

Form 5305-RA under Section 408A of the Internal Revenue Code

The following provisions are part of the Roth Individual Retirement Account Custodial Account Application (hereinafter called the "Agreement") made between STRATA Trust Company (hereinafter called the "Custodian") and each individual (hereinafter called the "Depositor") who executes the Agreement for the purpose of establishing an individual retirement account (hereinafter called the "Account") as described in Section 408A of the Internal Revenue Code of 1986 ("IRC"), as amended, or any successor statute (hereinafter called the "Code"). Articles I-VII below utilize the model IRS language shown on Roth IRA Form 5305-RA. As permitted under these IRS model forms, Custodian has added the provisions in Articles VIII through XVII.

ARTICLE I

- 1.1 Except in the case of a qualified rollover contribution described in section 408A(e) or a recharacterized contribution described in section 408A(d)(6), the Custodian will accept only cash contributions up to \$5,500 per year for tax year 2018 and up to \$6,000 for tax year 2019. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for 2018 and to \$7,000 for 2019. For years after 2019, these limits will be increased for a cost-of-living adjustment, if any.

ARTICLE II

- 2.1 The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a grantor who is single or treated as single, the annual contribution is phased out between adjusted gross income (AGI) of \$120,000 and \$135,000 in 2018, and between AGI of \$122,000 and \$137,000 in 2019; for a married Depositor filing jointly, between AGI of \$189,000 and \$199,000 in 2018, and between \$193,000 and \$203,000 in 2019; and for a married Depositor filing separately, between AGI of \$0 and \$10,000. For years after 2019, the phase-out ranges, except for the \$0 to \$10,000 range, will be increased to reflect a cost-of-living adjustment, if any. Adjusted gross income is defined in section 408A(c)(3).
- 2.2 In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the Depositor and his or her spouse.

ARTICLE III

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

ARTICLE IV

- 4.1 No part of the custodial 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)).
- 4.2 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 V

- 5.1 If the Depositor dies before his or her entire interest is distributed to him or her and the Depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with paragraph (a) below or, if elected or there is no designated beneficiary, in accordance with paragraph (b) below:
- (a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the Depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the Depositor.
- (b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.
- 5.2 The minimum amount that must be distributed each year under paragraph 5.1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the

designated beneficiary using the attained age of the beneficiary in the year following the year of the Depositor's death and subtracting 1 from the divisor for each subsequent year.

- 5.3. If the Depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the Depositor.

ARTICLE VI

- 6.1 The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by sections 408(i) and 408A(d)(3)(E), Regulations sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).
- 6.2. The Custodian agrees to submit to the IRS and Depositor the reports prescribed by the IRS.

ARTICLE VII

- 7.1 Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related regulations, and other published guidance will be invalid.
- 7.2 This Agreement will be amended as necessary to comply with the provisions of the Code, the related regulations, and other published guidance. As permitted under this IRS model form, STRATA Trust Company has added the provisions in Articles VIII through XVII, and these may also be amended from time to time as provided in paragraph 15.1. The provisions added by STRATA Trust Company have not been reviewed or pre-approved by the IRS.

DEFINITIONS

Custodian – STRATA Trust Company
Depositor – The individual who establishes the custodial account.

ARTICLE VIII – CONTRIBUTIONS

- 8.1 All contributions made to the custodial Account shall be in cash, except in the case of a rollover or conversion contribution.
- 8.2 For any year, Depositor, if eligible, may contribute to his or her Account during the calendar year and not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).
- 8.3 The Custodian will not be responsible for the computation and the collection of any contributions under this Agreement, and shall be under no duty to determine whether the nature or amount of any contributions is in accordance with this Agreement or the Code. In addition, the Custodian shall not be responsible for computing or maintaining a record of the deductible portion of any contribution.
- 8.4 The Depositor assumes sole responsibility for determining that contributions to the custodial Account do not exceed the limits specified in the Code. With respect to any contribution designated by the Depositor as a rollover contribution, the Depositor warrants:
- (a) that such amount is an "eligible rollover distribution" under Section 408A of the Code received from another Roth individual retirement account or annuity, or contributed to the custodial Account established hereunder within sixty (60) days of its receipt by Depositor;

- (b) that in case of a rollover from another Roth IRA, the amount of such rollover contribution is an amount equal to or less than the excess of the qualified total distribution or partial distribution over amounts contributed thereto by Depositor and, if any portion of such rollover consists of property other than cash, such distribution to Depositor consisted of the same property being contributed to the custodial Account established hereunder; and
- (c) that, in the case of a rollover contribution from another Roth individual retirement account or annuity, such other account or annuity was not itself funded by a rollover contribution from another Roth IRA within one (1) year of the date of the contribution to the custodial Account established hereunder.

8.5 If the Account is an inherited IRA (an IRA the Depositor receives as the beneficiary of a deceased owner's IRA), then Depositor may not make regular contributions to the Account. An inherited IRA may receive multiple transfers from other inherited IRA accounts and/or multiple rollover contributions from inherited qualified retirement plans. Depositor understands that the assets must be inherited from the same owner.

8.6 The Custodian will not be responsible for the computation and the collection of any contributions under this Agreement, and shall be under no duty to determine whether the nature or amount of any contributions is in accordance with this Agreement or the Code.

ARTICLE IX – INVESTMENTS

9.1 The Depositor acknowledges that the Account is self-directed, and Depositor is solely responsible for the selection, management, monitoring, and retention of all investments held within the Account. Custodian is in no way responsible for providing investment advice or recommendations concerning the Account and is not a "fiduciary" for the Account as such term is defined in the Code, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), by the Texas Department of Savings and Mortgage Lending or under any other applicable federal, state or local laws. The Custodian has no responsibility to question any investment direction given by Depositor or his or her Designated Representative (if Depositor has appointed one) regardless of the nature of the investment. Custodian is in no way responsible for the performance of any investment(s) held within the Account. At the direction of the Depositor, the Custodian shall invest all contributions to the Account and earnings thereon. If the Depositor has not given the Custodian investment direction orders, or if such investment direction orders are unclear in the opinion of the Custodian, with respect to all or a portion of any cash held in the Account, all such undirected cash shall be deposited by the Custodian, as soon as reasonably possible, in the Custodial NOW account (further described in Article 9.2) pending receipt of an investment direction or required clarification. If investment direction orders are not received as required or, if received, are unclear in the opinion of the Custodian, all or a portion of the contribution may be held in the Custodial NOW account without liability for loss of income or appreciation and without liability for interest pending receipt of such orders or clarification. Upon death of the Depositor, the beneficiary(ies) and/or representative for the estate of the Depositor assume all rights and responsibilities for investment of the Account.

9.2 By executing the IRA Application, Depositor directs the Custodian to automatically deposit all deposits, transfers, earnings, and other cash received into a Negotiable Order Withdrawal (NOW) account, as defined in 12 U.S.C.A Section 1832, held by STRATA Trust Company, as Custodian, pending further investment instruction from Depositor. The Custodial NOW account is an FDIC-insured bank account, which pays a rate of interest that is reviewed and adjusted periodically in accordance with market conditions. Interest Rates are determined at the Custodian's sole discretion. Interest on deposits will be calculated on the Daily Balance Method, which applies a periodic rate to the principal in the Account each day. Interest begins to accrue no later than the business day the Custodian receives credit for the deposits. The Custodial NOW account is FDIC-insured up to \$250,000 per Depositor. Custodian will maintain the Custodial NOW account with its affiliate, Horizon Bank, SSB, and/or other depository banks selected by Custodian. Custodian is a wholly-owned subsidiary of Horizon Bank, SSB, which is headquartered in Austin, Texas.

Custodian will perform all sub-accounting, recordkeeping, and interest posting functions (where applicable) for the Custodial NOW

account and may receive compensation for these services. Such compensation shall be administrative charges of the type which would be borne directly by the Custodial NOW account and/or paid to a third-party for similar services, but may exceed the amount Horizon Bank or other depositories would pay to a third-party providing such services. However, no portion of such sub-accounting, recordkeeping, and interest posting compensation paid by Horizon Bank or other depositories to Custodian will be charged to Depositor's Account.

Custodian reserves the right to require Depositor to give Custodian written notice of an intended withdrawal not less than seven days before the withdrawal of the deposits (plus any interest) is made. Any deposit received via check may be subject to a seven (7) day clearing period before funds are available for investment or withdrawal.

9.3 On a form acceptable to the Custodian, the Depositor may designate a representative for the purpose of communicating investment directions to the Custodian and receiving information on the Account. The Depositor's Representative ("Rep") may be a registered representative of a broker/dealer organization, a financial advisor or any other person designated and authorized by the Depositor. Depositor will communicate all trade and/or investment instructions to the Rep and all instructions received by the Rep (including Rep's agents, employees or broker dealer) shall be assumed by Custodian to have been authorized by Depositor. Depositor may change or remove the Rep at any time by notifying Custodian in writing. Any instructions received from the Rep prior to the Custodian's receipt of such notification will be executed by Custodian. The Custodian will make no investigation or recommendation with respect to Depositor's Rep and will not compensate the Rep except for any payments directed by Depositor. The Rep is an agent of the Depositor and is in no way an agent, employee, representative, or affiliate of the Custodian. The Custodian is not responsible for and is not bound by any representations, warranties, statements or agreements made by the Rep beyond the terms and provisions contained in this Agreement or Custodian's service forms and/or documents. If another financial representative, broker, advisor, investment issuer or other party suggested that the Depositor retain Custodian for an investment(s) made within the Account, such individual or party is in no way an agent, employee, representative, or affiliate of the Custodian. Depositor agrees to indemnify and hold harmless the Custodian for any loss which may result from any action or inaction it takes in accordance with any written or verbal instructions received from the Rep on behalf of Depositor's Account.

