

IRA Express, Inc.

Self-Directed Retirement Plan Administration



SEP IRA

New Account Forms

IRA Express, Inc.
PO Box 9
Cedar City, UT 84721

Phone: 888-328-8008
Fax: 435-867-1042
Email: ira.admin@iraxp.com
Web: www.iraxp.com



SEP IRA Account Opening Instructions

PO Box 9
Cedar City, UT 84721
Phone: 435-867-8008
Fax: 435-867-1042

Welcome to IRA Express!

Account Opening Instructions

Step 1 Complete the IRA Express Account Application	<input type="checkbox"/> Complete and print the new account application. After you review it for accuracy, sign, date, and deliver the application to IRA Express.
Step 2 Complete the Fee Schedule	<input type="checkbox"/> Choose the annual fee option that best fits your situation. Choose to have your fees based on either the number of assets owned in your account, or on the value of your assets. <input type="checkbox"/> Look at other fees that may apply to your account and contact IRA Express if you have any questions. <input type="checkbox"/> Sign and return the Fee Schedule with your account application.
Step 3 Fund Your Account	<input type="checkbox"/> Transfer Form: Complete this form to transfer funds from an IRA you have with another custodian. If you would like to transfer funds from more than one IRA, fill out a separate form for each account. Each transfer form must be accompanied with a copy of your current custodian's IRA statement. <input type="checkbox"/> Contact your current Trustee/Custodian to inquire if a Medallion Signature Guarantee is required. If required, one should be obtained from an authorized member of the Securities Transfer Agents Medallion Program (STAMP). Check with your local bank or broker/dealer to see if they offer this service. Note: a Notary Public is not acceptable. <input type="checkbox"/> If you are transferring a Brokerage IRA and wish to transfer as cash, you will need to liquidate the appropriate assets prior to completing and submitting the Account Transfer Form. <input type="checkbox"/> Rollover/Direct Rollover Certification Form: Complete this form if you take a distribution from your previous IRA custodian or if you are directly rolling assets over to your IRA from an employer plan. To avoid taxes or penalties, make sure the rollover is done within 60 days from the time you take a distribution. <input type="checkbox"/> Deposit Coupon: Complete this form to fund your account with an annual contribution.
Step 4 Provide a copy of your Photo ID	<input type="checkbox"/> Make sure the copy of your non-expired ID is clear and legible. If your signature is on the back of the ID, include a copy of the front and back. <input type="checkbox"/> Compare the signature on your valid ID to the signature on your application to ensure that it matches. <input type="checkbox"/> If the address on your ID is not current, attach a copy of a current utility bill.
Step 5 SEP IRA Account Agreement & Disclosure	<input type="checkbox"/> The SEP IRA Account Agreement and Disclosure: <ul style="list-style-type: none">• Defines employee eligibility, contributions and other requirements and provisions for establishing a SEP IRA plan• Defines the terms and conditions of a SEP IRA account as well as acceptable and prohibited transactions, your rights, and the process of making contributions and distributions.• Employers must download and complete the last page of the SEP Account Agreement and Disclosure. This disclosure contains a mandatory application and instructions for employers establishing a SEP IRA plan as well as information for employees. Please read and retain this document as it contains important information pertaining to your account. You must receive and read this disclosure in order to open an account.



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Step 6 Optional Documents

The documents below are optional and are not required; however, they may be useful when managing your account. To obtain copies of these forms, please contact IRA Express, or visit www.iraxp.com.

- ☐ Interested Party Designation Form: Complete this form to allow a designated individual to obtain your account information.
- ☐ Limited Power of Attorney: Complete this form to allow a designated individual to conduct transactions within your account, with the exception of closing the account or directing distributions and transfers.
- ☐ Deposit Coupon: Use this form if making a contribution to your account or to provide documentation for other deposits received by your IRA.
- ☐ Wire Instructions Form: Complete this form for outgoing wires.

Send the original account application paperwork, a copy of your photo identification, and a check for the account set-up fee to:

IRA Express, Inc.
PO Box 9
Cedar City, Utah 84721-0009

- When your account is established you will receive a welcome letter in the mail containing your account number.
- Account Transfers usually require 2 to 4 weeks to complete. Please contact your current custodian to expedite an account transfer.
- To initiate a Direct Rollover from an employer sponsored plan you will need to contact your plan administrator.

Please contact IRA Express at 888-328-8008 if you have any questions or need assistance with the account opening process.

Thank you for considering IRA Express for your self-directed retirement needs. We look forward to serving you!



Account Application

Traditional, Roth, SEP, & SIMPLE

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Part 1 Account Owner Information

<input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms.	LEGAL NAME (Last, First, Middle)										Account Number INTERNAL USE ONLY	
SOCIAL SECURITY NUMBER												
DATE OF BIRTH			OCCUPATION						TITLE			
LEGAL ADDRESS (Cannot be a PO Box)										PHONE		
CITY		COUNTY			STATE			ZIP		CELL		
MAILING ADDRESS <input type="checkbox"/> SAME AS ABOVE										FAX		
CITY		COUNTY			STATE			ZIP		EMAIL		

Check the Appropriate Box to Indicate Your Marital Status

<input type="checkbox"/> SINGLE	<input type="checkbox"/> MARRIED	<input type="checkbox"/> WIDOWED OR DIVORCED
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Part 2 Referral Source

How did you hear about us?

<input type="checkbox"/> INTERNET SEARCH	<input type="checkbox"/> IRA EXPRESS EMAIL	<input type="checkbox"/> PUBLIC MARKETING EVENT	<input type="checkbox"/> SOCIAL MEDIA	<input type="checkbox"/> PRESS RELEASE	<input type="checkbox"/> OTHER: _____
<input type="checkbox"/> CLIENT REFERRAL (ENTER NAME)					
<input type="checkbox"/> BUSINESS ASSOCIATE REFERRAL (ENTER NAME)				<input type="checkbox"/> PROMOTIONAL CODE: _____	

Part 3 New Account Information

Choose the type of account you would like to open

<input type="checkbox"/> TRADITIONAL IRA <input type="checkbox"/> ROTH IRA	<input type="checkbox"/> SEP IRA <i>Please attach the last page of the IRA Express SEP IRA Agreement and Disclosure</i> Employer Name: _____	<input type="checkbox"/> SIMPLE IRA <i>Please attach the last page of the IRA Express SIMPLE IRA Agreement and Disclosure</i> Employer Name: _____	<input type="checkbox"/> BENEFICIARY IRA <i>Account will be titled: Your Name, b/o Deceased Name</i> Original IRA Holder's Name: _____
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Part 4 Account Notifications & Options

Would you like to have online access to your account statements? <input type="checkbox"/> Yes (Account statements will be mailed annually) <input type="checkbox"/> No	Would you like to receive email notifications regarding changes to your account? <input type="checkbox"/> Yes <input type="checkbox"/> No
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Part 5 Funding Information

How will you be funding your account?

