

*TRUST
MANAGEMENT
INC.*



**Self-Directed Roth
Individual Retirement Accounts**

ROTH IRA OVERVIEW

What is a Roth IRA?

The Roth IRA is a nondeductible account that features tax-free withdrawals for certain types of distributions after a five-year holding period.

Am I eligible for a Roth IRA?

There are basically two factors that determine your eligibility for a Roth IRA:

1. You or your spouse must have earned income, and
2. Your modified adjusted gross income (MAGI) may not exceed \$110,000 if you are a single filer, or \$160,000 if you are married and file jointly.

How much can I contribute to a Roth IRA?

You may contribute any amount up to the maximum of \$4,000, or 100% of your earned income, whichever is less, as long as your MAGI is within the following prescribed limits:

For Single Filers:

MAGI is \$95,000 or less: You may contribute the full \$4,000

MAGI is between \$95,000 and \$110,000: You may make a partial contribution*

MAGI is \$110,000 or more: No contribution is permitted

For Married, Joint Filers:

MAGI is \$150,000 or less: You may contribute the full \$4,000

MAGI is between \$150,000 and \$160,000: You may make a partial contribution**

MAGI is \$160,000 or more: No contribution is permitted

***Determining your maximum allowable contribution for single filers:**

\$110,000 - [Your MAGI] = \$ _____ x .1333 = Contribution Amount

****Determining your maximum allowable contribution for married, joint filers:**

\$160,000 - [Your MAGI] = \$ _____ x .2 = Contribution Amount

Please note that the \$4,000 limit is the total amount that you may contribute to all IRAs (Roth or Traditional) in a given year. For example, if you contribute \$2,000 to a Traditional IRA, you can only contribute \$2,000 to a Roth IRA for that year.

May I convert my traditional IRA to a Roth IRA?

Yes. You may be eligible to convert your Traditional IRA to a Roth IRA if your Modified Adjusted Gross Income (MAGI) is less than \$100,000, whether you are single or married and filing jointly.

Do I pay taxes on my earnings?

No, as long as you take the earnings as part of a qualified distribution. This is the best feature of the Roth IRA. Although you cannot take a tax deduction for contributions made (as with the Traditional IRA), you pay no taxes on any of the earnings when you are ready to start withdrawing.

What is a "qualified distribution"?

For earnings to be tax free, you must first meet a five-year holding period for your Roth IRA. This period begins with the tax year for which the first contribution is made. After that, any earnings you withdraw for one of the following qualified distribution reasons is tax-free and penalty free:

- Distributions made on or after the date on which you attain age 59 ½ ,
- Distributions made to your beneficiary (or your estate) upon your death,
- Distributions for qualified college expenses,
- Distributions attributable to your being disabled, certain health expenses, and
- Distributions due to IRS levy,
- Distributions made for qualified first-time home purchases (up to \$10,000)
- Distributions due to Periodic Payments.

TYPES OF ROTH IRAS

Contributory Roth IRA:

This is a Roth IRA intended for contributions (up to a maximum of \$4,000 annually) which are not tax deductible, but which may be withdrawn tax-free if held in the account five (5) years AND otherwise meet one of the qualified distribution exceptions. This account type also includes spousal Roth IRAs and requires that each spouse establish a separate Roth IRA.

To open a Contributory Roth IRA, send your Roth IRA Adoption Agreement and your contribution check must be postmarked to Trust Management on or before your tax-filing deadline (no extensions) to be eligible to receive contributions for that tax year.

Conversion Roth IRA:

This is a Roth IRA established for the purpose of receiving the conversion contribution(s) from a traditional IRA during a single tax year by taxpayers who's Modified Adjusted Gross Income (MAGI) is under \$100,000. Distributions from a traditional IRA, which are used to make conversion contributions, are generally taxable, but the 10% premature penalties do not apply if it is properly contributed to a Conversion Roth IRA.

To initiate a Conversion Roth IRA with Trust Management, you should first contact your current IRA trustee to initiate the distribution of your traditional IRA cash or assets. Generally, your current trustee will require that you complete its own distribution form before "converting" the cash or assets to Trust Management. Then complete a Trust Management Roth IRA Adoption Agreement and our Roth IRA Transfer/Rollover/Conversion/ form, and proceed as instructed on page 8.

If you are converting your traditional Trust Management IRA to a Roth IRA, you should complete our IRA Transfer/Rollover/Conversion form. This form is included in this booklet on Page 8 titled "IRA Transfer/Rollover/Conversion form" to a TMI Roth IRA.

Transfer Roth IRA:

This account type involves the transfer of an existing Roth IRA directly from one Roth IRA trustee to Trust Management, as trustee of your Roth IRA. Assets are moved directly between Roth IRA trustees without distribution to the account holder. As such, no IRS reporting is filed by either trustee since the account holder never comes into direct contact with the Roth IRA funds and/or assets.

To initiate this type of Roth IRA, you will need to complete a TMI Roth IRA Adoption Agreement and our Roth IRA Transfer/Rollover/Conversion Request form and proceed as instructed on page 8.

Rollover Roth IRA:

This account type involves a cash and/or asset contribution to a Roth IRA by the account holder with 60 days of receipt of the eligible rollover distribution. To make a rollover, the account holder must have received an eligible distribution directly from a Roth IRA trustee. Within 60 days of receipt, the account holder may roll over all or part of the actual amount received to Trust Management.

To establish a Trust Management Rollover Roth IRA, please complete both the Trust Management Roth IRA Adoption Agreement and our Roth IRA Transfer/Rollover/Conversion Request form and proceed as instructed on page 4.

ALLOWABLE INVESTMENTS IN A TRUST MANAGEMENT ROTH IRA

Allowable Investments In A Trust Management Roth IRA

The basic guidelines for assets allowed in IRAs are established by the IRS. Others are established by Trust Management in order to determine administrative feasibility. Within these guidelines, you have the sole responsibility for directing the investment of assets in your Trust Management Roth IRA. Trust Management does not provide any investment advice, recommend or evaluate the merits or suitability of any investments.