If the Rep has requested on the Custodian's Advisor Access Request form that the Custodian provide Account activity information to designated third-party portfolio management services utilized by the Rep, the Custodian is authorized and may continue to share such data downloads with the Rep's third-party portfolio management services, unless and until the Depositor advises the Custodian in writing that the Depositor has changed or removed the Rep. The Custodian shall have no liability with respect to the sharing of Account data with a Rep's third-party portfolio management services as authorized on the executed Advisor Access Request form provided to the Custodian by the Rep.

9.4 In the Agreement or on a form acceptable to the Custodian, the Depositor may authorize the Custodian to accept verbal investment directions from the Depositor or his or her Rep. References herein relating to the Depositor's verbal direction of investments shall be deemed to refer to the Rep to the extent of the investment direction authority from the Depositor. Said verbal investment directions may be given by telephone or in person in the offices of the Custodian. Depositor agrees that Custodian is not responsible for verifying the propriety of any verbal investment direction which it may receive, other than requiring Depositor's Social Security Number and Account Number for identification purposes. Depositor further agrees that the Custodian is not responsible for unauthorized trades in the Account which may be effected under this Section.

9.5 If the Depositor directs the Custodian to purchase publicly-traded securities, orders shall be executed through a securities broker/dealer registered under the Securities Exchange Act of 1934 designated by the Depositor upon such form as the Custodian may prescribe. Any brokerage account maintained in connection

therewith shall be in the name of the Custodian for the benefit of the Depositor. Investment directions may be given directly to the designated broker by the Depositor (in such manner as the broker may require or permit, including without limitation via the broker's website or other electronic means) and the Custodian shall not be responsible for the execution of such orders. In connection with investment directions by Depositor given directly to the broker, Depositor agrees that Depositor shall comply fully with any terms and conditions required by such broker. The Custodian shall be authorized to honor transactions within the brokerage account without the obligation to verify prior authorization of same by the Depositor. Without limiting the generality of any other indemnification by Depositor to Custodian, Depositor does hereby agree to indemnify, defend and hold harmless Custodian from and against any and all claims, losses, causes of action, expenses (including reasonable attorneys' fees), costs and liabilities suffered or incurred by Custodian arising from or relating to (a) any direction or order given, or alleged to have been given, by Depositor or Rep to any such broker or (b) any errors or misconduct on the part of the broker in processing, executing, safekeeping or reporting any such direction or order, or alleged direction or order, or the securities or proceeds resulting therefrom. Any cash received by the brokerage account, whether as income or proceeds of transactions, shall be held by the brokerage account pending directions, and the Custodian shall have no obligation to direct the broker to remit such cash until directed to do so by the Depositor, but may receive remittances without direction if the same are made by the broker. Investments outside the brokerage account shall be made in accordance with the other provisions of this Agreement. When securities are purchased within the brokerage account requiring that funds be remitted by the Custodian to make settlement, Depositor agrees to telephonically notify or instruct the broker or Rep to telephonically notify the Custodian on the trade date of the pending securities transaction, and to request delivery of the custodial Account assets necessary to settle the trade. Without limiting the generality of any other indemnification by Depositor to Custodian, Depositor agrees to hold the Custodian harmless for any losses resulting from the Depositor's failure to notify the Custodian of the pending trade and request for settlement in the above prescribed manner.

9.6 Depositor may direct the Custodian to purchase alternative investments, which include but are not limited to investments individually negotiated by the Depositor or his or her Rep, and investments that are part of a private placement of securities offered in reliance upon exemptions provided by state and/or federal law. The Custodian may identify investments or classes of investments which are unacceptable due to their posing an administrative burden on the Custodian or potential for prohibited transactions. For such investments, the Custodian reserves the right to not follow the Depositor's or Rep's direction or to not process such an investment. The Custodian's decision to reject certain assets for reasons of administrative feasibility or potential for constituting a prohibited transaction may not be construed as either investment advice, the exercise of discretion with respect to investments, an evaluation of the investment's prudence or viability, or a determination that such investment is in fact a prohibited transaction and, likewise, the Custodian's decision to accept a direction to purchase certain assets may not be construed as either investment advice, the exercise of discretion with respect to investments, an evaluation of the investment's prudence or viability, or a determination that such investment is not, in fact, a prohibited transaction. The Custodian will not make any determination as to whether an investment does not violate any requirements or give rise to any excise taxes or penalties, and is otherwise acceptable under ERISA, the Code, or any other applicable federal, state or local laws, including securities laws. Depositor is solely responsible to review any investments to ensure compliance with the above requirements and to avoid the occurrence of any "prohibited transactions" under the Code arising out of any investment directed in the Account. Depositor will have all investments reviewed by an attorney, tax advisor, or other representative prior to directing Custodian to process any transaction on behalf of the Account. Custodian may refuse to process any transaction or otherwise condition the processing of any transaction upon receiving an opinion from Depositor's legal counsel on the legality of a given transaction. The Custodian's decision as to whether or not to condition the processing of a proposed transaction on the receipt of a legal opinion is solely within its discretion and is no indication as to whether the Custodian has investigated the facts

and circumstances surrounding a proposed transaction or made any determination as to whether a proposed transaction is permitted under applicable legal requirements. The Custodian may perform an administrative review of any investment to determine whether the investment is administratively feasible for the Custodian to hold, and Custodian may decline to process any proposed transaction based on such review or require that Depositor obtain a suitable agent or counsel to perform administration of such investment. Depositor understands and agrees that any such administrative review is only as to the feasibility of administering the investment and that the Custodian will not perform a fiduciary or due diligence review or undertake any other investigation as to the prudence, viability, legality, merits, or suitability of any investment in the Account.

If the Depositor or his or her Rep should direct the Custodian to purchase an alternative investment, as defined above, the following special certifications and provisions shall apply:

- (a) If the alternative investment(s) contain a provision for future contractual payments or assessments, including capital or margin calls, Depositor acknowledges that such payments shall be borne solely by the Account, that authorization to make such payments shall come from Depositor or his or her Rep, and that making such payments may reduce or exhaust the value of the Account. Depositor further agrees to maintain sufficient liquid funds in his or her Account to cover any such payments or assessments, and agrees that the Custodian shall not be responsible for monitoring the balance of the Account to verify compliance with this Section. Depositor agrees to indemnify the Custodian and hold it harmless for any and all payments or assessments which may result from holding the alternative investment within the Account, and further agrees that the Custodian shall be under no obligation whatsoever to extend credit to the Account or otherwise disburse payment beyond the cash balance of the Account for any payment or assessment related to the nonstandard investment(s);
- (b) If the alternative investment(s) contain administrative and/or maintenance requirements or duties beyond the Custodian's capabilities or expertise to provide, then Depositor agrees to seek out suitable agents or counsel necessary to perform such duties and deliver a written service agreement acceptable to the Custodian for execution on behalf of the Depositor's Account;
- (c) If the Depositor directs the Custodian to enter into an individually-negotiated debt instrument, including a promissory note, deed of trust, real estate contract, mortgage note, or corporate debt, then Depositor agrees to enter into a Debt Servicer Agreement with a third-party agent on a form acceptable to the Custodian or, in the alternative, the Depositor may serve as his or her own Debt Servicer. The Debt Servicer shall be the agent of the Depositor and not of the Custodian, and shall be responsible for administering the terms of the debt instrument on behalf of the Depositor's Account. Should the third-party Debt Servicer ever become unwilling or unable to perform the duties outlined in the Debt Servicer agreement, then Depositor understands and agrees that all duties of the Debt Servicer shall revert to Depositor until a successor third-party Agent is named. Likewise, should Depositor fail to appoint a Debt Servicer, Depositor understands that he or she becomes responsible to oversee the duties of a Debt Servicer until Depositor names a successor third-party Debt Servicer. Depositor understands that Custodian does not offer or provide any servicing or collection duties with respect to any debt instrument, nor will Custodian monitor the maturity date, payments, provide notice to Depositor in the event of default, prepare or compute payoff balances, prepare or file Form 1098 or take any action with regard to any debt unless specifically authorized by Depositor in writing. Should Depositor elect to renew or renegotiate the terms of any debt instrument, Depositor agrees to notify Custodian in writing and provide appropriate written instructions for Custodian to return any original debt instrument to debtor.
- (d) If the Depositor directs the Custodian to purchase income producing real estate, then Depositor agrees to retain the services of a Property Manager on a form acceptable to the Custodian. The Property Manager shall be the agent of the Depositor and not of the Custodian, and shall be responsible for administering the terms of the property management agreement on behalf of the Depositor's Account. Should the third-party Property Manager ever become unwilling or unable to perform the duties outlined in the property management agreement, then

Depositor understands and agrees that all duties of the Property Manager shall revert to Depositor until a successor third-party agent is named. Likewise, should Depositor fail to appoint a Property Manager, Depositor understands that he or she becomes responsible to oversee the management of the Property until Depositor names a successor third-party Property Manager. The Custodian will not act as Property Manager, i.e., it will not monitor the Depositor's Account to ensure receipt of payments, provide notice in the event of default, etc.

