



Kingdom Trust

SEP IRA

CUSTODIAL AGREEMENT & DISCLOSURE STATEMENT



Form 5305A-SEP

(Rev. March 2006)

Department of the Treasury
Internal Revenue Service**Simplified Employee Pension Custodial Account
(Under Section 408A of the Internal Revenue Code)**

By executing the Application, the Applicant/Applicant/Plan Participant acknowledges that he or she has received from Kingdom Trust, the custodian hereunder, the following Custodial Agreement and Disclosure Statement required by Treasury Regulation 1.408-6 and that he or she has read and understood the same.

Applicant/Applicant/Plan Participant and the custodian do hereby agree as follows:

Article I**Adoption and Purpose of The Plan**

- 1.1 **Adoption of Plan:** By completing and signing the Adoption Agreement, the Employer adopts the Sponsoring Organization's Prototype Simplified Employee Pension Plan. This Agreement must be used with an Internal Revenue Service Model traditional IRA (Form 5305 or Form 5305-A) or an IRS approved Master or Prototype traditional IRA.
- 1.2 **Purpose:** The purpose of this Plan is to provide benefits for the individuals who are eligible to participate hereunder. It is intended that this Plan be for the exclusive benefit of the Employer's Employees, and that the Plan qualify under Section 408(k) of the Code.
- 1.3 **Limitation:** If the Employer amends this plan other than by making an election permitted in the Adoption Agreement, the Employer will no longer participate in the Sponsoring Organization's Prototype Simplified Employee Pension Plan, the Employer will be considered to have an individually designed SEP Plan, and the Employer may no longer rely on the IRS opinion letter received in connection with this Prototype Simplified Employee Pension Plan

Article II**Eligibility and Participation**

- 2.01. **Eligible Employees:** All Employees of the Employer shall be eligible to participate in this Plan except for Excludible Employees as defined under Section 2.02 of this Plan.
- 2.02. **Excludible Employees:** If the Employer elects in the Adoption Agreement, the following Employees shall be excluded from eligibility:
 - (a) Employees included in a unit of employees covered by a collective bargaining agreement between employee representatives and the Employer, provided that there is evidence that retirement benefits were the subject of good faith bargaining between such parties, unless such agreement provides that some or all of such covered employees are to be covered by this Plan. For purposes of this paragraph, the term "employee representatives" does not include any organization more than half of whose members are employees who are owners, officers, or executives of the Employer.
 - (b) Non-resident alien employees who receive no earned income from the Employer which constitutes income from sources within the United States.
 - (c) Employees who have not met the age and service requirements specified in the Adoption Agreement.
 - (d) Employees who did not earn at least \$450 (as adjusted for cost of living increases in accordance with Code §408(k)(8)) of Compensation from the Employer during the Plan Year.
- 2.03. **Participation:**
 - (a) Each Employee who meets the eligibility requirements as specified in the Adoption Agreement shall, as a condition for further

employment, become a Participant under this SEP Plan.

- (b) Each eligible Employee shall establish an IRA in order to receive Employer contributions under this Agreement, and any Employer contributions shall be made directly to such IRA plan. Unless otherwise elected in the Adoption Agreement, such IRA shall be established with the Trustee.
- (c) If a Participant fails to timely establish or to maintain an IRA in which SEP contributions may be made on such Participant's behalf, the Employer may execute any necessary documents to establish an IRA with the Trustee into which such contributions shall be made on behalf of the Participant.
- (d) In an Employer maintained a SEP Plan and desires to Change to a Plan Year other than a calendar year, an Employee who has any service during the short Plan Year must be given credit for that service in three of the last five years. Such an Employee must also receive a contribution for the short Plan Year if such Employee would have been entitled to a contribution for the calendar year in which the short Plan year begins if there had been no change.

Article III

Written Allocation Formula

3.01. Amount of Contribution: The Employer agrees to contribute on behalf of each eligible Employee for the Plan Year an amount determined under the written allocation formula specified in the Adoption Agreement.

3.02. Uniform Relationship to Compensation:

- (a) All Employer contributions to this Plan shall bear a uniform relationship to the total Compensation (not to exceed \$200,000, or such higher amount as may be permitted under law) of each Participant.
- (b) If the Employer elects the Flat Dollar Contribution allocation in the Adoption Agreement, such contributions shall be deemed to bear a uniform relationship to the total compensation of each Participant.

3.03. Limitation on Employer Contributions: The maximum employer contribution which may be made for any one Plan Year with respect to any Participant and allocated to each Participant's IRA is the lesser of 25% of such Participant's Compensation for the Plan Year or \$40,000 as adjusted under Code § 415(d). For purposes of the 25% limitation described in the preceding sentence, a participant's compensation does not include any elective deferral described in Code § 402(g)(3) or any amount that is contributed by the employer at the election of the employee and that is not includible in the gross income of the employee under Code §§ 125, 132(f)(4) or 457.

3.04. Permitted Disparity for Certain Contributions:

- (a) **Definite Integrated Contribution Formula:** If elected in the Adoption Agreement, the Employer will contribute an amount equal to the Base Contribution Percentage selected in the Adoption Agreement (but not less than 3%) of each Participant's Compensation (as defined in Section 4.04 of the Plan) for the Plan Year, up to the Integration Level plus an amount equal to the Excess Contribution Percentage selected in the Adoption Agreement (but not less than 3% and not to exceed the Base Contribution Percentage by more than the lesser of: (i) the Base Contribution Percentage, or (ii) the Maximum Disparity Rate) of such Participant's Excess Compensation.
- (b) **Discretionary Integrated Contribution Formula:** If elected in the Adoption Agreement, Employer contributions for the Plan Year will be allocated to Participants' accounts as follows:

STEP 1: Contributions will be allocated to each Participant's account in the ratio that each Participant's total Compensation bears to the total Compensation of all Participants, at a rate not in excess of 3% of each Participant's Compensation.

