

# ROTH IRA

## DISCLOSURE STATEMENT

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The Roth Individual Retirement Account (“Roth IRA”) presented with this Disclosure Statement is a retirement plan made available to individuals. An individual who establishes the Roth IRA described herein is a “Participant.” This Disclosure Statement summarizes the requirements for a Roth IRA.

### REVOCATION OF ACCOUNT

The Participant may revoke the Roth IRA at any time within seven days after he or she has established the account. Upon revocation, the Sponsor will return to the Participant the entire amount contributed to the Roth IRA without penalty, service charge, administrative expense or other deduction.

To revoke the Roth IRA, the Participant either may mail or may deliver the form entitled “Notice of Revocation” to the Sponsor within seven days of establishing the Roth IRA. If the Participant mails the Notice of Revocation, the law considers the Notice mailed on the date of the postmark (or on the date of certification or registration if sent by certified or registered mail) provided the Participant deposits the Notice in the United States mail in an envelope or other appropriate wrapper, first class postage prepaid, properly addressed to the person whose name the Notice of Revocation form designates.

### STATUTORY REQUIREMENTS

**(1) Qualification Requirements.** A Roth IRA must satisfy certain requirements of the Internal Revenue Code (“Code”). The Roth IRA Agreement incorporates those requirements. In brief, the Roth IRA must satisfy the following requirements: (1) a written instrument must govern the Roth IRA; (2) the Sponsor, except in the case of a “rollover” or a direct transfer, may accept only cash contributions; (3) the Roth IRA may not invest in life insurance contracts; (4) the Participant’s interest in the Roth IRA must be nonforfeitable at all times; and (5) with certain limited exceptions, the Sponsor may not commingle the Participant’s Roth IRA with other property.

**(2) Required Distribution Rules.** The age 70½ lifetime required distribution rules which apply to a Traditional IRA do not apply to a Roth IRA. A Participant may contribute to a Roth IRA without regard to the Participant’s age. However, upon the Participant’s death, the Sponsor must distribute the Participant’s entire remaining account to the Participant’s beneficiary in accordance with one of the following options: (1) distribution of the entire account over the Participant’s beneficiary’s life expectancy commencing no later than the December 31 of the calendar year following the Participant’s death; (2) if the Participant’s beneficiary is his or her surviving spouse, the spouse may elect to receive the entire account over his or her life expectancy commencing no later than December 31 of the calendar year in which the Participant would have attained age 70½; or (3) if the Participant’s beneficiary is his or her surviving spouse, the spouse may elect to treat the account as his or her own Roth IRA. Options (1), (2) and (3) assume the Participant has a “Designated Beneficiary.” A Designated Beneficiary generally is an *individual* (but also may include certain trusts), specified in writing by the Participant or by the Roth IRA itself. If the Participant dies without a Designated Beneficiary, the Sponsor must complete payment of the account

to the Participant’s beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant’s death.

**(3) Approved Form.** The Internal Revenue Service (“IRS”) has approved the form of the Sponsor’s Roth IRA. The Participant should not consider the IRS approval as to form as a determination by the IRS of the merits of the Sponsor’s Roth IRA.

**(4) Vested Interest.** The Participant’s interest in his or her Roth IRA is vested. However, if the Participant invests any part of his or her Roth IRA in a time deposit, banking regulations may impose a penalty (interest reduction or total interest loss) for withdrawal prior to maturity.

### PARTICIPANT CONTRIBUTIONS

A Roth IRA is an IRA to which an individual may make nondeductible contributions. Generally, withdrawals (including income earned with respect to the contributions) from the Roth IRA are not includible in gross income.

**(1) Eligible Participant.** Any individual who has compensation is eligible to establish a Roth IRA. Section 1.05 of the Roth IRA defined the term “Compensation.” Generally, Compensation means wages, salaries or professional fees and other amounts received for personal services actually rendered, including commissions paid to salesmen, compensation for services on the basis of a percentage of profits, tips and bonuses. For a person who is self-employed, compensation includes net earnings from the trade or business in which that person’s personal services are a material income producing factor. Compensation does not include amounts an individual receives as earnings or profits from property, such as dividends or interest, or amounts an individual receives as an annuity, a pension, or other deferred compensation. Compensation also includes certain alimony payments. The “active participant” rule does not apply to a Roth IRA. Also, the Traditional IRA restriction on contributions for an individual who has attained age 70½ does not apply to a Roth IRA.