- (e) The Custodian shall have no duty to monitor the performance of any investment, the action of any investment sponsor, or the action of the Depositor and/or those of his or her heirs, successors, agents, or assigns. Nor shall the Custodian be required to monitor the acts of any paid consultant to whom the Custodian may have contractually delegated any duties or responsibilities pursuant to Depositor's or his or her Rep's directions.
- (f) Depositor agrees to be responsible for any and all collection actions, including contracting with a collection agency or instituting legal action, and to bring any other suits or actions which may become necessary to protect the rights of the Account as a result of the operation or administration of the investment(s).
- (g) Depositor may not direct the purchase of a life insurance contract or a "collectible" as defined in Code Section 408(m).
- (h) The Custodian is responsible for safekeeping only those documents which are delivered into its possession by Depositor or his or her agent. If the original documents are to be held by an agent, Depositor must ensure that the agent agrees to safeguard the original documents and forward copies of the signed and recorded documents to the Custodian as evidence of ownership. In such cases, agent must agree to make original documentation available to Custodian for inspection, upon request. In the event Custodian asks for documentation evidencing the investment and Depositor and/or Depositor's agent is unwilling or unable to provide such information, Custodian may re-register the asset into Depositor's individual name and report it as a distribution to the IRS. Such action may subject Depositor to IRS imposed taxes and penalties.
- (i) Once Depositor or Depositor's agent authorize funds to be distributed from the Account for purposes of investment, Depositor agrees to be responsible for the following:
 - a. verifying that the individual or investment company that Depositor selected placed his or her funds into the proper investment;
 - b. obtaining the necessary documentation from the individual or investment company to verify that the funds were correctly invested, including, but not limited to, shares or units, proper recordation, loan to value ratio, etc.; and
 - c. sending the original documentation evidencing the investment to the Custodian or, in the case of a promissory note investment, to a third-party servicing agent. Custodian will not monitor the Account to ensure receipt of such documentation and will rely solely on Depositor to provide this information.

9.7 Custodian must receive an annual fair market value or good faith estimate for investments held in the Account and, for public and certain private investments, Custodian will make every effort to obtain such valuation from the investment issuer. However, Depositor is ultimately responsible to obtain and provide the Custodian with such market value or good faith estimate from the investment issuer/sponsor or through an independent appraisal, whichever is deemed appropriate by the Custodian. If the Custodian has not been provided with an annual fair market value or good faith estimate for any investment held within the Account, Custodian may distribute that investment to the Depositor in-kind based upon the original acquisition cost or last known value, and such distribution would be a taxable event. Depositor understands and agrees to these terms and to the Valuation Policy shown in the Financial Disclosure included with this IRA Application, IRA Custodial Agreement and Disclosure Statement.

9.8 If investment(s) selected by the Depositor or his or her Rep generate Unrelated Business Taxable Income (UBTI), Depositor understands that such income, when considered in conjunction with all such income from all IRA accounts of the Depositor, may be taxable to the Account to the extent that all UBTI for a given taxable year exceeds the threshold amount set by the IRS (currently \$1000). In such instances, the IRS requires that a Form 990-T be filed for the

Account along with payment of the appropriate amount of tax. Depositor understands that the Custodian does not monitor the amount of UBTI in the Account and does not prepare Form 990-T. Depositor agrees to monitor UBTI for this and any other IRA account which he or she may hold, and further agrees to prepare, or have prepared, the proper 990-T tax form and forward it to the Custodian for filing, along with authorization to pay any tax due from the Account. If Depositor is required to file Form 990-T with regard to any UBTI, Depositor must obtain and utilize an Employer Identification Number ("EIN"). Depositor shall not use the Custodian's EIN or Depositor's own social security number. Depositor must apply for an EIN for the Account prior to or in conjunction with requesting the Custodian to pay any tax owed with regard to any UBTI that might be incurred on an investment held within the Account.

9.9 The Depositor understands that certain transactions are prohibited for tax exempt retirement arrangements under Internal Revenue Code Section 4975 (a "prohibited transaction"), including transactions with a "disqualified person" or a "party in interest" (as defined in the Code), and that such transactions will trigger excise taxes and may result in a deemed distribution from the Account. Depositor further understands and acknowledges that the determination of whether a transaction directed within the Account is a prohibited transaction depends on the facts and circumstances that surround each transaction. The Custodian has no responsibility to make a determination as to whether any transaction directed by the Depositor is a prohibited transaction, and the Depositor is solely responsible to consult with his or her legal or tax advisors regarding any transaction directed within the Account to determine whether the transaction might be deemed a prohibited transaction. Depositor further warrants that he or she will not enter into a transaction, or cause a transaction to be entered into, which is prohibited under Section 4975 of the Code. The Custodian may condition the processing of any transaction and require the Depositor to obtain an opinion from legal counsel that the proposed transaction is not a prohibited transaction and refuse to process such transaction without such opinion. Depositor acknowledges that the Custodian's decision as to whether or not to condition the processing on the receipt of a legal opinion is solely within the Custodian's discretion and is no indication as to whether the Custodian has investigated the facts and circumstances surrounding a proposed transaction or made any determination as to whether a proposed transaction is a prohibited transaction. The Depositor acknowledges that, should the Account engage in a prohibited transaction, the fair market value of the Account will become a taxable distribution to the Depositor in the taxable year in which the transaction was made. In addition, if the Depositor is under age 59½, additional premature distribution penalty taxes may apply.

Depositor further understands that certain transactions are or may be identified by the IRS as abusive tax schemes or transactions. The determination of a listed or reportable transaction may depend upon the facts and circumstances surrounding the specific transaction. The Custodian shall have no responsibility for determining whether any investment in the Account constitutes a "listed transaction" or "reportable transaction," which may result in reporting requirements and adverse consequences for failing to comply with any applicable reporting or other requirements. The Depositor agrees to consult with his or her own tax or legal advisor to ensure that listed or reportable transactions related to the Account are identified. As the entity manager who approved or caused the Account to be party to a listed or reportable transaction, the Depositor agrees to report each listed or reportable transaction to the IRS using IRS Forms 8886-T and 8886, to pay any applicable excise taxes using Form 5330, and to disclose to the Custodian that such transaction was a prohibited tax shelter transaction, and to direct the Custodian as to any necessary corrective action to be taken by the Account. The Custodian shall not be responsible for any adverse consequences or for failing to comply with any applicable reporting or other requirements on behalf of the Depositor and/or other parties relating to any such listed or reportable transaction.

9.10 Custodian will act solely as agent for the Depositor and under the instructions of the Depositor with respect to the investment of the assets of the Account, and will in no event act without such instructions or exercise any discretion with respect to investments. Acting in that capacity, Custodian shall place orders for the purchases of securities provided the Depositor has sufficient liquid funds in the Account or arranges to make funds available in advance

for such purposes, and will also place orders for the sale of securities provided such securities are held by Custodian and in deliverable form. The Depositor authorizes the Custodian to charge the Account for the cost of all securities purchased or received from the securities sold or delivered against payment. Depositor agrees that the Custodian shall be under no obligation whatsoever to extend credit to the Account or otherwise disburse payment beyond the cash balance of the Account for any payment or assessment related to any investment in the Account. In the event Depositor fails to timely deposit sufficient funds in the Account to cover the cost of an investment, the Custodian, at its option, may cancel the order for the investment or, if the investment already has been acquired, sell the investment (if applicable) and reimburse itself for any costs or expenses incurred by the Custodian in settling the purchase order. Depositor agrees that Custodian shall not be liable for any actions or inactions taken or omitted to be taken by Custodian in accordance with this provision, and further agrees, without limiting the generality of any other agreement by Depositor to indemnify Custodian, to indemnify and hold Custodian harmless for its actions in canceling a purchase order in the Account or selling the investment to reimburse itself as provided above. In addition, if any investment contains provisions for future contractual payments or assessments, including margin calls, Depositor acknowledges that such payments or assessments shall be borne solely by the Account to the extent such payment is authorized by the Depositor or his or her Rep, and may reduce or exhaust the value of the Depositor's Account. Depositor further agrees to indemnify Custodian for any and all payments or assessments which may be imposed as a result of holding the investment within the Account.

9.11 After Depositor's death, named beneficiary(ies) shall have the right to direct the investment of the Account, subject to the same conditions that applied to Depositor during his or her lifetime under this Agreement. All transactions shall be subject to any and all applicable federal and state laws and regulations and the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed and to Custodian's policies and practices.

ARTICLE X – CUSTODIAL ACCOUNT ADMINISTRATION

10.1 It shall be the sole duty of the Custodian to maintain a custodial Account in the name of the Depositor and to make payments and distributions as directed by the Depositor or his or her Rep. Pursuant to the directions of the Depositor or his or her Rep, the Custodian shall invest and reinvest the assets in the custodial Account without any duty to diversify. Pursuant to the directions of the Depositor or his or her Rep, the Custodian shall invest and reinvest without regard to whether such investment is authorized by applicable laws for IRA or custodial investment. Pursuant to the directions of the Depositor or his or her Rep, the Custodian shall invest and reinvest in securities obtainable "over the counter" or on a recognized exchange and any other acceptable public or non-standard investment which in the sole judgment of the Custodian will not impose an unreasonable administrative burden. The Custodian's determination of what constitutes an unreasonable administrative burden may not be construed as investment advice, an opinion on the investment's prudence or viability, or whether such investment is authorized by applicable laws for IRA or custodial account investment. The custodial Account shall reflect the amounts contributed by the Depositor, receipts, investments, distributions, disbursements, and all other transactions.