STEP 2: Any contributions remaining after the allocation in Step One will be allocated to each Participant's account in the ratio that each Participant's Excess Compensation bears to the Excess Compensation of all Participants, at a rate not in excess of 3% of such Excess Compensation. For purposes of this Step Two, in the case of any Participant who has exceeded the Cumulative Permitted Disparity

Limit described below, such Participant's total Compensation for the calendar year will be taken into account.

STEP 3: Any contributions remaining after the allocation in Step Two will be allocated to each Participant's account in the ratio that the sum of each Participant's total Compensation and Excess Compensation bears to the sum of all Participants' total Compensation and Excess Compensation, at a rate not in excess of the Maximum Disparity Rate. For purposes of this Step Three, in the case of any Participant who has exceeded the Cumulative Permitted Disparity Limit described below, 2 times such Participant's total Compensation for the calendar year will be taken into account.

STEP 4: Any remaining Employer contributions will be allocated to each Participant's account in the ratio that each Participant's total Compensation bears to the total Compensation of all Participants.

- (c) For purposes of the allocations made pursuant to this Section 3.04, in no event can the amount allocated to each Participant's IRA exceed the lesser of 25% of the first \$200,000 (or such higher amount, as may be permitted under law) of compensation or \$40,000, as adjusted under Code §415(d). For purposes of the 25% limitation described in the preceding sentence, a Participant's compensation does not include any elective deferral described in Code §402(g)(3) or any amount that is contributed by the employer at the election of the employee and that is not includible in the gross income of the employee under Code §§125, 132(f)(4) or 457.
- (d) Annual Overall Permitted Disparity Limit: Notwithstanding the preceding paragraphs, for any calendar year this SEP benefits any Participant who benefits under another SEP or qualified plan described in Code Section 401(a) maintained by the Employer that provides for Permitted Disparity (or imputes disparity), Employer contributions will be allocated to each Participant's IRA in the ratio that the participant's total compensation for the calendar year bears to all Participants' total Compensation for that year.
- (e) Cumulative Permitted Disparity Limit: Effective for calendar years beginning on or after January 1, 1995, the Cumulative Permitted Disparity Limit for a Participant is 35 total Cumulative Permitted Disparity Years. Total Cumulative Permitted Disparity Years means the number of years credited to the Participant for allocation or accrual purposes under this SEP or any other SEP or any qualified plan described in Code Section 401(a) (whether or not terminated) ever maintained by the Employer. For purposes of determining the Participant's Cumulative Permitted Disparity Limit, all years ending in the same Calendar Year are treated as the same year. If the Participant has not benefited under a defined benefit or target benefit plan for any year beginning on or after January 1, 1994, the Participant has no Cumulative Permitted Disparity Limit.

Article IV

Glossary of Plan Terms

- 4.01 **Adoption Agreement:** The document executed by the Employer through which it adopts the Plan and agrees to be bound by all terms and conditions of the Plan.
- 4.02 **Base Contribution Percentage:** The percentage of Compensation contributed under the Plan (but in no event less than 3%) with respect to that portion of each Participant's Compensation not in excess of the Integration Level.
- 4.03 **Code:** The Internal Revenue Code of 1986 and the regulations issued thereunder as heretofore or hereafter amended. Reference to a section of the Code shall include that section and any comparable section or sections of future legislation that amends, supplements or supersedes that section.
- 4.04 **Compensation; 415 Safe Harbor Compensation:** Compensation is defined as wages, salaries, and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the employer maintaining the plan to the extent that the amounts are includible in gross income (including but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements, or other expense allowances under a nonaccountable plan (as described in Section 1.61-2(c) IRC), and excluding the following:
 - (a) Employer contributions to a plan of deferred compensation which are not includible in the employee's gross income for the taxable year in which contributed, or employer contributions under a simplified employee pension plan, or any distributions from a plan of

deferred compensation;

- (b) Amounts realized from the exercise of a nonqualified stock option, or when restricted stock (or property) held by the employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;
- (c) Amounts realized from the sale, exchange or other disposition of stock, acquired under a qualified stock option; and
- (d) Other amounts which received special tax benefits, such as premiums for group-term life insurance (but only to the extent the premiums are not includible in the gross income of the employee).

For any Self-Employed individual covered under the plan, Compensation will mean Earned Income.

Compensation shall include only that compensation which is actually paid or made available to the Participant during the year.

Except where specifically stated otherwise in this plan, a Participant's Compensation shall include any elective deferral described in Code § 402(g)(3) or any amount that is contributed by the employer at the election of the employee and that is not includible in the gross income of the employee under Code §§ 125, 132(f)(4) or 457.

The annual compensation of each participant taken into account under the SEP for any year shall not exceed \$200,000, as adjusted for increases in the cost of living in accordance with Code § 401(a)(17)(B). If the SEP determines compensation for a period of time that contains fewer than 12 calendar months, then the annual compensation limit is an amount equal to the annual compensation limit for the calendar year in which the compensation period begins multiplied by a fraction, the numerator of which is the number of full months in the short compensation period, and the denominator of which is 12.

4.05 **Custodian.** The Kingdom Trust Company or any success custodian of the Plan Participant's custodial account.

4.06 **Earned Income:** The net earnings from self-employment in the trade or business with respect to which the Plan is established, for which personal services of the individual are a material income-producing factor. Net earnings will be determined without regard to items not included in gross income and the deductions allocable to such items. Net earnings are reduced by contributions by the Employer to qualified plans or to a SEP plan to the extent deductible under Section 404 of the Code. Net earnings shall be determined with regard to the deduction allowed to the Employer by Section 164(f) of the Code.

