

Projection Method 1 – The Value of Your IRA Cannot Be Reasonably Projected

You may direct the investment of your funds within this IRA into any investment instrument permitted by STRATA Trust Company ("Custodian"). The Custodian will not exercise any investment discretion regarding your IRA, as this is solely your responsibility.

The value of your IRA will be solely dependent upon the amount of contributions you make to it and the performance of any investment instrument chosen by you to fund your IRA. Therefore, no projection of the growth of your IRA can reasonably be shown, predicted or guaranteed.

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

Investment Options

This is a self-directed custodial IRA, and you choose the investments which will fund your IRA. Your investment choices are limited to investments which are permissible under Internal Revenue Code section 408 and those which are deemed to be administratively feasible by the Custodian. Please refer to Custodian's IRA Fee Schedule for the types of investments it will hold. The Custodian does not offer investment advice or sell investment products.

Fees

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

- Transaction Fees
- Distribution Fees
- Set Up Fees
- Annual Maintenance or Assessment Fees
- Transfer or Reregistration Fees
- Surrender or Termination Fees
- Loss of Earnings or Penalties
- Sales Commissions or Management Fees

There may be certain fees and charges connected with the IRA itself, which include:

- Annual IRA Account Fees
- Annual Asset Maintenance or Holding Fees
- Asset Processing or Transaction Fees
- Transfer or Termination Fees
- Distribution Fees
- Other Service Fees

Please refer to Custodian's current **IRA Fee Schedule** for full disclosure of all fees. Custodian reserves the right to change its fee schedule at any time by providing notice to the accountholder as outlined in the IRA Custodial Account Agreement.

Earnings

The method for computing and allocating the earnings (dividends, interest, etc.) on your IRA investments may be found in the prospectus, contract or similar materials for the investments chosen by you to fund your IRA. This method may vary depending on the provider and type of the investments you have chosen.

Uninvested Cash

STRATA Trust Company ("Custodian") will automatically deposit all undirected, uninvested or idle cash from any source, including but not limited to contributions, transfers, proceeds from asset sales, earnings, distributions and income from assets held in the IRA, into one or more federally-insured bank accounts ("Bank Accounts") selected by Custodian, pending further investment instruction. Such Bank Accounts may include:

- Our affiliate depository bank, Horizon Bank SSB (Austin, Texas) and
- Other depository banks that Custodian identifies as being categorized as "well capitalized" institutions by the Federal Deposit Insurance Corporation ("FDIC").

The deposits at each bank will be insured by the FDIC up to the federal deposit insurance limits (currently \$250,000 per accountholder) and any amount in excess of the established limit will not be insured by the FDIC. Custodian makes no representations or warranties as to the financial status of any depository bank or its ability to satisfy its obligations to the accountholder and that the status of a depository bank as a "well capitalized" bank at any particular time does not mean that it will be so at any time in the future. The names of the depository banks used by Custodian will be provided upon request.

Interest rates are reviewed and adjusted periodically in accordance with market conditions. Interest rates earned on such cash balances are determined at the sole discretion of the Custodian. Interest earned on cash balances 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 deposit(s). The current rate of interest paid by Custodian is fully disclosed on account statements and will be provided upon request.

Custodian is a wholly-owned subsidiary of Horizon Bank, SSB, which is headquartered in Austin, Texas. Custodian reserves the right to require an accountholder to provide 7 days written notice to withdraw funds.

Statements

Custodian will issue quarterly account statements to you electronically, which you can view with your self-enrolled online account access. In addition, the fourth quarter statement will be mailed to you in January. Such statements will reflect the reported value of your account assets, all transactions that have been processed by the Custodian and all fees (if any) that have been charged. Statements will reflect your account activity and investment holdings, including the uninvested cash held in the NOW account.

For any investments which pay or reinvest income/earnings, such transactions may not be reflected on the account statement until the quarter in which the Custodian receives the payment or confirmation from the asset sponsor verifying the transaction and investment position. Please keep this in mind when reviewing your account statement.

Your account statement (and any reported values therein) should not be used as the basis for making, retaining or disposing of an asset.

You should review each account statement carefully and promptly report any discrepancies to the Custodian within 60 days of the ending statement date. If the Custodian does not receive the accountholder's written objections within the stated period, the Custodian shall be relieved of all liability for the report, discrepancy, act or procedure reflected on the statement.

Availability of Funds After Deposit

Any funds received into your IRA account which are made by check may be subject to a seven (7) business day clearing period before funds are available to invest. Using wire transfers, cashier's checks or money orders may help expedite clearance of such funds. Due to the right of revocation, a new account is subject to a seven (7) calendar day waiting period before any funds can be invested.

Valuation Policy

The Custodian seeks to report the value of the assets held in the IRA account as accurately as possible using various outside sources available, on an annual basis (or more frequent as deemed appropriate by the Custodian in its sole discretion). However, the Custodian does not guarantee the accuracy of prices obtained from quotation services, independent appraisal services, investment sponsors or asset issuers, depositories, or any parties related thereto, or other outside sources. The Custodian does not value assets or conduct appraisals of assets and does not seek to verify the prices or values reported to it. The values reported on account statements issued by the Custodian may differ from values listed on related asset sponsor, brokerage or depository statements.

