



P.O. Box 719
Canyon, TX 79015-0719
(800) 486-6888

For IRA Investors

Re: a Self-Directed IRA which permits investments
including qualified precious metals

GoldStar Trust Company (GoldStar) is pleased to present this information about self-directed IRA account services. GoldStar is a leading IRA custodian which routinely accepts and administers self-directed IRA accounts holding investments which include precious metals. These include platinum, gold, and silver American Eagle coins, and certain qualified platinum, palladium, gold and silver bullion.

New accounts are welcome. Most forms you need are available on the Internet at www.goldstartrust.com. Paper forms are available from GoldStar at the toll-free number, or from many dealers and investment advisors. Look for a sheet of instructions explaining the steps for opening an IRA, placing funds into the IRA, and directing investment in precious metals through your dealer. Please contact GoldStar directly with any questions you may have or for assistance in completing the forms.

GoldStar is a fee-based custodian. GoldStar does not sell investment products and does not receive payment from brokers or dealers in connection with the investments you choose. You pay GoldStar directly as an independent party for custodial, storage, and transaction services. Initial fees are due in advance and are detailed in a fee schedule with the account agreement.

To request additional forms, or to discuss such matters as a Roth IRA, SIMPLE IRA, employer SEP or SIMPLE plan, or to ask questions about the process, please call the toll-free number. Also, if you plan a rollover of funds which you have received from another IRA or from a qualified retirement plan, or if you wish to request direct rollover of funds from a qualified retirement plan, we encourage you to call and talk with an IRA specialist at GoldStar first. This may save time and avoid unintended effects on the status of your IRA.

GoldStar pledges diligent service on behalf of its IRA account holders and attention to quality and details which assure you safe and well-managed investments through IRA accounts.

Thank you for considering GoldStar Trust Company as your IRA custodian.



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TRUST COMPANY

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How to Invest in Precious Metals Through Your Self-Directed IRA

1. Establish Your Self-Directed IRA Account

Obtain and complete the GoldStar Trust Company (GoldStar) self-directed IRA Account Application. The IRA may be a Traditional IRA (including SEP and Conduit), a Roth IRA, or a SIMPLE IRA. You may combine precious metals investments in the same IRA with other types of investments. Mail the Account Application to GoldStar.

2. Fund Your IRA

An IRA is funded through contributions, rollover contributions, IRA to IRA transfers, direct rollovers from a Qualified Plan (401k Profit Sharing, Pension Plan, 403b, Thrift Savings Plan, etc.), Roth conversions, and recharacterizations. As funds are received, confirming statements are issued. Contact GoldStar for assistance with forms needed to request or authorize these.

3. Choose a Precious Metals Dealer

You determine the precious metals dealer to be used. GoldStar does not offer investment products and does not buy or sell precious metals. You will negotiate the precious metals to be purchased or sold, and the price and terms directly with the dealer.

4. Complete and sign the Investment Direction

Complete the Investment Direction for Precious Metals after contacting a dealer. Be sure to provide all available information, sign and date it. If determination of some details regarding the metals to be purchased or the prices must wait until funds are available in the IRA, leave those sections blank. GoldStar can accept those details through your dealer if you initial the appropriate box. Otherwise, you will need to provide the remaining details in writing to GoldStar once they are determined. If you plan to invest in proof coins, be sure to read the information regarding proof spreads and initial the appropriate box.

Mail the original copy of Investment Direction to GoldStar Trust Company. You may also fax it to GoldStar at (806) 220-2166 with a phone call to confirm your authorization.

5. Wait for Funds to Arrive

When funds arrive, GoldStar will send a confirmation statement to you. If GoldStar has your Investment Direction, GoldStar will make its best effort to notify your dealer by fax so that you may be contacted to finalize your investment directions.

6. Provide Final Investment Directions

If you have initialed the authorizing box on your Investment Direction, GoldStar will accept final investment directions through your dealer. Otherwise, you must complete the details on the Investment Direction and deliver it to GoldStar. If you confirm an order for your IRA with a dealer, you are obligated to promptly deliver these instructions so that your IRA can fulfill your contract.

7. Be Aware of Settlement Procedures

GoldStar issues a Purchase Order to the precious metals dealer, with instructions for delivery to the depository used by GoldStar to store precious metals. After GoldStar acquires confirmation of receipt of precious metals from the depository, GoldStar makes a disbursement of cash from your IRA account to the precious metals dealer. Your precious metals order is now complete.



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**YOUR SOURCE FOR SELF-DIRECTED IRA SERVICES
SUPPORTING DIVERSIFIED INVESTMENTS INCLUDING
CHURCH BONDS, PRECIOUS METALS
DENOMINATIONAL PROGRAMS
AND SWISS ANNUITIES**

IRA INVESTMENT THROUGH GOLDSTAR TRUST COMPANY IRA SERVICES:

- **PROVIDES INCREASED INVESTMENT FLEXIBILITY FOR THE INVESTOR**
- **ALLOWS CONSOLIDATION OF DEVERSE IRA INVESTMENTS IN A SINGLE ACCOUNT**
- **OFFERS THE HIGHEST LEVEL OF PROFESSIONALISM AND SERVICE**
- **INCORPORATES SAFEKEEPING STORAGE OF PRECIOUS METALS**

GOLDSTAR TRUST COMPANY:

- **IS HAPPY STATE BANK, A TEXAS BANKING ASSOCIATION WITH TRUST POWERS, DOING BUSINESS AS GOLDSTAR TRUST COMPANY**
- **IS SUPERVISED BY THE TEXAS DEPARTMENT OF BANKING**
- **SERVES ALMOST 20,000 SELF-DIRECTED IRA ACCOUNT HOLDERS WITH OVER \$706 MILLION INVESTED (2007)**
- **IS A MEMBER OF THE RETIREMENT INDUSTRY TRUST ASSOCIATION AND THE INDEPENDENT BANKERS ASSOCIATION OF TEXAS**
- **OPERATES FROM OFFICES IN AMARILLO, TEXAS**
- **UTILIZES THE PRECIOUS METAL DEPOSITORY SERVICES OF HSBC BANK USA**
- **UTILIZES CONSULTING, TRAINING, AND SUPPLY SERVICES OF BISYS RETIREMENT SERVICES INCORPORATED**

QUESTIONS & ANSWERS ABOUT IRA INVESTMENT IN PRECIOUS METALS

How can an investment in precious metals be made through an Individual Retirement Account?

An investor with a self-directed IRA may direct that some of the funds in the IRA be invested in precious metals. IRA investments may include any gold, silver and platinum coins and gold, silver, platinum, and palladium bullion which meet the refinement requirements of bullion traded through commodities contracts. An effective way to invest IRA funds in precious metals is to use a self-directed IRA custodian which is very familiar with the requirements of trading precious metals, storing them in custody, assigning values for IRS reporting purposes, and administering the paperwork and regulations. GoldStar Trust Company (GoldStar) is one of the nation's leading trust organizations equipped to handle these unique requirements.

What other investments can be directed through GoldStar Trust Company?

GoldStar first established its IRA department in 1990 specifically to allow IRA holders to invest in bonds issued by churches. Many clients also direct investments in mutual funds and listed stocks. For investment in U. S. Treasury Bills, Notes & Bonds, GoldStar can settle directly with the U. S. Treasury Direct program.

GoldStar does not accept investments in assets unless a fair market value is readily available. For this reason, investments cannot be held in limited partnerships, stock in privately held companies, or real estate.

Can precious metals investment be made through the client's current IRA?

Yes, provided the current trustee or custodian is willing to administer an investment in precious metals. However, many self-directed IRA custodians or trustees are affiliated with an investment provider such as an insurance company selling annuities or a mutual fund company, and are not equipped or willing to handle other types of investments. Others may have difficulty meeting the storage requirements for holding precious metals in an IRA. GoldStar Trust Company is willing and able to serve as custodian for self-directed IRA accounts for clients who wish to direct investment in precious metals.

QUESTIONS & ANSWERS ABOUT AMOUNTS INVESTED IN PRECIOUS METALS

How much does a typical IRA investor invest in precious metals?

The current limit on annual contributions to an IRA is \$4,000 (\$5,000 for those age 50 or older) but IRA holders often have much more accumulated in their IRAs. Contributions over many years will be combined with earnings on investments, and many people have moved substantial sums from retirement plans into an IRA when leaving previous jobs. Investments of \$10,000 to \$20,000 are fairly common, with the amount invested in precious metals sometimes reaching \$100,000 or more.

What is the minimum investment for precious metals?

The investor should carefully consider the annual carrying costs of the IRA account when deciding whether to invest smaller amounts through an IRA or directly from after-tax dollars. Currently, the annual costs of a self-directed IRA at GoldStar Trust Company are typically \$180 the first year and \$140 per year through the life of the investment. For a small investment, this represents excessive carrying costs. Therefore, we require that IRA investments in precious metals be a minimum of \$5,000 so that relative carrying costs are reduced to 3% per annum or less. Bear in mind also that investments in precious metals do not yield any cash income, and these costs must be paid annually in cash by the investor.

Because of New York sales and use tax laws, no investment smaller than \$1,000 can be made or maintained through an IRA with GoldStar Trust Company.

What portion of an IRA is appropriate for investment in precious metals?

GoldStar Trust Company cannot provide tax or investment advice, but this is an important question which the client should consider and discuss with the precious metals dealer and tax and investment advisors. Factors to consider are the investor's age and total assets, expected needs for liquidity in upcoming years, and investment philosophy. Precious metal investments can represent a stable foundation for safety and security, but are not generally expected to achieve growth objectives such as a stock fund might do. Also bear in mind that once an investor reaches age 70-1/2, a required minimum annual distribution will apply. Provision should be made to leave some liquidity in the account, or the mix of investments should be planned so that the necessary value can be segregated and withdrawn in kind.

QUESTIONS & ANSWERS ABOUT ALLOWABLE PRECIOUS METALS INVESTMENTS

Who is responsible for determining whether any particular precious metal is allowable?

GoldStar Trust Company cannot provide tax or investment advice. GoldStar Trust Company does not know what precious metal investments will be allowable by the IRS or the tax law. The responsibility for determination of allowable investments lies entirely with the investor.