4.07 **Employee:** An individual, including a Self-Employed, employed by the Employer, who performs services with respect to the trade or business of the Employer. Also any employee of any other employer required to be aggregated under Section 414(b), (c) or (m) of the Code; any leased employee within the meaning of Section 414(n) of the Code shall be considered an Employee; and all Employees required to be aggregated under section 414(o) of the Code. Also called Plan Participant herein

4.08 **Employer:** The sole proprietorship, partnership, corporation or other entity identified as such in the Adoption Agreement.

4.09 **Excess Compensation:** A Participant's Compensation in excess of the Integration Level.

4.10 **Excess Contribution Percentage:** The percentage of Compensation contributed under the Plan with respect to each Participant's Excess Compensation.

4.11 **Integration Level:** The taxable wage base, or such lesser amount elected by the Employer in the Adoption Agreement. The taxable wage base is the maximum amount of earnings which may be considered wages for a year under section 3121(a)(1) of the Code in effect as of the beginning of the Plan Year.

4.12 **Maximum Disparity Rate:**

- (a) If the Definite Integrated Contribution Formula is selected by the Employer under Section 3.04(a) above, the Maximum Disparity Rate is equal to the lesser of:
 - (i) 5.7%; or
 - (ii) the applicable percentage determined in accordance with Table I below.

Table I

<u>If the Integration Level is more than</u>	<u>But not more than</u>	<u>the applicable percentage is:</u>
\$0	X*	5.7%
X* of Taxable Wage Base	80% of Taxable Wage Base	4.3%
80% of Taxable Wage Base	Y**	5.4%
Equal to the Taxable Wage Base	N/A	5.7%

*X = the greater of \$10,000 or 20% of the Taxable Wage Base.

**Y = any amount more than 80% of the Taxable Wage Base but less than 100% of the Taxable Wage Base.

b. If the Discretionary Integrated Contribution Formula is selected by the Employer under Section 3.04(b) above, the Maximum Disparity Rate is equal to the lesser of:

- (i) 2.7%; or
- (ii) the applicable percentage determined in accordance with Table II below:

Table II

<u>If the Integration Level is more than</u>	<u>But not more than</u>	<u>the applicable percentage is:</u>
\$0	X*	2.7%
X* of Taxable Wage Base	80% of Taxable Wage Base	1.3%
80% of Taxable Wage Base	Y**	2.4%
Equal to the Taxable Wage Base	N/A	2.7%

*X = the greater of \$10,000 or 20% of the Taxable Wage Base

**Y = any amount more than 80% of the Taxable Wage Base but less than 100% of the Taxable Wage Base.

c. In no event can the amount allocated to each participant's IRA exceed the lesser of 25% of the participant's compensation or \$40,000, as adjusted under Code § 415(d). For purposes of the 25% limitation described in the preceding sentence, a participant's compensation does not include any elective deferral described in Code § 402(g)(3) or any amount that is contributed by the employer at the election of the employee and that is not includible in the gross income of the employee under Code §§ 125, 132(f)(4) or 457.

4.13 **Participant:** Any Employee who has met the eligibility requirements of this Plan and who is eligible to receive an Employer contribution.

4.14 **Plan:** The Sponsoring Organization's Prototype Simplified Employee Pension Plan consisting of this plan document and the Adoption Agreement as completed and signed by the Employer.

4.15 **Plan Year:** The 12-consecutive month period specified by the Employer in the Adoption Agreement.

4.16 **Self-Employed:** An individual who has Earned Income for a Plan Year from the trade or business for which the Plan is established. A Self-Employed also includes an individual who would have had Earned Income but for the fact that the trade or business had no net profits for the Plan Year.

4.17 **Sponsoring Organization:** The entity specified in the Adoption Agreement.

4.18 **Trustee:** The financial institution or other organization specified in the Adoption Agreement which qualifies under section 408(a) of the Code and is serving as Trustee or Custodian of the IRA plan to which an Employer contribution is made.

Article V

Amended to Comply with Internal Revenue Code

5.01. This agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the persons whose signatures appear on the adoption agreement.

Article VI

General Custodial Account Provisions for Plan Participants

6.01.Applicable Law: This custodial agreement is subject to all applicable Federal Statutes and Regulations and shall be governed by and construed under all applicable Statutes and regulations of the state of South Dakota.

If any provision of this custodial agreement is determined to be invalid or illegal, those provisions shall be stricken, and the remaining provisions shall remain fully enforceable. A failure to enforce any of the provisions of this agreement by either you or custodian shall not be construed as a waiver of such provisions or of any right to enforce such provisions thereafter.

Any suit filed against custodian arising out of or in connection with this custodial agreement shall only be instituted in the Federal District Court for the District of South Dakota, Southern Division in Sioux Falls, South Dakota or, lacking Federal Jurisdiction, in the county courts of Minnehaha County, South Dakota in Sioux Falls, South Dakota where custodian maintains its principal place of business and you agree to submit to such jurisdiction both in connection with any such suit you may file and in any such suit custodian may file against you.

6.02.Annual Accounting: The custodian shall, at least annually, provide the Applicant/Plan Participant or beneficiary (in the case of Applicant/Plan Participant's death) with an accounting of such Applicant/Plan Participant's account. Such accounting shall be deemed to be accepted by the Applicant/Plan Participant or the beneficiary, if the Applicant/Plan Participant or beneficiary does not object in writing within 60 days after the mailing of such accounting statement. This annual accounting may be delivered electronically.

6.03.Amendment: The Applicant/Plan Participant irrevocably delegates to the custodian the right and power to amend this custodial agreement. Except as hereafter provided, the custodian will give the Applicant/Plan Participant 30 days prior, written notice of any amendment. In case of a retroactive amendment required by a change in the law, the custodian will provide written notice to the Applicant/Plan Participant 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 Applicant/Plan Participant shall be deemed to have consented to any such amendment unless the Applicant/Plan Participant notifies the custodian to the contrary within 30 days after notice to the Applicant/Plan Participant and requests in writing an immediate distribution or transfer of the balance in the account.