<input type="checkbox"/> Annual Contribution \$ _____ Year: _____	<input type="checkbox"/> IRA Transfer Transfer from an existing IRA or Employer Sponsored Plan. \$ _____	<input type="checkbox"/> Rollover Take receipt of the assets for up to 60 days before reinvesting in a new retirement plan. \$ _____	<input type="checkbox"/> Direct Rollover Rollover from an Employer Sponsored Plan \$ _____
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Part 6 Beneficiary Information *(If needed, please use a Beneficiary Designation Form to add more beneficiaries.)*

I designate the following person(s) named below as my Primary and/or Contingent Beneficiaries of my plan. If the Primary or Contingent box is not checked for a beneficiary, the beneficiary will be deemed to be a Primary Beneficiary. In the event of my death, the balance in the account shall be paid to the Primary Beneficiaries who survive me in equal shares (or in the specified shares, as indicated). If none of the Primary Beneficiaries survive me, the balance in the account shall be paid to the Contingent Beneficiaries who survive me in equal shares (or in the specified shares, as indicated). If any Primary or Contingent Beneficiary does not survive me, such beneficiary's interest and the interest of such beneficiary's heirs shall terminate completely, and the share for any remaining Primary or Contingent Beneficiary shall be increased on a pro rata basis. If no Primary or Contingent Beneficiary survives me, the remaining balance in the account shall be distributed in accordance with the plan provisions to my estate.

If I named a Beneficiary which is a Trust, I understand that I must supply a copy or abstract of the Trust.

1. <input type="checkbox"/> PRIMARY <input type="checkbox"/> CONTINGENT		
NAME		SOCIAL SECURITY NUMBER
ADDRESS	CITY, STATE, ZIP	RELATIONSHIP
DATE OF BIRTH	SHARE %	
2. <input type="checkbox"/> PRIMARY <input type="checkbox"/> CONTINGENT		
NAME		SOCIAL SECURITY NUMBER
ADDRESS	CITY, STATE, ZIP	RELATIONSHIP
DATE OF BIRTH	SHARE %	
3. <input type="checkbox"/> PRIMARY <input type="checkbox"/> CONTINGENT		
NAME		SOCIAL SECURITY NUMBER
ADDRESS	CITY, STATE, ZIP	RELATIONSHIP
DATE OF BIRTH	SHARE %	

PART 7 SPOUSAL CONSENT *(Only required if your spouse is not named the primary beneficiary)*

The consent of spouse must be signed only if all of the following conditions are present:

- A. Your spouse is not the sole primary beneficiary named and;
- B. You and your spouse are residents of a community property state (such as AZ, CA, ID, NV, MN, TX, WA, or WI)

I am the spouse of the account holder listed above. I hereby certify that I have reviewed the Designation of Beneficiary Form and I understand that I have a legal interest in the account. I hereby acknowledge and consent to the above Designation of Beneficiary other than, or in addition to, myself as primary beneficiary. I further acknowledge that I am waiving part or all of my rights to receive benefits under this plan when my spouse dies.

I, _____, hereby consent to the above Beneficiary designation.

Spouse Signature _____ Date _____



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PART 8 Appointment of Custodian, Investment Direction, and Important Disclosures

Your signature is required. Please read before signing.

The account holder shown on the front of this application must read this agreement carefully and sign and date this part. By signing this application, you acknowledge the following:

Appointment. I appoint the institution as shown on the account agreement, provided separately, as the Custodian of my Account ("Custodian"), and understand that the Custodial Account Agreement and my Application comprise my agreement with the Administrator and Custodian as defined in the account agreement. The Administrator may change custodians to any institution permitted by law or by the undersigned. Written direction shall be construed so as to include facsimile signature. The account is established for the exclusive benefit of the Account holder or his/her beneficiaries.

Adequate Information. I acknowledge that I have received a copy of the Plan Agreement, Disclosure Statement and appropriate Financial/Fee Disclosures. I understand that the terms and conditions, which apply to this Account, and are contained in these documents. I agree to be bound by those terms and conditions. If this is an IRA, I understand that within seven (7) days from the date that I submit this paperwork to the Administrator, I may revoke it without penalty by mailing or delivering a written notice to the Administrator.

Responsibility for Tax Consequences. I assume all responsibility for any tax consequences and penalties that may result from making contributions to, transactions with, and distributions from my Account. I am authorized and of legal age to establish this Account and make investment purchases permitted under the Plan Agreement offered by the Custodian. I assume complete responsibility for: 1) Determining that I am eligible for an Account transaction that I direct the custodian to make on my behalf; 2) Insuring that all contributions I make are within the limits set forth by the tax laws; 3) The tax consequences of any contribution (including rollover contributions and distributions).

I certify under penalties of perjury:

1) that I have provided you with my correct Social Security or Tax I.D. Number; and 2) that I am not subject to backup withholding because: a) I am exempt from backup withholding; or b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends; or c) the IRS has notified me that I am no longer subject to backup withholding. You must cross out item 2 if you have been notified by the IRS that you are currently subject to backup withholding because of under reporting interest or dividends on your tax return.

Except as described above, we will not release information about you to others unless you or a representative whom you have authorized in writing have consented or asked us to do so, or we are required by law or other regulatory authority.

The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

Until such time as I change or revoke the designation, I hereby instruct the Custodian to follow the investment directions which I provide to Administrator in investing and reinvesting the principal and interest, as confirmed by direction letters to Administrator from the undersigned, for the above-referenced Account or other Custodial account for which Administrator serves as record keeper. You are authorized to accept written direction and/or verbal direction which is subsequently confirmed in writing by the authorized party, Administrator, or by the undersigned. Written direction shall be construed so as to include facsimile signature.

The account is established for the exclusive benefit of the Account holder or his/her beneficiaries. In taking action based on this authorization Custodian and Administrator may act solely on the written instruction, designation or representation of the Account holder. I expressly certify that I take complete responsibility for the type of investment instrument(s) with which I choose to fund my Account. I agree to release, indemnify, defend and hold the Administrator and/or Custodian harmless from any claims, including, but not limited to, actions, liabilities, losses, penalties, fines and/or third party claims, arising out of my account and/or in connection with any action taken in reliance upon my written instructions,

designations and representations, or in the exercise of any right, power or duty of Custodian and/or Administrator, its agents or assigns. Custodian and/or Administrator may deduct from the account any amounts to which they are entitled to the reimbursement under the foregoing hold harmless provision. Custodian and/or Administrator have no responsibility or fiduciary role whatever related to or in connection with the account in taking any action related to any purchase, sale or exchange instructed by the undersigned or the undersigned's agents, including but not limited to suitability, compliance with any state or federal law or regulation, income or expense, or preservation of capital or income.

