

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

Do NOT File
with Internal
Revenue Service

State of ▶

SS

Amendment

County of ▶

This Agreement, entered into as of this day of, 19....., by and between (hereinafter referred to as "Depositor") (Depositor's date of birth and social security number), presently residing at, and (hereinafter referred to as "Custodian"), having its principal place of business at

Witnesseth:

Whereas, the Depositor desires to provide for his/her retirement and for the support of his/her beneficiaries upon his/her death;

Whereas, to accomplish this purpose, the Depositor desires to establish an individual retirement account as described in section 408(a) of the Internal Revenue Code of 1954, as amended, or any successor statute (hereinafter referred to as "the Code"); and

Whereas, the Custodian has furnished the Depositor with a disclosure statement as required under the Income Tax Regulations under section 408(i) of the Internal Revenue Code of 1954;

Now, therefore, the Depositor has deposited with the Custodian the sum of dollars (\$.....) in cash, and it is agreed by and between the Depositor and the Custodian the following:

Article I

1. The Custodian may accept additional contributions in cash from or on behalf of the Depositor for a taxable year of the Depositor except as limited by paragraph 2.

2. Except in the case of a rollover contribution as that term is described in section 402(a)(5), 403(a)(4), 403(b)(8), 408(d)(3) or 409(b)(3)(C) of the Code or an employer contribution to a simplified employee pension as defined in section 408(k), the Custodian will only accept cash and will not accept contributions on behalf of the Depositor in excess of \$1,500 for any taxable year of the Depositor.

Article II

The interest of the Depositor in the balance in the custodial account shall at all times be nonforfeitable.

Article III

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

Article IV

1. The entire interest of the Depositor in the custodial account must be, or commence to be, distributed before the close of the taxable year in which the Depositor attains age 70½. Not later than the close of such taxable year the Depositor may elect, in a form and at such time as may be acceptable to the Custodian, to have the balance in the custodial account distributed in:

- (a) a single sum payment,
- (b) an annuity contract providing equal or substantially equal monthly, quarterly or annual payments commencing not later than the close of such taxable year over the life of the Depositor,
- (c) an annuity contract providing equal or substantially equal monthly, quarterly or annual payments commencing not later than the close of such taxable year over the joint and last survivor lives of the Depositor and his/her spouse,
- (d) equal or substantially equal monthly, quarterly or annual payments commencing not later than the close of such taxable year over a period certain not extending beyond the life expectancy of the Depositor, or
- (e) equal or substantially equal monthly, quarterly or annual payments commencing not later than the close of such taxable year over a period certain not extending beyond the joint life and last survivor expectancy of the Depositor and his/her spouse.

Notwithstanding that distributions may have commenced pursuant to option (d) or (e), the Depositor may receive a distribution of the balance in the custodial account at any time upon written notice to the Custodian. If the Depositor fails to elect any of the methods of distribution described above on or before the close of his/her taxable year in which he/she attains the age of 70½, distribution to the Depositor will be made prior to the close of such taxable year by a single sum payment. If the Depositor elects a mode of distribution under (b) or (c) above, such annuity contract must satisfy the requirements of sections 408(b)(1), (3), (4) and (5) of the Code. If the Depositor elects a mode of distribution under (d) or (e) above, the monthly, quarterly or annual payments made in taxable years beginning in the taxable year in which the Depositor attains age 70½ will be, respectively, not less than one-twelfth of, one-fourth of, or the total of, the quotient obtained by dividing the entire interest of the Depositor in the custodial account at the beginning of each year by the life expectancy of the Depositor (or the joint life and last survivor expectancy of the Depositor and his/her spouse, or the period specified under (d) or (e) (whichever is applicable)), determined in either case as of the date the Depositor attains age 70½, reduced by the number of whole years elapsed since the Depositor's attainment of age 70½.

2. If the Depositor dies before his/her entire interest in the custodial account is distributed to him/her, or if distribution has been commenced as provided in (e) above, to his/her surviving spouse and such surviving spouse dies before the entire interest is distributed to such spouse, the entire interest of the remaining undistributed interest shall, within five year after the Depositor's death or the death of the surviving spouse, be distributed in a single sum or be applied to purchase an immediate annuity for the beneficiary or beneficiaries of the Depositor or his/her surviving spouse. The terms of such annuity shall provide for payments over the life of the beneficiary or beneficiaries or for a term certain not exceeding the life expectancy of such beneficiary or beneficiaries. Any annuity contract so purchased shall be immediately distributed to such beneficiary or beneficiaries. However, no such annuity contract shall be required to be purchased if distributions over a term certain commenced before the death of the Depositor and the term certain is for a period permitted under (d) or (e) above.