10.2 The Custodian shall have the following powers and authority in the administration of the custodial Account:

- (a) Pursuant to the Depositor's or his or her Rep's directions, to invest or reinvest amounts held in the Account into assets, including, but not limited to stocks, bonds, precious metals (as permitted under the Internal Revenue Code), limited liability companies, limited partnerships, real estate, promissory notes, mortgages, structured settlements, annuities, money market funds, brokerage accounts, certificates of deposit, or any other investments deemed administratively feasible to administer by the Custodian or otherwise permitted under applicable federal and state laws.
- (b) In the absence of specific investment instructions from the Depositor or his or her Rep, to vote in person or by proxy upon securities held by the Custodian. The Custodian shall have no

responsibility to notify or forward to the Depositor or his or her Rep any notices, proxies, assessments or other documents received by the Custodian on behalf of the Account unless the Depositor or his or her Rep so requests each such document in writing. The Custodian shall not be required to vote securities for which the Custodian has not received instructions from the Depositor or his or her Rep., and Custodian's decisions with respect to voting, or not voting, such securities may not be construed as investment advice, the exercise of discretion with respect to the investment in the securities, or the exercise of any fiduciary responsibility with respect to the voting of such securities.

- (c) Pursuant to the Depositor's directions, to consent to or participate in dissolutions, reorganizations, consolidations, mergers, sales, transfers or other changes in securities held by the Custodian, and in such connection, to delegate the Custodian's powers and to pay assessments, subscriptions and other charges.
- (d) To make, execute and deliver as Custodian any and all contracts, waivers, releases or other instruments necessary or proper for the exercise of any of the foregoing powers.
- (e) In the absence of specific investment instructions from the Depositor, to leave any property comprising the custodial Account (with the exception of cash, which will be held in the Custodial NOW account) for safe keeping with such banks, brokers and other custodians as the Custodian may select.
- (f) To hold any securities in bearer form or in the name of banks, brokers and other custodians or in the name of the Custodian without qualifications or description or in the name of any nominee.
- (g) To employ and pay from the Account reasonable compensation to agents, attorneys, accountants and other professional persons for advice that in Custodian's opinion may be necessary. Custodian may delegate to any agent, attorney, accountant and other persons selected by it any power or duty vested in Custodian by this Agreement.
- (h) To do and perform all acts or things reasonably necessary or desirable to carry out the power and authority granted to the Custodian.
- (i) To charge against and pay from the Account all taxes of any nature levied, assessed, or imposed upon the Account, and to pay all reasonable expenses and attorney fees which may be necessarily incurred by Custodian with respect to the Account.
- (j) To retain any funds or property subject to any dispute without liability for the payment of interest and to decline to make payment or delivery of the funds or property until a court of competent jurisdiction makes final adjudication.
- (k) To file any tax or information return required of Custodian, and to pay any tax, interest or penalty associated with any such tax return.
- (l) To begin, maintain or defend any litigation necessary in connection with the administration of the Account, except that Custodian shall not be obliged or required to do so unless indemnified to Custodian's satisfaction, including, without limitation, payment of such expenses out of the Account.
- (m) To charge Depositor separately for any fees or expenses or deduct the amount of the fees or expenses from the assets in the Account at Custodian's discretion. Custodian is also entitled to be reimbursed for any other expenses it assumes or incurs on behalf of Depositor's Account. Custodian has the right to change its fee upon 30 days' notice to Depositor. Custodian is authorized to liquidate assets, the choice of the selling broker and assets to be sold to be at Custodian's sole discretion, for any unpaid fee balance and may require Depositor to retain uninvested cash in the Account sufficient to cover at least one year's estimated annual fees, including termination fees. Should fees or expenses not be collected, Custodian shall have the option to cease performing any functions, including, but not limited to, processing investment transactions until such time as all fees and expenses charged against the Account are fully paid. If Depositor is unable or unwilling to pay fees Custodian may re-register the asset(s) into Depositor's individual name and report it as a taxable distribution to the IRS, subjecting Depositor to possible taxes and penalties.

10.3 Custodian will attempt to process investment directions and/or invest funds which it receives in accordance with Depositor's directions within seven (7) business days of receipt of such directions and/or funds plus necessary administrative and processing time, but makes

no representations, warranties, or guarantees that any asset may in fact be bought or sold within this time period or as to the price paid or received for any asset bought or sold. Custodian shall be under no duty to credit interest or earnings on the funds received during the processing period, and Depositor agrees that Custodian shall not be liable for any market value adjustment which may occur during or after said processing time.

10.4 The Custodian shall exercise no discretion with respect to the funds in the Account and, without limitation, shall be under no duty to question said directions, but rather, except to the extent otherwise expressly provided hereunder, shall be required to follow the directions of the Depositor, his or her Rep, or Investment Advisor. The Depositor or Rep will furnish payment instructions to Custodian regarding any invoice, assessment, fee or any other disbursement notification received by Custodian on behalf of any investments, and Custodian will have no duty or responsibility to disburse any payment until such instructions are received. The Custodian will not render investment advice of any kind, but will act only at the direction of the Depositor, his or her Rep, or Investment Advisor with respect to the investment and reinvestment of the Depositor's Account, and shall not be liable for any loss which results from the exercise of control over his or her Account by the Depositor, his or her Rep, or Investment Advisor. In the case of any solicitation received by the Custodian with respect to the Depositor's Account (including but not limited to third party tender offers with respect to limited partnership interests in the Account), the Custodian will transmit such materials to the Depositor (or to his or her Rep or Investment Advisor, as directed by the Depositor); however, the Custodian must have at least ten (10) days from the date it receives instructions from the Depositor (or his or her Rep or Investment Advisor) to transmit such instructions to the soliciting party by the date specified in the solicitation. The Custodian shall have no obligation to transmit any solicitation received or instructions given with respect to the Depositor's Account by other than regular mail, and shall not be responsible for any failure to respond to a solicitation by the deadline specified therein due to (i) delays in the mail or (ii) where the Custodian has less than ten (10) days from the date instructions are received from the Depositor (or his or her Rep or Investment Advisor) and the specified deadline for responding. Custodian need not honor offers or recognize communications that are not addressed to each Depositor's Account by name. The Custodian shall not be responsible for any action taken by the Depositor or his or her Rep as a result of information concerning the Account or any investment which may be transmitted or not transmitted to the Depositor or his or her Rep. The Custodian shall have no responsibility or duty to review or monitor any securities or other property held within the Account, nor shall the Custodian be held liable for its failure to act because of the absence of any directions from the Depositor. The Custodian shall not be liable for the actions or inactions of any prior trustee, custodian, or other service provider or agent of the Depositor which may have occurred prior to the transfer of the Account assets to the Custodian. Without limiting the generality of any other indemnification of Custodian by the Depositor, the Depositor shall indemnify and hold Custodian harmless for any losses resulting from Custodian's action or inaction in relation to investment directions received from Depositor, his or her Rep, or Investment Advisor, for the actions or inactions of agents appointed by the Depositor or by the Custodian at the direction of the Depositor, and for any tax consequence resulting from the Depositor's or Rep's direction to engage in any transaction, including, without limitation, any investment in life insurance contracts, any investment in collectibles, or any investment or other directed activity that constitutes a prohibited transaction under Section 4975 of the Code.

10.5 Depositor agrees that Custodian has no duty to inform the Depositor of any information on an asset held in the Account which the Custodian may have learned in connection with another account or customer or from any source other than in the operation of the Depositor's Account.

ARTICLE XI – BENEFICIARY DESIGNATION

11.1 The Depositor may from time to time designate, upon such form as the Custodian shall prescribe, any trust or persons contingently or successively, to whom the Custodian shall pay the Depositor's interest in the custodial Account in the event of his or her death. Such primary and contingent beneficiary designation shall be

effective when filed with the Custodian and shall revoke all prior beneficiary designation made before that date by Depositor.

11.2 If a Depositor fails to name a beneficiary in accordance with Section 11.1, or if the named beneficiary cannot be located after a reasonable and diligent search of not less than six months, or if all beneficiaries named by a Depositor predecease him, then the remaining balance of the custodial Account shall be payable to the legal spouse of the Depositor, or if there is no spouse living, then to the estate of the Depositor.

11.3 When and after distributions of the custodial Account to the Depositor's beneficiary commence, all rights and obligations of the Depositor under this Agreement shall inure to, and be exercised by, such beneficiary.

11.4 If the beneficiary designated to receive payments hereunder is a minor or person of unsound mind, whether so formally adjudicated or not, the Custodian, in its discretion, may make such payment to such person as may be acting as parent, guardian, committee, conservator, custodian, or legal representative of such minor or incompetent and the receipt of payment by any such person as selected by the Custodian shall be a full and complete discharge to the Custodian for any sums so paid.

ARTICLE XII – DISTRIBUTIONS

12.1 Except as otherwise provided in Section 12.2, distributions shall be made only upon the Depositor's written request (or the Depositor's beneficiary in the event of Depositor's death) on a form provided by or acceptable to the Custodian.

12.2 If a Roth IRA beneficiary is required to take a required minimum distribution and fails to request such by the Required Beginning Date, Custodian may, at its complete discretion, do any of the following:

- Make no distribution until the beneficiary provides Custodian with a written distribution request;
- Distribute all assets to the beneficiary in a single payment or in-kind distribution; or
- Determine the beneficiary's required minimum distribution from the Account each year based on Depositor's life expectancy, calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9, and pay those distributions to the beneficiary unless the beneficiary directs Custodian in writing otherwise.

Custodian shall not be liable for any penalties or taxes in the event the beneficiary fails to take a required minimum distribution or if the beneficiary receives an amount in excess of the required minimum distribution.

ARTICLE XIII – DUTIES, RECORDS, REPORTS

13.1 The Custodian's sole duties to the Depositor regarding reporting shall be to send Depositor a copy or facsimile of IRS Form 5498 and/or an annual calendar year statement of the assets of the Account within time frames established by the IRS. The Custodian may, but is not obligated to, furnish periodic reports to the Depositor detailing transactions performed under this custodial Account and the value of assets held within the Account.