In the event of claims by others related to my account and/or investment wherein Administrator and/or Custodian is named as a party, Administrator and/or Custodian shall have the full and unequivocal right at their sole discretion to select their own attorneys to represent them in such litigation and deduct from my account any amounts to pay for any costs and expenses, including, but not limited to, all attorneys' fees, and costs and internal costs (collectively "Litigation Costs"), incurred by Administrator and/or Custodian in the defense of such claims and/or litigation. If there are insufficient funds in my account to cover the Litigation Costs incurred by Administrator and/or Custodian, on demand by Administrator and/or Custodian, I will promptly reimburse Administrator and/or Custodian the outstanding balance of the Litigation Costs. If I fail to promptly reimburse the Litigation Costs, Administrator and/or Custodian shall have the full and unequivocal right to freeze my assets, liquidate my assets, and/or initiate legal action in order to obtain full reimbursement of the Litigation Costs. I also understand and agree that the Administrator and/or Custodian will not be responsible to take any action should there be any default with regard to this investment. I understand that no one at the Administrator and/or Custodian has authority to agree to anything different than my foregoing understandings of the Administrator's and/or Custodian's policy. For purposes of this disclosure, the terms Administrator and Custodian include IRA Express, Inc., its agents, assigns, joint ventures, affiliates and/or business associates.

In executing transfers, it is understood and agreed that I will not hold Custodian and/or Administrator liable or responsible for anything done or omitted in the administration, custody or investments of the account prior to the date they shall complete their respective acceptance as successor Custodian and Administrator and shall be in possession of all of the assets, nor shall they have any duty or responsibility to inquire into or take any action with respect to any acts performed by the prior Custodian or Administrator.

If any provision of this Application is found to be illegal, invalid, void or unenforceable, such provision shall be severed and such illegality or invalidity shall not affect the remaining provisions, which shall remain in full force and effect.

Not Responsible for Market Condition Variances: I understand that I have agreed and instructed the Custodian to follow the investment directions which I provide to Administrator in investing the principal, as confirmed by written direction letters or instructions to Administrator from the undersigned for the above-referenced Account or other Custodial account for which Administrator serves as record keeper. I further understand that some transactions that I may direct or instruct Administrator to complete, especially commodities such as precious metals, that may be dependent upon the operation of global markets and entities, there could be fluctuations in price and condition of said investments from the time that I issue a direction letter to Administrator and the time when the transaction can actually be completed and recorded in my Account. I hereby agree to release, indemnify, defend and hold Administrator and Custodian harmless from any claims regarding the fluctuation in prices and/or conditions of any transaction I direct or instruct Administrator to make on my behalf. I further agree to waive any claims that I may have, past, present or future, known or unknown, anticipated or unanticipated, with respect to the fluctuation or change in the price or condition of any investment that I direct or instruct Administrator to make from the time I deliver my direction or instruction letter to Administrator until the time the transaction is actually completed and recorded to my Account.



Account Application

Traditional, Roth, SEP, & SIMPLE

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PART 8 Appointment of Custodian, Investment Direction, and Important Disclosures *(Continued)*

I understand that this hold harmless and release shall apply equally to the Administrator and Custodian.

Important Information for Opening a New Account. To comply with the USA PATRIOT ACT, we have adopted a Customer Identification Program. All new accounts must provide a copy of an unexpired, photo-bearing, government- issued identification (e.g., driver license or passport). The copy must be readable so we can verify the client's name, driver's license number, etc.

Our Privacy Policy. You have chosen to do business with the Custodian and Administrator named on this application. As our client, the privacy of your personal non-public information is very important. We value our customer relationships and we want you to understand the protections we provide in regard to your accounts with us.

Information We May Collect. We collect non-public personal information about you from the following sources to conduct business with you:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, or others;

Non-public personal information is non-public information about you that we may obtain in connection with providing financial products or services to you. This could include information you give us from account applications, account balances, and account history.

Information We May Share. We do not sell or disclose any non-public information about you to anyone, except as permitted by law or as specifically authorized by you. We do not share non-public personal information with our affiliates or other providers without prior approval by you. Federal law allows us to share information with providers that process and service your accounts. All providers of services in connection with the custodian and administrator have agreed to the custodian and administrator's confidentiality and security policies. If you decide to close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.

Confidentiality and Security. We restrict access to non-public personal information to those employees who need to know that information to provide products and services to you. We maintain physical, electronic, and procedural guidelines that comply with federal standards to guard your non-public personal information. The Administrator reserves the right to revise this notice and will notify you of any changes in advance.

If you have any questions regarding this policy or the other information and disclosures listed previously, please contact us at the address and or telephone number listed on this application

PART 9 Account Owner Signature and Acknowledgement

I acknowledge receipt of a Fee Disclosure and receipt of the Account Agreement and Disclosure Statement and agree to abide by their terms as currently in effect or as they may be amended from time to time. I understand that failure to submit a signed Fee Disclosure will result in fees "based on value of assets" (See "Fee Disclosures.").

The Custodian has delegated certain Custodial Account recordkeeping and administrative functions to IRA Express, Inc., a Utah Corporation, as the Administrator of your self-directed retirement account.

I understand that I may change or add beneficiaries at any time by completing and delivering the Beneficiary Form to the Administrator.

I declare that I have examined this document, including accompanying information, and to the best of my knowledge and belief, it is true, correct, and complete. I acknowledge I have read the fee disclosure, the account agreement and account disclosure statement and agree to abide by their terms as currently in effect or as they may be amended from time to time. If you would like to give permission to another individual to access your account information (such as your spouse or other individual), you will need to complete the Limited Power of Attorney form or Interested Party Designation form. PLEASE PRINT, SIGN AND SUBMIT THIS FORM TO IRA EXPRESS.

SIGNATURE	DATE
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General Fee Schedule

Traditional, Roth, SEP, & SIMPLE

PO Box 9
Cedar City, UT 84721
Phone: 888-328-8008
Fax: 435-867-1042

Part 1 Account Owner Information

NAME (as it appears on your account application)	ACCOUNT NUMBER	ACCOUNT TYPE			
		<input type="checkbox"/> TRADITIONAL IRA	<input type="checkbox"/> ROTH IRA	<input type="checkbox"/> SEP IRA	<input type="checkbox"/> SIMPLE IRA
EMAIL ADDRESS		DAYTIME PHONE NUMBER			

Part 2 Choose Your Annual Fee Option*

☐ **OPTION 1: Based on Number of Assets: \$295 Per Asset**

\$295 per asset and/or liability, per year, paid at the time of acquisition. For example, 1 investment is \$295 per year, 3 investments are \$885 per year.