**(2) General Contribution Limitation.** Each taxable year, an eligible Participant may contribute to his or her Roth IRA the *lesser* of the applicable Dollar Amount (shown in the table below) or 100% of Compensation reduced by the Participant’s contributions to a Traditional IRA. Spouses each may contribute the maximum applicable Dollar Amount to a Roth IRA if each has sufficient Compensation (determined without regard to community property laws). Under a special rule, a married couple may contribute an amount not exceeding the applicable Dollar Amount for each spouse (including a spouse who does not work outside the home) if the combined Compensation of both spouses is at least equal to the applicable Dollar Amount. A nonworking spouse may take advantage of this additional Roth IRA contribution limitation by establishing a separate Roth IRA. The contribution limitation under the special rule for each Roth IRA is the lesser of: (a) the applicable Dollar Amount; or (b) the excess of the combined Compensation of the married couple for the taxable year, over the amount of the Roth IRA contribution for the other spouse. See Section 2.01 of the Roth IRA document.

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**Roth IRA Contribution Applicable Dollar Amount**

<u>Taxable Year</u>	<u>Dollar Amount</u>
2002 - 2004	\$3,000
2005 - 2007	\$4,000
2008	\$5,000
2009 and later	\$5,000 as adjusted under Code §219(b)(5)(D).

Notwithstanding the applicable Dollar Amount for a Taxable Year, a Participant may make a repayment of a qualified reservist distribution during the two-year period beginning on the day after the end of the active duty period or by August 17, 2008, if later. A qualified reservist distribution is a distribution from an IRA or elective deferral account of an individual who is member of a military reserve unit and who is called to active duty before 2008 (or a later year as provided by law) for a period of more than 179 days or for an indefinite period.

**(3) Catch-up Contributions.** Commencing in 2002, in determining the applicable Dollar Amount for purposes of determining the General Contribution Limitation described in the preceding paragraph, a Participant who is age 50 or older or whose 50th birthday falls within the applicable taxable year, may make an additional deductible Catch-Up Contribution, in excess of the applicable Dollar Amount. The maximum Catch-Up Contribution for a taxable year is the amount specified in the following table.

**Catch-Up Contribution Applicable Dollar Amount**

<u>Taxable Year</u>	<u>Dollar Amount</u>
2002 – 2005	\$ 500
2006 and later	\$1,000

**(4) Contribution Reduction.** The individual reduces the contribution limitation for a taxable year if the individual’s adjusted gross income (AGI) exceeds the applicable dollar amount. The applicable dollar amount is \$150,000 for an individual filing a joint tax return, \$0 for a married individual filing a separate tax return and \$95,000 for any other individual. To determine the reduction, the individual multiplies the contribution limitation by a fraction. The numerator of the fraction is the excess of the individual’s AGI over the applicable dollar amount. The denominator of the fraction is \$15,000 (\$10,000 in the case of a joint return). Beginning in 2007, the AGI applicable dollar amount is subject to cost of living adjustments in increments of \$1,000.

**(5) Time of Contribution/Establishing of Roth IRA.** In order to make a Roth IRA contribution for a particular taxable year, the calendar year Participant must make his or her contribution in *cash* to the Roth IRA within that taxable year or not later than the following April 15. The same rule applies to the establishing of a new Roth IRA; that is, an individual may establish a new Roth IRA for a particular taxable year until the due date of the individual’s return for that taxable year, *excluding* extensions.

A Participant who reports his or her federal income on other than a calendar year basis should advise the Roth IRA Sponsor of his or her taxable year.

**(6) Dollar Limit on Contribution.** The Sponsor is not permitted to accept more than the amount described above per year from one Participant except in the case of certain rollovers or transfers from other Roth IRAs.

**(7) Direct Deposit of Tax Refunds to IRA.** The IRS has forms available on which an individual may elect to have his/her tax refund directly deposited into an IRA. The deposit is subject to the applicable dollar limits for the year.

**(8) Recharacterization.** An IRA contribution that is transferred to another IRA in a trustee to trustee transfer on or before the federal income tax return due date (with extensions) for the taxable year of the contribution shall be treated as made to the transferee IRA. The transfer must include allocable net income on the contribution and no deduction is allowed for the contribution to the transferor IRA.

**(9) Tax credit for IRA contributions.** A tax credit (“Saver’s Credit”) is available to a Participant (who is at least 18 by the end of the taxable year and is not a dependent of another taxpayer or a full-time student as defined in Code §25B(c)(2)(B)) in the amount of the applicable percentage times the Participant’s IRA contributions (not exceeding \$2,000). The applicable percentage and maximum credit amount, determined by the Participant’s filing status and adjusted gross income (“AGI”), is shown in the table below. The Saver’s Credit also may be based on certain elective deferral contributions and voluntary employee after-tax contributions the Participant makes to retirement plans other than an IRA, but the maximum tax credit (not exceeding \$2,000) applies to all of such contributions. Certain retirement plan distributions specified Code §25B(d)(2) reduce the Participant’s contributions eligible for the tax credit.