6.04. Resignation and Removal of the Custodian:

(a) The custodian may resign and appoint a successor to serve under this agreement or under another governing agreement selected by the successor by giving the Applicant/Plan Participant written notice at least 30 days prior to the effective date of such resignation and appointment, which notice shall also include or be provided under separate cover a copy of such other governing instrument, if applicable, and the related disclosure statement. The Applicant/Plan Participant shall then have 30 days from the date of such notice to either request a distribution of the entire account balance or designate a different successor and notify the custodian of such designation. If the Applicant/Plan Participant does not

request distribution of the account balance or notify the custodian of the designation of a different successor within such 30 day period, the Applicant/Plan Participant shall be deemed to have consented to the appointment of the successor and the terms of any new governing instrument, and neither the Applicant/Plan Participant nor the successor shall be required to execute any written document to complete the transfer of the account to the successor. The successor may rely on any information, including beneficiary designations, previously provided by the Applicant/Plan Participant to the custodian.

(b) The Applicant/Plan Participant may at any time remove the Custodian and replace the Custodian with a successor trustee or custodian of the Applicant/Plan Participant's choice by giving 30-days prior written notice to the Custodian of such removal and replacement. The Custodian shall then deliver the assets of the account as directed by the Applicant/Plan Participant. However, the Custodian may retain a portion of the assets of the IRA as a reserve for payment of any anticipated remaining fees and expenses, and shall pay over any remainder of this reserve to the successor trustee or custodian upon satisfaction of such fees and expenses.

(c) The Custodian may resign and demand that the Applicant/Plan Participant appoint a successor Trustee or Custodian of this IRA by giving the Applicant/Plan Participant written notice at least 30 days prior to the effective date of such resignation. The Applicant/Plan Participant shall then have 30 days from the date of such notice to designate a successor Trustee or Custodian, notify the Custodian of the name and address of the successor Trustee or Custodian, and provide the Custodian with appropriate evidence that such successor has accepted the appointment and is qualified to serve as Trustee or Custodian of an Individual Retirement Account under the Internal Revenue Code.

(i) If the Applicant/Plan Participant designates a successor trustee or custodian and provides the Custodian evidence of the successor's acceptance of appointment and qualification within such 30-day period, the Custodian shall then deliver all of the assets held by the Custodian in the account (whether in cash or personal or real property, wherever located, and regardless of value) to the successor Trustee or Custodian, subject to 6(b) above.

(ii) If the Applicant/Plan Participant does not notify the Custodian of the appointment of a successor trustee or custodian within such 30 day period, then the Custodian may distribute all of the assets held by the Custodian in the account (whether in cash or personal or real property, wherever located, and regardless of value) to the Applicant/Plan Participant, outright and free of trust, and the Applicant/Plan Participant shall be wholly responsible for the tax consequences of such distribution.

(d) In any case listed above, the Custodian may expend any assets in the account to pay expenses of valuation and transfer (including re-registering the assets and preparation of deeds, assignments, and other instruments of transfer or conveyance) to the successor trustee or custodian or the Applicant/Plan Participant, as the case may be. In addition, the Custodian may retain a portion of the assets as a reserve for payment of any anticipated remaining fees and expenses. Upon satisfaction of such fees and expenses, the Custodian shall pay over any remainder of the reserve to the successor Trustee or Custodian or to the Applicant/Plan Participant, as the case may be.

6.05. Fees and Expenses:

(a) The Applicant/Plan Participant agrees to pay the any and all fees specified in the fee schedule published by Kingdom Trust as in effect and as modified from time to time for establishing and maintaining this IRA, including but not limited to any Custodian fees, and fees for distributions from, transfers to or from, and terminations of this IRA. Kingdom Trust may change the fee schedule at any time by giving the Applicant/Plan Participant 30 days prior written notice.

(b) The Applicant/Plan Participant agrees to pay any expenses incurred by the Custodian in the performance of its duties in connection with the account. Such expenses include, but are not limited to, administrative expenses, such as legal and accounting fees, a valuation fee from a qualified independent third party appraiser, and any taxes of any kind whatsoever that may be levied or assessed with respect to such account.

(c) All such fees, taxes, and other administrative expenses charged to the account shall be collected either from the assets in the account or from any contributions to or distributions from such account if not paid by the Applicant/Plan Participant by the due date for same, but the Applicant/Plan Participant shall be responsible for any deficiency. To effectuate this clause 6.5, Applicant/Plan Participant does hereby authorize the Custodian to liquidate such assets as are required to satisfy any delinquency caused by Applicant/Plan Participant's failure to pay any fee by due date for the same.

(d) In the event that for any reason the Custodian is not certain as to who is entitled to receive all or part of the Custodial Funds, the Custodian reserves the right to withhold any payment from the Custodial account, to request a court ruling to determine the disposition of the Custodial account assets, and to charge the Custodial account for any expenses incurred in obtaining such legal determination.

6.06. Withdrawal Requests: All requests for withdrawal shall be in writing and in form and substance acceptable to Custodian. Such written notice must also contain the reason for the withdrawal and the method of distribution being requested. Custodian shall also have the right to reject any withdrawal request it may deem appropriate and to apply to a court of competent jurisdiction to make a determination with respect to the proper party eligible to receive a distribution from the account and to charge the custodial funds and/or the Applicant/Plan Participant for any expenses incurred in obtaining such legal determination, including attorneys' fees.