Are there any guidelines regarding allowable precious metals investments for an IRA?

An IRA may hold investments in certain specifically-permitted precious metals. Otherwise, coins and bullion are considered to be collectibles under the meaning of the Internal Revenue Code, and are disallowed for IRAs. The allowable exceptions were broadened by the Taxpayer Relief Act of 1997, effective January 1, 1998.

The specific precious metals permitted are: silver, gold and platinum American Eagle coins, a coin issued under the laws of any State, and gold, silver, platinum or palladium bullion that meets certain requirements. The requirements for bullion are that it be of a fineness equal to or exceeding the minimum fineness related to certain regulated futures contracts and that the bullion be in the physical possession of a trustee qualified to serve as an IRA trustee.

What are the fineness requirements for bullion?

The minimum fineness for bullion is specified in the Code by reference to regulated futures markets and contracts. Generally, it appears that gold must be .9950 pure, silver must be .9990 pure, platinum must be .9995 pure and palladium must be .9995 pure.

To be acceptable to GoldStar Trust Company, bullion bars must be fabricated by COMEX or NOMEX approved refiners. This is necessary for the bullion to be stored and recorded at the custodial facilities of our depository bank.

Can bullion coins be held in the IRA?

Some coins may be considered bullion under the Taxpayer Relief Act of 1997. Several governments around the world issue coins of silver, gold, platinum, or palladium, with fineness generally ranging from .9000 to .9999. Although the industry generally presumes that at least those coins with the fineness required for bullion will qualify, their qualification as an IRA investment is uncertain, since the IRS has not yet issued guidelines.

Contact GoldStar Trust Company to determine whether a particular coin will be accepted for safekeeping.

QUESTIONS & ANSWERS ABOUT DIRECTING INVESTMENT IN PRECIOUS METALS

How does the client direct the investment in precious metals?

Each specific investment by a self-directed IRA requires written instructions of the account holder to GoldStar Trust Company. The instructions will detail the investment to be made and the dealer to provide the precious metals. The form "Investment Direction by IRA Account Holder for Precious Metals" is available for this purpose. The account holder should provide investment directions directly to GoldStar Trust Company as the IRA custodian. GoldStar will then issue a purchase order to the dealer and complete the investment.

Negotiation of the quantity, form, grade and price of the precious metals should be handled directly with the dealer before preparing detailed investment directions. The Investment Direction form does not include the dealer as a party, and does not include terms and conditions a dealer might commonly desire. A dealer may also need an agreement form incorporating important terms and conditions which it wishes to apply to the contract, which will be presented to the investor directly.

Can fluctuations in market price be provided for in the Investment Direction?

The Investment Direction can specify a "market price not to exceed..." with some upper limit on the acceptable price. The final price can then be confirmed to GoldStar Trust Company when funding is complete and the settlement price is locked in. When special circumstances or situations are encountered, GoldStar Trust Company is usually able to find a way to obtain the authorization it requires for the protection of the client while accommodating the dealer's constraints on pricing. The key requirement is the account holder's fully informed specific authorization of the investment to be made. This must come from the client and cannot be substituted by the dealer.

Will GoldStar Trust Company accept facsimile transmissions instead of original documents?

Generally, GoldStar Trust Company will accept a facsimile transmission to commence a transaction, provided that the signed original is mailed to GoldStar Trust Company immediately after being transmitted, and no further notations or alterations are added to it. GoldStar Trust Company always reserves the right to require fully executed, original, written instructions prior to any action.

You may also send a partially completed Investment Direction to GoldStar Trust Company and provide final details later by fax with follow-up by mail or delivery service.

Can the dealer handle the Investment Directions for me?

Investment Directions must be in writing with approval signified by the account holder's signature. If the investor desires, the Investment Direction can be signed and forwarded to the dealer for completion of details and forwarding to GoldStar. This is similar to signing a blank check and giving it to a provider. Generally, GoldStar requests an indication by the dealer that the final details have been discussed with the client prior to forwarding the Investment Direction, but this cannot be assured.

QUESTIONS & ANSWERS ABOUT PRECIOUS METALS STORAGE

Where will the precious metals in my IRA be stored?

The precious metals held by IRA accounts at GoldStar Trust Company are stored in a specialized precious metals depository operated by a major financial institution. The depository provides expert verification and handling of shipments into and out of the depository and provides for safekeeping while the metals are stored.

What depository does GoldStar Trust Company use?

Precious metals IRA assets are deposited with HSBC Bank USA (formerly Republic National Bank of New York), which is a major bank of very long standing which is well-respected in the areas of precious metals depository services.

Are the precious metals for my IRA account separately identified and stored?

The precious metals assets of all IRA accounts for which GoldStar Trust Company serves as custodian are stored together. The assets are considered “fungible” and are not individually identified. Your IRA will be credited with the assets received for it by type of metal, type of coin or bullion, manufacturer of bullion, denomination of coins, and weight of item. For American Eagle products of the U. S. mint, the year of mint is recorded and coins are credited according to their appearance as bullion, as proof, or as proof without containers, certificates or packaging. Metal which is delivered for your IRA will be from the deposits of items with the same characteristics, but will probably not be the same coins or bullion which were originally received.

Can I transfer my precious metals to a storage facility I choose?

GoldStar Trust Company is responsible for custody of IRA assets and selects the facility used to deposit all precious metals held in IRA accounts. You may, of course, transfer the IRA assets in kind to a different trustee or custodian which currently uses a different depository or permits segregated, individual storage of assets for your IRA. GoldStar Trust Company will deliver the assets in accordance with the instructions of the successor trustee or custodian after payment of costs and fees due.

Can I take custody of IRA assets?

No. All IRA assets must remain within the custody of a custodian or trustee of the IRA.

You may take a *distribution* of assets in your IRA, which is a taxable event reported to the IRS. Unless you make a qualified rollover contribution of the assets into another plan, you will probably owe income taxes on the value of the distribution and are likely to be subject to a penalty for a premature distribution as well. As always, consult your investment and tax advisors regarding these matters prior to any action on your part.

GOLDSTAR TRUST COMPANY

P.O. Box 719 * Canyon, TX 79015
800-486-6888 * 806-655-2490 (fax)

Custodial IRA Financial Disclosure and Fee Schedule

for Traditional, SEP, Roth and SIMPLE IRAs
Effective March 1, 2008

Self-Directed IRA

This account is termed a Self-Directed Individual Retirement Account (IRA). You may direct the investment of your funds within this IRA into any investment instrument approved by, or through GoldStar Trust Company. GoldStar Trust Company will not exercise any investment discretion regarding your IRA, as this is solely your responsibility.

Because this is a Self-Directed IRA, no projection of the growth of your IRA can reasonably be shown or guaranteed. The value of your IRA will be solely dependent upon the performance of any investment instrument chosen by you.

Terms and conditions of the Self-Directed IRA which affect your investment decisions are listed below.

INVESTMENT OPTIONS

This is a Self-Directed IRA; you choose the investments which will fund your IRA. Your investment choices are limited to church bonds, fixed-rate investments, CD's, money market funds, mutual funds, publicly traded securities in U.S. Exchanges, gold, silver, platinum and palladium coins, bullion, Swiss annuities, Treasuries and approved bank accounts outside the U.S. Examples of investments *not* permitted in this Self-Directed IRA are limited partnerships, real estate, collectibles, and viaticals.

Fees

There are certain fees and charges connected with the investments you may select for your IRA. These fees and charges may include:

- Sales Commissions
- Investment Management Fees
- Distribution Fees
- Set Up Fees
- Annual Maintenance Fees
- Asset Holding Fees
- Transaction Fees
- Asset Re-Registration, Surrender or Termination Fees

To find out what fees apply, read the prospectus or contract which will describe the terms of the investment you choose.

Annual Administration Fees

1. **Basic Annual Administrative Fee**
Applicable for IRAs holding Precious Metals, Bank Accounts Outside the U.S., and Swiss Annuities. Minimum \$50 to Maximum \$250

Applicable for IRAs holding Church Bonds, Stocks, Mutual Funds, Promissory Notes, Treasuries, and other Securities not specifically listed. Minimum \$40 to Maximum \$250

Eight-hundredths of 1% (.08% or .0008) of asset value of account. The annual administrative fee is based on the combined fair market value of all assets in the account, as of the end of the anniversary month of the account.

The fee must be paid when the account is established and will be billed annually thereafter.

General IRA Account Administration Fees

(applies to all IRA accounts, regardless of type of asset(s) held within IRA)

1. **Transaction Fee**
(Applicable to each purchase, sale or maturity of any asset, distribution, or dividend reinvestment)
\$5.00 per transaction after the first 12 transactions. Transactions are tracked by anniversary year of the IRA account.
Transaction fees do not apply to any investments for which GoldStar Trust Company is the paying agent and registrar.
2. **Termination Fee** **\$50**
3. **Special Services** (Report fees, research assistance, Roth IRA Conversion, partial transfer, etc.) **\$25/hr**
1 hr min
4. **Cash Management Fee**
GoldStar Trust Company receives a monthly record keeping fee on the uninvested cash equal to .0005416 or .65% per annum.

Uninvested cash in the account will be invested in short-term investments, which shall include insured savings accounts, insured savings certificates, insured money market accounts, government securities, federal agency securities, and treasury notes, bonds and bills in which book value and interest is guaranteed (including any of the foregoing offered by Happy State Bank.) Interest earnings will be posted monthly to each account. Accounts that close during a month will not earn interest for that month.
5. **Late Fees.** If fees are not paid within 30 days of the due date, interest will accrue on the unpaid balance at the rate of .0083% per month or 10% per annum.
6. **Wire Transfer Fee** **\$20.00**
7. **Overnight Fee** **\$25.00**
8. **Insufficient Funds / Returned Checks** **\$50.00**

Fees Specific to Type of Asset Held in IRA

Precious Metals

1. Precious Metals Storage (Billed when the account is opened, and annually thereafter in January)	\$90 Annual Fee
2. Investment or Liquidation	\$40
3. Distribution or Transfer	\$25
4. Shipping (Per ounce charge based on metal type - \$50 minimum)	Variable

Bank Accounts Outside the U.S.