**Credit Amounts for the Saver’s Credit**

<b>Filing Status and AGI</b>			<b>Credit Amount</b>
<b>Single</b>	<b>Head of Household</b>	<b>Married, Filing Jointly</b>	
\$1 to \$15,000	\$1 to \$22,500	\$1 to \$30,000	50% of contribution up to \$2,000 (\$1,000 maximum credit)
\$15,001 to \$16,250	\$22,501 to \$24,375	\$30,001 to \$32,500	20% of contribution up to \$2,000 (\$400 maximum credit)
\$16,251 to \$25,000	\$24,376 to \$37,500	\$32,501 to \$50,000	10% of contribution up to \$2,000 (\$200 maximum credit)
More than \$25,000	More than \$37,500	More than \$50,000	Zero

For taxable years after 2006, the eligible income brackets are indexed for inflation.

## ROLLOVER CONTRIBUTIONS

**(1) Eligible Participant.** An individual may make a rollover contribution if the contribution satisfies the definition of “Qualified Rollover Contribution” and the individual satisfies the IRA rollover requirements. Unlike the rules relating to normal Roth IRA contributions, an individual may make a rollover contribution even if he or she does not have any Compensation for the taxable year. The Qualified Rollover Contribution may consist of any combination of cash or property, including the proceeds from the sale of property received in an “eligible rollover distribution.”

**(2) No Contribution Limitation.** Under the Roth IRA, there is no limit on the amount of the *rollover* contribution an eligible Participant may make to the Roth IRA.

**(3) Qualified Rollover Contribution.** “Qualified Rollover Contribution” means a contribution which constitutes a *distribution* from: (a) a Traditional IRA (or an IRA annuity); (b) a SIMPLE IRA where the individual has satisfied the specified waiting period; or (c) a Roth IRA. For Taxable Years beginning after 2005, a Qualified Rollover Contribution includes a rollover from a Roth 401(k) or Roth 403(b) plan account to a Roth IRA. For Taxable Years beginning after 2007, a Qualified Rollover Contribution also includes a *rollover* from an eligible Plan to a Roth IRA. An eligible plan is a qualified plan, a 403(b) plan, governmental eligible 457 plan, Traditional IRA or SIMPLE IRA, where the individual has satisfied the specified waiting period.

**(4) Requirements for Rollover to Roth IRA (including conversions).** A Participant may contribute as a rollover to the Roth IRA, a distribution from a Traditional IRA or a distribution from another Roth IRA. An individual may not make a rollover contribution from a Traditional IRA (versus a Roth IRA) (or, for Taxable Years beginning after 2007, any eligible plan as defined in (3) above) to a Roth IRA for a taxable year if for the taxable year of the distribution to which the contribution relates, his or her adjusted gross income (AGI) exceeds \$100,000, or if the individual is married and files a separate return. In the case of a married taxpayer, the AGI is the combined AGI of the spouses. If an individual rolls over a Traditional IRA distribution to a Roth IRA, the individual is taxable on the distribution (with the exception of nondeductible IRA contributions). The early distribution tax does not apply to the Traditional IRA or Roth IRA distributions rolled over to the Roth IRA. For pre-1999 rollovers, the individual pays the income taxes on the rollover amount ratably over a 4-year period unless he or she elects otherwise. For Taxable Years beginning after 2009, the limits described in this paragraph do not apply.

An individual making a Qualified Rollover Contribution, must make the contribution (including any property received) to the Roth IRA within 60 days of the Participant’s receipt of the property and cash, if any, from the individual retirement account. Any property (other than cash) the Participant contributes to the rollover Roth IRA must be the *same* property the Participant received from the IRA.

**Conversions.** The IRS refers to a rollover from a Traditional IRA to a Roth IRA as a *conversion*. An individual may effect a conversion by any of the following methods: (1) rolling over a distribution from a Traditional IRA to a Roth IRA within 60 days; (2) transferring Traditional IRA amounts to a

Roth IRA in a trustee-to-trustee transfer; or (3) redesignating a Traditional IRA as a Roth IRA.