Article V

Except in the case of the Grantor's death or disability (as defined in section 72(m) of the Code) or attainment of age 59 1/2, before distributing an amount from the account, the Trustee shall receive from the Grantor a declaration of the Grantor's intention as to the disposition of the amount distributed.

Article VI

- 1. The Grantor agrees to provide information to the Trustee at such time and in such manner and containing such information as may be necessary for the Trustee to prepare any reports required pursuant to section 408(i) of the Code and the regulations thereunder.
2. The Trustee agrees to submit reports to the Internal Revenue Service and the Grantor at such time and in such manner and containing such information as is prescribed by the Internal Revenue Service.

Article VII

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence shall be controlling. Furthermore, any such additional article shall be wholly invalid, if it is inconsistent, in whole or in part, with section 408(a) of the Code and the regulations thereunder.

Article VIII

This Agreement shall be amended, from time to time, in order to comply with the provisions of the Code and regulations thereunder. Furthermore, other amendments may be made upon consent of the undersigned.

Note: The following space (Article IX) is made available for any provisions you might wish to add. If you do not wish to add any such provisions, line through this space. If additional provisions are added, however, such provisions must comply with applicable requirements of State law and the Internal Revenue Code.

Article IX

In witness whereof, the Grantor who has caused these presents to be signed and the Trustee, to evidence its acceptance of these presents, have hereunto set their hands and seals, on the date and year first above written.

Grantor >

Attest >

(Use this space if the signature of the Grantor or the Trustee are required to be witnessed)

Trustee >

Instructions

(References are to the Internal Revenue Code)

General Instructions

This is to be an agreement between an individual and the individual's trustee and is not to be filed with the Internal Revenue Service.

This model trust may be used by an individual who wishes to adopt an individual retirement account pursuant to section 408(a). When fully executed by the Grantor and the Trustee not later than the time prescribed by law for filing the Federal income tax return for the Grantor's taxable year (including any extensions thereof), an individual will have an individual retirement account IRA trust which meets the requirements of section 408 (a). This trust must be created in the United States for the exclusive benefit of the Grantor or his/her beneficiaries.

Spousal IRA's

Contributions to an IRA trust for a non-working spouse must be contributed to a separate IRA trust established by the non-working spouse. This form may be used to establish the IRA trust for the non-working spouse.

An employee's Social Security Number will serve as the identification number of his/her

individual retirement account. An Employer Identification Number is not required for each individual retirement account, nor for a common fund created for such individual retirement accounts.

For further information obtain a copy of the required disclosure statement from your trustee or obtain Publication 590, Tax Information on Individual Retirement Savings Programs, from your local Internal Revenue Service office.

Definitions

Trustee.—The trustee must be a bank or savings and loan association, as defined in section 581, a Federally insured credit union or such other person who has the approval of the Internal Revenue Service to act as trustee.

Grantor.—The grantor is the person who establishes the trust.

Specific Instructions

Article IV.—Distributions to be made under this article may be made in a single sum, periodic payments, or a combination thereof. The distribution option should be reviewed in the year the Grantor reaches age 70 1/2 to make sure that section 408(a)(6) has been complied with. For example, if a Grantor elects distribution over a period permitted in (d) or (e) of

Article IV, the period may not extend beyond the life expectancy of the Grantor at age 70 1/2 (under option (d)) or the joint life and last survivor expectancy of the Grantor (at age 70 1/2) and the Grantor's spouse (under option (e)). For this purpose, life expectancies must be determined by use of the expected return multiples in section 1.72-9 of the Income Tax Regulations (26 CFR Part 1). The balance in the account as of the beginning of each taxable year beginning on or after the Grantor attains age 70 1/2 shall be used in computing the payments described in (d) and (e) of Article IV. Article IV does not preclude a mode of distribution different from those described in (a) through (e) of Article IV prior to the close of the taxable year of the Grantor in which he/she attains age 70 1/2.

Article IX.—This article and those that follow could incorporate additional provisions that are agreed upon by the Grantor and Trustee to complete the agreement. These may include, for example: definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of trustee, trustee's fees, state law requirements, time of commencement of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the Grantor, etc. If additional pages are necessary, they may be executed and attached as needed.

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