1. Annual Asset Holding Fee (Billed at account opening, and annually on the anniversary date of the account)	\$200
2. Currency Exchange Order	\$15
3. Additional Purchase and/or Liquidation Order	\$75

Swiss Annuities

1. Annual Asset Holding Fee (Billed annually in arrears on the anniversary date of the account)	\$25
2. Establishment, Distribution or Transfer	\$100
3. Modification or Surrender	\$25

Listed Securities and U.S. Treasury Securities

(applies only to security trades transacted by GoldStar's omnibus account at Select Investing and all U.S. Treasury Securities)

1. Investment, Sale, Distribution, or Transfer Plus Brokerage Fees	\$25 at cost
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PAYMENT OF FEES:

Fees of all new accounts must accompany the enrollment form at the time when the account is established. All items subject to collection or to any right of rescission may be held until collection or expiration of any applicable rescission period. Payment of annual fees and total asset market valuation shall be made on the anniversary date when the account was established.

RIGHT TO MAKE ADJUSTMENTS TO THIS FEE SCHEDULE:

GoldStar Trust Company reserves the right to make any adjustments in its fees for trust or agency services when such adjustments are warranted by changes in governing laws, regulations, operating technology or economic conditions. This schedule may be modified only upon revision by GoldStar of its published schedule of IRA fees. Such fees shall become effective on the 30th day after mailing the notice of such revision to the participant at the address shown on the records of GoldStar.

EARNINGS

The method for computing and allocating annual earnings (interest, dividends, etc.) on your investments will vary with the nature and issuer of the investment chosen. Please refer to the prospectus or contract of the investment(s) of your choice for the method(s) used for computing and allocating annual earnings.

Custodian shall be under no obligation to forward any proxies, financial statements or other literature received by it in connection with or relating to Custodial Property held under this agreement. Custodian shall be under no obligation to take any action with regard to proxies, stock dividends, warrants, rights to subscribe, plans of reorganization or recapitalization, or plans for exchange of securities.

GOLDSTAR TRUST COMPANY

IRA Customer Identification Requirements

Section 326 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) authorizes and requires the Department of the Treasury to add to its rules for banks to establish Customer Identification Programs. Previously, trust companies were not treated as banks and trust relationships were not treated as "accounts." However, GoldStar and the GoldStar IRA account establishment process are now subject to these requirements.

Notice

Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

When you open an account, we will ask for your name, residence address, social security number, date of birth, and other information that will allow us to identify you. We may also ask for copies of your passport, driver's license or other identifying documents.

We are required to compare your identity to lists of persons and organizations maintained by any federal agency designated by the Department of the Treasury. If your name appears on any of these lists, we must refuse to open your account, close your account if it is already open, notify federal authorities, and follow all federal directives. If you attempt to falsify or conceal your identity, we may be required to file a Suspicious Activity Report.

We may also use independent sources to verify identifying information. Federal law requires us to retain the identification information for a certain period of time (currently five years after closing your account), and may require that we provide this information to federal authorities without notice to you.

This notice is in addition to our Privacy Disclosure and may describe potential disclosures of non-public personal information that were not known to us at the time that the Privacy Disclosure was prepared.

Identifying Documents Requested

The easiest means for GoldStar to comply is to receive documents with your application, such as:

- Any document with your notarized signature.
- A notarized copy of your passport or driver's license or other state-issued photo ID that is not expired.
- An ordinary copy of your unexpired photo ID, if GoldStar is able to complete other procedures.

Identifying Documents Required

If you intend to direct investment outside the U.S. or in Forex trading accounts, GoldStar will require a notarized copy of your passport (or driver's license if you do not have a passport). This may be the same document that is to be forwarded to a non-U.S. bank.

Questions or Concerns?

GoldStar Trust Company
P.O. Box 719
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800-486-6888

INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

Form 5305-A under Section 408(a) of the Internal Revenue Code

FORM (REV. MARCH 2002)

The Depositor named on the Application is establishing a Traditional individual retirement account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death.

The Custodian named on the Application has given the Depositor the disclosure statement required by Regulations section 1.408-6.

The Depositor has assigned the custodial account the sum indicated on the Application.

The Depositor and the Custodian make the following agreement:

ARTICLE I

Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a simplified employee pension plan as described in section 408(k), or a recharacterized contribution described in section 408A(d)(6), the Custodian will accept only cash contributions up to \$3,000 per year for tax years 2002 through 2004. That contribution limit is increased to \$4,000 for tax years 2005 through 2007 and \$5,000 for 2008 and thereafter. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$3,500 per year for tax years 2002 through 2004, \$4,500 for 2005, \$5,000 for 2006 and 2007, and \$6,000 for 2008 and thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

ARTICLE II

The Depositor's interest in the balance in the custodial account is nonforfeitable.

ARTICLE III

1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).
2. No part of the custodial account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

ARTICLE IV

1. Notwithstanding any provision of this Agreement to the contrary, the distribution of the Depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The Depositor's entire interest in the custodial account must be, or begin to be, distributed not later than the Depositor's required beginning date, April 1 following the calendar year in which the Depositor reaches age 70½. By that date, the Depositor may elect, in a manner acceptable to the Custodian, to have the balance in the custodial account distributed in: (a) A single sum or (b) Payments over a period not longer than the life of the Depositor or the joint lives of the Depositor and his or her designated beneficiary.
3. If the Depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
 - (a) If the Depositor dies on or after the required beginning date and:
 - (i) the designated beneficiary is the Depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
 - (ii) the designated beneficiary is not the Depositor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Depositor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
 - (iii) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Depositor as determined in the year of the Depositor's death and reduced by 1 for each subsequent year.
 - (b) If the Depositor dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below:
 - (i) the remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of

the Depositor's death. If, however, the designated beneficiary is the Depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the Depositor would have reached age 70½. But, in such case, if the Depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.

- (ii) the remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.
4. If the Depositor dies before his or her entire interest has been distributed and if the designated beneficiary is not the Depositor's surviving spouse, no additional contributions may be accepted in the account.
 5. The minimum amount that must be distributed each year, beginning with the year containing the Depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows:
 - (a) the required minimum distribution under paragraph 2(b) for any year, beginning with the year the Depositor reaches age 70½, is the Depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the Depositor's (or, if applicable, the Depositor and spouse's) attained age (or ages) in the year.
 - (b) the required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the Depositor's death (or the year the Depositor would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).
 - (c) the required minimum distribution for the year the Depositor reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
 6. The owner of two or more Traditional IRAs may satisfy the minimum distribution requirements described above by taking from one Traditional IRA the amount required to satisfy the requirement for another in accordance with the Regulations under section 408(a)(6).

ARTICLE V

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by section 408(i) and Regulations sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and Depositor the reports prescribed by the IRS.

ARTICLE VI

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles inconsistent with section 408(a) and the related Regulations will be invalid.

ARTICLE VII

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 Application.

ARTICLE VIII

- 8.01 *Definitions:* In this part of this Agreement (Article VIII), the words "you" and "your" mean the Depositor, the words "we," "us" and "our" mean the Custodian, "Code" means the Internal Revenue Code, and "Regulations" means the Treasury Regulations.
- 8.02 *Notices and Change of Address:* Any required notice regarding this IRA will be considered effective when we send it to the intended recipient at the last address which we have in our records. Any notice to be given to us will be considered effective when we actually receive it. You, or the intended recipient, must notify us of any change of address.
- 8.03 *Representations and Responsibilities:* You represent and warrant to us that any information you have given or will give us with respect to this Agreement is

complete and accurate. Further, you agree that any directions you give us, or action you take will be proper under this Agreement, and that we are entitled to rely upon any such information or directions. If we fail to receive directions from you regarding any transaction, or if we receive ambiguous directions regarding any transaction, or we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable to us is received from you or the appropriate government or judicial authority. We shall not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act, and you agree to reimburse us for any loss we may incur as a result of such directions, actions or failures to act. We shall not be responsible for any penalties, taxes, judgments or expenses you incur in connection with your IRA. We have no duty to determine whether your contributions or distributions comply with the Code, Regulations, rulings or this Agreement. We may permit you to appoint, through written notice acceptable to us, an authorized agent to act on your behalf with respect to this Agreement (e.g., attorney-in-fact, executor, administrator, investment manager), however, we have no duty to determine the validity of such appointment or any instrument appointing such authorized agent. We shall not be responsible for losses of any kind that may result from directions, actions or failures to act by your authorized agent, and you agree to reimburse us for any loss we may incur as a result of such directions, actions or failures to act by your authorized agent. You will have sixty (60) days after you receive any documents, statements or other information from us to notify us in writing of any errors or inaccuracies reflected in these documents, statements or other information. If you do not notify us within 60 days, the documents, statements or other information shall be deemed correct and accurate, and we shall have no further liability or obligation for such documents, statements, other information or the transactions described therein.

By performing services under this Agreement we are acting as your agent. You acknowledge and agree that nothing in this Agreement shall be construed as conferring fiduciary status upon us. We shall not be required to perform any additional services unless specifically agreed to under the terms and conditions of this Agreement, or as required under the Code and the Regulations promulgated thereunder with respect to IRAs. You agree to indemnify and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs and expenses, including attorney's fees, arising from, or in connection with this Agreement.

To the extent written instructions or notices are required under this Agreement, we may accept or provide such information in any other form permitted by the Code or applicable regulations.

- 8.04 *Service Fees:* We have the right to charge an annual service fee or other designated fees (e.g., a transfer, rollover or termination fee) for maintaining your IRA. In addition, we have the right to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your IRA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your IRA at our discretion. We reserve the right to charge any additional fee upon 30 days notice to you that the fee will be effective. Fees such as subtransfer agent fees or commissions may be paid to us by third parties for assistance in performing certain transactions with respect to this IRA.

Any brokerage commissions attributable to the assets in your IRA will be charged to your IRA. You cannot reimburse your IRA for those commissions.