Acceptable investments which may be purchased, transferred, or rolled into your Roth IRA include all public offerings, some of which include:

- Mutual Funds
- Stocks or securities obtainable through one of the domestic stock exchanges (NYSE, AMEX, NASDAQ, etc.)
- Limited Partnerships
- Real Estate Investment Trusts (REITS)
- Certificates of Deposit
- Annuities (fixed and variable) issued by commercial insurance companies

Private offerings are subject to administrative review by Trust Management prior to the purchase, transfer, or rollover of any private placement offering. A review fee of \$100 is assessed for this determination process. Examples of private offerings which may be allowed in a Trust Management Roth IRA (subject to administrative review) include:

- Trust deeds and real estate contracts
- Individually-negotiated promissory notes (both secured and unsecured)
- Individually-negotiated closely-held stocks

The review performed by Trust Management will be administrative in nature in order to insure that the investment can be serviced by our current systems and procedures. This review in no way constitutes a “due diligence” review, and acceptance by Trust Management should not be construed as a favorable opinion as to the prudence or viability of the investment. Send all private placement offering documentation, along with a check for the \$100 review fee, to:

Trust Management, Inc.
Attention: Interim Trust Committee
901 Summit Ave
Fort Worth, Texas 76102

Offering documentation must be kept on file at Trust Management, and therefore cannot be returned. Review fees for investments rejected will not be refunded. This administrative review procedure applies to new purchases as well as to “in-kind” transfers and rollovers of private investments.

Note: Trust Management does not allow purchases, transfers, or rollovers of general partnerships, joint ventures, or foreign investments. In addition, some types of private placements which are allowed in a Trust Management traditional IRA are not allowed in our Roth IRA. Please call our Interim Trust Committee at 800-580-2933 if you have a question about a particular investment.



TRUST MANAGEMENT, INC.
Roth Individual Retirement Custodial Account
Adoption Agreement

ROTH IRA ACCOUNT HOLDER				ROTH IRA CUSTODIAN'S NAME, ADDRESS & PHONE	
Last		First	MI	Trust Management, Inc. (817) 335-2933 P O Box 2288 www.tmico.com Fort Worth, TX 76113-2288	
Street Address		Apt/Suite			
City		State	Zip		
Social Security No.	Date of Birth	Home Phone	Business Phone		
Driver's License or Photo ID Number	Roth Contribution Date	Roth Contribution Amount	Type of Roth IRA		Tax Year
(Provide an attached copy)			<input type="checkbox"/> Contributory Roth IRA <input type="checkbox"/> Conversion Roth IRA (must complete conversion form) <input type="checkbox"/> Transfer from another Roth IRA <input type="checkbox"/> Rollover within 60 days from another Roth IRA		

OPTIONAL APPOINTMENT OF DESIGNATED REPRESENTATIVE AND DEALER IDENTIFICATION

I appoint the person(s) shown below as my Designated Representative, pursuant to Section 9.4 of the Trust Management, Inc., ("TMI) Individual Retirement Custodial Account Agreement, to give investment directions on my behalf until TMI has received my written Notice to Revoke My Appointment, and I authorize TMI to pay for or receive payment from any investment transactions communicated by my Designated Representative, as indicated by broker confirmations of trade or other requests for payment received by TMI and to provide any and all information on my account to my Designated Representative and the Broker/Dealer named below. I understand that all instruction, direction, and/or confirmations received from my Designated Representative or his Broker/Dealer shall be assumed by TMI to have been authorized by me.

Designated Representative's Name: _____ Phone #: _____
 Broker/Dealer Firm Name: _____

DESIGNATION OF BENEFICIARY(IES)

My primary and/or contingent beneficiary(ies) are shown below. If neither primary nor contingent is indicated, they shall be deemed a primary beneficiary. Multiple primary beneficiaries with no share percentage will be deemed to share equally in IRA. Multiple contingent beneficiaries with no share percentage indicated will also be deemed to share equally. The interest of any beneficiary who dies before me shall terminate completely, and the percentage share of any remaining beneficiary(ies) shall be increased on a pro rata basis. If no primary beneficiary(ies) survives me, the contingent beneficiary(ies) shall acquire the designated share of my IRA.

No.	Name and Address	Date of Birth	Social Security Number	Relationship	Primary/Contingent
1.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent %
2.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent %
3.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent %

OPTIONAL AUTHORIZATIONS (Select only those items you wish to authorize)

A. Telephone Authorization
 I authorize Trust Management to honor telephone transaction requests from me or my Designated Representative listed above for my Account. My Social Security Number will be required as verification before any requests will be accepted. I understand and agree that Trust Management will not be liable for any loss, expense or cost arising out of any requests affected hereunder. (Note: This authorization applies only to investment directions given to Trust Management. It does not automatically authorize telephone exchange or redemption privileges for any investment.)
 Telephone Authorization automatically applies **UNLESS** this box is checked. Check this box only if you **DO NOT** want telephone authorization.

B. Payment of Annual custodial Fees
 Annual Custodial Fees for my IRA Should Be (Check one Box only):
 Invoiced to me annually at the above address: or
 Automatically withdrawn from the assets of my IRA Account
 (NOTE: If no option is chosen above, Trust Management will assume automatic withdrawal of annual Custodial Fees from the Account. The Account holder will be responsible for any fee deficiency should the Account be illiquid or have insufficient funds to cover the fees. Trust Management reserves the right to charge a \$5.00 extra processing fee per month for illiquid or insufficient account.)

CUSTODIAL FEES

Spousal Consent (Married Accountholder with Primary Beneficiary Other Than Spouse)

The annual maintenance fee -- \$40.00 each year -- is payable in advance for the year. On each annual anniversary date of the IRA, you will be billed for the upcoming year.