☐ **OPTION 2: Based on Total Account Value** (Minimum of \$195 per year, Maximum of \$1,975 per year)**

If the account value is between:	Multiply value by:	Incremental fee increase per tier:
\$0 and \$20,000	0.00975	\$195
\$20,001 and \$80,000	0.0065	\$390
\$80,001 and \$180,000	0.0045	\$450
\$180,001 and \$300,000	0.0035	\$420
\$300,001 and \$500,000	0.0020	\$400
\$500,001 and up	0.0015	Variable

*Annual Record Keeping fees are paid in full at the time of account establishment or asset acquisition and then divided into four quarterly payments each following year due January 1st, April 1st, July 1st, and October 1st
**Fees under Option 2: Based on Total Account Value are charged on an incremental basis. For example, if your account value is \$350,000 your annual fee will be \$1,555 (\$195 + \$390 + \$450 + \$420 + (\$50,000*0.0020).

Part 3 Other Administrative & Transaction Fees

Account Establishment Fee (one-time fee, per account)	\$50
Purchase, sale, exchange, or additional funding per non real estate asset	\$95
Purchase, sale, or exchange of Real Estate asset	\$125
Cashiers or other official bank check	\$30
Returned items of any kind and stop payments, per item	\$30
Checks issued from your account or bills paid from your account, per item	\$5
Roth Conversion of Account or Recharacterization	\$50
Overnight mail delivery	\$30
Wire transfers, incoming and outgoing	\$25
Rush Fees for expedited transaction processing or services within the same or next day	\$150 per request
Special Services, such as research of closed assets or accounts, legal research, or special handling of transactions	\$150 per hour
Re-registration of assets	\$100, plus actual expense of transfer agents when applicable
Partial or Full Termination, including transfers of assets from your account to anyone, is 0.50% of the asset value of the amount transferred, plus sale transaction charges for each asset. This includes lump sum distributions, but does not include required minimum distributions. Minimum fee for this service is \$150 and maximum fee for this service is \$350. Annual Administration and Record Keeping Fees are not prorated when an account closes.	



General Fee Schedule

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Part 4 Payment of Fees

How would you like to pay your account fees?

\$50 Account Establishment Fee	<input type="checkbox"/> PAY BY CREDIT CARD	<input type="checkbox"/> CHECK ENCLOSED PAYABLE TO IRA EXPRESS, INC.
Record Keeping and Administrative Fees	<input type="checkbox"/> PAY BY CREDIT CARD	<input type="checkbox"/> DEDUCT FEES FROM MY IRA EXPRESS ACCOUNT

Part 5 Credit Card Information

Please complete this section if you would like to pay your fees by credit card.

CARD TYPE (choose one):				<input type="checkbox"/> VISA	<input type="checkbox"/> MASTER CARD	<input type="checkbox"/> AMERICAN EXPRESS	<input type="checkbox"/> DISCOVER
NAME AS IT APPEARS ON YOUR CARD		CARD NUMBER			SECURITY CODE		
EXPIRATION DATE				BILLING ADDRESS			
CITY, STATE, ZIP							
By signing below, you authorize your credit card to be charged for the option(s) chosen above. Your request will be processed upon receipt of this form. You understand that inaccurate or incomplete credit card information or charges declined by the credit card issuer will delay the processing of the account transaction. Future changes to the option made above must be submitted in writing.							
SIGNATURE					DATE		

Part 6 Signature

If no preference indicated, fees will be debited from your IRA Express Account. Annual Recordkeeping and Administration Fees (using Option One or Option Two, as selected above) are charged for all or any portion of each year during which the account is in existence. If you do not choose a fee option (Option One or Option Two, as selected above) Annual Record Keeping and Administration Fees will be billed according to "Option Two - Based on Total Account Value". If you terminate your account during a year, you will still owe the annual fee for that entire year. These fees are charged on the basis of the year beginning on the date when your account is established, and each anniversary of that date. Annual record keeping fees are not pro-rated when an account closes.

Custodial Administration Fee: We receive a fee equal to the income generated from undirected cash held by the custodian in a deposit or product of an FDIC insured institution, if any. The custodian of your account is entitled to this fee under the section titled "Custodian's Fees and Expenses" of your IRA Custodial Account Agreement (reference Section 8.07 if you have a Traditional IRA), and has assigned this fee to IRA Express for services relating to the investment of undirected cash.

Termination: If you incur a termination of your account, we will charge a termination fee of 0.50% of your account value to a minimum of \$150 and a maximum of \$350, plus the applicable transaction fee (non-real estate or real estate, as applicable) for each asset that is sold. A transfer of assets from your Account to a third party, including to another individual retirement account for your benefit, is considered a termination for purposes of the imposition of this fee. A lump sum distribution is considered a termination for purposes of the imposition of this fee. However, a distribution after your attainment of age 70-1/2 or disability or death is not considered a termination, and is not subject to the termination fee.

Collection of Fees and Charges: Account fees and charges, as described above, are charged in advance or in connection with the applicable services and events, and are at no time refundable. We generally bill and collect fees and charges quarterly, based on your account establishment date. These fees and charges are normally withdrawn from your undirected cash funds balance, unless they have been actually paid directly by you.

Late payment fees: The lesser of 1.5% per month (18% annum) or the maximum allowable under applicable law. If there is insufficient undirected cash in your account, we will liquidate other assets to pay for such fees and charges, after giving you 30 days' notice of our intention to do so. Reregistration of assets plus expense of transfer agents when applicable is \$100. IRA Express, Inc. shall have no liability for any adverse tax or other financial consequences as a result of applying account cash and liquidating other account assets to cover the fees and charges. IRA Express, Inc. reserves the right to sell any past due receivables to a collection and credit reporting agency.

In accordance with your Account Application, this Fee Schedule is part of your Agreement with the Administrator and must accompany your Application.

PRINT NAME:	
SIGNATURE	DATE



Account Transfer Form

PO Box 9
Cedar City, UT 84721
Phone: 888-328-8008
Fax: 435-867-1042

Part 1 Account Owner Information

NAME (as it appears on your account application)	IRA EXPRESS ACCOUNT NUMBER	SOCIAL SECURITY NUMBER
EMAIL ADDRESS		DAYTIME PHONE NUMBER

Part 2 Account Information and Compatibility

You must transfer to a compatible type of an account. Please contact IRA Express if you have questions regarding account compatibility.