- 8.05 *Investment of Amounts in the IRA:* You have exclusive responsibility for and control over the investment of the assets of your IRA. All investment transactions, including the reinvestment of dividends, interest, and proceeds from securities sales, shall be directed by you. Absent or pending such direction, we shall be entitled on a daily basis to sweep all IRA account balances. Such balances shall be invested in short-term investments, which shall include insured savings accounts, insured savings certificates, federal funds, insured money market accounts, government securities, federal agency securities, and treasury notes, bonds and bills in which book value and interest is guaranteed (including any of the foregoing offered by Happy State Bank) ("Temporary Investments"). We shall have all power and authority necessary to hold, administer, vote and negotiate such Temporary Investment so as to enforce every right and benefit thereunder on your behalf. In making all Temporary Investments, we shall not be limited to investments now or hereinafter designated by statute or decision of a court as "legal investments" for funds held by fiduciaries. You hereby agree that we may, but shall not be required (unless required under applicable law) to inform you by forwarding materials or otherwise communicating with you under the provisions of Article VIII as to any questions, decisions or other matters for which a vote may be requested, necessary or helpful as to any Temporary Investment, and we shall thereafter have no responsibility whatsoever with respect thereto. You agree and acknowledge that unless required by applicable law, we are not responsible for communicating, forwarding, or notifying any party, including you, with respect to any communication or matter which comes to the attention of or is received by us with respect to Trust investments, including Temporary Investments, and that you are responsible for making separate arrangements for receiving such communications.

- 8.06 *Beneficiary(ies):* If you die before you receive all of the amounts in your IRA, payments from your IRA will be made to your beneficiary(ies).

You may designate one or more persons or entities as beneficiary of your IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during your lifetime. Unless otherwise specified, each beneficiary designation you file with us will cancel all previous ones. The consent of a beneficiary(ies) shall not be required for you to revoke a beneficiary designation. If you have designated both primary and contingent beneficiaries and no primary beneficiary(ies) survives you, the contingent beneficiary(ies) shall acquire the designated share of your IRA. If you do not designate a beneficiary, or if all of your primary and contingent beneficiary(ies) predecease you, your estate will be the beneficiary.

A spouse beneficiary shall have all rights as granted under the Code or applicable Regulations to treat your IRA as his or her own.

We may allow, if permitted by state law, an original IRA beneficiary(ies) (the beneficiary(ies) who is entitled to receive distribution(s) from an inherited IRA at the time of your death) to name a successor beneficiary(ies) for the inherited IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during the original IRA beneficiary's(ies') lifetime. Unless otherwise specified, each beneficiary designation form that the original IRA beneficiary(ies) files with us will cancel all previous ones. The consent of a successor beneficiary(ies) shall not be required for the original IRA beneficiary(ies) to revoke a successor beneficiary(ies) designation. If the original IRA beneficiary(ies) does not designate a successor beneficiary(ies), his or her estate will be the successor beneficiary. In no event shall the successor beneficiary(ies) be able to extend the distribution period beyond that required for the original IRA beneficiary.

- 8.07 *Required Minimum Distributions:* Your required minimum distribution is calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if your spouse is your sole designated beneficiary and is more than 10 years younger than you, your required minimum distribution is calculated each year using the joint and last survivor table in Regulations section 1.401(a)(9)-9.

If you fail to request your required minimum distribution by your required beginning date, we can, at our complete and sole discretion, do any one of the following:

- make no distribution until you give us a proper withdrawal request;
- distribute your entire IRA to you in a single sum payment; or
- determine your required minimum distribution from your IRA each year based on your life expectancy, calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9, and pay those distributions to you until you direct otherwise.

We will not be liable for any penalties or taxes related to your failure to take a required minimum distribution.

- 8.08 *Termination of Agreement, Resignation, or Removal of Custodian:* Either party may terminate this Agreement at any time by giving written notice to the other. We can resign as Custodian at any time effective 30 days after we mail written notice of our resignation to you. Upon receipt of that notice, you must make arrangements to transfer your IRA to another financial organization. If you do not complete a transfer of your IRA within 30 days from the date we mail the notice to you, we have the right to transfer your IRA assets to a successor IRA custodian or trustee that we choose in our sole discretion, or we may pay your IRA to you in a single sum. We shall not be liable for any actions or failures to act on the part of any successor custodian or trustee, nor for any tax consequences you may incur that result from the transfer or distribution of your assets pursuant to this section.

If this Agreement is terminated, we may charge to your IRA a reasonable amount of money that we believe is necessary to cover any associated costs, including but not limited to, one or more of the following:

- any fees, expenses or taxes chargeable against your IRA;
- any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your IRA.

If we are required to comply with Regulations section 1.408-2(e), and we fail to do so, or we are not keeping the records, making the returns or sending the statements as are required by forms or Regulations, the IRS may, after notifying you, require you to substitute another trustee or custodian.

We may establish a policy requiring distribution of the entire balance of your IRA to you in cash or property if the balance of your IRA drops below the minimum balance required under the applicable investment or policy established.

- 8.09 *Successor Custodian:* If our organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if our entire organization (or any portion which includes your IRA) is bought by another organization, that organization (or agency) shall automatically become the trustee or custodian of your IRA, but only if it is the type of organization authorized to serve as an IRA trustee or custodian.

- 8.10 *Amendments:* We have the right to amend this Agreement at any time. Any amendment we make to comply with the Code and related Regulations does not require your consent. You will be deemed to have consented to any other amendment unless, within 30 days from the date we mail the amendment, you notify us in writing that you do not consent.
- 8.11 *Withdrawals or Transfers:* All requests for withdrawal or transfer shall be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Withdrawals shall be subject to all applicable tax and other laws and regulations, including possible early withdrawal penalties or surrender charges and withholding requirements.
- 8.12 *Transfers from Other Plans:* We can receive amounts transferred to this IRA from the custodian or trustee of another IRA. In addition, we can accept direct rollovers of eligible rollover distributions from employer-sponsored retirement plans as permitted by the Code. We reserve the right not to accept any transfer or direct rollover.
- 8.13 *Liquidation of Assets:* We have the right to liquidate assets in your IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties or surrender charges properly chargeable against your IRA. If you fail to direct us as to which assets to liquidate, we will decide, in our complete and sole discretion, and you agree not to hold us liable for any adverse consequences that result from our decision.
- 8.14 *Restrictions on the Fund:* Neither you nor any beneficiary may sell, transfer or pledge any interest in your IRA in any manner whatsoever, except as provided by law or this Agreement.
- The assets in your IRA shall not be responsible for the debts, contracts or torts of any person entitled to distributions under this Agreement.
- 8.15 *What Law Applies:* This Agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this Agreement, the law of our domicile shall govern.
- If any part of this Agreement is held to be illegal or invalid, the remaining parts shall not be affected. Neither your nor our failure to enforce at any time or for any period of time any of the provisions of this Agreement shall be construed as a waiver of such provisions, or your right or our right thereafter to enforce each and every such provision.
- 8.16 *Broker:* The Broker will be responsible for the execution of securities orders. The Broker may require that you sign an agreement which sets forth, among other things, its responsibilities and your responsibilities regarding securities transactions for your IRA.
- 8.17 *Prohibited Transaction:* If during any taxable year you engage in a so-called "prohibited transaction" with respect to your regular IRA, Spousal IRA, SEP-IRA, or Rollover IRA, the account will lose its tax-exempt status. In this event, the fair market value of all account assets, valued as of the first day of such taxable year, will be deemed distributed to you and includible in your gross income. These prohibited transactions would include borrowing money from your account or pledging your account or any portion thereof as security for a loan. If you pledge your account or any portion thereof as security for a loan, such pledge position will be deemed distributed to you and includible in your gross income. If you have not yet attained age fifty-nine and one-half (59½) years of age, an additional excise tax equal to ten percent (10%) of the amount pledged will be imposed on such funds includible in gross income. Similarly, if your spouse engages in a prohibited transaction with respect to his or her account, it will result in the same consequences because he or she is the individual for whose benefit the account was established.
- The assets in your IRA shall not be responsible for the debt, contracts or torts of any person entitled to distributions under this Agreement.
- 8.18 *Mediation/Arbitration:* If a dispute arises out of or relates to this agreement, or the performance or breach thereof, the parties agree first to try in good faith to settle the dispute by mediation under the commercial mediation rules of the American Arbitration Association, before resorting to arbitration. Thereafter, any remaining unresolved controversy or claim arising out of or relating to this agreement, or the performance or breach thereof, shall be settled by arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. Any mediation or arbitration shall be conducted in Canyon, TX. The sole arbitrator shall be a retired or former judge of the Randall County Superior Court. Judgement upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 5305-A is a model custodial account agreement that meets the requirements of section 408(a) and has been pre-approved by the IRS. A traditional individual retirement account (Traditional IRA) is established after the form is fully executed by both the individual (Depositor) and the Custodian and must be completed no later than the due date (excluding extensions) of the individual's income tax return for the tax year. This account must be created in the United States for the exclusive benefit of the Depositor and his or her beneficiaries.

Do not file Form 5305-A with the IRS. Instead, keep it with your records.

For more information on IRAs, including the required disclosures the Custodian must give the Depositor, see **Pub. 590, Individual Retirement Arrangements (IRAs)**.

Definitions

Custodian. The custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as custodian.

Depositor. The depositor is the person who establishes the custodial account.

Identifying Number

The Depositor's social security number will serve as the identification number of his or her IRA. An employer identification number (EIN) is required only for an IRA for which a return is filed to report unrelated business taxable income. An EIN is required for a common fund created for IRAs.

Traditional IRA for Nonworking Spouse

Form 5305-A may be used to establish the IRA custodial account for a nonworking spouse. Contributions to an IRA custodial account for a nonworking spouse must be made to a separate IRA custodial account established by the nonworking spouse.

Specific Instructions

Article IV. Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the Depositor reaches age 70½ to ensure that the requirements of section 408(a)(6) have been met.

Article VIII. Article VIII and any that follow it may incorporate additional provisions that are agreed to by the Depositor and Custodian to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, Custodian's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the Depositor, etc. Attach additional pages if necessary.

