spouse. If your spouse is the beneficiary of your IRA, in the event of your death, your spouse may "assume"

your IRA. The assumed IRA is then treated as your surviving spouse's IRA.

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 a IRA plan.

IRS APPROVAL AS TO FORM

This IRA Custodial Agreement has been approved by the Internal Revenue Service as to form. This is not an endorsement of the plan in operation or of the investments offered.

ADDITIONAL INFORMATION

You may obtain further information on IRAs from your District Office of the Internal Revenue Service. In particular, you may wish to obtain IRS Publication 590 (Individual Retirement Arrangements).

FINANCIAL DISCLOSURE

In General: IRS regulations require the Custodian to provide you with a financial projected growth of your IRA account based upon certain assumptions.

Growth in the Value of Your IRA: Growth in the value of your IRA is neither guaranteed nor projected. The value of your IRA will be computed by totaling the fair market value of the assets credited to your account. At least once a year the Custodian will send you a written report stating the current value of your IRA assets. The Custodian shall disclose separately a description of:

- (a) The type and amount of each charge;
- (b) the method of computing and allocating earnings, and
- (c) any portion of the contribution, if any, which may be used for the purchase of life insurance.

Custodian Fees: The Custodian may charge reasonable fees or compensation for its services and it may deduct all reasonable expenses incurred by it in the administration of your IRA, including any legal, accounting, distribution, transfer, termination or other designated fees. Any charges made by the Custodian will be separately disclosed on an attachment hereto. Such fees may be charged to you or directly to your trust account. In addition, depending on your choice of investment vehicles, you may incur brokerage commissions attributable to the purchase or sale of assets.