6.07. Required Minimum Distributions: If the Applicant/Plan Participant has reached age 70 1/2 prior to December 31, 2019 and has not chosen any of the distribution methods under Article IV of this custodial agreement by the April 1st following the calendar year in which the Applicant/Plan Participant reaches age 70 1/2, distribution shall be determined based upon the distribution period in the uniform lifetime distribution period table in Treasury Regulation Section 1.401 (a)(9)-9. If the Applicant/Plan Participant has reached age 72 after December 31, 2019 and has not chosen any of the distribution methods under Article IV of this custodial agreement by the April 1st following the calendar year in which the Applicant/Plan Participant reaches age 72, distribution shall be determined based upon the distribution period in the uniform lifetime distribution period table in Treasury Regulation Section 1.401 (a)(9)-9. However, in either event, no payment will be made until the Applicant/Plan Participant provides the Custodian with a proper distribution request in form and substance acceptable to the Custodian. Custodian reserves the right to require a minimum balance in the account in order to make periodic payments from the account. Upon receipt of such distribution request, the Applicant/Plan Participant may switch to a joint life expectancy in determining the required minimum distribution if the Applicant/Plan Participant's spouse was the sole beneficiary as of the January 1st of the distribution calendar year and such spouse is more than 10 years younger than the Applicant/Plan Participant.

6.08. Death Benefit Default Provisions:

(a) If the Applicant/Plan Participant dies before his or her required beginning date and the beneficiary does not select a method of distribution described in Article IV, Section 4.03(b)(i) or (ii) by the December 31st following the year of the Applicant/Plan Participant's death, then distributions will be made pursuant to the single life expectancy of the designated beneficiary determined in accordance with IRS regulations. However, no payment will be made until the beneficiary provides Custodian with a proper distribution request in form and substance acceptable to Custodian and other documentation that may be required by Custodian. A beneficiary may at any time request a complete distribution of his or her remaining interest in the custodial account. Custodian reserves the right to require a minimum balance in the account in order to make periodic payments from the account.

(b) If the Applicant/Plan Participant dies on or after his or her required beginning date, distribution shall be made in accordance with Article IV, Section 4.03 (a). However, no payment will be made until the beneficiary provides custodian with a proper distribution request in form and substance acceptable to Custodian and other documentation that may be required by Custodian. A beneficiary may at any time request a complete distribution of his or her remaining interest in the custodial account. Custodian reserves the right to require a minimum balance in the account in order to make periodic payments from the account.

6.09. Transitional Rule for Determining Required Minimum Distributions for Calendar Year 2002: Unless the Custodian provides otherwise, if a Applicant/Plan Participant (or beneficiary) is subject to required minimum distributions for calendar year 2002, such individual may elect to apply the 1987 proposed regulations, the 2001 proposed regulations, or the 2002 final regulations in determining the amount of the 2002 required minimum. However, the Custodian, in its sole discretion, reserves the right to perform any required minimum distribution calculations through its data systems or otherwise based upon any of the three sets of regulations delineated in the previous sentence.

6.10. Responsibilities: Applicant/Plan Participant agrees that all information and instructions given by the Applicant/Plan Participant is complete and accurate and that the custodian shall not be responsible for any incomplete or inaccurate information provided by the Applicant/Plan Participant, the Applicant/Plan Participant's beneficiary(ies) or the account designated representative (as described below

and in the Traditional IRA adoption agreement. Applicant/Plan Participant, on behalf of the Applicant/Plan Participant and the Applicant/Plan Participant's beneficiary(ies), agrees to be responsible for all tax consequences arising from contributions to and distributions from this custodial account (including but not limited to all interest, penalties and penalty taxes), and acknowledges that no tax advice has been or will be provided by the custodian.

6.11. Designation of Beneficiary:

(a) Except as may be otherwise required by State law, in the event of the Applicant/Plan Participant's death, the balance in the account shall be paid to the beneficiary or beneficiaries designated by the Applicant/Plan Participant on a beneficiary designation form acceptable to and filed with Custodian. The Applicant/Plan Participant may change the Applicant/Plan Participant's beneficiary or beneficiaries at any time by filing a new beneficiary designation with Custodian. If no acceptable beneficiary designation is in effect, if none of the named beneficiaries survive the Applicant/Plan Participant, or if Custodian cannot locate any of the named beneficiaries after reasonable search, any balance in the account will be payable to the Applicant/Plan Participant's estate.

(b) In the event of the Applicant/Plan Participant's death, any beneficiary may name a subsequent beneficiary or beneficiaries to receive the balance of the account to which such beneficiary is entitled upon the death of the original beneficiary by filing a subsequent beneficiary designation form acceptable to and filed with the Custodian. Payments to such subsequent beneficiary(ies) shall be distributed in accordance with the payment schedule applicable to the original beneficiary or more rapidly if the subsequent beneficiary requests. In no event may any subsequent beneficiary, be treated as a designated beneficiary of the Applicant/Plan Participant. The preceding sentence shall not apply with respect to the subsequent beneficiary(ies), if any, designated by the original spouse beneficiary where the Applicant/Plan Participant dies before his or her required beginning date and his/her spouse was named as beneficiary. In this case, the original spouse beneficiary is treated as the Applicant/Plan Participant. If the balance of the account has not been completely distributed to the original beneficiary and such beneficiary has not named a subsequent beneficiary or no named subsequent beneficiary is living on the date of the original beneficiary's death, such balance shall be payable to the estate of the original beneficiary.