DISCLOSURE STATEMENT

RIGHT TO REVOKE YOUR IRA

You have the right to revoke your IRA within seven (7) days of the receipt of the Disclosure Statement. If revoked, you are entitled to a full return of the contribution you made to your IRA. The amount returned to you would not include an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value. You may make this revocation only by mailing or delivering a written notice to the Custodian at the address listed on the Application.

If you send your notice by first class mail, your revocation will be deemed mailed as of the postmark date.

If you have any questions about the procedure for revoking your IRA, please call the Custodian at the telephone number listed on the Application.

REQUIREMENTS OF AN IRA

A. **CASH CONTRIBUTIONS** – Your contribution must be in cash, unless it is a rollover contribution.

B. **MAXIMUM CONTRIBUTION** – The total amount you may contribute to an IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$3,000 for years 2002-2004, \$4,000 for years 2005-2007, and \$5,000 for 2008, with possible cost-of-living adjustments in years 2009 and thereafter. If you also maintain a Roth IRA, the maximum contribution to your Traditional IRAs (i.e., IRAs subject to Internal Revenue Code (Code) sections 408(a) or 408(b)) is reduced by any contributions you make to your Roth IRA. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

C. **CONTRIBUTION ELIGIBILITY** – You are eligible to make a regular contribution to your IRA if you have compensation and have not attained age 70½ by the end of the taxable year for which the contribution is made.

D. **CATCH-UP CONTRIBUTIONS** – If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your IRA. The maximum additional contribution is \$500 for years 2002-2005 and \$1,000 for years 2006 and beyond.

E. **NONFORFEITABILITY** – Your interest in your IRA is nonforfeitable.

F. **ELIGIBLE CUSTODIANS** – The Custodian of your IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.

G. **COMMINGLING ASSETS** – The assets of your IRA cannot be commingled with other property except in a common trust fund or common investment fund.

H. **LIFE INSURANCE** – No portion of your IRA may be invested in life insurance contracts.

I. **COLLECTIBLES** – You may not invest the assets of your IRA in collectibles (within the meaning of Code section 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum or palladium bullion (as described in Code section 408(m)(3)) are also permitted as IRA investments.

J. **REQUIRED MINIMUM DISTRIBUTIONS** – You are required to take minimum distributions from your IRA at certain times in accordance with Regulations section 1.408-8. Below is a summary of the IRA distribution rules.

1. You are required to take a minimum distribution from your IRA for the year in which you reach age 70½ and for each year thereafter. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain age 70½. The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the prior year by the applicable divisor.

2. The applicable divisor is generally determined using the uniform lifetime table provided by the IRS. The table assumes a designated beneficiary exactly 10 years younger than you, regardless of who is named as your beneficiary(ies), if any. If your spouse is your sole designated beneficiary, and is more than 10 years younger than you, the required minimum distribution is determined annually using the actual joint life expectancy of you and your spouse obtained from the joint and last survivor table provided by the IRS, rather than the life expectancy divisor from the uniform lifetime table.

We reserve the right to do any one of the following by April 1 of the year following the year in which you turn age 70½:

- (a) make no distribution until you give us a proper withdrawal request,
- (b) distribute your entire IRA to you in a single sum payment, or
- (c) determine your required minimum distribution each year based on your life expectancy calculated using the uniform lifetime table, and pay those distributions to you until you direct otherwise.

3. Your designated beneficiary is determined based on the beneficiary(ies) designated as of the date of your death, who remains your beneficiary(ies) as of September 30 of the year following the year of your death. If you die,

- (a) on or after your required beginning date, distributions must be made to your beneficiary(ies) over the longer of the single life expectancy of your designated beneficiary(ies), or your remaining life expectancy. If a beneficiary other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no designated

beneficiary of your IRA for purposes of determining the distribution period. If there is no designated beneficiary of your IRA, distributions will commence using your single life expectancy, reduced by one in each subsequent year.

(b) before your required beginning date, the entire amount remaining in your account will, at the election of your designated beneficiary(ies), either

- (i) be distributed by December 31 of the year containing the fifth anniversary of your death, or
- (ii) be distributed over the remaining life expectancy of your designated beneficiary(ies).

If your spouse is your sole designated beneficiary, he or she must elect either option (i) or (ii) by the earlier of December 31 of the year containing the fifth anniversary of your death, or December 31 of the year you would have attained age 70½. Your designated beneficiary(ies), other than a spouse who is the sole designated beneficiary, must elect either option (i) or (ii) by December 31 of the year following the year of your death. If no election is made, distribution will be calculated in accordance with option (ii). In the case of distributions under option (ii), distributions must commence by December 31 of the year following the year of your death. Generally if your spouse is the designated beneficiary, distributions need not commence until December 31 of the year you would have attained age 70½, if later. If a beneficiary(ies) other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no designated beneficiary(ies) of your IRA for purposes of determining the distribution period. If there is no designated beneficiary of your IRA, the entire IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

A spouse who is the sole designated beneficiary of your entire IRA will be deemed to elect to treat your IRA as his or her own by either (1) making contributions to your IRA or (2) failing to timely remove a required minimum distribution from your IRA. Regardless of whether or not the spouse is the sole designated beneficiary of your IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own IRA.

INCOME TAX CONSEQUENCES OF ESTABLISHING AN IRA

A. **IRA DEDUCTIBILITY** – If you are eligible to contribute to your IRA, the amount of the contribution for which you may take a tax deduction will depend upon whether you (or, in some cases, your spouse) are an active participant in an employer-maintained retirement plan. If you (and your spouse, if married) are not an active participant, your entire IRA contribution will be deductible. If you are an active participant (or are married to an active participant), the deductibility of your contribution will depend on your modified adjusted gross income (MAGI) and your tax filing status for the tax year for which the contribution was made. MAGI is determined on your income tax return using your adjusted gross income but disregarding any deductible IRA contribution.

Definition of Active Participant – Generally, you will be an active participant if you are covered by one or more of the following employer-maintained retirement plans:

1. a qualified pension, profit sharing, 401(k), or stock bonus plan;
2. a qualified annuity plan of an employer;
3. a simplified employee pension (SEP) plan;
4. a retirement plan established by the federal government, a state, or a political subdivision (except certain unfunded deferred compensation plans under Code section 457);
5. a tax-sheltered annuity for employees of certain tax-exempt organizations or public schools;
6. a plan meeting the requirements of Code section 501(c)(18);
7. a qualified plan for self-employed individuals (H.R. 10 or Keogh Plan); and
8. a savings incentive match plan for employees of small employers (SIMPLE) IRA plan or a SIMPLE 401(k) plan.

If you do not know whether your employer maintains one of these plans, or whether you are an active participant in it, check with your employer or your tax advisor. Also, the IRS Form W-2, Wage and Tax Statement, that you receive at the end of the year from your employer will indicate whether you are an active participant.

If you are an active participant, are single, and have MAGI within the applicable phaseout range listed below, the deductible amount of your contribution is determined as follows: (1) begin with the appropriate phase-out range maximum for the applicable year (specified below), and subtract your MAGI; (2) divide this total by the difference between the phase-out maximum and minimum; (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. The resulting figure will be the maximum IRA deduction you may take. For example, if you are age 30 with MAGI of \$36,000 in 2002, your maximum deductible contribution is \$2,400 (the 2002 phase-out range maximum of \$44,000 minus your MAGI of \$36,000, divided by the difference between the maximum and minimum phase-out range limits of \$10,000 and multiplied by the contribution limit of \$3,000.)

If you are an active participant, are married and you file a joint income tax return, and have MAGI within the applicable phaseout range listed below, the deductible amount of your contribution is determined as follows: (1) begin with the appropriate phase-out maximum for the applicable year (specified below), and subtract your MAGI range; (2) divide this total by the difference between the phase-out range maximum and minimum; (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up

contributions if you are age 50 or older. The resulting figure will be the maximum IRA deduction you may take. For example, if you are age 30 with MAGI of \$56,000 in 2002, your maximum deductible contribution is \$2,400 (the 2002 phase-out maximum of \$64,000 minus your MAGI of \$56,000, divided by the difference between the maximum and minimum phase-out limits of \$10,000 and multiplied by the contribution limit of \$3,000.)

If you are an active participant, are married and you file a separate income tax return, your MAGI phase-out range is generally \$0-\$10,000. However, if you lived apart for the entire tax year, you are treated as a single filer.

Tax Year	Joint Filers	Single Taxpayers
	Phase-out Range*	Phase-out Range*
	(minimum)(maximum)	(minimum)(maximum)
2002	\$54,000 – \$64,000	\$34,000 – \$44,000
2003	\$60,000 – \$70,000	\$40,000 – \$50,000
2004	\$65,000 – \$75,000	\$45,000 – \$55,000
2005	\$70,000 – \$80,000	\$50,000 – \$60,000
2006	\$75,000 – \$85,000	\$50,000 – \$60,000
2007**	\$80,000 – \$100,000	\$50,000 – \$60,000

*MAGI limits are subject to cost-of-living increases for tax years beginning after 2006.

**The MAGI limits for 2007 listed above may be subject to additional increases.

The MAGI phaseout range for an individual that is not an active participant, but is married to an active participant, is \$150,000-\$160,000. This limit is also subject to cost-of-living increases for tax years beginning after 2006. If you are not an active participant in an employer-maintained retirement plan, are married to someone who is an active participant, and you file a joint income tax return with MAGI between the applicable phaseout range for the year, your maximum deductible contribution is determined as follows: (1) begin with the appropriate MAGI phase-out maximum for the year and subtract your MAGI from it; (2) divide this total by the difference between the phase-out range maximum and minimum; (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. The resulting figure will be the maximum IRA deduction you may take.

You must round the resulting deduction to the next highest \$10 if the number is not a multiple of 10. If your resulting deduction is between \$0 and \$200 you may round up to \$200.

B. CONTRIBUTION DEADLINE – The deadline for making an IRA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar year taxpayer, and you make your IRA contribution on or before April 15, your contribution is considered to have been made for the previous tax year if you designate it as such.