An individual who is ineligible to convert his or her Traditional IRA to a Roth IRA may *recharacterize* the rollover contribution by a date no later than the due date of the individual’s income tax return for the year of the rollover contribution (including extensions). The individual recharacterizes the rollover contribution by way of a trustee-to-trustee transfer which includes a transfer. The transfer also must include income attributable to the contribution.

In addition to recharacterizing an improper rollover contribution, an individual may elect to recharacterize an IRA contribution if he or she changes his or her mind as to the type of IRA to which he or she wants to make the contribution. The individual would need to make the election not later than the due date for filing his or her tax return (plus extensions). For example, if an individual makes a \$2,000 contribution to his or her Traditional IRA, the individual can change his or her mind and recharacterize the contribution as a Roth IRA contribution as long as he or she makes the transfer by the due date of his tax return (plus extensions).

**(5) Surviving Spouse Receiving Distribution/Non-spouse Beneficiary Rollover.** A surviving spouse may receive an IRA distribution and then roll over the distribution to his or her Roth IRA. A non-spouse beneficiary may roll over an IRA distribution to an inherited IRA as described in (8) below.

**(6) Sponsor’s Acceptance of Rollover Contribution.** Before making a rollover contribution to the Roth IRA, the Participant should consult his or her tax adviser not only with respect to the technical requirements of such rollovers but also with respect to the economics of the rollover. The Sponsor emphasizes it assumes no responsibility to determine whether the Participant’s contribution to the Roth IRA satisfies the definition of Qualified Rollover Contribution.

**(7) Transfer to Another Roth IRA.** An individual may transfer directly all or any part of his or her Roth IRA balance from one Roth IRA to another Roth IRA. A direct transfer differs from a rollover in that the Roth IRA does not make any distribution to the individual. Instead, under a transfer, the Sponsor, at the direction of the participant, transfers directly his or her Roth IRA balance to another Roth IRA. This transfer provision permits an individual to change Roth IRA sponsors without adverse Federal income tax; that is, the transferred account balance is not includible in gross income at the time of the transfer. The Code does not limit the number of *transfers* between Roth IRAs.

**(8) Rollover to “inherited” IRA.** A Participant who is a non-spouse beneficiary of a decedent who had an account in an eligible plan as defined in (3) above may make a Qualified Rollover Contribution of the death benefit from the eligible plan to an IRA. The IRA must be an inherited IRA. An inherited IRA is an IRA which is titled in the name of the Participant as beneficiary of the decedent from whose eligible plan account the Participant received the death benefit distribution (e.g., Mary Smith, as beneficiary of John Smith, deceased). The Participant may not make regular contributions or other rollover contributions to the inherited IRA. The inherited IRA must make distributions consistent with the required minimum distribution (“RMD”) rules for non-spouse beneficiaries. In general, the inherited IRA will follow the

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RMD rule specified in the eligible plan which distributed the death benefit. However, if the decedent died before his or her required beginning date ("RBD") under the eligible plan and the plan required distributions to be made over a 5-year period following death, the Participant, nevertheless, may spread distributions from the inherited IRA over his/her life expectancy only if he/she rolls over the death benefit no later than the last day of the taxable year following the taxable year of the decedent's death. If the decedent died on or after his or her RBD under the eligible plan, the inherited IRA may spread the distributions from the inherited IRA over the longer of the Participant's life expectancy or the decedent's remaining life expectancy determined in the year of death.

### DISTRIBUTIONS/TAXATION

**(1) Federal Tax Aspects of Distributions.** A qualified distribution from a Roth IRA is not includible in an individual's gross income and is not subject to the early distribution penalty tax. A qualified distribution must satisfy the 5-year holding requirement and must be on account of one of four distribution events. A distribution will not satisfy the 5-year holding requirement if the individual withdraws an amount from the Roth IRA: (1) within a 5-taxable year period beginning with the first taxable year for which the individual (or the individual's spouse) made a contribution to the Roth IRA, or (2) in the case of a distribution allocable to a rollover contribution, within a 5-taxable year period beginning with the taxable year in which the individual made the rollover contribution. The four qualified distribution events are distributions: (1) made after the participant attains age 59½, (2) made to a beneficiary after the participant's death, (3) attributable to a participant's disability; and (4) for qualified first-time homebuyer expenses.

If an individual receives a distribution within the 5-year period attributable to a qualified rollover contribution (conversion), the distribution is subject to the premature distribution penalty under Code §72(t).

For purposes of the Roth IRA provisions, the law considers an individual disabled if he or she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration.

