

SunAmerica IRA



Adoption
Agreement
and
Plan Document



IMPORTANT INFORMATION FROM THE SUNAMERICA TRUST COMPANY

Savings Account

The Participant understands that any un-invested cash in the IRA will be deposited by the Custodian into the SunAmerica Trust Cash Account (STC Account), a savings account insured by the Federal Deposit Insurance Corporation (FDIC).

Funds invested pursuant to this agreement are not insured by the Federal Deposit Insurance Corporation (“FDIC”) merely because the trustee or custodian is a Federal savings association the accounts of which are covered by such insurance. Only investments in the accounts of a Federal savings association are insured by the FDIC, subject to its rules and regulations.

Except for un-invested cash that is deposited by the Custodian into the SunAmerica Trust Cash Account, funds invested pursuant to this agreement (1) are not FDIC insured, (2) are not a deposit or other obligation of, or guaranteed by, SunAmerica Trust Company, and (3) are subject to investment risks, including possible loss of the principal amount invested.

SUNAMERICA TRUST COMPANY TRADITIONAL INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT

Form 5305-A (Revised March 2002) Under Section 408(a) of the Internal Revenue Code



The Depositor whose name appears on the Adoption Agreement is establishing a Traditional Individual Retirement Account under Section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death.

SunAmerica Trust Company, the Custodian, has given the Depositor the disclosure statement required under Regulations section 1.408-6.

The Depositor and the Custodian make the following agreement (the "Agreement"):

Article I

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

Article II

The Depositor's interest in the balance in the Custodial Account is nonforfeitable.

Article III

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

Article IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the Depositor's interest in the Custodial Account shall be made in accordance with the following requirements and shall otherwise comply with Section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The Depositor's entire interest in the Custodial Account must be, or begin to be, distributed not later than the Depositor's required beginning date, April 1 following the calendar year in which the Depositor reaches age 70½. By that date, the Depositor may elect, in a manner acceptable to the Custodian, to have the balance in the Custodial Account distributed in:
 - a. A single sum or
 - b. Payments over a period not longer than the life of the Depositor or the joint lives of the Depositor and his or her designated Beneficiary.
3. If the Depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
 - (a) If the Depositor dies on or after the required beginning date and:
 - (i) the designated Beneficiary is the Depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each sub-

sequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.

- (ii) the designated Beneficiary is not the Depositor's surviving spouse, the remaining interest will be distributed over the Beneficiary's remaining life expectancy as determined in the year following the death of the Depositor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
- (iii) there is no designated Beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Depositor as determined in the year of the Depositor's death and reduced by 1 for each subsequent year.

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

required to satisfy the requirement for another in accordance with the regulations under Section 408(a)(6).

Article V

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

Article VI

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

Article VII

This Agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the persons whose signatures appear on the Application.

Article VIII

1. Definitions

- a. "Account," "Custodial Account" or "IRA" shall mean the Traditional Individual Retirement Custodial Account established hereunder for the benefit of the Depositor and/or his or her Beneficiary or Beneficiaries.
- b. "Account Application," "Application" or "Adoption Agreement" shall mean the Application by which this Account is established by the Agreement between the Depositor and the Custodian. The statements contained therein shall be incorporated into this Agreement.
- c. "Agreement" shall mean the SunAmerica Trust Company Traditional Individual Retirement Custodial Agreement and Disclosure Statement, including the information and provisions set forth in any Application that goes with this Agreement, as may be amended from time to time. This Agreement, including the Account Application and the Designation of Beneficiary filed with the Custodian, may be proved either by an original copy or a reproduced copy thereof, including, without limitation, a copy reproduced by photocopying, facsimile transmission, electronic imaging, or other means of electronic transmission.
- d. "Beneficiary" shall mean the person, persons, entity or entities (i.e., a trust), designated from time to time by a Participant or Participant's surviving spouse to receive benefits by reason of the death of the Participant or of such spouse, or the person or persons described in Article VIII, Section 5b, of the Plan who would otherwise be entitled to receive such benefits.
- e. "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.
- f. "Custodian" shall mean SunAmerica Trust Company.
- g. "Depositor" shall mean Participant as defined herein below.
- h. "Participant" shall mean the Depositor and an individual who adopts the Plan and who makes contributions or on whose behalf contributions are made to his or her Account pursuant to the Plan. If a Spousal Account is established, "Participant" shall also mean the spouse on whose behalf such Account is established, where the context so requires, and the Beneficiary of a Participant or Beneficiary following the death of the Participant.
- i. "Plan" shall mean the SunAmerica Trust Company Traditional Individual Retirement Custodial Account Plan, as it may be amended from time to time, in accordance with Articles VII and VIII of the Plan.
- j. "Rollover Account" shall mean an Account established by a Participant in which amounts are deposited in accordance with Article VIII, Section 3c, of the Plan.
- k. "Simplified Employee Pension Account" shall mean an Account established by a Participant whose employer has adopted a simplified employee pension plan pursuant to Section 408(k) of the Code.
- l. "Spousal Account" shall mean an Account established by a Participant on behalf of the Participant's non-employed spouse or by an eligible divorced or legally separated spouse.
- m. "SunAmerica Trust Company" shall mean AIG Federal Savings Bank doing business as SunAmerica Trust Company.