CURRENT MARITAL STATUS

- I am Not Married. I understand that if I become married in the future, I must complete a new IRA Designation of Beneficiary form.
- I am Married. I understand that if I choose to designate a primary beneficiary other than my Spouse, my Spouse must sign below.
- I am the Spouse of the IRA account holder named above. I agree to my Spouse naming a Primary Beneficiary other than myself. I acknowledge that I have received a fair and reasonable disclosure of my Spouse's property and financial obligations. I have been advised to see a tax professional and no tax or legal advice was given to me by TMI. I acknowledge that I shall have no claim whatsoever against Trust Management, Inc., for any payment to my Spouse's named Beneficiary(ies).

Spouse's Printed Name: _____

Spouse's Signature: _____

Date: _____

Activity	Fee
Annual Maintenance	\$40.00
Distribution Fee	\$2.50 each
Federal Withholding Fee	\$2.50 each
Partial Rollover or Transfer	\$10.00 per Asset
Return of Excess Contribution	\$10.00
Return Check or Stop Payment	\$15.00
Photocopies	\$10.00
Wire Transfers	\$10.00
Cash Management Sweep Fee	.4% per Annum on Undirected Cash Balance
Termination Fee	½ of 1% (.005) highest period 12-month balance Minimum fee \$25.00 Maximum fee \$150.00

SIGNATURES

By signing below, the undersigned hereby makes the following representations:

(i) I appoint Trust Management, Inc. ("TMI") as Custodian of the Account(s), acknowledge that I have read the Trust Management, Inc., Individual Retirement custodial Account Agreement and Disclosure Statement on the Date of this Application, and agree to be bound by the terms and conditions therein; (ii) I understand and acknowledge that my Account is self-directed and that I am solely responsible for the selection, management, and retention of all investments held within my Account; (iii) I understand that TMI is not a "fiduciary" for my Account as such term is defined in the Internal Revenue Code, ERISA, or any other applicable federal or state laws, that TMI has no responsibility to question any investment directions given by me or my Designated Representative regardless of the nature of the investment, that TMI 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 and I understand that I should have all investments reviewed by my attorney and/or tax advisor; (iv) I understand that TMI is in no way responsible for providing investment advice, monitoring the performance of account investments or for the performance of any investment product in the Account; (v) I understand that my Designated Representative is my agent, that neither my Designated Representative nor any other broker or financial representative who may have suggested that I appoint TMI as custodian for my IRA is in any way an agent, employee, or representative of TMI and that TMI is not responsible for and is not bound by any representations, warranties, statements or agreements made by my Designated Representative or any other financial representative; (vi) I understand that investments within my Account are neither FDIC-insured nor guaranteed in any way by TMI and that such investments may lose value; (vii) I consent to TMI's fees as specified in this Adoption Agreement, and any amendments made thereto; (viii) I agree to promptly give instructions to TMI necessary to enable TMI to carry out its duties under the Custodial Agreement; (ix) I represent that whenever information as to any taxable year is required to be filed with the Internal Revenue Service, I will file such information with the Internal Revenue Service unless TMI affirmatively agrees to file such information; (x) I understand that if TMI receives funds from any source, including contributions, transfers, rollovers, or income from any asset of the custodial account for which there is no investment direction on file, TMI is authorized and directed to place such funds in an interest bearing instrument, trust deposit, or common investment fund, including deposits with or common investment funds, of TMI or an affiliate of TMI until further investment direction is received; (xi) I agree to indemnify and hold Trust Management harmless from all loss, cost and exposure 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 retirement plan by my Designated Representative or brokerage firm. TMI shall not be held liable for any loss or breach of any kind which may result from any action that it takes in good faith in accordance with such certificate, notice, confirmation, instruction or other communication; and (xii) **I understand and agree that all claims and disputes of every type and matter which may arise between me and TMI shall be submitted to binding arbitration as provided in Section 17.5 of the Trust Management, Inc., Individual Retirement Custodial Account Agreement.**

Signature: _____

Date (Required) _____

Custodian Acceptance: Trust Management, Inc.

By: _____
Trust Officer Date

Want to convert your Trust Management IRA to a Trust Management Roth IRA?

Follow these 4 easy steps...

1. Complete and sign the Trust Management Roth IRA Adoption Agreement on pg 5 and 6.
2. Complete and sign the Roth IRA Transfer/Rollover/Conversion Request on page 8.
3. Include your check for the \$40.00 First-Year Annual Fee (if you have not elected to have this withdrawn from available cash in your account). Please note that if you are converting your entire existing Trust Management IRA (all cash and assets) to a new Trust Management Roth IRA, the \$40.00 First-Year Annual Maintenance Fee will not be due until the next Anniversary Date for your old Regular IRA.
4. Send these forms to us as follows:

Trust Management, Inc.
Attention: New Accounts
901 Summit Ave
Fort Worth, Texas 76102

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 rolled into your Roth IRA will be filed on IRA Form 5498 on May 31 of the year following the year in which the rollover takes place.

*If you are converting your entire IRA (all cash and assets) to a Trust Management Roth IRA, your IRA account number will remain the same. If this will be a partial conversion, you will be assigned a new account number.

*If you are only converting part of your Trust Management IRA assets to a Trust Management Roth IRA, we will be required to re-register the asset with the investment sponsor to reflect your new account number. You will be responsible for a \$5-\$15 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 Trust Management, Inc., before your conversion will be processed.

* When your annual fee comes up for renewal, your Annual Maintenance fee will be charged/billed according to the Roth IRA fee schedule.

*If you are in your 70 ½ years or older, you must withdraw your Required Minimum Distribution (RMD) before converting to a Roth IRA. Please contact us to obtain our IRA Distribution Request form.

TRUST MANAGEMENT, INC.