C. TAX CREDIT FOR CONTRIBUTIONS – You may be eligible to receive a tax credit for your Traditional IRA contributions. This credit will be allowed in addition to any tax deduction that may apply, and may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are

- age 18 or older as of the close of the taxable year,
- not a dependent of another taxpayer, and
- not a full-time student.

The credit is based upon your income (see chart below), and will range from 0 to 50 percent of eligible contributions. In order to determine the amount of your contributions, add all of the contributions made to your Traditional IRA and reduce these contributions by any distributions that you have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your contributions that do not exceed \$2,000.

Adjusted Gross Income*			Applicable Percentage
Joint Return	Head of a Household	All Other Cases	
\$1 – 30,000	\$1 – 22,500	\$1 – 15,000	50
30,001 – 32,500	22,501 – 24,375	15,001 – 16,250	20
32,501 – 50,000	24,376 – 37,500	16,251 – 25,000	10
Over 50,000	Over 37,500	Over 25,000	0

*Adjusted gross income includes foreign earned income and income from Guam, America Samoa, North Mariana Islands and Puerto Rico. AGI limits are subject to cost-of-living adjustments for tax years beginning after 2006.

D. TAX-DEFERRED EARNINGS – The investment earnings of your IRA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).

E. NONDEDUCTIBLE CONTRIBUTIONS – You may make nondeductible contributions to your IRA to the extent that deductible contributions are not allowed. The sum of your deductible and nondeductible IRA contributions cannot exceed your contribution limit (the lesser of the allowable contribution limit described previously, or 100 percent of compensation). You may elect to treat deductible IRA contributions as nondeductible contributions.

If you make nondeductible contributions for a particular tax year, you must report the amount of the nondeductible contribution along with your income tax return using IRS Form 8606. Failure to file IRS Form 8606 will result in a \$50 per failure penalty.

If you overstate the amount of designated nondeductible contributions for any taxable year, you are subject to a \$100 penalty unless reasonable cause for the overstatement can be shown.

F. TAXATION OF DISTRIBUTIONS – The taxation of IRA distributions depends on whether or not you have ever made nondeductible IRA contributions. If you have only made deductible contributions, any IRA distribution will be fully included in income.

If you have ever made nondeductible contributions to any IRA, the following formula must be used to determine the amount of any IRA distribution excluded from income.

$$\frac{(\text{Aggregate Nondeductible Contributions}) \times (\text{Amount Withdrawn})}{\text{Aggregate IRA Balance}} = \text{Amount Excluded from Income}$$

NOTE: Aggregate nondeductible contributions include all nondeductible contributions made by you through the end of the year of the distribution (which have not previously been withdrawn and excluded from income). Also note that the aggregate IRA balance includes the total balance of all of your IRAs as of the end of the year of distribution and any distributions occurring during the year.

G. ROLLOVERS AND CONVERSIONS – Your IRA may be rolled over to an IRA of yours, may receive rollover contributions, and may be converted to a Roth IRA, provided that all of the applicable rollover and conversion rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property to your IRA from another IRA, or from your employer's qualified retirement plan, 403(a) annuity plan, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan. Conversion is a term used to describe the movement of Traditional IRA assets to a Roth IRA. A conversion is generally a taxable event. The rollover and conversion rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

1. Traditional IRA to Traditional IRA Rollovers – Funds distributed from your IRA may be rolled over to an IRA of yours if the requirements of Code section 408(d)(3) are met. A proper IRA to IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another IRA to IRA rollover from the distributing IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months.

2. SIMPLE IRA to Traditional IRA Rollovers – Funds may be distributed from your SIMPLE IRA and rolled over to your IRA without IRS penalty provided, two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. As with Traditional IRA to Traditional IRA rollovers, the requirements of Code section 408(d)(3) must be met. A proper SIMPLE IRA to IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another SIMPLE IRA to IRA or SIMPLE IRA to SIMPLE IRA rollover from the distributing SIMPLE IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months.

3. Employer-Sponsored Retirement Plan to Traditional IRA Rollovers – You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan. An eligible rollover distribution is defined generally as any distribution from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan (other than distributions to nonspouse beneficiaries), unless it is part of a certain series of substantially equal periodic payments, a required minimum distribution, a hardship distribution, or a distribution of Roth 401(k) or Roth 403(b) elective deferrals.

If you elect to receive your rollover distribution prior to placing it in an IRA, thereby conducting an indirect rollover, your plan administrator will generally be required to withhold 20 percent of your distribution as a payment of income taxes. When completing the rollover, you may make up the amount withheld, out of pocket, and roll over the full amount distributed from your employer-sponsored retirement plan. To qualify as a rollover, your eligible rollover distribution must be rolled over to your IRA not later than 60 days after you receive it. Alternatively, you may claim the withheld amount as income, and pay the applicable income tax and, if you are under age 59½, the 10 percent early distribution penalty (unless an exception to the penalty applies).

As an alternative to the indirect rollover, your employer generally must give you the option to directly roll over your employer-sponsored retirement plan balance to an IRA. If you elect the direct rollover option, your eligible rollover distribution will be paid directly to the IRA (or other eligible employer-sponsored retirement plan) that you designate. The 20 percent withholding requirements do not apply to direct rollovers.

4. Nonspouse Beneficiary Rollovers from Employer-Sponsored Retirement Plans – If you are a nonspouse beneficiary of a deceased employer plan participant, you may directly roll over inherited assets from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan to an inherited IRA. The IRA must be maintained as an inherited IRA, subject to the beneficiary distribution requirements, (i.e., you may not roll these assets to your own IRA.)

5. Traditional IRA to Employer-Sponsored Retirement Plans – You may roll over, directly or indirectly, any eligible rollover distribution from an IRA to an employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan so long as the employer-sponsored retirement plan accepts such rollover contributions. An eligible rollover distribution is defined as any taxable distribution from an IRA that is not a part of a required minimum distribution.

6. **Traditional IRA to Roth IRA Conversions** – If your modified adjusted gross income is not more than \$100,000 and you are not married filing a separate income tax return, you are eligible to convert all or any portion of your existing Traditional IRA(s) into your Roth IRA(s). Beginning in 2010, the \$100,000 MAGI limit and the married filing separate tax filing restriction will be eliminated for conversion eligibility. If you are age 70½ or older you must remove your required minimum distribution prior to converting your Traditional IRA. The amount of the conversion from your Traditional IRA to your Roth IRA shall be treated as a distribution for income tax purposes, and is includable in your gross income (except for any nondeductible contributions). Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty.
7. **Qualified HSA Funding Distribution** – If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free HSA funding distribution from your IRA and directly deposit it to your HSA. The amount of the qualified HSA funding distribution may not exceed the maximum HSA contribution limit in effect for the type of high deductible health plan coverage (i.e., single or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. For further detailed information, you may wish to obtain IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*.
8. **Written Election** – At the time you make a proper rollover to an IRA, you must designate in writing to us, your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.
- H. **TRANSFER DUE TO DIVORCE** – If all or any part of your IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Traditional IRA to another.
- I. **RECHARACTERIZATIONS** – If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income attributable, you may elect to treat the original contribution as having been made to the Roth IRA. The same methodology applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. If you have converted from a Traditional IRA to a Roth IRA you may recharacterize the conversion along with net income attributable back to the Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions), for the year for which the original contribution was made or conversion completed.

LIMITATIONS AND RESTRICTIONS

- A. **SEP PLANS** – Under a simplified employee pension (SEP) plan that meets the requirements of Code section 408(k), your employer may make contributions to your IRA. Your employer is required to provide you with information which describes the terms of your employer's SEP plan.
- B. **SPOUSAL IRA** – If you are married and have compensation, you may contribute to an IRA established for the benefit of your spouse for any year prior to the year your spouse turns age 70½, regardless of whether or not your spouse has compensation. You may make these spousal contributions even if you are age 70½ or older. You must file a joint income tax return for the year for which the contribution is made.
- The amount you may contribute to your IRA and your spouse's IRA is the lesser of 100 percent of your combined compensation or \$6,000 for 2002-2004, \$8,000 for 2005-2007, and \$10,000 for 2008. This amount may be increased with cost-of-living adjustments in 2009 and beyond. However, you may not contribute more than the individual contribution limit to each IRA.
- If your spouse is age 50 or older by the close of the taxable year, and is otherwise eligible, you may make an additional contribution to your spouse's IRA. The maximum additional contribution is \$500 for years 2002-2005, and \$1,000 for years 2006 and beyond.
- C. **DEDUCTION OF ROLLOVERS AND TRANSFERS** – A deduction is not allowed for rollover contributions or transfers.
- D. **GIFT TAX** – Transfers of your IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under Code section 2501.
- E. **SPECIAL TAX TREATMENT** – Capital gains treatment and 10-year forward income averaging authorized by Code section 402 do not apply to IRA distributions.
- F. **INCOME TAX TREATMENT** – Any withdrawal from your IRA is subject to federal income tax withholding. You may, however, elect not to have withholding apply to your IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.
- G. **CHARITABLE DISTRIBUTIONS** – If you are age 70½ or older, you may make tax-free distributions of up to \$100,000 per year directly from your IRA to certain charitable organizations. Special tax rules may apply. For further detailed information you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements* from the IRS. This provision applies to distributions during tax years 2006 and 2007.

- H. **PROHIBITED TRANSACTIONS** – If you or your beneficiary engage in a prohibited transaction with your IRA, as described in Code section 4975, your IRA will lose its tax-deferred status, and you must include the value of your account in your gross income for the taxable year you engage in the prohibited transaction. The following transactions are examples of prohibited transactions with your IRA: (1) taking a loan from your IRA; (2) buying property for personal use (present or future) with IRA funds; or (3) receiving certain bonuses or premiums because of your IRA.
- I. **PLEDGING** – If you pledge any portion of your IRA as collateral for a loan, the amount so pledged will be treated as a distribution, and will be included in your gross income for the taxable year in which you pledge the assets.