13.2 The Custodian shall have no liability or responsibility for transactions reported or not reported on any periodic statement unless Depositor or his or her Rep file written exceptions or objections within 60 days after receipt of the report or statement. Upon receipt of written notification under this Section, the Custodian's liability and responsibility shall be to fully investigate the exceptions or objections, make any adjustments, correct any entries, or otherwise reconcile the Account as may be necessary. If any such adjustments or corrections are required, the Custodian shall issue a revised statement for the reporting period(s) in question.

ARTICLE XIV – FEES AND EXPENSES

14.1 Except as provided in section 9.2, the Depositor agrees to pay the Custodian for services outlined in this Agreement in accordance with the Custodian's current posted fee schedule. The Custodian's fees may include, but are not limited to, new account establishment, annual account maintenance, processing, account termination, and any other fees outlined in the fee schedule. Fees may be paid by deducting cash from the

custodial Account, charging a credit/debit card, payment by check, or other payment method offered by the Custodian.

- 14.2 Depositor may provide the Custodian with valid credit/debit card information to retain on file, and Depositor authorizes the Custodian to charge custodial fees and expenses to the credit/debit card as provided in this Fees and Expenses section of the custodial Agreement. If the credit/debit card information on file expires or ceases to be valid, Depositor agrees to notify the Custodian and provide the Custodian with information for another credit/debit card or information necessary to debit the Depositor's checking account to satisfy any outstanding fees and expenses. Depositor hereby authorizes the Custodian to charge fees and expenses to any replacement credit/debit card or replacement bank account provided by Depositor. If the Custodian is unable to complete a transaction using the information on file, then the Depositor authorizes the Custodian to deduct any amount due from cash in the Depositor's custodial Account or take any other action authorized in this Fees and Expenses section.
- 14.3 Depositor may provide the Custodian with valid bank account information to retain on file, and Depositor authorizes the Custodian to debit custodial fees and expenses from the bank account as provided in this Fees and Expenses section of the custodial Agreement. If the bank account closes for any reason, Depositor agrees to notify the Custodian and provide the Custodian with information for another credit/debit card or information necessary to debit another of Depositor's checking accounts to satisfy any outstanding fees and expenses. Depositor hereby authorizes the Custodian to charge fees and expenses to any replacement credit/debit card or replacement bank account provided by Depositor. If the Custodian is unable to complete a transaction using the information on file, then the Depositor authorizes the Custodian to deduct any amount due from cash in the Depositor's custodial Account or take any other action authorized in this Fees and Expenses section.
- 14.4 In the event the Depositor shall at any time fail to discharge any liability under this Agreement, such liability shall be charged to the custodial Account and the Depositor is deemed to have expressly directed the Custodian, as agent for the Depositor and acting under Depositor's authority and supervision, to liquidate investments of the custodial Account, until there is sufficient cash in the custodial Account to pay the liability to the Custodian. Notwithstanding any provisions of this Agreement, the Depositor expressly authorizes and directs the Custodian to make such liquidation and to pay such liability from the liquidated investments of the Account, and acknowledges that in carrying out that direction the Custodian acts solely at the direction of Depositor. If the custodial Account is not sufficient to satisfy such liability, the Depositor shall be liable for any deficiency.
- 14.5 The Custodian has the right to liquidate assets in the Account if necessary to pay fees, expenses or taxes properly chargeable against the Account. If Depositor fails to direct Custodian as to which assets to liquidate, Custodian will decide in its complete and sole discretion and Depositor agrees not to hold Custodian liable for any adverse consequences that result from its decision.
- 14.6 The Custodian, upon thirty (30) days' notice, may terminate and distribute the Depositor's Account for non-payment of fees and expenses.
- 14.7 The Custodian's current posted fee schedule may be amended at any time upon 30 days' advance written notice to the Depositor. The Custodian reserves the right to charge fees in addition to its posted fee schedule for extraordinary or special services, or for unforeseen expenses to the account, including legal expenses incurred by the Custodian. The Custodian does not prorate fees. On a form acceptable to the Custodian, the Depositor may elect to pay fees directly, authorize payment of fees from a credit/debit card, or have them withdrawn from the assets of the account. Termination fees are due and payable upon distribution to the Depositor or upon transfer to another trustee or custodian.
- 14.8 Depositor agrees to bear sole responsibility for the prosecution or defense, including the employment of legal counsel, of any and all legal actions or suits involving Depositor's Account which may arise

or become necessary for the protection of the investments in that Account, including any actions lodged against the Custodian. Depositor also agrees to bear sole responsibility for enforcing any judgments rendered in favor of the Account, including judgments rendered in the name of STRATA Trust Company as Custodian of the Account.

- 14.9 Custodian may, in its sole discretion, close any account holding \$250 or less in cash and no other assets, and the cash balance will be paid to the Custodian as an account termination fee as outlined in the fee schedule.
- 14.10 The Custodian has the right to be reimbursed or reserve funds for all reasonable expenses it incurs in connection with the administration of the Account (including legal fees). Any brokerage commissions attributable to the assets in the Account will be charged to the Account, and Depositor cannot reimburse the Account for those commissions.
- 14.11 Any income taxes or other taxes of any kind whatsoever that may be levied upon or in respect of the custodial account, any transfer taxes incurred in connection with the investment and reinvestment of assets in the custodian account, and all other administrative expenses incurred by the Custodian in performance of its duties, including legal services which the Custodian may necessarily incur to maintain the custodial account shall be paid by the Depositor and the Depositor hereby covenants and agrees to pay the same.

ARTICLE XV – AMENDMENT AND TERMINATION

- 15.1 The Depositor irrevocably delegates to the Custodian the right and power to amend this Agreement. Except as hereafter provided, the Custodian will give the Depositor 30 days' written notice of any amendment. In case of a retroactive amendment required by law, the Custodian will provide written notice to the Depositor of the amendment within 30 days after the amendment is made, or if later, by the time that notice of the amendment is required to be given under regulations or other guidance provided by the IRS. The Depositor shall be deemed to have consented to any such amendment unless the Depositor notifies the Custodian to the contrary within 30 days after notice to the Depositor and requests a distribution or transfer of the balance of the Account. The Custodian's termination fee shall be applicable to any Account so distributed or transferred.
- 15.2 The Depositor may terminate this Agreement at any time by delivery of written notice of such termination to the Custodian. Upon such termination, the Custodian shall continue to hold the assets and distribute them in accordance with the previous instructions of the Depositor and the provisions of this Agreement unless the Custodian receives other instructions from the Depositor (such as those involving a rollover) which the Custodian may follow, without liability and without any duty to ascertain whether such payout is proper under the provisions of the Code or of any other plan.
- 15.3 Upon request of the Depositor in writing to the Custodian, the Custodian shall transfer all assets in the custodial Account to the Depositor, to a qualified retirement plan, or to another individual retirement account established by the Depositor. The Custodian is authorized, however, to reserve such sum of money or property as it may deem advisable for payment of all its fees, compensation, costs and expenses, or for any other liabilities constituting a charge against the assets of the custodial Account or against the Custodian, with any balance of such reserve remaining after the payment of all such items to be paid over to the successor custodian or trustee.
- 15.4 The Custodian, upon thirty (30) days' notice, may terminate and distribute the Depositor's Account for failure to annually provide valuation information with regard to the Depositor's assets.

ARTICLE XVI – RESIGNATION, REMOVAL AND APPOINTMENT OF SUCCESSOR CUSTODIAN

16.1 Upon written notice to the Custodian, the Depositor may remove it from its office hereunder. Such notice, to be effective, shall either request a distribution of assets (using the Custodian's distribution form in effect at the time of the request) or designate a successor trustee or custodian. In the event the Depositor decides to have his or her Account transferred to another custodian or trustee, he or she will be required to submit a properly executed transfer request from the new custodian or trustee.

16.2 The Custodian may at any time resign effective not less than 30 days after it mails written notice of its resignation to the Depositor. If the Depositor fails to provide the Custodian, within such notice period, a properly executed distribution or transfer request the Custodian has the right to transfer the Account assets to a successor IRA custodian or trustee that it chooses, in its sole discretion. As an alternative, the Custodian may elect to distribute the assets directly to Depositor. In such cases the Depositor may be eligible to roll the assets into another IRA. In order to maintain the tax qualified status of the IRA such assets must be re-deposited with a new custodian or trustee within 60 days from the Depositor's receipt. Depositor is wholly responsible for the tax consequences of any such distribution.

16.3 If the Custodian changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if Custodian's entire organization (or any portion that includes Depositor's Account) is purchased by another organization, that organization (or agency) will automatically become the trustee or custodian of Depositor's Account, but only if the organization is authorized to serve in the capacity of an IRA trustee or custodian.

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

ARTICLE XVII – MISCELLANEOUS

17.1 Neither the Depositor nor any beneficiary of the Depositor shall have any right to pledge, hypothecate, anticipate or in any way create a lien upon any assets or part of the custodial Account. Distributions to the Depositor, his or her beneficiaries, spouse, heirs-at-law, or legal representatives, except minors and persons under legal disability, shall be made only to them and upon their personal receipts and endorsements and no interest in the custodial Account, or any part thereof, shall be assignable in anticipation of payment either by voluntary or involuntary act, or by operation of law, or be liable in any way for the debts or defaults of such Depositor, his or her beneficiaries, spouse, or heirs-at-law. The provisions of this paragraph shall not apply to the extent that they violate any applicable law.

17.2 The custodial Account created hereunder is created for the exclusive benefit of the Depositor or his or her beneficiaries, and at no time shall it be possible for any part of the assets of the custodial Account to be used for or diverted to purposes other than for the exclusive benefit of the Depositor or his or her beneficiaries.