Roth IRA Transfer/Rollover/Conversion Request to a TMICO Roth IRA

Name of Present Trustee, Custodian or Employer Plan

Address where this request should be mailed

City _____ State _____ Zip _____ Phone _____

Account Number _____ Name as it appears on current account _____ Social Security Number _____ Date of Birth _____

This will be a (choose _____ **Transfer of Existing Roth IRA** _____ **Rollover of Existing Roth IRA** _____ **Conversion of Traditional IRA to Roth IRA*** one): **Please, Complete Withholding Election**

And I hereby request a (choose _____ **Complete Transfer/Rollover/Conversion** _____ **Partial Transfer/Rollover/Conversion** one):

Required: For transfers or rollovers of existing Roth IRAs, please provide the date of the original conversion or first contribution:

Assets To Be Transferred/Rolled/Converted: Please list each asset individually below and include a copy of your most recent account statement. If liquidate/sell is not chosen, assets will be reregistered to Trust Management, Inc.

Quantity Being Transferred (All, # of Shares, or \$Amount)	Describe Assets Being Transferred (Fund Name, Security, or other Asset)	Asset Type**	Instructions (Check only one box for each asset)
			<input type="checkbox"/> Liquidate or <input type="checkbox"/> In-Kind
			<input type="checkbox"/> Liquidate or <input type="checkbox"/> In-Kind
			<input type="checkbox"/> Liquidate or <input type="checkbox"/> In-Kind
			<input type="checkbox"/> Liquidate or <input type="checkbox"/> In-Kind

*Asset Type: MF=Mutual Fund S=Public Stock CD=Certificate of Deposit LP=Public Ltd Partnership B=Bond A=Annuity T=Treasury O=Other (Must Specify type):

***Withholding Election:** Trust Management Inc., is required to withhold Federal Income Taxes from this conversion unless you elect not to have withholding apply by checking the appropriate box below. If no election is made, we are required to withhold a flat 10% rate. Even if you elect not to have federal income tax withheld, you are liable for payment of federal income taxes on the taxable portion of your distribution. You may also be subject to tax penalties under the estimated tax payment rules if your payment of estimated tax and withholding, if any, are not adequate. Please review the withholding notice below prior to making this election.

Income tax is to be 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.

_____ I elect **not to have** federal income tax withheld.

INSTRUCTIONS TO RESIGNING TRUSTEE/CUSTODIAN:

PLEASE RE-REGISTER ASSETS AND/OR

MAKE ANY CHECKS PAYABLE AS FOLLOWS:

DELIVERY INSTRUCTIONS:

TMICO, Custodian

FBO: _____ **ROTH IRA** _____
P O Box 2288 (817) 335-2933
Fort Worth, TX 76113-2288 Tax ID #75-270772

- Send Overnight delivery to Trust Management Via:
 _____ FedEx _____ UPS _____ Airborne _____ USPS Express Mail
 3rd Party Billing Account # _____
 Wire Funds _____
 Other _____

Signature: I certify that this is an accurate and complete listing of allow assets held in the above-referenced account. In the case of a transfer or conversion, the Custodian is authorized to send cash and/or assets to Trust Management, Inc., as specified. In the case of a rollover, I understand it is solely my responsibility to determine the validity of any rollover or conversion contribution(s) and to initiate and make such deposit(s). I acknowledge that Trust Management, Inc., reserves the right to review all assets being transferred prior to final acceptance as Custodian of this account. I hereby agree to indemnify and hold harmless Trust Management, Inc., for any and all costs, obligations, losses, claims, damages and expenses(including reasonable attorney's fees) related to or associated with its agreement to accept eh above-referenced assets.

Signature: _____ Date _____

Signature Guarantee

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

Acceptance by Trust Management, Inc.: (to be completed by Trust Management, Inc.)

Trust Management, Inc., has established an Individual Retirement Account for the above-named individual and agrees to accept the assets listed above. This acceptance is not to be construed as validation of any rollover or conversion contribution, if any. Trust Management, Inc., (Tax ID #75-270772) is exempt from backup withholding as described in section 3406 (a)(1)(c) of the Internal Revenue Code.

Date: _____ By: _____

Authorized Signatory for
Trust Management, Inc.

Trust Management, Inc.
Roth Individual Retirement Account
(Under Section 408A of the Internal Revenue Code)

This Roth Individual Retirement Custodial Account Agreement (hereinafter called the "Agreement") is made between Trust Management, Inc., a Texas trust company (hereinafter called the "Custodian") and each individual (hereinafter called the "Depositor") who executes a Roth IRA Adoption Agreement, incorporating the terms of this Agreement, for the purpose of establishing a Roth Individual Retirement Custodial Account (hereinafter called the "Custodial Account") under Section 408(a) of the Internal Revenue Code of 1986, as amended, or any successor statute (hereinafter called the "Code"), to provide for his or her retirement and for the support of his or her beneficiaries after death, upon the terms set forth herein. The Custodian has given the Depositor the disclosure statement required under the Regulations section 1.408-6.

Article I.

- 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.

- 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.

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

Article IV.

- 4.1 No part of the Custodial 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 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.

- 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.

- 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.

- 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 the IRS model form, Sterling Trust Company has added the provisions in Articles IX through XVII, and these may also be amended from time to time as provided in paragraph 15.1.

Article VIII. Contributions

- 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 filling 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 70 ½ 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 the 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 collection of any contributions under this Agreement, and shall be under no duty to determine whether the nature or amount of any

Contribution 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

- 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 "Settler" 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 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 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 Matrix NOW account and will receive a fee directly from matrix Capital Bank for such services. Depositor understands that such fees which would be paid by Matrix Capital 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 ("ERSIA"), 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 investment 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 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 investments 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
- 9.6 If the Depositor directs the Custodian to purchase publicly-traded securities, orders shall be executed through 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. The Custodian shall be authorized to honor transactions within the brokerage account without obligation to verify prior authorization of same by the Depositor. 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. Investment directions may be given directly to the designated broker by the Depositor (in such manner as the broker may require) and the broker shall be responsible for the execution of such orders. 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. 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 shall include but not be limited to investments which are 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 there under. 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 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 constructed as either investment advice, the exercise of discretion with respect to investment's prudence or viability, or a determination that such investments 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 other-wise disburse payment beyond the cash balance

of the account for any payment or assessment related to the non-standard 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 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 IRA 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 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 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 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 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 and 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 scheduled valuation may be shown at the 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 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.