2. Notices and Change of Address

- a. Any required notice regarding this Account will be considered effective when mailed by the Custodian to the last address of the intended recipient that is on the records of the Custodian. Any notice to be given to the Custodian will be effective when actually received by the Custodian. The last address of the Participant on the records of the Custodian will be the address used for any tax withholding, disbursement and reporting required by taxing authorities. The Participant will notify the Custodian of any change of address.
- b. *Representations and Responsibilities.* The Participant represents and warrants to the Custodian that any information the Participant has given or will give to the Custodian with respect to this Agreement is complete and accurate. Further, the Participant promises that any direction given by the Participant to the Custodian, or any action taken by the Participant will be proper under this Agreement. The Custodian will not be responsible for the Participant's actions or failures to act. Likewise, the Participant shall not be responsible for the Custodian's actions or failure to act; provided, however, that the Custodian's duties and responsibilities under this Agreement are limited to those specifically stated in the Agreement and no other or further duties or responsibilities shall be implied. The Participant does not intend to confer any fiduciary duties on the Custodian, and none shall be implied.

3. Contributions

- a. *Maximum Age for Contributions.* No contributions to an Account shall be made for the taxable year in which the Participant attains age 70½ or any later year.
- b. *Excess Contributions.* The Depositor is responsible for the determination of any excess contributions and the timely withdrawal thereof. If the IRS or the Depositor notifies the Custodian in writing that the contributions to the Account have exceeded the contribution limitations described in Article I of the Plan, the Custodian shall distribute from the Account to the Depositor the amount of such excess contribution and, as determined by the Depositor, any income attributable thereto. The Depositor may revoke such notice in writing if the IRS has not notified the Custodian of its determination that the excess contribution was willfully made by the Depositor. The Custodian, at the request of the Depositor, may credit as a contribution for the current taxable year, the amount shown in the notice of the Depositor revoking his or her prior notification.
- c. *Rollover Contributions.*
 1. If directed by the Depositor, the Custodian shall open and maintain a separate Account for each rollover contribution described in Section 402(c), 403(a)(4), 403(b)(8), 408(d)(3) or 457(e)(16) of the Code, or any other applicable section of the Code.
 2. If a Depositor desires to rollover or have transferred to his or her IRA assets other than cash, the Custodian shall accept such assets only if they are compatible with the Custodian's administrative or operational requirements and regular business practices.

Unless otherwise directed by the Participant, any rollover contribution made by a Participant may be combined with any other of the Participant's Accounts and further contributions may be made to that Account.
- d. *Regular IRA Contributions Deadlines.* The last day to make annual IRA contributions for a particular tax year is the deadline for filing the Participant's federal income tax return not including extensions, or such later date as may be determined by the Department of Treasury or the Internal Revenue Service for the taxable year for which the contribution relates. The Participant shall designate, in a form and manner acceptable to the Custodian, the taxable year for which such contribution is made. If the Participant does not designate a taxable year for any contribution, the Custodian will designate the contribution as being made for the year in which the contribution is deposited into the Account.

4. Investment of Contributions

- a. *Direction by Participant.* All investment instructions of the Participant shall be accepted by the Custodian in accordance with its established customs and procedures. Each Participant shall direct the Custodian with respect to the investment of all contributions to his or her Account and the earnings thereon. Such direction shall be limited to publicly traded securities, covered call options, long put and long call options, mutual funds, money market instruments, and other investments, to the extent that they are obtainable through and subject to the custody of the Custodian in its regular course of business and subject to other such limitations as may be agreed to by the Participant and introducing Broker-Dealer. In the absence of such directions, the Custodian shall have no investment responsibility except that the Custodian will deposit uninvested cash as provided in Article VIII, Section 4(e) of the Plan. All transactions directed by the

Participant shall be subject to the rules, regulations, customs and usages of the exchange, market or clearing house where executed, and to all applicable federal and state laws and regulations, and to internal policies of the Custodian. The Custodian reserves the right not to accept assets intended for deposit to the Account and may at any time require liquidation or transfer of any asset held in the Custodial Account if the Custodian determines that maintaining custody of any such asset is not in accordance with the Custodian's administrative or operational requirements and regular business practices. The Participant understands that the Custodian shall attribute earnings only to assets held in the Account while in the custody of the Custodian. The Participant understands that the income from, and gain or loss on, each investment the Participant selects for the Account will effect the value of the Account, and that the growth in value of an Account cannot be guaranteed or projected.