17.3 Notwithstanding the provisions of Sections 17.1 and 17.2 above, in the event the Depositor and the Depositor's spouse obtain a divorce or a separation instrument, as described in Section 408(d)(6) of the Code, the Depositor may direct the Custodian in writing to transfer the appropriate portion of the assets in the Depositor's Account directly to the Depositor's former spouse or to an IRA maintained by the Depositor's former spouse, provided the transfer is in accordance with the divorce decree or separation instrument, a copy of which shall be furnished to the Custodian. The transfer of assets to the Depositor's former spouse may be in cash or in-kind, pursuant to directions contained in the divorce decree or separation instrument.

17.4 The Custodian shall be under no duties whatsoever except such duties as are specifically set forth in this Agreement. The Custodian shall be fully protected in acting upon any instrument, certificate, or paper believed by it to be genuine and to be signed or presented by the proper person or persons, and the Custodian shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained. Without limiting the generality of any other indemnification

of the Custodian by the Depositor, the Depositor shall at all times duly indemnify and save harmless the Custodian from any liability (including reasonable attorneys' fees) which may arise hereunder except liability arising from the gross negligence or willful misconduct of the Custodian. Depositor is responsible for all tax consequences arising from contributions to and distributions from the custodial Account and acknowledges that no tax advice has been provided by Custodian.

If Depositor has consented to the terms and conditions of Custodian's Electronic Communication Consent ("Electronic Consent"), 1) Depositor has agreed that all Account statements, disclosures (including any amendments to this Agreement), Depositor directions and/or transactions, or Custodian notices to Depositor will be provided electronically as consented to and described in the Consent, and 2) Depositor's use of an electronic signature will serve as an original signature and will bind the Depositor to the terms of any document executed by Depositor with an electronic signature. The Depositor and Custodian retain their respective rights as provided in the Electronic Consent.

If Depositor has not agreed to the Electronic Consent or later withdraws consent, then any notice provided by the Custodian to the Depositor for any circumstance shall be sent to the last known address of the Depositor via regular mail, and for purposes of this Agreement shall be considered delivered as of the date of the mailing. Depositor shall be responsible to notify the Custodian in writing of any change of address.

Depositor acknowledges and agrees that the Account will be subject to the provisions of the Uniform Electronic Transactions Act, as passed in the state where the Custodian is organized (Texas Uniform Electronic Transactions Act) and the federal Electronic Signatures in Global and National Commerce Act (ESIGN Act, as contained in 15 U.S.C. 7001) as those laws pertain to electronic communication, electronic signatures, and electronic storage of custodial Account records. Depositor understands that, in lieu of retention of the original records, the Custodian may cause any or all of the Account records, and records at any time in the Custodian's custody, to be photographed or otherwise reproduced to permanent form, and any such photograph or reproduction shall have the same force and effect as the original thereof and may be admitted in evidence equally with the original.

17.5 WITH RESPECT TO ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, DEPOSITOR AGREES (I) THAT SUCH SUIT, ACTION OR PROCEEDING SHALL BE HELD IN STATE DISTRICT COURT IN AUSTIN, TEXAS, (II) THAT EXCLUSIVE JURISDICTION SHALL LIE IN THE STATE DISTRICT COURT IN AUSTIN, TEXAS AND (III) TO IRREVOCABLY AND UNCONDITIONALLY SUBMIT DEPOSITOR AND HIS OR HER PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE STATE DISTRICT COURTS SITTING IN AUSTIN, TEXAS, ANY APPELLATE COURT TO WHICH ANY APPEAL MAY PROPERLY BE TAKEN THEREFROM AND (IV) THAT ALL CLAIMS IN RESPECT OF ANY SUCH SUIT, ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT, (V) THAT PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING MAY BE SERVED ON ANY PARTY ANYWHERE IN THE WORLD, AND (VI) AGREES THAT A FINAL JUDGMENT IN ANY SUCH SUIT, ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. DEPOSITOR IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, (I) ANY OBJECTION THAT HE/SHE MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IN THE STATE DISTRICT COURT SITTING IN AUSTIN, TEXAS, AND (II) THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY SUCH COURT. IF DEPOSITOR INITIATES SUIT UNDER THIS AGREEMENT AND DOES NOT PREVAIL, DEPOSITOR AGREES THAT CUSTODIAN SHALL BE ENTITLED TO ALL COSTS, INCLUDING ATTORNEYS' FEES. NOTWITHSTANDING

THE ABOVE, DEPOSITOR FURTHER AGREES THAT CUSTODIAN MAY REQUEST THAT ANY SUIT INITIATED UNDER THIS AGREEMENT OR ANY TRANSACTIONS PROPOSED HEREIN BE INITIATED IN OR REMOVED TO U.S. FEDERAL COURT IN AUSTIN, TEXAS IF AND AS APPROPRIATE.

THE PARTIES EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT, POWER, OR REMEDY UNDER OR IN CONNECTION WITH THIS AGREEMENT OR UNDER OR IN CONNECTION WITH ANY AMENDMENT, INSTRUMENT, DOCUMENT, OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR ARISING FROM ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT, AND AGREE THAT ANY SUCH ACTION SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE TERMS AND PROVISIONS OF THIS SECTION CONSTITUTE A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THIS AGREEMENT.

unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17.14 This Agreement is accepted by the Custodian in, and administered under, the laws of the State of Texas. All contributions to the Custodian shall be deemed to take place in the State of Texas.

GOVERNING LAW. THIS AGREEMENT AND ALL AMENDMENT HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND THE FEDERAL LAWS OF THE UNITED STATES OF AMERICA, AND THE OBLIGATIONS HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Revised 10.1.2020

17.6 Depositor understands that in-kind distributions received from the Account are subject to Federal income tax withholding unless Depositor elects not to have withholding apply. By signing the Agreement, Depositor elects not to have withholding apply to distributions from the Account, subject to Depositor's right to revoke this election at a later date. Depositor also understands that if this election is revoked and there is no cash or insufficient cash in the Account at the time of distribution, Custodian must sell any non-cash investments to pay withholding and will distribute the remaining proceeds, if any. Depositor understands and accepts the responsibility for paying federal income tax on the taxable portion of any distribution from the Account and that Depositor may be subject to tax penalties if payments of estimated tax and withholding, if applicable, are inadequate.

17.7 Depositor agrees to be responsible for any and all collection actions, including contracting with a collection agency or instituting legal action, and bringing any other suits or actions which may become necessary to protect the rights of the Account. Depositor understands that any legal filings made on behalf of this Investment are to be made in the name of "STRATA Trust Company, Custodian for benefit of (Depositor's Name)." Depositor agrees to not institute legal action on behalf of the Account without Custodian's written consent to litigate and that Depositor shall prosecute any legal action. Depositor agrees that any such legal action will be carried out in a manner that does not cause Custodian to incur any costs or legal exposure.

17.8 Any notice or statement which the Custodian is required to give hereunder shall be deemed given when mailed to the intended recipient at his or her last known address. Any notice or statement to be given to the Custodian shall be deemed given only when actually received by the Custodian.

17.9 Words used in the masculine shall apply to the feminine where applicable and wherever the context of this Agreement indicates the plural shall be read as the singular, and the singular as the plural.

17.10 The captions of Articles in this Agreement are included for convenience only and shall not be considered a part of, or an aid to, the construction of this Agreement.

17.11 This Agreement is intended to qualify under Section 408A of the Code and if any term or provision hereof is subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with that intent.

17.12 This Agreement, together with the Disclosure Statement, Financial Disclosure, IRA Application, and Fee Schedule, is the complete and exclusive agreement between the parties with respect to the subject matter hereof, superseding any prior agreements and communications (both written and oral) regarding such subject matter. Depositor understands that this Agreement is not assignable without the express prior written consent of the Custodian.

17.13 If any provision of this Agreement or the application thereof to any person or circumstances shall be determined to be invalid or



Roth IRA Disclosure Statement

STRATA Trust Company (hereinafter "Custodian") presents the following Roth IRA Disclosure Statement pursuant to Internal Revenue Service Regulations which require that the information contained therein be given to individuals for whom an Individual Retirement Account (hereinafter "IRA" or "account") is established. By executing the Roth IRA Application, the Accountholder acknowledges receipt of this Disclosure Statement.

A. RIGHT OF REVOCATION

Regulations of the Internal Revenue Service require that this Disclosure Statement be given to a participant at least seven days before the account is established, or, the participant may revoke the account within seven days after it is established. Copies of the Roth IRA Application establishing the Roth IRA and related documents are included along with this Disclosure Statement. By executing the Roth IRA Application, you acknowledge receipt of this Disclosure Statement. Accordingly, you are entitled to revoke the Roth IRA within seven days after the date of your execution of the Roth IRA Application. Such revocation may be made only by written notice which at your option may be mailed or delivered to STRATA Trust Company as follows:

Mailing Address: PO Box 23149
Waco, Texas 76702

If mailed, the revocation notice shall be deemed mailed on the date of the postmark (or if by registered or certified mail, the date of registration or certification) if deposited in the mail in the United States in an envelope or other appropriate wrapper, first class postage prepaid, properly addressed. Upon revocation within the seven-day period, Custodian will return the current fair market value of the amount contributed to the Roth IRA, without penalty, service charge, or administrative expense.

B. REQUIREMENTS OF A ROTH IRA

1. Your contribution must be in cash, unless it is a rollover or conversion contribution.
2. The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$5,500 for 2016 and 2017, with possible cost-of-living adjustments in each subsequent year. If you also maintain a Traditional IRA (i.e., an IRA subject to the limits of Internal Revenue Code (Code) sections 408(a) or 408(b)), the maximum contribution to your Roth IRAs is reduced by any contributions you make to your Traditional 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.