- 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 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 the 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, that 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 sufficient 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 already has been acquired, sell the investment and reimburse itself for any cost 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 Accounts

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 an 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 constructed 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:

(a) 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.

(b) 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 decision with respect to voting, or not voting, such securities may not be constructed 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.

(c) 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.

(d) 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.

(e) 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 Matrix NOW Account) for safe keeping with such banks, brokers, and other custodians as the Custodian as the Custodian may select.

(f) 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.

(g) To employ suitable agents and counsel and to pay their reasonable expenses and compensation.

(h) 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 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 have no duty other than to follow the directions of the Depositor, his Rep, or Investment Advisor, and shall be under no duty to question said instructions. The Custodian does not assume any responsibility for rendering advice with respect to the investment and reinvestment of the Depositor's 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. 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 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 Custodian, 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. The Depositor shall indemnify and hold Custodian harmless for any losses resulting from the Custodian's action or inaction in relation to investment directions received from the 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 consequences resulting from the Depositor's or Rep's direction to engage in any unauthorized transaction, including an investment in life insurance contracts, investment in collectibles, or engaging in a prohibited transaction as defined in Section 4975 of the Code.

Article XI. Beneficiary Designation

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 12.1, or if all beneficiaries named by a Depositor predeceased 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, trustee, or legal representative of such minor or incompetent and the receipt of 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

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 the Agreement.

12.2 Depositor's election as to the method of distribution under section 4.3 of the 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 70 1/2. 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

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 or annual statement unless the 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 periods(s) in question.

Article XIV. Fees and Expenses

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 contrary provisions of this Agreement, all payments under this Article and the liquidations of assets to obtain funds therefore may be made without the approval or direction of the 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.

Article XV. Amendment and Termination

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 reserves remaining after the payment of all such items to be paid over to the successor custodian or custodian.

Article XVI. Resignation or Removal of Custodian

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 prior 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 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.

16.3 The Custodian shall not be liable for the acts or omissions of its successor.

Article XVII. Miscellaneous

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. 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 JUDGEMENT IN ANY COURT HAVING JURISDICTION IN ANY MATTER IN WHICH THE AMOUNT IN DISPUTE EXCEEDS \$100,000.00, THE ARBITRATION PROCEEDING 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 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.

17.7 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.

17.8 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.

17.9 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.

17.10 This Agreement is intended to qualify under Section 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.

17.11 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.

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 automatically 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 or his or her beneficiaries.

Do not file Form 5305-RA with the IRS. Instead, keep it for 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 disclosure the Depositor can get from the Custodian, get Pub. 590, Individual Retirement Arrangements (IRAs).

This Roth IRA can be used by a Depositor to hold: (1) IRA Conversion Contributions, amounts rolled over or transferred from another Roth IRA, and annual cash contributions of up to \$4,000 from the Depositor; or (2) if designated as a Roth Conversion IRA, only IRA Conversion Contributions for the same tax year. To simplify the identification of funds distributed from Roth IRAs, Depositors are encouraged to maintain IRA Conversion Contributions for each tax year in a separate Roth IRA.

Definitions

Roth Conversion IRA. A Roth Conversion IRA is a Roth IRA that accepts only IRA Conversion Contributions made during the same tax year.

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

Custodian. The trustee 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 percent 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 does not exceed the amount contributed for them for the tax year. The Depositor should see the disclosure statement or Pub. 590 for more information.

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.

Trust Management. Inc. Individual Retirement Account

Disclosure Statement

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

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 Roth IRA 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 Trust Management. Inc. as follows:

Trust Management. Inc.
901 Summit Ave
Fort Worth, Texas 76102

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, the Custodian will return the current fair market value of the amount contributed to the IRA, without penalty, service charge, or administrative expense.

B. Statutory Requirements Of A Roth IRA

An individual retirement account is a Custodial 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), contributions may not exceed the lesser of 100% of your compensation, or \$4,000 in any tax year and the contribution must be in cash.
3. You will have a nonforfeitable interest in the account.
4. No part of the Custodial 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.
6. 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.

C. Contribution Limitations And Restrictions Of A Roth IRA

1. Eligible Individuals: You are permitted to make a regular contribution to your Roth IRA for any taxable year if you receive compensation for such taxable year which is below the applicable limit discussed below. Compensation includes salaries, wages, tips, commissions, bonuses, alimony, royalties from creative efforts and “earned income” in the case of self-employed. The amount which is permitted depends upon your modified adjusted gross income (Modified AGI), your marital status, and your tax filing status.

2. General Contribution Limitations:

Regular Roth IRA Contributions: The maximum amount you may contribute for any year is the lesser of 100% of your compensation or \$4,000. Your actual contribution limit depends upon your marital status, tax filing status, and your Modified AGI. All regular contributions to a Roth IRA are nondeductible for Federal income tax purposes. The maximum amount you may contribute to a Roth IRA is reduced by any contributions you make to all of your traditional IRAs for the same tax year. This means that the total maximum combined annual contribution to a traditional IRA and a Roth IRA may not exceed \$4,000.

If you are a single taxpayer (or a married person filing a separate return who did not live with your spouse at any time during the year), and your Modified AGI is \$95,000 or less, you may contribute up to the maximum amount of \$4,000 to your Roth IRA. If your Modified AGI is \$110,000 or more, no contribution is permitted. If your Modified AGI is over \$95,000 but less than \$110,000, then a calculation must be made to determine your Roth IRA contribution limit for the year. The calculation reduces your otherwise allowable contribution limit of \$4,000 by .13 for every \$1 of Modified AGI between \$95,000 and \$110,000.