A distribution which does not satisfy the qualified distribution requirements is subject to taxation. However, under the ordering rule, an individual treats a distribution as made in the following order: (1) regular nondeductible contributions to a Roth IRA, (2) conversion contributions (on a first-in-first-out basis), and (3) earnings. Thus, a distribution is not attributable to earnings until the total of all distributions exceeds the amount of the Participant's regular Roth IRA contributions. An individual must treat a Roth IRA separately from other IRAs in applying the early distribution tax.

**(2) State Income Tax.** Though the Participant's Roth IRA is exempt from federal income tax, the Participant should consult with his or her tax adviser regarding proper reporting of Roth IRA earnings for state income tax purposes.

**(3) Excess Rollover Contribution Attributable to Erroneous Information.** In the case of an excess rollover contribution, the Participant need not include the refund of the excess contribution in gross income to the extent the amount of

the excess rollover contribution was attributable to his or her reasonably relying on erroneous information the law required the Participant's employer or other party to furnish the Participant as respects the determination of the amount of a Qualified Rollover Contribution.

**(4) Penalty Tax - Excess Contribution.** Any excess contribution not returned to the Participant by the day (including extensions) prescribed by law for filing the Participant's income tax return for the taxable year of the excess contribution is subject to a nondeductible 6% excise tax for that taxable year. The law continues to impose this penalty tax for each subsequent taxable year the funds remain in the Roth IRA or the Participant does not utilize the funds as a contribution for a taxable year subsequent to the taxable year of the excess contribution. The Participant may utilize an excess contribution as a contribution in a subsequent year by contributing less than the otherwise allowable contribution amount in the subsequent taxable year. However, underutilizing the contribution limitations in the subsequent year will not eliminate the excise tax for any preceding taxable year. A Participant should request timely a return of an excess contribution to avoid the imposition of the excise tax for the taxable year of the excess contribution.

**(5) Penalty Tax Reporting.** A Participant must report any special Roth IRA penalty tax on Form 5329 as an attachment to Form 1040 for the taxable year of the penalty. Special Roth IRA penalty taxes which require the filing of Form 5329 are the excise tax on excess Roth IRA contributions, the penalty tax for making certain distributions to the Participant prior to his or her attaining age 59½ and the tax on the failure to pay out the required minimum amount to a beneficiary.

**(6) Federal Gift Tax/Estate Tax.** The Participant's designation of a beneficiary for his or her Roth IRA does not constitute a gift for federal gift tax purposes. However, a Participant's contribution to the separate Roth IRA of the Participant's nonworking spouse is a present interest gift under the federal gift tax law. The making of a contribution under a spousal Roth IRA does not require the filing of a federal gift tax return nor the paying of any federal gift tax. The balance in a Participant's Roth IRA at the time of the Participant's death is includible in his or her gross estate for federal estate tax purposes.

**(7) Prohibited Transaction.** The law treats a Participant as having received a distribution (deemed distribution) of the entire Roth IRA if the Roth IRA loses its exempt status for having engaged in a prohibited transaction or if the Participant assigns his or her Roth IRA to another person by gift or for another purpose. However, the law does not consider a transfer or assignment of a Roth IRA pursuant to a divorce decree or pursuant to a written instrument incident to a divorce as a taxable transfer. The early distribution penalty tax also may apply to a deemed distribution occurring prior to the Participant's attaining age 59½, such as an investment in collectibles.

### PROHIBITED TRANSACTIONS

To ensure the proper use of the funds deposited in the Roth IRA, the Roth IRA may not engage directly or indirectly in certain prohibited transactions. In brief, these transactions are:

- (1) The sale or exchange, or leasing, of any property between the Roth IRA and a disqualified person;

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- (2) The lending of money or other extension of credit between the Roth IRA and a disqualified person;
- (3) The furnishing of goods, services or facilities between the Roth IRA and a disqualified person;
- (4) The transfer to, or use by or for the benefit of, a disqualified person of the income or assets of the Roth IRA;
- (5) Any act by a disqualified person who is a fiduciary whereby he or she deals with the income or assets of a Roth IRA in his or her own interest or for his or her own account; or
- (6) The receipt of any consideration for his or her own personal account by any disqualified person who is a fiduciary from any party dealing with the Roth IRA in connection with the transaction involving the income or assets of the Roth IRA.

For purposes of the prohibited transaction rules, a "disqualified person" will include the Participant, the Participant's beneficiary and persons or entities (corporations, trusts, estates or partnerships) which stand in close relationship to the Participant. In addition, a Roth IRA participant is a fiduciary with respect to his or her own Roth IRA. Of course, the prohibited transaction rules do not apply to the Participant's receipt of normal retirement benefits under his or her Roth IRA.