ARTICLE VII

SELF-DIRECTED ACCOUNT PROVISIONS

7.01. Investment of Contributions: In accordance with instructions given to the Custodian, the Custodian shall invest and reinvest all contributions to the account and earnings thereon as directed by the Applicant/Plan Participant (or the direction of the beneficiary(ies) upon the Applicant/Plan Participant's death) in investments that the Custodian, at Custodian's sole discretion, determines it can feasibly administer, which may include but are not limited to marketable securities traded on a recognized exchange or "over the counter" (excluding any securities issued by the custodian), options, mutual funds, common trust funds or other common investment funds that qualify under Section 408(b)(5) (including without limitation qualifying pooled custodial accounts and pooled custodial funds), certificates of deposit, real estate, real estate contracts, mortgages, leases, mortgage notes, debentures, individually negotiated debt instruments, promissory notes, private equity investments in closely held businesses, tax liens and tax anticipation warrants, deeds of trust, and other public, private or alternative investments that the Custodian determines it can feasibly administer, in such amounts as are specifically selected and specified by the Applicant/Plan Participant in orders to the Custodian in such form as may be acceptable to the Custodian, without any duty to diversify and without regard to whether such property is authorized by the laws of any jurisdiction as a trust investment or IRA investment or even if such investment will result in a prohibited transaction, unrelated business taxable income ("UBTI") or a reportable transaction. In addition, the account designated representative (as described below and in the Traditional IRA adoption agreement) may give the Custodian directions to have the Custodian buy, sell or reinvest public securities and investments that are traded on a recognized exchange or "over the counter" (excluding any securities issued by the custodian). The account designated representative may not direct the Custodian with regard to any alternative or private investments. The Custodian shall be responsible only for the execution of such orders and for maintaining adequate records thereof. However, if any such orders are not received in a form acceptable to the Custodian as required, or, if received, are unclear or administratively unfeasible in the sole opinion of the Custodian, all or a portion of the account may be held in its current investments or remain un-invested without liability for loss of income or appreciation, and without liability for interest pending receipt of such orders or clarification as are acceptable to the Custodian in its sole discretion, or if a new contribution, the contribution may be returned. The Custodian may, but need not, establish programs under which cash deposits in excess of a minimum set by it will be periodically and automatically invested in interest-bearing investment funds. The Custodian shall

have no duty other than to follow the written investment directions of the Applicant/Plan Participant, which duty shall be subject to the other terms and conditions of this agreement. The Custodian shall be under no duty to question said instructions and shall not be liable for any investment losses or adverse tax consequences of any kind whatsoever sustained by the Applicant/Plan Participant. In addition, the Custodian reserves the right to not follow a direction or process any investment for administrative or cost related reasons. Execution of Applicant/Plan Participant's instructions or refusal to execute same does not constitute investment advice or an opinion by the Custodian as to the investment's prudence or viability. Applicant/Plan Participant agrees that the Custodian shall have no discretionary power, authority or control with respect to the management, investment or disposition of the Applicant/Plan Participant's assets or any discretionary authority with regard to the management of the Applicant/Plan Participant's account. Applicant/Plan Participant agrees and acknowledges that Custodian is not a fiduciary with respect to the Applicant/Plan Participant, the Applicant/Plan Participant's account or any investment.

7.02.Registration: All assets of the account shall be registered in the name of the Custodian or of a suitable nominee. The same nominee may be used with respect to assets of other investors or other custodians, whether or not held under agreements similar to this one or in any capacity whatsoever. However, each Applicant/Plan Participant's account shall be separate and distinct; a separate account therefore shall be maintained by the Custodian, and evidence of the assets thereof shall be held by the Custodian in individual or bulk segregation either in the Custodian's vaults, whether owned or leased by Custodian or, in the case of marketable securities, in Applicant/Plan Participant's account, approved by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

7.03.Account Designated Representative/Investment Advisor: The Applicant/Plan Participant may appoint an account designated representative who may, but is not required to be, an investment advisor qualified under Section 3(38) of the Employee Retirement Income Security Act of 1974, to direct the investment of his/her IRA. The Applicant/Plan Participant shall notify the Custodian in writing of any such appointment. If the account designated representative is an investment advisor, then the Applicant/Plan Participant shall provide 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 the investment advisor 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 the Custodian by the account designated representative, but only with regard to public securities and investments that are traded on a recognized exchange or "over the counter" (excluding any securities issued by the Custodian), and will do so until the Custodian receives written notification from the Applicant/Plan Participant that the account designated representative's appointment has been terminated. The Custodian shall have no duty other than to follow the written investment directions of such account designated representative subject to the provisions of this Agreement, shall be under no duty to question said instructions, and shall not be liable for any investment losses or adverse tax consequences sustained by the Applicant/Plan Participant.

7.04.No Investment Advice: Custodian shall have no responsibility for rendering advice with respect to the investment and reinvestment of Applicant/Plan Participant's account and shall not be liable for any loss which result from Applicant/Plan Participant's exercise of control over his/her account. Applicant/Plan Participant shall have and exercise exclusive responsibility for control over all the investment decisions concerning the assets of his/her account, and the Custodian shall have no duty to question his/her investment directives. Custodian reserves the right, in its sole discretion, to deny any investment direction that it cannot feasibly administer, which is violative of Custodian's policy or which might result in a violation of Federal, State or Local laws. Applicant/Plan Participant hereby agrees that the exercise of such right shall not be construed as Custodian providing investment or legal advice.

7.05.Prohibited Transactions: Notwithstanding anything contained herein to the contrary, the Applicant/Plan Participant shall not direct the Custodian to engage in or make any investment that Applicant/Plan Participant knows or should know involves or facilitates any criminal activity, nor shall the Applicant/Plan Participant direct the Custodian to lend any part of the corpus or income of the account to; pay any compensation for personal services rendered to the account to; make any part of its services available on a preferential basis to; acquire for the account any property, other than cash, from; or sell any property to the Applicant/Plan Participant, any member of Applicant/Plan Participant's family, or any entity controlled by Applicant/Plan Participant through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of ownership entitled to vote, or of 50 percent or more of the total value of all ownership interests of such entity. Generally, if a Applicant/Plan Participant engages in or directs the engagement in a prohibited transaction as described in Section 4975 of the Code, the Applicant/Plan Participant's account ceases to be an IRA as of the first day of the year in which the prohibited transaction takes place, and the account is treated as having distributed all its assets to the Applicant/Plan

Participant or beneficiary at their fair market values on the first day of that year which may result in taxes and penalties. Applicant/Plan Participant hereby agrees to be solely responsible for determining and avoiding prohibited transactions and reportable events and will indemnify and hold Custodian harmless should Applicant/Plan Participant engage in a prohibited transaction or other transaction described in this paragraph.