Account Type Being Transferred	Transferring to IRA Express Account Type
<input type="checkbox"/> Traditional IRA <input type="checkbox"/> SEP IRA <input type="checkbox"/> Beneficiary IRA <input type="checkbox"/> Roth IRA <input type="checkbox"/> SIMPLE IRA	<input type="checkbox"/> Traditional IRA <input type="checkbox"/> SEP IRA <input type="checkbox"/> Beneficiary IRA <input type="checkbox"/> Roth IRA <input type="checkbox"/> SIMPLE IRA

Part 3 Current Custodian Information

Please include a copy of your current statement for the account that is being transferred.

CUSTODIAN NAME		ACCOUNT NUMBER
ESTIMATED TRANSFER VALUE	ADDRESS	CITY, STATE, ZIP
PHONE	FAX	CONTACT PERSON

Part 4 Transfer Instructions

- If you would like to transfer your full account as cash please contact your current Trustee/Custodian to initiate the liquidation process.
- The term "liquidate all assets and transfer proceeds" will result in all assets being sold and the cash proceeds being forwarded to IRA Express.
- A transfer "in-kind" refers to the re-registration of physical assets from the prior Trustee/Custodian's name to IRA Express.
- If you are only performing a partial transfer to your IRA Express account please list all assets to be liquidated or transferred in-kind in the spaces provided and mark the appropriate box.
- Please include a copy of a recent statement (dated within 6 months) from your current Trustee/Custodian.

Type of Transfer: (check one)

<input type="checkbox"/> FULL TRANSFER <i>Please Liquidate all assets and transfer the proceeds to IRA Express, Inc. as agent for Custodian for the benefit of [Client's Name and IRA Number].</i>	<input type="checkbox"/> TRANSFER ALL ASSETS IN-KIND <i>Please transfer all assets in-kind to IRA Express, Inc. as agent for Custodian for the benefit of [Client's Name and IRA Number].</i>	<input type="checkbox"/> PARTIAL TRANSFER <i>Please transfer the following assets described below to IRA Express, Inc. as agent for Custodian for the benefit of [Client's Name and IRA Number].</i>
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PARTIAL TRANSFERS ONLY Description of Assets (cash, real estate, LLC, etc.)	QUANTITY (All, # of shares, or Value)	INSTRUCTIONS (Please check on box per asset)
1.		<input type="checkbox"/> CASH ONLY
2.		<input type="checkbox"/> LIQUIDATE or <input type="checkbox"/> IN-KIND
3.		<input type="checkbox"/> LIQUIDATE or <input type="checkbox"/> IN-KIND
4.		<input type="checkbox"/> LIQUIDATE or <input type="checkbox"/> IN-KIND
5.		<input type="checkbox"/> LIQUIDATE or <input type="checkbox"/> IN-KIND

Part 5 Delivery Instructions

How would you like your current trustee/custodian to deliver your assets to IRA Express?

<input type="checkbox"/> INCOMING WIRE TRANSFER	<input type="checkbox"/> BY CHECK MAILED TO IRA EXPRESS
---	---



Account Transfer Form

PO Box 9
74 North Main Street
Cedar City, UT 84721
Phone: 888-328-8008
Fax: 435-867-1042

Part 6 Account Owner Signature and Acknowledgement

1. I hereby agree to the terms and conditions set forth in this Account Asset Transfer Authorization and acknowledge having established an IRA Express self-directed account.
2. I understand the rules and conditions applicable to an Account Transfer. I understand that it is my responsibility to contact my current financial institution to determine whether a medallion guarantee is required. If a medallion guarantee is required, it is my responsibility to take this Form to my bank or credit union for a medallion guarantee. (Failure to obtain a medallion guarantee could result in delays and/or rejection of this request by your current financial institution)
3. I qualify for the account transfer of assets listed in Part 4 and authorize such transactions.
4. I understand that no one at IRA Express has authority to agree to anything different than my foregoing understandings of IRA Express policy.

Medallion Signature Guarantee Stamp

SIGNATURE

DATE

FOR OFFICE USE ONLY - Acceptance of Receiving Custodian

Pursuant to a limited written delegation, the Custodian has authorized IRA Express, Inc. to serve as the Administrator for the Custodian and to sign this form on the Custodian's behalf. The Custodian ASSUMES NO INVESTMENT CONTROL OVER CLIENT FUNDS AND ACTS ONLY AS A CUSTODIAN FOR CLIENT FUNDS. The Custodian assumes no investment management or investment fiduciary obligations.

IRA Express, Inc., as agent for Custodian, Mainstar Trust:

AUTHORIZED SIGNATURE, IRA EXPRESS, INC.: _____ DATE: _____

Regular Mail Delivery Address	Overnight Mail Delivery Address	Incoming Wire Transfer Information
IRA Express, Inc. as Agent for Custodian FBO [Account Holder Name and Account #] PO BOX 9 CEDAR CITY, UTAH 84721	IRA Express, Inc. as Agent for Custodian FBO [Account Holder Name and Account #] 2975 W. EXECUTIVE PKWY, #199-122 LEHI, UTAH 84043	PLEASE REFERENCE THE ENCLOSED WIRING INSTRUCTIONS



Rollover/Direct Rollover Certification Form

PO Box 9
Cedar City, UT 84721
Phone: 888-328-8008
Fax: 435-867-1042

Part 1 Account Owner Information

NAME (as it appears in your plan)		IRA EXPRESS ACCOUNT NUMBER
SOCIAL SECURITY NUMBER	PHONE	LEGAL ADDRESS
CITY, STATE, ZIP		

Part 2 Previous Custodian's Information

☐ Please check here if your rollover is from your IRA Express account mentioned above.

CUSTODIAN NAME		PREVIOUS CUSTODIAN'S ACCOUNT NUMBER
CONTACT NAME	PHONE	ADDRESS
CITY, STATE, ZIP		

Part 3 Indicate the type of plan you are rolling over from

☐ Traditional ☐ Roth ☐ SEP ☐ SIMPLE ☐ OTHER (PS, MP, DB, 401(k), 457) _____

Part 4 Verify that you are eligible to perform this transaction (select one)

I am an eligible person to perform this transaction:				
<input type="checkbox"/> PLAN PARTICIPANT	<input type="checkbox"/> SPOUSE BENEFICIARY OF ACCOUNT	<input type="checkbox"/> NON-SPOUSE BENEFICIARY OF ACCOUNT	<input type="checkbox"/> EX-SPOUSE OF ACCOUNT DUE TO DIVORCE OR LEGAL SEPARATION	<input type="checkbox"/> RESPONSIBLE INDIVIDUAL

Part 5 Type of asset(s) to be rolled over

To rollover CASH, please follow the instructions below and contact our office if you are in need of wiring instructions	
Amount: \$	Please make checks payable to: IRA Express, Inc. as agent for Custodian FBO (Your Name & IRA Number)

To rollover INVESTMENTS (private stock, real estate, LLCs, notes, etc.), please complete the asset description below and contact us regarding the re-registration of your investment.