If a prohibited transaction affecting a Participant's Roth IRA occurs, the Roth IRA will lose its tax-exempt status. Furthermore, the Participant must include all of the Roth IRA earnings in his or her gross income for the taxable year in which the prohibited transaction occurs, unless the deemed distribution constitutes a qualified distribution. See "Distributions/ Taxation."

### OTHER REQUIREMENTS

**(1) Contribution Returned Before the Due Date of Return.** A Participant may withdraw a Roth IRA contribution (including a rollover contribution) made for a taxable year if:

- (a) the Participant receives the refund by the date (including extensions) prescribed by law for filing the Participant's income tax return for the taxable year of the contribution; and
- (b) the Participant receives with the refunded contribution the earnings attributable to the contribution.

The Participant must report the earnings in the taxable year for which he or she made the contribution.

**(2) No Borrowing on Account.** The Participant may not utilize the Roth IRA for any purpose other than retirement benefits. For example, the use of the Roth IRA as security for a loan will result in a deemed distribution of the Roth IRA to the extent of the portion used as security. This deemed distribution would subject the Participant to current income taxation and to the early distribution penalty tax on the earnings portion of the Roth IRA deemed distributed unless the Participant has attained age 59½.

### TAX ADVICE

This Disclosure Statement, together with the Roth IRA document, should answer most questions concerning the Sponsor's Roth IRA. If a Participant has additional questions regarding Roth IRAs, the Participant should consult his or her tax adviser. Also, the Participant may obtain additional information regarding the Roth IRA from any District Office of the IRS. See in particular Revenue Service Publication 590.

### ADMINISTRATIVE EXPENSE

Section 8.01 of the Roth IRA document provides the Sponsor will receive reasonable annual compensation for the administration of the Participant's Roth IRA. The Sponsor and the Participant will agree to the compensation the Sponsor is to receive for the normal administration of the Participant's Roth IRA at the time the Participant establishes the Roth IRA. The Sponsor will not increase its normal charge for the administration of the Participant's Roth IRA without notice to the Participant.

### FINANCIAL DISCLOSURE

Article VI of the Roth IRA indicates who has the responsibility for the investment of the IRA assets. If the Roth IRA designates the Participant to invest the Roth IRA assets, the Trustee or Custodian will invest the assets of the Account only in accordance with written directions from the Participant. If the Roth IRA designates the Trustee to invest the Roth IRA assets, the Trustee has full investment responsibility for the assets in the Account. Article VI of the Plan lists permitted investments. These investments include securities, bonds, annuities, bank accounts and other savings investments, government obligations, real estate and other personal property. Thus, the assets of the Account, at any given time between its establishment and its termination through distribution of all of the assets, may contain one or more of the above-listed permitted investments depending on which investments the Participant or Trustee has selected and the authority of the Trustee/Custodian to make the investment. It therefore is impossible to project the value of the Account assets to the Participant at any given time. This section, however, will provide several hypothetical financial projections for the Account assuming the Participant places all assets in the Account in an interest-bearing savings account. Investments in securities, variable annuities and bonds are sold through documents called "prospectuses" which give full details of the offering, including the amount of sales commissions and other expenses. In most cases, a prospectus includes hypothetical financial projections based on past performance activities. Prior to the Participant's investment direction to the Trustee/Custodian, the Participant will receive such a prospectus either from the issuer of the securities or from a securities broker. The Participant should understand fully all disclosures contained in the document prior to proceeding with the investment.

If the Trustee/Custodian receives written direction from the Participant to invest the assets of the Account in interest-bearing instruments, the exact balance of the Participant's Account at any time will depend upon the interest rate payable (which varies from time to time), the length of time for the interest-bearing instrument to earn interest and, of course, the amount of the contributions the Participant actually makes.

Exhibits A and B of this Disclosure Statement illustrate the balance of a hypothetical Participant's Roth IRA at any time between age 18 and 70. Each of these Exhibits assumes a level annual contribution of \$1,000 at the beginning of each year and

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a specified constant rate of return compounded daily. The rate of return is higher in Exhibit B than in Exhibit A.