If you are married and file a joint tax return with your spouse and your Modified AGI is \$150,000 or less, you may contribute up to the maximum amount of \$4,000 to your Roth IRA. If your combined Modified AGI is \$160,000 or more, no contribution is permitted. If your Modified AGI is over \$150,000 but less than \$160,000, then a similar calculation must be made. The calculation reduces each spouse’s otherwise allowable Roth IRA contribution limit of \$4,000 by .20 for every \$1 of Modified AGI between \$150,000 and \$160,000.

If you are married but file separate tax returns (or lived together at any time during the year) and you have a separate Modified AGI which exceeds \$10,000, no contribution is permitted to your Roth IRA. If you or your spouse’s separate Modified AGI is more than \$0 but less than \$10,000, then the Roth IRA contribution limit of \$4,000 is reduced by .20 for every \$1 of Modified AGI between \$0 and \$10,000.

Spousal Roth IRAs: If you and your spouse file a joint tax return and have unequal compensation (including no compensation for one spouse) you may establish separate Roth IRAs for each spouse. The total annual contribution limit for both Roth IRAs may not exceed the lesser of 100% of the combined compensation for both spouses or \$8,000, but neither Roth IRA may accept more than \$4,000 per spouse.

The maximum Roth IRA contribution of \$4,000 for the spouse must be reduced by any regular traditional IRA contributions made on behalf of such spouse, and, any Roth IRA contributions made on behalf of such spouse. This \$4,000 limit may be further reduced if the Modified AGI exceeds the levels discussed above.

\$200 Minimum Roth IRA Contribution: If you fall into any of the categories listed above, your minimum allowable Roth IRA contribution will be \$200 until phased out under the appropriate marital status. In other words, if your Roth IRA contribution amount calculated under the appropriate dollar amounts discussed above results in a contribution between \$0 and \$200, your permitted contribution is \$200 instead of the calculated amount. If the result is not a multiple of \$10, round up to the nearest \$10.

Modified AGI: Modified AGI does not include any distributions from a traditional IRA that are rolled over to a Roth IRA and included in income. Modified AGI is determined after deductible traditional IRA contributions. **Note:** Pending technical corrections would provide that modified AGI is determined before a deductible traditional IRA contribution.

Other Contributions: Your Roth IRA may not accept rollovers from an employer-sponsored plan, employer contributions made under a SEP or SIMPLE plan and traditional IRA contributions. However, certain rollovers and transfers as described below may be made.

Miscellaneous Contribution Rules:

- Contributions are permitted after you attain age 70½, so long as you have compensation as discussed above.
- Contributions are permitted regardless of whether you are an active participant in an employer-sponsored plan.

D. Excess Contributions

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

1. 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 to you by your tax filing deadline including extensions for the year during which the excess contribution was made. 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 to the excess are subject to a 10% premature distribution penalty. **This is the only method of correcting an excess contribution that will avoid the 6% penalty.**

2. 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.

3. Under contribution 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 under contribute 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.

E. Rollover Contributions

Rollover Contribution from Another Roth IRA: A rollover from another Roth IRA is any amount you receive from one Roth 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 Roth 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 additional income taxes.

The following special rules also apply to rollovers between Roth IRAs:

1. The rollover must be completed no later than the 60th day after the day the distribution was received by you from the first Roth IRA.
2. You may have only one Roth IRA to Roth IRA rollover during a 12 consecutive month period measured from the date you received a distribution of a Roth IRA which was rolled over to another Roth IRA.
3. The same property you receive in a distribution from the first Roth IRA must be the same property you roll over into the second Roth IRA. For example, if you receive a distribution from a Roth IRA of property, such as stocks, that same stock must be the property rolled over into the second Roth 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 Roth IRA in order to make a rollover contribution into another Roth IRA, nor are you required to roll over the entire amount you received from the first Roth IRA into the second Roth IRA.

6. If you inherit a Roth IRA due to the death of the participant, you may not roll this Roth IRA into your own Roth IRA unless you are the spouse of the decedent.

Rollovers from Employer-Sponsored Plans: You may not roll over from an employer-sponsored plan to a Roth IRA. However, you may roll over from an employer-sponsored plan to a traditional IRA and then convert the traditional IRA to a Roth IRA in a Rollover Conversion explained below.

Employer-sponsored plans eligible for rollovers to traditional 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);
3. A Tax-Sheltered Annuity (TSA) or Custodial Account under Section 403(b); or,
4. A Federal Employee's Thrift Savings Plan.

Rollover Conversion from a Traditional IRA to a Roth IRA: You are permitted to make a qualified rollover contribution from a traditional IRA to a Roth IRA if your Modified AGI (not including the taxable amount rolled over) for the year during which the rollover is made does not exceed \$100,000 and you are not a married person filing a separate tax return. This is called a "rollover conversion" and may be done at any time without waiting the usual 12 months.

Taxation in Completing a Rollover Conversion from a Traditional IRA to a Roth IRA: If you complete a rollover conversion from a traditional IRA to a Roth IRA, the rollover amount (to the extent taxable) is generally included in your income for the year during which the rollover is made. However, the 10% additional income tax for premature distributions does not apply.

For rollover conversions made during 2005, you will include the taxable amount of the traditional IRA distribution in income ratably over a 4-taxable year period beginning with the taxable year in which the conversion contribution is made. Any rollover conversions from a traditional IRA to a Roth IRA made in 2006 and after will be fully taxable in the year of the conversion contribution.

Note: Pending technical corrections would provide that, with respect to the 1998 rollover conversions, if the taxpayer dies before including the taxable amounts in income over a 4-year period, all remaining amounts will be included in gross income for the taxable year of death. However, if the surviving spouse of such deceased Roth IRA participant is the beneficiary of the Roth IRA, the surviving spouse may elect to continue including the remaining amount in income over the 4-year period.

The Custodian of your Roth IRA requires you to establish a separate Roth IRA for a 2005 rollover conversion and a separate Roth IRA for rollover conversions after 2006.