7.06. Unrelated Business Taxable Income ("UBTI"): Investments may generate taxable income within the IRA account, referred to as Unrelated Business Taxable Income (UBTI). Such income must be considered in conjunction with all such income from all IRA accounts and 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. If the Applicant/Plan Participant directs investment of the account in any investment which results in unrelated business taxable income, it shall be the responsibility of the Applicant/Plan Participant to so advise the Custodian and to provide the Custodian with all forms necessary to file any required returns or reports for the account. All forms, returns and reports must be completed by the Applicant/Plan Participant and delivered in a timely manner to Custodian for signature and filing. In such instances, the IRS requires that a Form 990-T be filed for the IRA account along with the appropriate amount of tax.

The Applicant/Plan Participant, by signing this agreement, understands the Custodian:

7.06.1.1. does not make any determination of UBTI;

7.06.1.2. does not monitor whether the account has UBTI; and

7.06.1.3. does not prepare Form 990-T or other necessary forms, returns or reports.

Therefore, the Applicant/Plan Participant must monitor UBTI for this and any other IRA account which he/she may hold and prepare, or have prepared at their expense, the proper 990-T tax form, along with any other necessary forms, returns or reports and forward it to Custodian for signatures and filing, along with authorization to pay any tax due from the IRA account.

7.07. Disclosures and Voting: The Custodian shall deliver to Applicant/Plan Participant, or cause to be executed and delivered to Applicant/Plan Participant all notices, prospectuses, financial statements, proxies and proxy soliciting materials relating to assets credited to the account. The Custodian shall not vote any shares of stock or take any other action, pursuant to such documents, with respect to such assets except upon receipt by the Custodian of written instructions from Applicant/Plan Participant that the Custodian, in its sole discretion, finds to be adequate.

7.08. Miscellaneous Expenses: In addition to those expenses set out in Article VIII, section 6.5 of this plan, the Applicant/Plan Participant agrees to pay any and all expenses incurred by the Custodian in connection with the account, including, but not limited to, expenses of valuation of account assets, tax payments, and filing of any returns and reports with regard to UBTI. Moreover, all estimated taxes, together with any transfer and other taxes, including any interest and penalties thereon, as well as any expenses incurred in connection with the investment or reinvestment of the assets of the account shall be paid by the Applicant/Plan Participant. The Custodian may, at the Applicant/Plan Participant's expense, retain suitable accountants, attorneys, or other agents to advise and assist the custodian in performing their respective duties under this agreement.

7.09. Indemnification of Custodian: To the extent not prohibited by Federal or State law, the Applicant/Plan Participant agrees to indemnify and hold harmless Kingdom Trust, its respective subsidiaries and administrators, officers, directors, managers, members, representatives, agents, employees, affiliates, successors and assigns from and against any and all claims, demands, liabilities, damages, costs, expenses, attorneys' fees, payments and assessments arising in connection with the Applicant/Plan Participant or the Applicant/Plan Participant's IRA or which may result from any good faith actions, errors or omissions and from following or attempting to follow any directions of the Applicant/Plan Participant (or the beneficiary(ies), or an account designated representative), and further agrees that the custodian shall not be subject to margin calls or have any other obligation to extend credit or otherwise disburse payment beyond the cash balance of Applicant/Plan Participant's account for any reason whatsoever.

**SIMPLIFIED EMPLOYEE
PLAN DISCLOSURE
STATEMENT**

INFORMATION FOR THE EMPLOYEE

The information provided below explains what a Simplified Employee Pension (SEP) plan is, how contributions are made, and how to treat your employer's contributions for tax purposes. Please read the questions and answer carefully. For more specific information, see the Prototype SEP Plan document and Adoption Agreement executed by your Employer. Also, see IRS Publication 560.

QUESTIONS AND ANSWERS

Q1 What is a Simplified Employee Pension, or SEP?

A1 A SEP is a written arrangement (a plan) that allows an employer to make contributions toward your retirement. Contributions are made to a traditional individual retirement account/annuity (IRA).

Your employer will provide you with a copy of the agreement containing participation rules and a description of how employer contributions may be made to your IRA.

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

Q2 Must my employer contribute to my IRA under the SEP?

A2 No. An employer is not required to make SEP contributions. If a contribution is made, it must be allocated to all the eligible employees according to the SEP agreement. The Prototype SEP Plan specifies that the contribution for each eligible employee will be the same percentage of compensation (excluding compensation higher than a specified dollar limit that is subject to cost-of-living adjustments) for all employees. The compensation limit is:

2006	\$220,000
2007	\$225,000
2008	\$230,000
2009	\$245,000
2010	\$245,000
2011	\$245,000
2012	\$250,000
2013	\$255,000
2014	\$260,000
2015	\$265,000
2016	\$265,000
2017	\$270,000
2018	\$275,000
2019	\$280,000
2020	\$285,000

Q3 How much may my employer contribute to my SEP IRA in any year?

A3 Your employer will determine the amount to be contributed to your traditional IRA each year. However, the amount for any year is limited to the smaller of \$40,000 or 25% of your compensation for that year. The \$40,000 maximum SEP

contribution limit is subject to cost-of-living adjustments. Compensation does not include any amount that is contributed by your employer to your traditional IRA under the SEP. Your employer is not required to make contributions every year or to maintain a particular level of contributions. See Question 5. The SEP contribution limit is:

2006	\$44,000
2007	\$45,000
2008	\$46,000
2009	\$49,000
2010	\$49,000
2011	\$49,000
2012	\$50,000
2013	\$51,000
2014	\$52,000
2015	\$53,000
2016	\$53,000
2017	\$54,000
2018	\$55,000
2019	\$56,000
2020	\$57,000

Q4 How do I treat my employer's SEP contributions for my taxes?