Asset Description	Value
Total Value:	
<input type="checkbox"/> DELIVERY INSTRUCTIONS ARE ATTACHED	<input type="checkbox"/> CURRENT STATEMENT IS ATTACHED



Rollover/Direct Rollover Certification Form

PO Box 9
Cedar City, UT 84721
Phone: 888-328-8008
Fax: 435-867-1042

Part 6 Account Owner Signature and Acknowledgement

Please note: Your current plan may require additional documentation. Most employer sponsored plans (PS, MP, DB, 401(k), 457 plans) require direct rollover paperwork to be filled out internally before allowing a rollover from their employer sponsored plan. Please contact the plan administrator of your plan for more information.

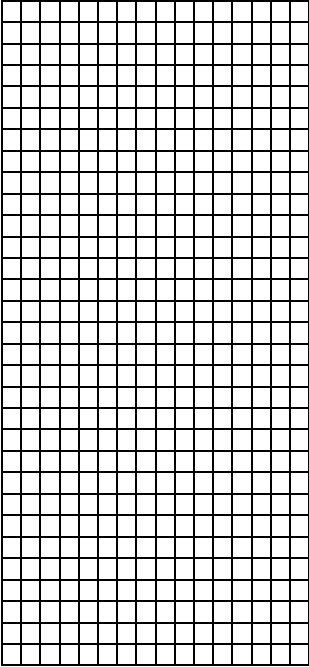
Please read the following statement carefully.

I hereby agree to the terms and conditions set forth in this Rollover form and acknowledge having established a Self-Directed Account through execution of IRA Express Account Application. I understand the rules and conditions applicable to a (check one) ☐ Rollover ☐ Direct Rollover. I qualify for the Rollover or Direct Rollover of assets listed in the Asset Liquidation above and I authorize such transactions. If this is a Rollover or Direct Rollover, I have been advised to see a tax advisor due to the important tax consequences of rolling assets into a self-directed account. If this is a Rollover or Direct Rollover, I assume full responsibility for this Rollover or Direct Rollover transaction and will not hold the Plan Administrator and/or Custodian or Issuer of either the distributing or receiving plan liable for any adverse consequences that may result. I understand that no one at IRA Express has authority to agree to anything different than my foregoing understandings of IRA Express policy. If this is a Rollover or Direct Rollover, I irrevocably designate this contribution of assets as a rollover contribution. By signing this form, I certify that I am completing this rollover within:

- A. 60 calendar days following the day I received the assets, I have not performed a rollover from an IRA within the last 12 months, and that this rollover DOES NOT contain my Required Minimum Distribution.
- B. If am a non-spouse beneficiary, this is a direct rollover from an employer plan and the rollover contribution DOES NOT contain my Required Minimum Distribution.

I have read and understand the disclosure above

SIGNATURE	DATE
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PROTOTYPE SIMPLIFIED EMPLOYEE PROTOTYPE PLAN

Internal Revenue Service

Prototype SEP 001

FFN: 50499AQAQ00-001 Case: 200200927 EIN: 75-2329951

Letter Serial No: K410747b

Department of the Treasury

Washington, DC 20224

▷

PENSERV INC

1215 MEETINGHOUSE ROAD

AMBLER, PA 19002

Contact Person:

Ms. Arrington 50-00197

Telephone Number:

(202) 283-8811

In Reference to:

T:EP:RA:T4

Date:

10/24/2002

Dear Applicant:

In our opinion, the amendment to the form of your Simplified Employee Pension (SEP) arrangement does not adversely affect its acceptability under section 408(k) of the Internal Revenue Code. This SEP arrangement is approved for use only in conjunction with an Individual Retirement Arrangement (IRA) which meets the requirements of Code section 408 and has received a favorable opinion letter, or a model IRA (Forms 5305 and 5305-A).

Employers who adopt this approved plan will be considered to have a retirement savings program that satisfies the requirements of Code section 408 provided that it is used in conjunction with an approved IRA. Please provide a copy of this letter to each adopting employer.

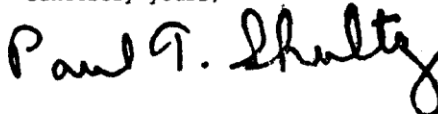
Code section 408(l) and related regulations require that employers who adopt this SEP arrangement furnish employees in writing certain information about this SEP arrangement and annual reports of savings program transactions.

Your program may have to be amended to include or revise provisions in order to comply with future changes in the law or regulations.

If you have any questions concerning IRS processing of this case, call us at the above telephone number. Please refer to the Letter Serial Number and File Folder Number shown in the heading of this letter. Please provide those adopting this plan with your phone number, and advise them to contact your office if they have any questions about the operation of this plan.

You should keep this letter as a permanent record. Please notify us if you terminate the form of this plan.

Sincerely yours,



Director

Employee Plans Rulings & Agreements

PROTOTYPE SIMPLIFIED EMPLOYEE PENSION PLAN AGREEMENT

ARTICLE I Adoption and Purpose of Plan

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

ARTICLE II Eligibility and Participation

- 2.01 **Eligible Employees:** All Employees of the Employer shall be eligible to participate in this Plan except for Excludible Employees as defined under Section 2.02 of this Plan.
- 2.02 **Excludible Employees:** If the Employer elects in the Adoption Agreement, the following Employees shall be excluded from eligibility:
- (a) Employees included in a unit of employees covered by a collective bargaining agreement between employee representatives and the Employer, provided that there is evidence that retirement benefits were the subject of good faith bargaining between such parties, unless such agreement provides that some or all of such covered employees are to be covered by this Plan. For purposes of this paragraph, the term "employee representatives" does not include any organization more than half of whose members are employees who are owners, officers, or executives of the Employer.
 - (b) Non-resident alien employees who receive no earned income from the Employer which constitutes income from sources within the United States.
 - (c) Employees who have not met the age and service requirements specified in the Adoption Agreement.
 - (d) Employees who did not earn at least \$450 (as adjusted for cost of living increases in accordance with Code §408(k)(8)) of Compensation from the Employer during the Plan Year.
- 2.03 **Participation:**
- (a) Each Employee who meets the eligibility requirements as specified in the Adoption Agreement shall, as a condition for further employment, become a Participant under this SEP Plan.
 - (b) Each eligible Employee shall establish an IRA in order to receive Employer contributions under this Agreement, and any Employer contributions shall be made directly to such IRA plan. Unless otherwise elected in the Adoption Agreement, such IRA shall be established with the Trustee.
 - (c) If a Participant fails to timely establish or to maintain an IRA in which SEP contributions may be made on such Participant's behalf, the Employer may execute any necessary documents to establish an IRA with the Trustee into which such contributions shall be made on behalf of the Participant.
 - (d) If an Employer maintained a SEP Plan and desires to change to a Plan Year other than a calendar year, an Employee who has any service during the short Plan Year must be given credit for that service in three of the last five years. Such an Employee must also receive a contribution for the short Plan Year if such Employee would have been entitled to a contribution for the calendar year in which the short Plan year begins if there had been no change.