FEDERAL TAX PENALTIES

- A. **EARLY DISTRIBUTION PENALTY** – If you are under age 59½ and receive an IRA distribution, an additional tax of 10 percent will apply, unless made on account of 1) death, 2) disability, 3) a qualifying rollover, 4) the timely withdrawal of an excess contribution, 5) a series of substantially equal periodic payments (at least annual payments) made over your life expectancy or the joint life expectancy of you and your beneficiary, 6) medical expenses which exceed 7.5 percent of your adjusted gross income, 7) health insurance payments if you are separated from employment and have received unemployment compensation under a federal or state program for at least 12 weeks, 8) certain qualified education expenses, 9) first-home purchases (up to a life-time maximum of \$10,000), 10) a levy issued by the IRS, or 11) active military duty (see *Qualified Reservist Distributions*, below). This additional tax will apply only to the portion of a distribution which is includable in your taxable income.
- B. **EXCESS CONTRIBUTION PENALTY** – An additional tax of six percent is imposed upon any excess contribution you make to your IRA. This additional tax will apply each year in which an excess remains in your IRA. An excess contribution is any amount that is contributed to your IRA that exceeds the amount that you are eligible to contribute.
- C. **EXCESS ACCUMULATION PENALTY** – As previously described, you must take a required minimum distribution by your required beginning date for the year you attain age 70½ and by the end of each year thereafter. Your beneficiary(ies) is required to take certain minimum distributions after your death. An additional tax of 50 percent is imposed on the amount of the required minimum distribution which should have been taken but was not.
- D. **PENALTY REPORTING** – You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes.

OTHER

- A. **IRS PLAN APPROVAL** – The Agreement used to establish this IRA has been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.
- B. **ADDITIONAL INFORMATION** – You may obtain further information on IRAs from your District Office of the IRS. In particular, you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements*, by calling 1-800-TAX-FORM, or by visiting www.irs.gov on the Internet.
- C. **IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT** – To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.
- D. **HURRICANE-RELATED RELIEF** – If you are an individual who sustained an economic loss due to, or are otherwise considered affected by, hurricane Katrina, Rita or Wilma, you may be eligible for favorable tax treatment on distributions and rollovers from your IRA. Qualified distributions include IRA distributions made on or after specified dates for each hurricane and before January 1, 2007 to a qualified individual. For a complete definition of what constitutes a qualified individual and a qualified hurricane distribution for purposes of hurricane relief, refer to IRS Publication 4492, *Information for Taxpayers Affected by Hurricanes Katrina, Rita and Wilma*.
- 10 Percent Penalty Exception on Qualified Distributions** – Qualified hurricane distributions are not subject to the 10 percent early distribution penalty tax. This penalty exception applies only to the first \$100,000 of qualified distributions to each individual.
 - Taxation May be Spread Over Three Years** – If you receive qualified hurricane distributions, you may elect to include the distribution in your gross income ratably over three years, beginning with the year of the distribution.
 - Repayment of Qualified Hurricane Distributions** – You may roll over qualified hurricane distributions to an eligible retirement plan, and avoid federal income taxation, within three years of the date of receipt of the distribution. The 60-day rollover rule does not apply to these distributions.
- For further detailed information on tax relief granted for hurricanes Katrina, Rita and Wilma, and other exceptions which may be granted in the future by the IRS, you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements*, by calling 1-800-TAXFORM, or by visiting www.irs.gov on the Internet.
- E. **QUALIFIED RESERVIST DISTRIBUTIONS** – If you are a qualified reservist called to active duty, you may be eligible to take penalty-free distributions from your IRA and recontribute those amounts to an IRA generally within a two-year period from your date of return. For further detailed information you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements* from the IRS.

GOLDSTAR TRUST COMPANY

Self-Directed IRA Custodian
PO Box 719 Canyon TX 79015 • (800) 486-6888
Fax (806) 220-2166

IRA Direct Rollover Election
From a Retirement Plan to a
Traditional Self-Directed Custodial IRA

⇒ Use this form if funds are being directly rolled over to a Traditional IRA at GoldStar Trust Company from a Qualified Retirement Plan, Tax Sheltered Annuity, or other retirement Plan.

IRA Owner

Name _____ Account # _____ New Account Pending
Daytime Phone # _____ Social Security # _____
E-mail _____ Date of Birth _____

Non-IRA to IRA Direct Rollover Only

⇒ Contact your Plan Administrator and request a Direct Rollover to GoldStar Trust Company. Request payment to GoldStar Trust Company, IRA Custodian for _____ (your name) _____, IRA. Attach a copy of the request to this election form. Provide the following information so that GoldStar may contact the plan administrator if needed.

This election concerns a Rollover Contribution of assets that are permitted to be rolled into an IRA from a Plan.

Type of Plan: 401(k) 403(b) 457 Other _____

Name of Plan: _____

The Administrator is _____ Phone # _____

Address _____

My relationship to the Plan: Plan Participant Surviving Spouse Beneficiary
 Designated Payee Under Qualified Domestic Relations Order

The Plan expects to make payment no later than _____.

Asset Information

This rollover contribution includes approximately \$ _____.
 This rollover contribution includes non-cash assets on the attached list. The approximate value is \$ _____

Election and Acknowledgements

— I irrevocably designate the contribution of assets as a Direct Rollover Contribution.
This Direct Rollover Contribution does not include any Required Minimum Distribution (RMD).
I am responsible for taxes, penalties, risks, and all other consequences of elections and contributions.
I am solely responsible for determining and taking all required minimum distributions.
I am not relying on GoldStar for tax or investment advice.
The statements on this election are true and correct.

Signature of IRA Owner Date

Requesting a Direct Rollover from Your Retirement Plan to Your IRA

What is a Direct Rollover?

A Direct Rollover transfers assets directly from your employer Retirement Plan to a Traditional IRA. A Direct Rollover is sometimes called a Direct Transfer and is similar to an IRA to IRA transfer.

- A Direct Rollover is not subject to the mandatory 20% withholding on distributions from Plans.
- A Direct Rollover is not subject to the 60-day limit since the funds are never distributed to you and it is not subject to the once per 12-month restriction on rollovers to IRAs.

How Do I Use a Direct Rollover?

1. Contact your Plan Administrator. Confirm that your type of Plan and situation qualify for a distribution to roll over to your IRA. This almost always requires one of five events: termination of service to the employer, reaching age 59-1/2, termination of the plan, disability, or death.
2. Request a Direct Rollover to "GoldStar Trust Company, IRA Custodian for (your name), IRA". Complete and sign the Plan's request forms. You may need your spouse's consent and a signature guarantee.
3. Establish a Traditional IRA at GoldStar if you do not already have one. To convert to a Roth IRA, complete the Direct Rollover to a Traditional IRA first, then make the taxable conversion.
4. Complete and sign GoldStar's "IRA Direct Rollover Election" using the instructions below. Please attach a copy of the request you sent to your Plan.
5. Your Plan should send a Rollover check payable to GoldStar Trust Company for your IRA at GoldStar. If the check is sent or delivered to you, and it is payable to GoldStar Trust Company or your IRA at GoldStar, simply forward it to GoldStar without endorsement. Otherwise, contact your Plan Administrator.

Instructions for Completing the IRA Direct Rollover Election

A written irrevocable election is required to roll assets over into the Traditional IRA. Note that you can only directly roll assets from a Plan into a *Traditional* IRA. If you want these assets in a Roth IRA, you must first roll over to a Traditional IRA at GoldStar and then request conversion to a Roth IRA.

IRA Owner

Print your name, daytime phone number, e-mail address (optional), IRA account number at GoldStar, social security number and date of birth. Check the box if you are opening a new account at GoldStar.

Non-IRA to IRA Direct Rollover Only

Check the appropriate box for the type of Plan you currently have. Print the name of the Plan, the Administrator, the Plan's contact phone number and address. (These are optional if they are on the copies of Plan forms that you attach.)

Check the appropriate box to indicate your relationship to the Plan. Enter the date by which the Plan expects to send the assets to GoldStar.

Asset Information

Check the top box if cash will be rolled over, and enter the approximate amount of cash. Check the bottom box if non-cash assets such as mutual funds or stock will be rolled over, and enter the approximate value of the non-cash assets. You must attach an itemized list of those assets so GoldStar can verify receipt.

Election and Acknowledgements

Sign and date the Direct Rollover Election. Send it to GoldStar at the address on the front with a copy of the forms you sent to your Plan. If you are opening a new Traditional IRA at GoldStar, include this form with your new account application.

Questions? (800) 486-6888

www.goldstartrust.com

ira@goldstartrust.com

GoldStar Trust Company
Self-Directed IRA Custodian
 PO Box 719 Canyon TX 79015
 (800) 486-6888

IRA Cash Transfer Request
 For Traditional, Roth, or SIMPLE IRA

- ☞ You must attach a copy of a recent statement of your current IRA for GoldStar to accept your transfer.
- ☞ If you are over 70 ½ and subject to a Required Minimum Distribution (RMD), see the important instructions on back.
- ☞ Mail your completed transfer request to the above address, as GoldStar must have an original signature.

GoldStar IRA Account Owner

Name _____ Account # _____ New Account Pending
 Daytime Phone # _____ Date of Birth _____
 E-mail _____ Fax # _____

Identification of Current IRA Trustee

Type of IRA: Traditional Roth SIMPLE

Trustee's Name _____ Trustee's Phone # _____
 Trustee's Address _____ IRA Account # _____
 City, State & Zip _____ Social Security # _____

Asset Liquidation Instructions

Close current IRA after transfer Partial transfer

Check one box:

Description of Assets	Estimated quantity in IRA	Quantity to be liquidated or "All"	Liquidate immediately	Liquidate at maturity
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>

Special Instructions

RMD information, transfer of SIMPLE IRA to Traditional IRA, wire transfer request, etc.

Authorization of IRA Owner

I request and authorize the transfer of the current IRA assets described above. I certify that all of the information provided by me is correct and may be relied upon by the current IRA Trustee or Custodian. I am responsible for determining my eligibility to transfer within the limits set forth by tax laws, related regulations and plan agreements.

X

 IRA Owner's Signature Date

Signature Guarantee

Check with your current custodian to determine if a Medallion Stamp Guarantee is required. This is NOT a requirement of GoldStar Trust Company.