Brokerage accounts: Values for brokerage accounts shall be equal to the total equity value of the asset positions held within the brokerage account, and shall reflect only those assets which are priced by the brokerage firm. Individual asset positions held within the brokerage account will not be listed or priced individually on statements issued by the Custodian.

Precious metals: Values for precious metals shall reflect the spot value which is the current spot price multiplied by the ounces of fine metal contained in the coin or bar. Spot values do not include any mark-ups, mark-downs, premiums or commissions. Spot values should be used as an indication of value only and should not be construed as a firm bid price to buy by any broker or dealer. The actual precious metals type and quantity of a transaction may affect the price received for any given bullion item. Proof coins must be encapsulated in complete, original mint packaging, including certificate of authenticity, and in excellent condition. Non-proof coins must be in Brilliant Uncirculated condition and free from damage. Price indications for specific bullion products may be obtained from various sources including your precious metals broker dealer or on the internet at sites such as www.BullionValues.org.

Equity investments: Values for public or private equity assets, such as limited partnerships, limited liability companies, or private stock, are generally reported at their offering price to investors. The Custodian requests an updated value, which is compliant with Revenue Ruling 59-60, from such persons as asset sponsors, general partners or managing members of private limited partnership or limited liability company interests, and officers of private corporations, on an annual basis (or more frequent as deemed appropriate by the Custodian in its sole discretion).

In the absence of direction from the Secretary of the Treasurer or his authorized representative to the contrary, the value of illiquid assets shall be reported as a good faith estimate determined by the investment sponsor or other source chosen by the accountholder which is deemed acceptable by the Custodian in its sole discretion.

If the investment sponsor is unwilling or unable to provide a fair market value which is compliant with Revenue Ruling 59-60, then Custodian may list the value of the illiquid asset at its original acquisition cost or carry forward the last known value. Custodian may reflect a valuation of zero if assets are reported by the investment sponsor (or other source) as having no market value, if the investment sponsor is in bankruptcy, or if other relevant conditions exist. In addition, Custodian may require the accountholder to obtain and provide an independent valuation which is compliant with Revenue Ruling 59-60. If accountholder fails to provide the Custodian with the updated independent valuation within a reasonable amount of time, the Custodian may distribute the asset in-kind to the accountholder upon thirty (30) days' notice.

Debt investments: Values for public or private debt assets, such as promissory notes, mortgages/trust deeds, private corporate debt offerings and other debt investments may reflect values based on acquisition cost, the face value shown on the original note or debt instrument, or, if the debt investment is subject to an amortization schedule, the value reflected may be the amortized value. Custodian may reflect a valuation of zero if debt assets are reported as having no market value, if the debtor or investment sponsor is in bankruptcy, or if other relevant condition exists. For any debt investment in default, the Custodian may require the accountholder to obtain and provide an independent valuation which is compliant with Revenue Ruling 59-60. If accountholder fails to provide the Custodian with the updated independent valuation within a reasonable amount of time, the Custodian may distribute the asset in-kind to the accountholder upon thirty

(30) days' notice.

Real estate: Values for real property directly owned by the account are initially reported at cost at the time of the real estate acquisition. The Custodian will require the accountholder to obtain either an updated real estate appraisal or a broker's price opinion (on a form acceptable to the Custodian) on an annual basis (or more frequent as deemed appropriate by the Custodian in its sole discretion). The Custodian will use the appraisal or opinion value to report the value of the account, including annual reports the Custodian files with the Internal Revenue Service. The Custodian shall have no responsibility for the accuracy of any values or opinions provided. The Custodian will require the accountholder to obtain such appraisals or broker's price opinions which are performed and prepared by an unrelated third party real estate professional in the form of a real estate appraisal or a broker's price opinion that is compliant with Revenue Ruling 59-60. If accountholder fails to provide the Custodian with the updated appraisal value or broker's price opinion within a reasonable amount of time, the Custodian may distribute the asset in-kind to the accountholder upon thirty (30) days' notice.

For any investment that is not publicly tradable on a securities exchange, the Custodian shall seek a valuation of such asset from the asset sponsor/issuer annually (or more frequent as deemed appropriate by the Custodian in its sole discretion). If a value is not received within a reasonable amount of time, then, upon notice from the Custodian, it is the duty of the accountholder to provide the Custodian with the fair market value or good faith estimate of the investment (which is compliant with Revenue Ruling 59-60) either from the investment sponsor or from an independent valuation service of the accountholder's choice, provided such valuation service is acceptable to the Custodian. If the accountholder fails to do so, the Custodian shall be authorized, entitled and directed to distribute such investment to the accountholder, in-kind, at fair market value, which may be original acquisition cost or the last known value, upon thirty (30) days' notice to the accountholder. The Custodian reserves the right to resolve differences in values in any manner it deems appropriate.

Valuation or other information reported by the Custodian should not be used as a basis for making, retaining or disposing of any asset. Please refer to reports or other information provided by brokers, general or managing member partners, corporate officers or other asset sponsors (or contact these sources directly) with regard to the current operation and status of any chosen asset(s). The frequency with which the Custodian updates prices depends upon the asset type and the frequency with which asset sponsors provide updated valuation information. This means that a price might be updated monthly, quarterly, semiannually, annually or on the specific date the updated valuation information was received. This may also mean that, while the number of shares or other information regarding an asset has been updated, the price may not have been updated.