F. Contribution Conversions of Traditional IRA to a Roth IRA

If you decide by your tax filing deadline (not including extensions) to transfer a current year contribution plus earnings from a traditional IRA to a Roth IRA, no amount will be included in your gross income as long as you did not take a deduction for the amount of the converted contribution. **Note:** There are technical corrections pending which would also allow you to make a contribution conversion plus earnings from a Roth IRA to a traditional IRA by your tax filing deadline and would permit such contribution conversions plus earnings to be made by your tax filing deadline including extensions.

G. Distributions From A Roth IRA

Taxation of Distributions: "Qualified" distributions are neither subject to income tax nor the 10% premature penalty tax. Nonqualified distributions are taxable to the extent such distribution is attributable to the income earned in the account.

When you start withdrawing from your Roth IRA, you may take the distributions in regular payments, random withdrawals or in a single sum payment.

Qualified Distributions: A Qualified distribution is one made:

1. Over 59 ½
2. Death or disability;
3. Qualified medical expenses
4. Certain health insurance
5. Qualified college expenses
6. 1st time home purchase (up to \$10,000)
7. Due to IRS levy
8. Periodic payments

For rollover conversion contributions from a traditional IRA to a Roth IRA, the 5 year period begins with the year in which the rollover was made. The Custodian will require that you establish separate Roth IRA plans for regular Roth IRA contributions, rollovers and transfers between Roth IRAs and rollover conversions from a traditional IRA.

Nonqualified Distributions: Distributions from a Roth IRA which are made as a nonqualified distribution are treated as made from contributions to the Roth IRA to the extent that such distribution, when added to all previous distributions from the Roth IRA, does not exceed the aggregate amount of contributions to the Roth IRA. This means that nonqualified distributions are treated as taken from the nontaxable portion first (the contributions) until the aggregate distributions exceed the aggregate contributions. When the aggregate distributions exceed the aggregate contributions, then the earnings will be treated as part of the distribution for taxation purposes. The portion of the nonqualified distribution that represents earnings will be taxable and subject to the 10% premature penalty tax, unless an exception applies. It is anticipated that the IRS will develop a tax form for you to use to keep records on the contributions you make to your Roth IRA and to figure any taxable, nonqualified distributions from your Roth IRA.

Distributions Made Before the End of the 5 Year Period: Distributions taken before the end of the 5 year period are taxable (to the extent you receive the earnings attributable) and are subject to the 10% additional income tax if the participant is not age 59½ . However, the 10% additional income tax is avoided if the distribution meets one of the exceptions under Section 72(t).

Note: Pending technical corrections would provide that the 10% additional tax on early distributions will apply to rollover conversions if the taxpayer withdraws any portion of the taxable conversion amount before the end of the 5 year period unless an exception under Section 72(t) applies. Also, if the taxpayer withdraws any portion of the taxable conversion amount before the end of the 5 year period, an additional 10% tax will apply to the taxable portion of the rollover conversion if such conversion occurs in 1998 and the 4-year income inclusion rule applies.

Basis Recovery Rules for Distributions from Different IRA Plans: The taxation of distributions from a Roth IRA shall be treated separately from the taxation of a distribution from other IRA plans. In other words, nondeductible contributions made to your traditional IRA will continue to be recovered tax-free on a ratable basis.

Note: Pending technical corrections would also provide that a Rollover Conversion Roth IRA will be treated separately from regular Roth IRAs and that Rollover Conversion Roth IRAs that are subject to a different 5-year aging period would be treated separately. In addition, pending technical corrections would provide that Roth IRA distributions would be subject to the following ordering rules: first, from rollover conversion contributions to a Roth IRA during 1998 from a traditional IRA eligible for the 4-year income inclusion; second, from rollover conversion contributions to a Roth IRA after 1998 from a traditional IRA not eligible for the 4 year income inclusion; and third, from contributions to a Roth IRA that are not rollover contributions.

Premature Distributions: If you are under age 59½ and receive a nonqualified distribution from your Roth IRA, a 10% additional income tax will apply to the taxable portion (generally the earnings portion) of the distribution unless the distribution is received due to death; disability; a qualifying rollover distribution; the timely withdrawal of the principal amount of an excess; substantially equal periodic payments; certain medical expenses; health insurance premiums paid by certain unemployed individuals; qualified higher education expenses; or qualified first time homebuyer expenses.

Required Distributions: Unlike a traditional IRA, you are not required to begin distributions when you attain age 70½. Also, the incidental death benefit requirements (referred to as MDIB) do not apply to the Roth IRA.

Death Distributions: If you die, the balance in your Roth IRA must generally be distributed no later than December 31st of the year containing the 5th anniversary of your death. However, your beneficiary(ies) may elect to receive the balance in your account over the non-recalculated single life expectancy of your designated beneficiary if distributions begin no later than the end of the year containing the one year anniversary of your death. If your spouse is your sole beneficiary, your spouse is automatically deemed to assume your Roth IRA as their own Roth IRA.

H. Prohibited Transactions

If you or your beneficiary engages in a prohibited transaction described in Code Section 4975 with your Roth IRA, it will lose its tax exemption and you must include the taxable portion of your account in your gross income for the taxable year in which the prohibited transaction took place. 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.

In addition, 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 the taxable portion will be included in your gross income for that year.

I. Additional Taxes and Penalties

If you are under age 59½ and receive a nonqualified premature distribution from your Roth IRA, an additional 10% income tax will apply on the taxable amount of the distribution (generally the earnings portion only), unless an exception under Section 72(t) applies.

Note: As mentioned earlier, pending technical corrections would assess a 10% additional tax if you are under age 59½ plus another 10% additional tax regardless of your age if you withdraw any portion of a 1998 Rollover Conversion that you made from your traditional IRA to your Roth IRA before the 5-year period ends.

If you make an excess contribution to your Roth 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 should die, and the appropriate required death distributions are not made from your Roth IRA, an excise tax of 50% is assessed to your beneficiary based upon the difference between the amount that should have been distributed and the amount that was actually distributed.