ARTICLE III Written Allocation Formula

- 3.01 **Amount of Contribution:** The Employer agrees to contribute on behalf of each eligible Employee for the Plan Year an amount determined under the written allocation formula specified in the Adoption Agreement.
- 3.02 **Uniform Relationship to Compensation:**
- (a) All Employer contributions to this Plan shall bear a uniform relationship to the total Compensation (not to exceed \$200,000, or such higher amount as may be permitted under law) of each Participant.
 - (b) If the Employer elects the Flat Dollar Contribution allocation in the Adoption Agreement, such contributions shall be deemed to bear a uniform relationship to the total compensation of each Participant.
- 3.03 **Limitation on Employer Contributions:** The maximum employer contribution which may be made for any one Plan Year with respect to any Participant and allocated to each Participant's IRA is the lesser of 25% of such Participant's Compensation for the Plan Year or \$40,000 as adjusted under Code § 415(d). For purposes of the 25% limitation described in the preceding sentence, a participant's compensation does not include any elective deferral described in Code § 402(g)(3) or any amount that is contributed by the employer at the election of the employee and that is not includible in the gross income of the employee under Code §§ 125, 132(f)(4) or 457.
- 3.04 **Permitted Disparity for Certain Contributions:**
- (a) **Definite Integrated Contribution Formula:** If elected in the Adoption Agreement, the Employer will contribute an amount equal to the Base Contribution Percentage selected in the Adoption Agreement (but not less than 3%) of each Participant's Compensation (as defined in Section 4.04 of the Plan) for the Plan Year, up to the Integration Level plus an amount equal to the Excess Contribution Percentage selected in the Adoption Agreement (but not less than 3% and not to exceed the Base Contribution Percentage by more than the lesser of: (i) the Base Contribution Percentage, or (ii) the Maximum Disparity Rate) of such Participant's Excess Compensation.
 - (b) **Discretionary Integrated Contribution Formula:** If elected in the Adoption Agreement, Employer contributions for the Plan Year will be allocated to Participants' accounts as follows:
 - STEP 1: Contributions will be allocated to each Participant's account in the ratio that each Participant's total Compensation bears to the total Compensation of all Participants, at a rate not in excess of 3% of each Participant's Compensation.
 - STEP 2: Any contributions remaining after the allocation in Step One will be allocated to each Participant's account in the ratio that each Participant's Excess Compensation bears to the Excess Compensation of all Participants, at a rate not in excess of 3% of such Excess Compensation. For purposes of this Step Two, in the case of any Participant who has exceeded the Cumulative Permitted Disparity Limit described below, such Participant's total Compensation for the calendar year will be taken into account.
 - STEP 3: Any contributions remaining after the allocation in Step Two will be allocated to each Participant's account in the ratio that the sum of each Participant's total Compensation and Excess Compensation bears to the sum of all Participants' total Compensation and Excess Compensation, at a

rate not in excess of the Maximum Disparity Rate. For purposes of this Step Three, in the case of any Participant who has exceeded the Cumulative Permitted Disparity Limit described below, 2 times such Participant's total Compensation for the calendar year will be taken into account.

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

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

ARTICLE IV **Glossary of Plan Terms**

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

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

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

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

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

- 4.05 **Earned Income:** The net earnings from self-employment in the trade or business with respect to which the Plan is established, for which personal services of the individual are a material income-producing factor. Net earnings will be determined without regard to items not included in gross income and the deductions allocable to such items. Net earnings are reduced by contributions by the Employer to qualified plans or to a SEP plan to the extent deductible under Section 404 of the Code. Net earnings shall be determined with regard to the deduction allowed to the Employer by Section 164(f) of the Code.
- 4.06 **Employee:** An individual, including a Self-Employed, employed by the Employer, who performs services with respect to the trade or business of the Employer. Also any employee of any other employer required to be aggregated under Section 414(b), (c) or (m) of the Code; any leased employee within the meaning of Section 414(n) of the Code shall be considered an Employee; and all Employees required to be aggregated under section 414(o) of the Code.
- 4.07 **Employer:** The sole proprietorship, partnership, corporation or other entity identified as such in the Adoption Agreement.
- 4.08 **Excess Compensation:** A Participant's Compensation in excess of the Integration Level.
- 4.09 **Excess Contribution Percentage:** The percentage of Compensation contributed under the Plan with respect to each Participant's Excess Compensation.
- 4.10 **Integration Level:** The taxable wage base, or such lesser amount elected by the Employer in the Adoption Agreement. The taxable wage base is the maximum amount of earnings which may be considered wages for a year under section 3121(a)(1) of the Code in effect as of the beginning of the Plan Year.
- 4.11 **Maximum Disparity Rate:**
 - (a) If the Definite Integrated Contribution Formula is selected by the Employer under Section 3.04(a) above, the Maximum Disparity Rate is equal to the lesser of:
 - (i) 5.7%; or
 - (ii) the applicable percentage determined in accordance with Table I below.

Table I

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

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

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

- (b) If the Discretionary Integrated Contribution Formula is selected by the Employer under Section 3.04(b) above, the Maximum Disparity Rate is equal to the lesser of:
- (i) 2.7%; or
 - (ii) the applicable percentage determined in accordance with Table II below:

Table II

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

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

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

- (c) In no event can the amount allocated to each participant's IRA exceed the lesser of 25% of the participant's compensation or \$40,000, as adjusted under Code § 415(d). For purposes of the 25% limitation described in the preceding sentence, a participant's compensation does not include any elective deferral described in Code § 402(g)(3) or any amount that is contributed by the employer at the election of the employee and that is not includible in the gross income of the employee under Code §§ 125, 132(f)(4) or 457.
- 4.12 **Participant:** Any Employee who has met the eligibility requirements of this Plan and who is eligible to receive an Employer contribution.
- 4.13 **Plan:** The Sponsoring Organization's Prototype Simplified Employee Pension Plan consisting of this plan document and the Adoption Agreement as completed and signed by the Employer.
- 4.14 **Plan Year:** The 12-consecutive month period specified by the Employer in the Adoption Agreement.
- 4.15 **Self-Employed:** An individual who has Earned Income for a Plan Year from the trade or business for which the Plan is established. A Self-Employed also includes an individual who would have had Earned Income but for the fact that the trade or business had no net profits for the Plan Year.
- 4.16 **Sponsoring Organization:** The entity specified in the Adoption Agreement.
- 4.17 **Trustee:** The financial institution or other organization specified in the Adoption Agreement which qualifies under section 408(a) of the Code and is serving as Trustee or Custodian of the IRA plan to which an Employer contribution is made.