Your Roth IRA contribution is further limited if your modified adjusted gross income (MAGI) equals or exceeds \$184,000 (for 2016) or \$186,000 (for 2017) and you are a married individual filing a joint income tax return, or if it equals or exceeds \$117,000 (for 2016) or \$118,000 (for 2017) if you are a single individual. Married individuals filing a joint income tax return with MAGI equaling or exceeding \$194,000 (for 2016) or \$196,000 (for 2017) may not fund a Roth IRA. Single individuals with MAGI equaling or exceeding \$132,000 (for 2016) or \$133,000 (for 2017) may not fund a Roth IRA. Married individuals filing a separate income tax return with MAGI equaling or exceeding \$10,000 may not fund a Roth IRA.

If you are married filing a joint income tax return and your MAGI is between the applicable MAGI phase-out range for the year, your maximum Roth IRA contribution is determined as follows: (1) Subtract your MAGI from the phase-out maximum amount; (2) divide the total by the difference between the phase-out maximum and minimum; and (3) multiply the result in step (2) by the maximum

allowable contribution for the year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 and your MAGI is \$190,000, your maximum Roth IRA contribution for 2017 is \$3,300. This amount is determined as follows: $[(\$196,000 \text{ minus } \$190,000) \text{ divided by } \$10,000] \text{ multiplied by } \$5,500$.

If you are single and your MAGI is between the applicable MAGI phase-out for the year, your maximum Roth IRA contribution is determined as follows: (1) Subtract your MAGI from the phase-out maximum; (2) divide the total by the difference between the phase-out range maximum and minimum; and (3) multiply the result in step (2) by the maximum allowable contribution for the year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 and your MAGI is \$123,000, your maximum Roth IRA contribution for 2017 is \$3,667. This amount is determined as follows: $[(\$133,000 \text{ minus } \$123,000) \text{ divided by } \$10,000] \text{ multiplied by } \$5,500$.

3. You are eligible to make a regular contribution to your Roth IRA, regardless of your age, if you have compensation and your MAGI is below the maximum threshold. Your Roth IRA contribution is not limited by your participation in a retirement plan, other than a Traditional IRA.
4. If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your Roth IRA. The maximum additional contribution is \$1,000 per year.
5. The trustee or custodian must be a bank, federally insured credit union, savings and loan association, or another person or entity eligible to act as a trustee or custodian.
6. You will have a nonforfeitable interest in the account at all times.
7. No part of the trust funds will be invested in life insurance contracts nor may the assets be commingled with other property except in a common trust fund or common investment fund.
8. You may not invest the assets of your Roth IRA in collectibles (as described in Section 408(m) of the Internal Revenue Code). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or any other tangible personal property specified by the IRS. However, if the Custodian permits, specially minted US gold, silver and platinum coins and certain state-issued coins are permissible Roth IRA investments. You may also invest in certain gold, silver, platinum or palladium bullion as described in Code section 408(m)(3), if the trustee or custodian permits. If the trust acquires collectibles within the meaning of Code section 408(m), trust assets will be treated as a distribution in an amount equal to the cost of such collectibles.
9. Your regular annual Roth IRA contributions for any taxable year may be deposited at any time during that taxable year and up to the due date for the filing of your federal income tax return for that taxable year, no extensions. Generally, this will be April 15th of the following year.
10. No amount is required to be distributed prior to the death of the individual for whose benefit the account was originally established.
11. Separate records will be maintained for the interest of each individual.
12. The account is established for the exclusive benefit of the individual or his or her beneficiaries.

distributions of your Roth IRA earnings will be free from federal income tax if you take a qualified distribution, as described below.

C. BENEFICIARY PAYOUTS

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. The entire amount remaining in your account will, at the election of your beneficiary(ies), either:

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

Your designated beneficiary(ies) must elect either option (1) or (2) 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 (2). In the case of distributions under option (2), 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 Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth 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 Roth IRA will be deemed to elect to treat your Roth IRA as his or her own by either (1) making contributions to your Roth IRA or (2) failing to timely remove a required minimum distribution from your Roth IRA. Regardless of whether or not the spouse is the sole designated beneficiary of your Roth IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own Roth IRA.

D. INCOME TAX CONSEQUENCES OF ESTABLISHING A ROTH IRA

1. No deduction is allowed for Roth IRA contributions, including transfers, rollovers and conversion contributions.
2. The deadline for making a Roth 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 the Custodian. For example, if you are a calendar year taxpayer, and you make your Roth 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.
3. You may be eligible for a credit on your tax return for contributions you defer to a Roth IRA. Specifically, if you are an eligible individual, you may be able to claim a "saver's credit" on your federal income tax return for a percentage of your contributions to a Roth IRA. To be eligible, you must be at least 18 years old as of the end of the taxable year, and you cannot be a full-time student or an individual for whom someone else claims a personal exemption. The maximum credit rate is the lesser of 50% of the annual contribution or \$2,000 (\$4,000 if married filing jointly). Thus, the credit can be as much as \$1,000 per person (\$2,000 for married couples filing jointly). This credit is also subject to limitations based on modified adjusted gross income ("MAGI"). For 2017, the credit is phased out if you are a joint filer with MAGI greater than \$62,000, head of household filer with a MAGI greater than \$46,500, or a MAGI greater than \$31,500 if you are single, married filing separately, or a qualifying widow(er). Subsequent annual adjustments will be set by the IRS. Please refer to IRS Form 8880 to determine your credit rate.
4. The investment earnings of your Roth IRA are not subject to federal income tax as they accumulate in your Roth IRA. In addition,

E. LIMITATIONS AND RESTRICTIONS

1. If you are married and have compensation, you may contribute to a Roth IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation. You must file a joint income tax return for the year for which the contribution is made. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.

The amount you may contribute to your Roth IRA and your spouse's Roth IRA is the lesser of 100 percent of your combined compensation or \$11,000 (excluding any catch-up contribution) for years 2016-2017. This amount may be increased with cost-of-living adjustments in subsequent years. However, you may not contribute more than the individual contribution limit to each Roth IRA. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.

If either you or your spouse are age 50 or older by the close of the taxable year, and are otherwise eligible, you may make an additional catch-up contribution to the IRA. The maximum catch-up contribution is \$1,000.

2. Transfers of your Roth IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under Code section 2501.
3. Capital gains treatment and 10-year forward income averaging authorized by Code section 402 do not apply to Roth IRA distributions.
4. Any nonqualified withdrawal of earnings from your Roth IRA may be subject to federal income tax withholding. You may, however, elect not to have withholding apply to your Roth IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.

F. TAXATION OF DISTRIBUTIONS

The taxation of Roth IRA distributions depends on whether the distribution is a qualified distribution or a nonqualified distribution.

1. **Qualified Distributions.** Qualified distributions from your Roth IRA (both the contributions and earnings) are not included in your income. A qualified distribution is a distribution which is made after the expiration of the five-year period beginning January 1 of the first year for which you made a contribution to any Roth IRA (including a conversion from a Traditional IRA), and is made on account of one of the following events:
 - attainment of age 59½,
 - disability,
 - the purchase of a first home, or
 - death.

For example, if you made a contribution to your Roth IRA for 2017, the five-year period for determining whether a distribution is a qualified distribution is satisfied as of January 1, 2022.

2. **Nonqualified Distributions.** If you do not meet the requirements for a qualified distribution, any earnings you withdraw from your Roth IRA will be included in your gross income and, if you are under age 59½, may be subject to an early distribution penalty. However, when you take a distribution, the amounts you contributed annually to any Roth IRA account will be deemed to be removed first, followed by conversion contributions made to any Roth IRA on a first-in, first-out basis. Therefore, your nonqualified distributions will not be taxable to you until your withdrawals exceed the amount of your annual contributions and your conversion contributions. However, the 10 percent early distribution penalty may apply to conversion contributions distributed within the five-year period beginning with the

year in which the conversion occurred. These “ordering rules” are complex. If you have any questions regarding the taxation of distributions from your Roth IRA, please see a competent tax advisor.

G. REQUIRED MINIMUM DISTRIBUTIONS

You are not required to take distributions from a Roth IRA at age 70½ (as required for Traditional and SIMPLE IRAs). However, your beneficiary(ies) is generally required to take distributions from your Roth IRA after your death. See the section titled *Beneficiary Payouts* in this Disclosure Statement regarding beneficiary's(ies') required minimum distributions.

H. ROLLOVERS AND CONVERSIONS

Your Roth IRA may be rolled over to another Roth IRA of yours, may receive rollover contributions, or may receive conversion contributions provided that all of the applicable rollover or conversion rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property to your Roth IRA from another Roth IRA or other eligible retirement plan. Conversion is a term used to describe the movement of Traditional IRA or SIMPLE 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. Roth IRA to Roth IRA Rollovers.** Funds distributed from your Roth IRA may be rolled over to a Roth IRA of yours if the requirements of Code section 408(d)(3) are met. A proper Roth IRA to Roth IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. Regardless of how many IRAs you may own, you may only have one IRA to IRA rollover during a 12 consecutive month period measured from the date you received a distribution of an IRA which was rolled over to another IRA. (See IRS Publication 590 for more information.) Roth IRA assets may not be rolled over to other types of IRAs (e.g., Traditional IRA, SIMPLE IRA).
- 2. Traditional IRA to Roth IRA Conversions.** If you convert a Traditional IRA to a Roth IRA, the amount of the conversion shall be treated as a distribution for income tax purposes and is includible 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. If you are age 70½ or older, you must remove your required minimum distribution prior to converting your Traditional IRA.
- 3. SIMPLE IRA to Roth IRA Conversions.** You are eligible to convert all or any portion of your existing savings incentive match plan for employees of small employers (SIMPLE) IRA(s) into your Roth IRA(s), provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. However, if you are age 70½ or older, you must remove your required minimum distribution prior to converting your SIMPLE IRA. The amount of the conversion from your SIMPLE IRA to your Roth IRA shall be treated as a distribution for income tax purposes and is includible in your gross income. Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty.
- 4. Employer-Sponsored Retirement Plan to Roth IRA Rollovers.** If you satisfy certain requirements, you may directly roll over distributions from your employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental

deferred compensation plan, or federal Thrift Savings Plan into your Roth IRA.