Acceptance By GoldStar Trust Company

GoldStar Trust Company certifies that it is serving as IRA Custodian for the IRA Account Owner identified above, and has established the IRA number below. GoldStar agrees to accept the cash as a direct transfer between IRAs.

GTC's IRA # _____
 GTC REV 2007 Authorized Signature for GoldStar Date

How to Complete the IRA Cash Transfer Request For Your Self-Directed IRA

This form is used to request a transfer of cash from your current IRA to a self-directed IRA account with GoldStar Trust Company (GoldStar). If you desire to transfer assets other than cash, you must call ACT and schedule a telephone conference with an officer. **To avoid delays, attach a recent statement of your current IRA to your transfer request.**

GoldStar IRA Account Owner

Print your name, daytime phone number, GoldStar IRA Account number (if known) and your date of birth. Check the "New Account Pending" box if you are opening a new account at ACT. If possible, provide us with an e-mail address and a fax number.

Identification of Current IRA

Check the appropriate box for the type of IRA you currently have. Check "Traditional" if your IRA is a SEP, Conduit, or Rollover IRA. Print the current trustee or custodian's name, address, and phone number. Print your current IRA account number and your social security number to identify your IRA.

Asset Liquidation Instructions

Describe the assets that are in your current IRA and indicate the quantity held. Include the quantity you desire to liquidate to cash, and specify if the assets are to be liquidated immediately, or after they mature. If you wish to transfer any asset other than cash, be sure to contact GoldStar and schedule a telephone conference with an officer to obtain the proper form. If GoldStar agrees to accept the asset, we will send you a special *IRA In-kind Transfer Request* form. If you are opening an account with GoldStar so you can purchase new assets for your account, you will generally check the "Liquidate Immediately" box so your account at GoldStar will receive cash to invest as you direct. Attach a copy of a recent statement of your current IRA.

Important Required Minimum Distribution Instructions

If you are subject to a Required Minimum Distribution (RMD) because you are over 70 ½, note one of the following in the Special Instructions area: you have taken your RMD from your current IRA, you are leaving your RMD behind in the current IRA, you have taken your RMD elsewhere, or you want your current IRA custodian or trustee to distribute your RMD prior to transferring to GoldStar.

Special Instructions

Print any special instructions. If you are over 70 ½, include your RMD information (refer to the note above). If you are transferring from a SIMPLE IRA to a Traditional IRA, let GoldStar know. Note that you must wait two years from the date of initial participation before becoming eligible to roll SIMPLE IRA assets into a Traditional IRA plan. If you intend for the assets to be maintained in a separate conduit IRA for Qualified Retirement Plan (QRP) rollover assets, state that intention here. A conduit IRA is a Traditional IRA plan that receives funds from a QRP and keeps them segregated so they may be rolled into another QRP at a later date.

Authorization of IRA Owner

Sign and date the transfer request and mail it to GoldStar shown on the form. GoldStar must have an original signature. If you are opening a new account at GoldStar, include this form with your new account agreement.

Signature Guarantee

Contact your current custodian to determine if a Medallion Stamp Guarantee (not a notary public stamp) is required. This is NOT a requirement of GoldStar Trust Company, but if the previous IRA Trustee requires the guarantee, failure to provide it may delay your transfer, and the investment of your funds.

Acceptance by GoldStar Trust Company

Once GoldStar receives your completed and signed transfer request, GoldStar will review your request, certify acceptance of the transfer by an authorized signature and forward your IRA Cash Transfer Request to your current IRA custodian or trustee. GoldStar will include instructions for transfer and delivery of cash.

Questions? Contact us at: (800) 486-6888 or ira@goldstartrust.com

GoldStar Trust Company

Self-Directed IRA Custodian

P.O. Box 719 Canyon TX 79015 • 800-486-6888 • Fax (806) 220-2166

IRA Precious Metals Investment Direction

For Traditional, Roth or SIMPLE
Self-Directed Custodial IRA

IRA Account Owner

Mr. Mrs. Ms. Dr. Rev.

Name _____

Account Number
(if known) _____

New Account
Pending

Address _____

Daytime Phone _____

Check here to authorize change of address

Dealer

Dealer _____

Representative _____

Address _____

Dealer's Phone _____

Initial here to authorize GoldStar to accept completion of transaction details for the section below from this dealer, without verification by you. Read and sign below, and send or fax directly to GoldStar. GoldStar will advise the dealer of this authorization and of funds in the IRA, and await confirmation from dealer.

→

Investment Direction

Purchase Sell

Quantity	Type of Metal	Description of Bullion or Coin	Check if Proof American Eagle	Troy Oz. Each	Price	Amount
			<input type="checkbox"/>			
			<input type="checkbox"/>			
			<input type="checkbox"/>			
			<input type="checkbox"/>			
			<input type="checkbox"/>			
Special Terms or Instructions					Total	

IRA Owner is responsible for directing allowable IRA investments, and assumes all risk of unfavorable tax consequences.

Initial here to authorize purchase of proof coins for your IRA, and to acknowledge receipt of disclosure concerning price spreads for proof coins from your dealer.

→

Authorization and Acknowledgement

I have received the Information and Policies About Investment in Precious Metals on the reverse or a separate page. I direct GoldStar Trust Company (GoldStar) to take the investment actions indicated by this form. I acknowledge:

I am solely responsible for all matters regarding taxation of the IRA.

I am solely responsible for determining that investments I direct are allowable under applicable law and regulations.

GoldStar has no discretion or responsibility to direct any investment for my self-directed IRA.

GoldStar has no responsibility for investment or tax advice and I am responsible for any information on which I rely.

GoldStar offers no opinion or advice regarding the advisability, suitability, or any other aspect of any investment.

I am solely responsible for the selection of the Dealer and negotiation of prices and terms.

Precious metals are received to, stored at, and delivered from a depository. Annual fees are due for this storage.

Neither GoldStar nor the depository is responsible for purity, weight, metal content or authenticity of any coins or bars.

Important: *read before signing!*

An administrative transaction fee is due to GoldStar.
Currently the fee is \$40. Check with GoldStar for changes.
Fees are deducted from the IRA unless prepaid.

x _____

Signature of Account Holder

_____ Date

When sending documents by fax, signer must call to confirm.

Information and Policies About Investment In Precious Metals by Self-Directed IRA

Questions? (800) 486-6888

Use the Investment Direction for Precious Metals form to provide investment directions to GoldStar Trust Company (GoldStar) for the purchase or sale of precious metals by your self-directed IRA. The IRA may be a Traditional IRA (including SEP or Conduit), Roth IRA, or SIMPLE IRA. By directing investment in precious metals, you acknowledge and agree to GoldStar's terms and conditions for precious metals investment in self-directed IRAs.

Requirements

To invest in precious metals through a self-directed IRA, you must first establish a valid IRA and have cash available in the IRA. Obtain application kits and forms from GoldStar, a dealer, or www.goldstartrust.com. Cash comes from contributions, transfers and rollovers from other IRAs, and rollovers from Qualified Retirement Plans (such as a 401(k)), or from the sale of other assets.

Dealer and Investment Directions

You determine the precious metals dealer to be used for your IRA. GoldStar does not offer investment products, and does not buy or sell precious metals. GoldStar is disqualified by the Internal Revenue Code from trading with an IRA for which it is the custodian. GoldStar is compensated through administrative fees and cash management fees.

Negotiate the precious metals to be purchased or sold and the price directly with the dealer and give written directions to GoldStar. If you initial the appropriate box, sign the investment direction, and send it to GoldStar, GoldStar will accept information about precious metals, quantity and price directly from the dealer later. GoldStar will make a reasonable effort to notify the dealer when funds arrive. However, it is the customer's responsibility to monitor IRA assets and investments.

Prepayment and Advance Delivery

A dealer may normally require prepayment for purchases and advance delivery for sales when dealing with the public. However, GoldStar is a regulated financial institution with obligations for safe custody of IRA assets. GoldStar also has obligations to assure performance by the IRA for the dealers. Therefore, GoldStar requires that both cash and precious metals be present, and then settles promptly between the IRA and dealer.

Confirmation and Statements

A Notice of Deposit to Retirement Account is mailed to you directly after cash contributions, transfers and rollovers are received. Access to your account information is available 24/7 via GoldStar's web site at www.goldstartrust.com. Please call our Investor Services Department at (800) 486-6888 to establish a password. Additionally, paper statements are mailed semi-annually.

Fair Market Value

GoldStar shows a typical bid price on its Statements of Assets. The price is updated occasionally from *The Coin Dealer Newsletter* and other dealer sources. This is not simply bullion, or "melt" price. This price is used for reports of fair market value to the IRS. Contact a dealer for specific, current price quotes for precious metals.

Spreads and Proof American Eagle Coins

Generally, the value of precious metals at the bid price will be less than the amount paid if precious metals prices have not changed. The difference between the price at which precious metals can be bought and the price at which they can be sold at a particular time is called "price spread".

In addition to bullion, GoldStar Trust Company allows IRA customers to direct investment in gold, silver and platinum "proof" American Eagle coins. GoldStar has made no determination regarding whether these are allowable investments under the Internal Revenue Code or IRS regulation. Proof coins delivered for an IRA *must* be accompanied by intact box and packaging, and an appropriate certificate.

Price spread has generally been substantially greater for proof coins than the price spread for bullion precious metals. Obtain all necessary information from your dealer before investing.

Storage and Delivery of Precious Metals

All precious metals are stored at a specialized depository. A fee is charged for storage based on the calendar year. The full annual charge is due for each full or fractional calendar year during which precious metals are stored. Dealers deliver directly to the depository, which issues formal advice of its receipt. GoldStar relies on the accuracy of advice by the depository.

Delivery is required when a customer requests "in kind" distribution of precious metals from the IRA, or directs GoldStar to deliver precious metals to a dealer for sale. The cost of shipment is paid by the customer or deducted from the IRA. Costs include U.S. Postal Service postage and insurance, and packaging by the depository.

Sale or Distribution of Precious Metals

You are allowed to receive a distribution of precious metals. Please contact GoldStar for a Distribution Request form.