A4 Employer contributions to your SEP IRA are excluded from your income unless there are contributions in excess of the applicable limit. See Question 3. Employer contributions within these limits will not be included on your Form W-2.

Q5 May I also contribute to my IRA if I am a participant in a SEP?

A5 Yes. You may contribute the smaller of the annual regular IRA contribution limit or 100% of your compensation to an IRA. However, the amount you can deduct may be reduced or eliminated because, as a participant in a SEP, you are covered by an employer retirement plan. See Question 11.

Q6 Are there any restrictions on the IRA I select to have my SEP contributions deposited?

A6 Contributions must be made to either a Model traditional IRA executed on an IRS form or a master or prototype traditional IRA for which the IRS has issued a favorable opinion letter.

Q7 What if I do not want to participate in a SEP?

A7 If your employer does not require you to participate in a SEP as a condition of employment, and you elect not to participate, all other employees of your employer may be prohibited from participating. If one or more eligible employees do not participate and the employer fails to establish a SEP IRA for the remaining eligible employees, it could cause adverse tax consequences for the participating employees.

Q8 Can I move funds from my SEP IRA to another traditional IRA?

A8 Yes. You can withdraw or receive funds from your SEP IRA if within 60 days of receipt, you place those funds in the same or another traditional IRA or SEP IRA. This is called a "rollover" and can be done without penalty only once in any 1-year period. However, there are no restrictions on the number of times you may make "transfers" if you arrange to have these funds transferred between the trustees or the custodians so that you never have possession of the funds.

Q9 Can I move my funds from my SEP IRA to another employer plan?

A9 Yes. Beginning with distributions received in 2002, you may also roll over to a qualified plan (under section 401(a)), a qualified annuity, a 403(b) tax-sheltered annuity or custodial agreement, or an eligible 457(b) plan of a state or local

government.

Q10 Are there any restrictions to rollovers from my IRA?

A10 Yes. You may not roll over to an employer plan (See Question 9) any basis in your IRA. Basis includes nondeductible IRA contributions, after-tax monies that were rolled into the IRA from an employer plan, or repayments of qualified reservist distributions.

Q11 What happens if I withdraw my employer's contribution from my IRA?

A11 You may withdraw your employer's contribution at any time, but any amount withdrawn is includible in your income unless rolled over. Also, if withdrawals occur before you reach age 59½, you may be subject to an additional tax on early withdrawal.

Q12 Are there any restrictions in withdrawing the funds in my SEP IRA?

A12 You may withdraw the funds in your IRA at any time. However, a withdrawal from a certificate of deposit prior to maturity may result in a forfeiture of principal or interest. These penalties, as well as any fees which may be charged, are set forth in the IRA disclosure statement you received when you opened your account and/or any specific disclosure accompanying your certificate of deposit (including rules of class) or other investment.

An IRA with another institution may have different terms concerning transfers, withdrawals, rates of return, etc. It is possible that the terms offered at another institution may be more advantageous.

Q13 May I participate in a SEP even though I am covered by another plan?

A13 An employer may adopt this Prototype SEP in conjunction with any qualified plan, including a defined benefit plan. Also, if your employer maintained in the past a defined benefit plan, which is now terminated the employer may adopt this Prototype SEP.

Q14 What happens if too much is contributed to my SEP IRA in one year?

A14 Contributions exceeding the yearly limitations may be withdrawn without penalty by the due date (plus extensions) for filing your tax return (normally April 15), but are includible in your gross income. Excess contributions left in your SEP IRA account after that time may have adverse tax consequences. Withdrawals of those contributions may be taxed as premature withdrawals.

Q15 Is my employer required to provide me with information about SEP IRAs and the SEP agreement?

A15 Yes. Your employer must provide you with a copy of the executed SEP Plan agreement with Adoption Agreement and a yearly statement showing any SEP contributions to your traditional IRA.

Q16 Is the financial institution where my traditional IRA is established required to provide me with information?

A16 Yes. It must provide you with a disclosure statement that contains the following information in plain, nontechnical language.

- (1) The law that relates to your traditional IRA.
- (2) The tax consequences of various options concerning your traditional IRA.
- (3) Participation eligibility rules, and rules on the deductibility of retirement savings.
- (4) Situations and procedures for revoking your traditional IRA, including the name, address, and telephone number of the person designated to receive notice of revocation. This information must be clearly displayed at the beginning of the disclosure statement.
- (5) A discussion of the penalties that may be assessed because of prohibited activities concerning your traditional

IRA.

- (6) Financial disclosure that provides the following information:
- (a) Projects value growth rates of your traditional IRA under various contribution and retirement schedules, or describes the method of determining annual earnings and charges that may be assessed.
 - (b) Describes whether, and for when, the growth projections are guaranteed, or a statement of the earnings rate and the terms on which the projections are based.
 - (c) States the sales commission for each year expressed as a percentage of \$1,000.

In addition, the financial institution must provide you with a financial statement each year. You may want to keep these statements to evaluate your traditional IRA's investment performance.

See IRS Publication 590-A and 590-B, Individual Retirement Arrangements (IRAs), available at most IRS offices, for a more complete explanation of the IRA disclosure requirements.

In addition to this disclosure statement, the financial institution is required to provide you with a financial statement each year. It may be necessary to retain and refer to statements for more than one year in order to evaluate the investment performance of the traditional IRA and in order that you will know how to report traditional IRA distributions for tax purposes.