You must file Form 5329 with the Internal Revenue Service for any year an additional tax is due.

J. Income Tax Withholding

All withdrawals from your Roth IRA (except a direct transfer) are subject to federal income tax withholding. You may, however, elect not to have withholding apply to your Roth IRA distribution in most cases. If withholding does apply to your distribution, it is at a rate of 10% of the amount of the distribution.

K. Federal Estate And Gift Taxes

Generally there is no specific exclusion for Roth IRAs under the estate tax rules. Therefore, in the event of your death, the value of your Roth IRA will be includible in your gross estate for federal estate tax purposes. However, if your surviving spouse is the beneficiary of your IRA, the value of your Roth 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 Roth IRA plan.

L. Transfers

A direct transfer of all or a portion of your funds is permitted from this Roth IRA to another Roth IRA or visa versa. Transfers do not constitute a distribution since you are never in constructive receipt

M. Additional Self-Direction Requirements Under The Trust Management. Inc. IRA-Financial Disclosure

Under the Trust Management. Inc. 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 Designated 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 Designated 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 Idle Cash: In the event that cash is received by the Custodian for which there is no investment direction, or if cash in the account is less than the Custodian's applicable minimum reinvestment amount, the Custodian shall transfer said cash to an interest-bearing cash account of the Custodian's choice. All such cash shall remain invested in the interest-bearing cash account, earning interest which shall be posted to the account no less than monthly, until investment direction is received, or until the accumulated balance 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. Trust Management. Inc. 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 the Custodian for filing, along with instructions to pay any required tax.

Asset Valuation: Trust Management. Inc. shall periodically value the assets in your IRA account 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 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 the Custodian.

In the absence of direction from the Secretary of the Treasury or his authorized representative to the contrary, the value of illiquid assets, such as limited partnerships and privately-held stock, shall be determined by a fair market value from the investment sponsor or other outside sources. If the investment sponsor is unwilling or unable to provide a fair market value or if the value is not provided to the Custodian, then the Custodian may list the value of the illiquid asset at its original cost or as price "Not Available." Assets which have no readily determinable market value, are bankrupt, or for which no original cost or value is otherwise available may have values reflected as "Not Available" on the Custodian's periodic statement.

Growth In Value: As stated in Articles IX and X of the Trust Management. Inc. Individual Retirement Account Trust Agreement, the assets of the IRA will be invested only in accordance with directions received from you or your Designated Representative. Trust Management. Inc. permits you to invest the assets of your IRA in a wide variety of acceptable investments, but Trust Management. Inc. offers no investment advice as to which investments may be best for your Account. The value of assets in the Account that will be available to you at any given time will depend upon the amount of your contributions, the mix of permitted assets, and the success of your investment strategy. Accordingly, growth in value of the Account is not guaranteed, and the value at any given point in time in the future is impossible to predict.

Types of investments deemed to be acceptable to Trust Management. Inc. are based on administrative factors unrelated to the prudence or viability of the investment. Trust Management. Inc. evaluates only administrative feasibility with respect to any investment, and does not recommend or evaluate the merits or suitability of any investment. The decision by Trust Management. Inc. to accept or reject any investment or category of investments does not constitute an opinion as to the prudence, viability, or advisability of the investment, nor does it constitute investment advice to you on the part of Trust Management. Inc..

N. Designated Representative Provisions

If you have designated a Representative in Section 5 of the Trust Management. Inc. Individual Retirement Custodial Account Adoption Agreement, your designation is subject to the following provisions:

1. You recognize that Trust Management. Inc. is entitled to rely on directions from your Designated Representative, and you agree that Trust Management. Inc. shall be under no duty to make an investigation with respect to any instructions received from your Designated Representative. You also recognize that your Designated Representative may choose to communicate investment directions to the Custodian via an agent, such as his office staff or broker/dealer organization;
2. You are solely responsible for managing the investment of your IRA Custodial Account, and for directing your Designated Representative. All instructions, directions, and/or confirmations received by Trust Management. Inc. from your Designated Representative shall be assumed to have been authorized by you;
3. You recognize that the Designated Representative is your agent, and not an agent of Trust Management. Inc.;
4. You may remove your Designated Representative and designate a new Representative by written notice to Trust Management. Inc.. However, removal of a Designated Representative will not have the effect of canceling any instruction, direction, or confirmation which has been received by Trust Management. Inc. from the Designated Representative prior to the date that notice of removal is received and processed by Trust Management. Inc.; and
5. You agree to indemnify and hold Trust Management. Inc. 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 Designated Representative; (iii) any exercise or failure to exercise investment direction authority by you or by your Designated Representative; (iv) Trust Management. Inc.'s refusal on advice of counsel to act in accordance with any exercise of investment direction by you or your Designated Representative; (v) any other act or failure to act by you or your Designated Representative; (vi) any prohibited transaction or plan disqualification due to any actions taken or not taken by Trust Management. Inc. in reliance on directions from you or your Designated Representative; or (vii) any other act Trust Management. Inc. takes in good faith hereunder.

O. Custodian Fees

A schedule of the fees and charges of Trust Management. Inc. is included in the Roth IRA Adoption Agreement of the Roth IRA Trust. This schedule may be amended from time to time upon 30 days' prior written notice to you. The Custodian 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.

Trust Management. Inc. performs all sub accounting and interest posting functions (where applicable) for the omnibus demand deposit and interest-bearing money market accounts. Trust Management. Inc. may receive a fee for these services, paid directly from the bank, money market sponsor, or affiliate of either entity. Such fees, if any, shall be a per-account administrative charge similar to costs which would be borne directly by the bank or fund sponsor, or paid to a third-party transfer agent for similar services. No sub accounting fee will be borne by you or your IRA account.

P. IRS Approval As To Form

The Trust Management. Inc. Roth Individual Retirement Account is treated as approved as to form by the Internal Revenue Service since it utilizes precise language of Form 5305-RA 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.

Q. 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).

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