- 5. Written Election.** At the time you make a proper rollover or conversion to a Roth IRA, you must designate in writing to the Custodian your election to treat that contribution as a rollover or conversion. Once made, the election is irrevocable.

I. TRANSFER DUE TO DIVORCE

If all or any part of your Roth 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 Roth IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another Roth 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 Roth IRA to another.

J. 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.

K. PROHIBITED TRANSACTIONS

If you or your beneficiary engage in a prohibited transaction with your Roth IRA, as described in Code section 4975, your Roth IRA will lose its tax-deferred or tax-exempt status, and you must generally include the value of the earnings in 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 Roth IRA: (1) taking a loan from your Roth IRA; (2) buying property for personal use (present or future) with Roth IRA funds; or (3) receiving certain bonuses or premiums because of your Roth IRA.

L. PLEDGING

If you pledge any portion of your Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution, and may be included in your gross income for the taxable year in which you pledge the assets to the extent it represents earnings.

M. FEDERAL TAX PENALTIES

- 1. Early distribution penalty.** If you are under age 59½ and receive a nonqualified Roth IRA distribution, an additional tax of 10 percent will generally apply to the amount includible in income in the year of the distribution. If you are under age 59½ and receive a distribution of conversion amounts within the five-year period beginning with the year in which the conversion occurred, an additional tax of 10 percent will generally apply to the amount of the distribution. The additional tax of 10 percent will generally not apply if a distribution is 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), or 10) a levy issued by the IRS.

2. **Excess contribution penalty.** An additional tax of six percent is imposed upon any excess contribution you make to your Roth IRA. This additional tax will apply each year in which an excess remains in your Roth IRA. An excess contribution is any amount that is contributed to your Roth IRA that exceeds the amount that you are eligible to contribute.
3. **Excess accumulation penalty.** As previously described, your beneficiary(ies) is generally required to take certain required 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.
4. **Penalty reporting.** You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes.

N. ADDITIONAL SELF-DIRECTION REQUIREMENTS

Under the Custodian's Account Agreement, you are required to direct the Custodian with respect to the investment of funds in your account. In the absence of direction from you, or your Representative (as described in Section "O" below), the Custodian will not make or dispose of any investments or distribute any funds held in the account. The Custodian has no power or duty to question the direction of a specified investment, to review any investments held in the account or to make any suggestions to you with respect to the investment, retention or disposition of any asset in the account. The Custodian will not be liable for any loss of any kind which may result by reason of any action taken by it in accordance with direction from you or your Representative, or by reason of any failure to act because of the absence of any directions. The Custodian may refuse to execute an investment direction if it determines in its discretion that the investment would not be administratively feasible.

Unrelated Business Taxable Income. There is an exception to the tax-exempt status of your IRA when you invest in any security which is debt-financed, or a limited partnership which actively conducts a trade or business rather than receiving passive income or which is publicly traded. Unrelated Business Taxable Income (UBTI) from such an investment may be taxable to your account if it exceeds \$1,000 in any tax year. For purposes of the \$1,000 limit, all of your IRA accounts are considered to be one account. These taxes are an expense of your account and should be paid by you using assets in the account, and should be filed utilizing IRS Form 990-T. Custodian does not calculate UBTI for your account and does not prepare Form 990-T. If your account has any investment which generates UBTI, you are responsible for preparing or having prepared on behalf of your IRA account the appropriate 990-T form. Upon completion, the form should be forwarded to Custodian for filing, along with instructions to pay any required tax.

Growth in value. As stated in Custodian's Roth Individual Retirement Account Custodial Agreement, the assets of your Roth IRA account will be invested only at the direction of you or your Representative. You are entitled to direct the investment of the assets in your Roth IRA in a wide variety of investments, but Custodian has no responsibility to offer investment advice, and will not offer any investment advice or assume any fiduciary responsibility with respect to which investments may be best for your IRA account and, because you are responsible for directing all investments, you assume sole responsibility for the success or failure of your investments. The value of assets in your IRA account at any given time will depend upon the amount of your contributions, the mix of assets, and the performance of the investments you have chosen. Accordingly, growth and value of your IRA account is not guaranteed, and the value of the assets in your account at any given point in time in the future is impossible to predict. Except to the extent cash is invested in the Custodial NOW account, which is FDIC-insured, or directed into other FDIC-insured bank products, the IRA account is not FDIC-insured,

nor guaranteed in any way by Custodian, or any government agency, or any other entity. Neither Custodian's acceptance, nor its rejection, of an investment direction is ever related in any way to the prudence, merit or viability of the investment and may not be considered, or construed, as either investment advice, the exercise of discretion with respect to investments, an evaluation of the investment's prudence or viability, or a determination that such investment in fact is, or is not, a prohibited transaction.

O. REPRESENTATIVE PROVISIONS

If you have designated a Representative on your Account Application or on a form acceptable to Custodian, your designation is subject to the following provisions:

1. You recognize that Custodian is entitled to rely on directions from your Representative, and you agree that Custodian shall be under no duty to make an investigation with respect to any instructions received from your Representative. You also recognize that your Representative may choose to communicate investment directions to Custodian via an agent, such as his or her office staff or broker/dealer organization;
2. You are solely responsible for managing the investment of your IRA Account, and for directing your Representative. All instructions, directions, and/or confirmations received by Custodian from your Representative shall be assumed to have been authorized by you;
3. You recognize that such Representative is your agent, and not an agent, employee, or representative of Custodian;
4. You understand that your Representative may be a registered representative of a broker/dealer organization, a financial advisor, or other person that you deem acceptable;
5. You understand that Custodian has not made and will not make any recommendation or investigation with respect to your Representative, nor does Custodian compensate your Representative in any manner;
6. You may remove your Representative and either designate a new Representative or choose not to designate any representative, by written notice to Custodian on a form acceptable to Custodian. However, removal of a Representative will not have the effect of canceling any instruction, direction, or confirmation which has been received by Custodian from the Representative prior to the date that notice of removal is received and processed by Custodian; and
7. You agree to indemnify and hold Custodian harmless from any and all liability or claims, including, but not limited to, damages, court costs, legal fees, and costs of investigation as a result of (i) any loss or diminution of your IRA funds resulting from changes in the market value of such funds; (ii) reliance or action taken in reliance on written or oral instructions received from you or your Representative; (iii) any exercise or failure to exercise investment direction authority by you or by your Representative; (iv) Custodian's refusal on advice of counsel to act in accordance with any exercise of investment direction by you or your Representative; (v) any other act or failure to act by you or your Representative; (vi) any prohibited transaction or plan disqualification due to any actions taken or not taken by Custodian in reliance on directions from you or your Representative; or (vii) any other act Custodian takes in good faith hereunder.

P. CUSTODIAN FEES

A schedule of the Custodian's fees and charges is included with the IRA Application. This schedule may be amended from time to time upon 30 days' written notice to you. Custodian reserves the right to charge additional fees over and above those shown on the fee schedule for extraordinary services or expenses. Examples of extraordinary services include, but are not limited to, stop payment fees, incoming or outgoing wire charges, or checks returned for insufficient funds. You are

responsible for the payment of all fees, expenses or other charges relating to your IRA account. If you do not pay such charges upon billing, or if you make an automatic withdrawal election, the fees, expenses and charges will be withdrawn from the assets of your account. Custodian, upon 30 days written notice, may terminate and distribute your account for non-payment of fees and expenses.

Custodian will perform all sub-accounting, recordkeeping, and interest posting functions (where applicable) for the Custodial NOW account and may receive compensation for these services. Such compensation shall be administrative charges of the type which would be borne directly by the Custodial NOW account and/or or paid to a third-party for similar services, but may exceed the amount Horizon Bank or other depositories would pay to a third-party providing such services. However, no portion of such sub-accounting, recordkeeping, and interest posting compensation paid by Horizon Bank or other depositories to Custodian will be charged to your account.

Q. IRS APPROVAL AS TO FORM

The STRATA Trust Company Roth Individual Retirement Custodial Account Agreement is treated as approved as to form by the Internal Revenue Service since it utilizes precise language of Form 5305-RA currently provided by the Internal Revenue Service, plus additional language permitted by such form. The Internal Revenue Service approval is a determination only as to the form of the account, and does not represent a determination of the merits of the account.

R. SUBSTITUTION OF NON-BANK CUSTODIAN

The non-bank Custodian shall substitute another trustee or custodian if the non-bank Custodian receives Notice from the Commissioner of Internal Revenue that such substitution is required because it has failed to comply with the requirements of Regulations section 1.408-2(e).

S. ADDITIONAL INFORMATION

Additional information regarding Individual Retirement Accounts may be obtained from any district office of the Internal Revenue Service. In particular, you may wish to obtain IRS Publication 590, Individual Retirement Arrangements, by calling the IRS at (800) TAX-FORM or by going to the Internet, www.irs.gov.

Revised 7.15.2017