Though there is no guarantee the Participant will receive the specified rate of return over the assumed period, a Participant may analyze the potential financial advantage from the Roth IRA by examining Exhibits A and B. Each Exhibit lists 52 numbers to take into account for anyone establishing a Roth IRA from age 18 to age 69. To determine the possible financial effect of the Roth IRA accumulation at any given age, subtract your present age from the given age. The Participant then should consult the "Year End Balance" appearing opposite the resulting figure. That "Year End Balance" is the accumulation under the assumed facts of a \$1,000 level, first day of the year annual contribution with the specified constant compounded daily rate of return. For example, assume a Participant is age 40 on January 1. This Participant's estimated projected Roth IRA balance at age 70 is the dollar amount listed for year 30. We determine this amount by subtracting 40 from 70, which equals 30. The dollar figure opposite line 30 is the projected balance at age 70. The dollar figure for year 30 is larger in Exhibit B than in Exhibit A because Exhibit B assumes a higher rate of interest.

To determine the amount the Participant may withdraw, in single sum, at any time during the period of maintaining the Roth IRA, the Participant should look to the year end balance opposite the particular year for which the Participant wishes the single sum withdrawal information. For example, again assuming a \$1,000 level, first day of the year annual contribution with the specified constant compounded daily rate of return, the Participant may withdraw the amount specified for year 8 on the last day of the eighth year (assuming no prior withdrawals).

Exhibits A and B provide projected financial information on the basis of level annual contributions to the Roth IRA. If a Participant establishes a Roth IRA with a rollover contribution, the rollover may be the only funds in the Roth IRA.

Exhibits C and D of this Disclosure Statement outline the balance of a hypothetical Participant's Roth IRA at any time between age 18 and age 70. Exhibits C and D assume a rollover contribution of \$1,000 on the first day of the year with the Participant making no other contributions to the Roth IRA and a specified constant rate of return compounded daily. The rate of return is higher in Exhibit D than in Exhibit C. To determine the possible financial effect of the Roth IRA accumulation at any given age, the Participant should subtract his or her present

age from the given age. The Participant then should consult the "Year End Balance" appearing opposite the resulting figure. That "Year End Balance" is the accumulation under the assumed facts of a rollover contribution of \$1,000 on the first day of the year with the Participant's making no other contributions and the specified constant compounded daily rate of return. To illustrate, assume a Participant is age 40 on January 1. This Participant's estimated projected Roth IRA balance at age 70 is the amount stated for year 30. We determine this amount by subtracting 40 from 70, which equals 30. The dollar figure opposite line 30 is the projected balance at age 70. The dollar figure for year 30 is larger in Exhibit D than in Exhibit C because Exhibit D assumes a higher rate of return.

To determine the amount the Participant may withdraw, in single sum, at any time during the period of maintaining the Roth IRA, the Participant should look to the year end balance opposite the particular year for which the Participant wishes the single sum withdrawal information. For example, again assuming a rollover contribution of \$1,000 on the first day of the year with the Participant making no other contributions to the Roth IRA and the specified constant rate of return compounded daily, the Participant may withdraw the amount specified for year 8 on the last day of the eighth year (assuming no prior withdrawals).

The amount the Participant would be able to withdraw, in single sum, under a Roth IRA consisting of assets held in kind will depend upon the interest, dividends or other earnings received by the Sponsor with respect to those assets. In particular, the Participant should review Article VI of the Roth IRA Plan with respect to investment of the Participant's contribution to the Roth IRA.

The Sponsor emphasizes the financial projections in the accompanying Exhibits do not necessarily reflect the actual amounts a Participant will have available in his or her Roth IRA at the end of the stated periods. The financial information provided with this Disclosure Statement represents projections only, and the Sponsor is not, in any way, able to guarantee a stated amount for any Roth IRA. The interest rate on a Roth IRA or Roth IRAs in which the Sponsor invests a Participant's contributions may change as a result of inflation or other factors. In addition, all Roth IRAs are subject to present and future Federal and state laws and regulations. These laws and regulations also may change the amount available in a Participant's Roth IRA which is invested in savings instruments.

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EXHIBIT A

Financial Disclosure  
 Schedule of Year End Balances  
 Assumed 5% Return Compounded Daily  
 Annual \$1,000 Contribution Made at Beginning of Year

<u>Year</u>	<u>Year End Balance</u>	<u>Year</u>	<u>Year End Balance</u>
1	\$ 1,051.27	27	\$ 58,585.67
2	2,156.43	28	62,640.48
3	3,318.25	29	66,903.17
4	4,539.64	30	71,384.40
5	5,823.64	31	76,095.37
6	7,173.47	32	81,047.86
7	8,592.50	33	86,254.25
8	10,084.28	34	91,727.56
9	11,652.54	35	97,481.47
10	13,301.20	36	103,530.37
11	15,034.39	37	109,889.38
12	16,856.43	38	116,574.40
13	18,771.88	39	123,602.15
14	20,785.53	40	130,990.19
15	22,902.42	41	138,757.00
16	25,127.84	42	146,921.99
17	27,467.35	43	155,505.58
18	29,926.80	44	164,529.23
19	32,512.34	45	174,015.50
20	35,230.43	46	183,988.11
21	38,087.87	47	194,471.99
22	41,091.81	48	205,493.35
23	44,249.75	49	217,079.75
24	47,569.59	50	229,260.15
25	51,059.63	51	242,065.01
26	54,728.60	52	255,526.34