PROTOTYPE SEP DISCLOSURE STATEMENT

INFORMATION FOR THE EMPLOYEE

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

QUESTIONS & ANSWERS

Q1 What is a Simplified Employee Pension, or SEP?

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

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

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

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

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

2006	\$220,000
2007	\$225,000
2008	\$230,000
2009	\$245,000
2010	\$245,000
2011	\$245,000
2012	\$250,000
2013	\$255,000
2014	\$260,000
2015	\$265,000
2016	\$265,000

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

A3 Your employer will determine the amount to be contributed to your traditional IRA each year. However, the amount for any year is limited to the smaller of \$40,000 or 25% of your compensation for that year. The \$40,000 maximum SEP contribution limit is subject to cost-of-living adjustments. Compensation does not include any amount that is contributed by your employer to your traditional IRA under the SEP. Your employer is not required to make contributions every year or to maintain a particular level of contributions. See Question 5. The SEP contribution limit is:

2006	\$44,000
2007	\$45,000
2008	\$46,000
2009	\$49,000
2010	\$49,000
2011	\$49,000
2012	\$50,000
2013	\$51,000
2014	\$52,000
2015	\$53,000
2016	\$53,000

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

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

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

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

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

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

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

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

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

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

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

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

Q10 Are there any restrictions to rollovers from my IRA?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) The law that relates to your traditional IRA.
- (2) The tax consequences of various options concerning your traditional IRA.
- (3) Participation eligibility rules, and rules on the deductibility of retirement savings.
- (4) Situations and procedures for revoking your traditional IRA, including the name, address, and telephone number of the person designated to receive notice of revocation. This information must be clearly displayed at the beginning of the disclosure statement.
- (5) A discussion of the penalties that may be assessed because of prohibited activities concerning your traditional IRA.
- (6) Financial disclosure that provides the following information:
 - (a) Projects value growth rates of your traditional IRA under various contribution and retirement schedules, or describes the method of determining annual earnings and charges that may be assessed.
 - (b) Describes whether, and for when, the growth projections are guaranteed, or a statement of the earnings rate and the terms on which the projections are based.
 - (c) States the sales commission for each year expressed as a percentage of \$1,000.

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

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

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

PROTOTYPE SEP CONTRIBUTION DISCLOSURE

WRITTEN ALLOCATION FORMULA

1. How much will my Employer contribute to my SEP IRA?

The Employer has agreed to provide contributions for the _____ Plan Year as follows (complete one):

- ☐ a). Fixed Percentage - _____ % of each Participant's Compensation.
- ☐ b). Flat Dollar - \$ _____ per Participant.
- ☐ c). Contributions made by the Employer are integrated with Social Security. This means that in determining contributions made to your SEP IRA your Employer has taken into account Social Security taxes paid by the Employer on your compensation.

2. If #1 (c) is checked above, how will social security integration affect Employer contributions to my SEP IRA?

Employer contributions made on your behalf would be reduced by certain amounts being contributed on your behalf to the Social Security System, subject to strict guidelines under the Internal Revenue Code.

For more information on the effect of Social Security Integration in your particular situation, contact the individual named below.

ADDITIONAL INFORMATION

The Employer has designated _____ (insert Name & title) to provide additional information to participants about the Employer's SEP Plan.

PROTOTYPE SIMPLIFIED EMPLOYEE PENSION PLAN ADOPTION AGREEMENT

The undersigned Employer hereby establishes on the date indicated, the Sponsoring Organization's Prototype Simplified Employee Pension Plan and agrees that the following elections and terms shall be part of such Plan.

EMPLOYER INFORMATION

1. Name: _____ 3. Phone: _____
2. Address: _____ 4. Contact Person: _____

PLAN INFORMATION

5. IRA Trustee/Custodian: _____
6. Sponsoring Organization: _____
7. Plan Year shall mean (check one):
☐ a. The calendar year.
☐ b. The 12-consecutive month period commencing on _____, and each anniversary thereof.

If the Employer maintains a SEP and desires to change to a year other than a calendar year, the provisions of Section 2.03(d) must be met.

ELIGIBILITY

8. All Employees of the Employer shall be eligible to participate under the Plan except:
☐ a. Employees included in a unit of employees covered under a collective bargaining agreement described in Section 2.02(a) of the Plan.
☐ b. Nonresident aliens described in Section 2.02(b) of the Plan.
☐ c. Employees who are otherwise eligible but earn less than \$450 (as adjusted for cost of living increases) during the Plan Year for which the contribution is being made.
9. Each eligible Employee will be eligible to become a Participant after having attained age _____ (not to exceed age 21) and having worked for the Employer _____ (not to exceed 3) years out of the immediately preceding 5 Plan Years.

WRITTEN ALLOCATION FORMULA

10. The Employer shall contribute on behalf of each Participant for each Plan Year as follows (check one):
☐ a. Fixed Percentage - _____% (not to exceed 25%) of each Participant's Compensation.
☐ b. Flat Dollar - \$_____ per Participant (not to exceed \$40,000, as indexed.)
☐ c. Discretionary Employer Contribution: In each Plan Year, the Employer agrees to provide contributions on behalf of each Participant in the same proportion as such Participant's Compensation bears to all Participants' Compensation for such year.
☐ d. Integrated Formula (Check one (i) or (ii) and (iii), if applicable):
☐ (i) Definite Integrated Formula: The Employer shall contribute to the Plan based on the following and in accordance with Section 3.04(a) of the Plan.
Base Contribution Percentage (BCP) - First an amount equal _____% (at least 3%) of each Participant's Compensation not in excess of the Integration Level; plus
Excess Contribution Percentage - An amount equal to _____% (at least 3% but not to exceed the BCP by more than the lesser of (a) the BCP, or (b) the Maximum Disparity Rate) of the Participant's Excess Compensation.
☐ (ii) Discretionary Integrated Formula: The amount of Employer contributions shall be determined by the Employer and allocated in accordance with Section 3.04(b) of the Plan.
☐ (iii) The Integration Level is equal to: Taxable Wage Base; or _____% of the TWB (not to exceed 100%).

In no event shall the Employer contributions indicated above exceed the lesser of 25% of each Participant's Compensation or \$40,000, as indexed.

INVESTMENT PROVISIONS

11. The IRA accounts of each Participant shall be maintained and established with the:
☐ IRA Trustee/Custodian, named above. OR ☐ A Trustee/Custodian of each Participant's choice.

SIGNATURES

Employer: _____ Trustee: _____
By (Authorized Signature): _____ By (Authorized Signature): _____
Date: _____ Date: _____