EXHIBIT B

Financial Disclosure  
 Schedule of Year End Balances  
 Assumed 8% Return Compounded Daily  
 Annual \$1,000 Contribution Made at Beginning of Year

<u>Year</u>	<u>Year End Balance</u>	<u>Year</u>	<u>Year End Balance</u>
1	\$ 1,083.28	27	\$ 99,759.81
2	2,256.77	28	109,150.84
3	3,527.99	29	119,323.93
4	4,905.07	30	103,344.21
5	6,396.83	31	142,282.24
6	8,012.82	32	155,214.44
7	9,763.39	33	169,223.60
8	11,659.74	34	184,399.41
9	13,714.01	35	200,839.02
10	15,939.36	36	218,647.68
11	18,350.03	37	237,939.41
12	20,961.45	38	258,837.70
13	23,790.35	39	281,476.35
14	26,854.83	40	306,000.29
15	30,174.51	41	332,566.53
16	33,770.65	42	361,345.14
17	37,666.27	43	392,520.36
18	41,886.30	44	426,291.78
19	46,457.77	45	462,875.60
20	51,409.94	46	502,506.03
21	56,774.51	47	545,436.79
22	62,585.83	48	591,942.72
23	68,881.10	49	642,321.55
24	75,700.63	50	696,895.81
25	83,088.07	51	756,014.88
26	91,090.72	52	820,057.24

Roth IRA Disclosure Statement

EXHIBIT C

Financial Disclosure  
 Schedule of Year End Balances  
 Assumed 5% Return Compounded Daily  
 \$1,000 Contribution Made One Time Only

<u>Year</u>	<u>Year End Balance</u>	<u>Year</u>	<u>Year End Balance</u>
1	\$ 1,051.27	27	\$ 3,857.07
2	1,105.17	28	4,054.81
3	1,161.83	29	4,262.69
4	1,221.39	30	4,481.23
5	1,284.01	31	4,710.97
6	1,349.84	32	4,952.49
7	1,419.04	33	5,206.39
8	1,491.79	34	5,473.31
9	1,568.27	35	5,753.91
10	1,648.67	36	6,048.90
11	1,733.19	37	6,359.01
12	1,822.05	38	6,685.02
13	1,915.46	39	7,027.74
14	2,013.66	40	7,388.03
15	2,116.90	41	7,766.80
16	2,225.43	42	8,164.98
17	2,339.52	43	8,583.58
18	2,459.46	44	9,023.64
19	2,585.55	45	9,486.26
20	2,718.10	46	9,972.60
21	2,857.45	47	10,483.87
22	3,003.94	48	11,021.35
23	3,157.94	49	11,586.39
24	3,319.84	50	12,180.40
25	3,490.04	51	12,804.86
26	3,668.97	52	13,461.33

EXHIBIT D

Financial Disclosure  
 Schedule of Year End Balances  
 Assumed 8% Return Compounded Daily  
 \$1,000 Contribution Made One Time Only

<u>Year</u>	<u>Year End Balance</u>	<u>Year</u>	<u>Year End Balance</u>
1	\$ 1,083.28	27	\$ 8,699.04
2	1,173.49	28	9,390.98
3	1,271.22	29	10,173.04
4	1,377.08	30	11,020.23
5	1,491.76	31	11,937.97
6	1,615.99	32	12,932.14
7	1,750.57	33	14,009.10
8	1,896.35	34	15,175.74
9	2,054.27	35	16,439.54
10	2,225.34	36	17,808.58
11	2,410.66	37	19,219.64
12	2,611.41	38	20,898.20
13	2,828.88	39	22,638.55
14	3,064.46	40	24,523.83
15	3,319.66	41	26,566.12
16	3,596.11	42	28,778.48
17	3,895.59	43	31,175.08
18	4,220.01	44	33,771.26
19	4,571.44	45	36,583.65
20	4,952.14	46	39,630.25
21	5,364.54	47	42,930.56
22	5,811.29	48	46,505.71
23	6,295.24	49	50,378.59
24	6,819.49	50	54,574.00
25	7,387.40	51	59,118.79
26	8,002.60	52	64,042.06