- b. *Direction by Beneficiary.* In the event that the Participant dies before part or all of his or her interest in this Account is distributed to him or her, the remaining assets in the Account shall be invested as directed by the Participant's Beneficiary or Beneficiaries; provided, however, that (1) if the Beneficiary is a trust, such investment directions shall be given by the trustee of such trust, and (2) if the Beneficiary is the Participant's estate, such investment directions shall be given by the personal representative of such estate. In such event, the Beneficiary or Beneficiaries shall be treated as the Participant for all purposes as though he or she were the signatory to the Agreement.
- c. *No duty to review.* The Custodian shall not be under any duty to review or question any direction of the Participant with respect to investments, to review any securities or other property held in trust, or to make suggestions to the Participant with respect to investments. The Custodian will not be liable for any loss that may result by reason of investments made by it in accordance with the directions of the Participant.
- d. *Delegation of Investment Responsibility.* Regardless of any other provision of this Agreement to the contrary, the Participant may also appoint an investment advisor or other person to act as the Participant's representative with authority to direct the Custodian with respect to the investment of assets in the Custodial Account. The appointment, however, will be effective only if (1) the Custodian has received an executed copy of an agreement between the Participant and the representative in a form and manner acceptable to the Custodian which specifies the authority of the representative to act on behalf of the Participant, and (2) the Custodian does not object to acting on the direction of that person, which objection the Custodian may assert for any reason at any time. If the Participant appoints a representative, as provided for above, references to the Participant in the "Investment of Contributions" section of this Agreement and in the "Powers, Duties and Obligations of the Custodian" section of this Agreement (insofar as pertinent to securities with respect to which the representative has investment authority) are also to that representative. However, all references in this Agreement to the individual whose Custodial Account is involved and to the making of contributions and the receipt of distributions are only to the Participant. The Participant may revoke the authority of any representative at any time by notifying the Custodian in a form and manner acceptable to the Custodian and the Custodian shall not be liable in any way for the transactions initiated prior to its receipt of such notice.
- e. *Uninvested Cash.* If the Participant fails to direct the Custodian as to the investment of any cash in the Participant's Account, the cash not otherwise invested will be deposited by the Custodian into the SunAmerica Trust Cash Account, a savings account insured by the Federal Deposit Insurance Corporation ("FDIC"). Assets other than the SunAmerica Trust Cash Account are not insured by the FDIC.

5. Withdrawals

The Depositor may withdraw all or part of his or her Custodial Account balance at any time. All requests for withdrawal shall be in a form and manner provided by or acceptable to the Custodian. Any withdrawals shall be subject to all applicable tax and other laws and regulations including possible early withdrawal penalties and withholding requirements. If payment is made outside of the United States, special federal income tax withholding rules may apply. Distributions under the IRA may be made in a single sum, periodic payment, or a combination of both.

- a. *Required Distributions.* Beginning in 2003, the Custodian shall, if requested by the Participant, be responsible for computing the required minimum distribution amount in accordance with Article IV of the Plan, and for notifying the Participant accordingly. The Participant shall be responsible for causing the required minimum distribution amount to be withdrawn from his or her Account each year. Notwithstanding anything in Article IV to the contrary, the Custodian shall not, without the consent of the Participant, distribute the value of

the IRA where the Participant fails to choose any method of distribution by April 1st of the year following the year the Participant reaches age 70½.

- b. *Beneficiaries.* Following the death of the Participant, the balance of the Participant's Custodial Account shall be distributed to the Participant's designated Beneficiary or Beneficiaries, if any, in accordance with the provisions of Article IV of the Plan and in accordance with the Custodian's administrative or operational requirements and regular business practices. A Participant may designate a Beneficiary or Beneficiaries of the Custodial Account at any time, and any such designation may be changed or revoked at any time, by written designation executed by the Participant in a form and manner prescribed by or acceptable to, and filed with, the Custodian. Such designation, change or revocation shall be effective only upon receipt by the Custodian and only if such receipt shall be during the Participant's lifetime. The latest such designation, change or revocation shall control. If there is no Beneficiary designation on file with the Custodian, or if the designated Beneficiary has not survived the Participant, the Custodian shall distribute the Custodial Account to the survivors of the Participant in the following order of preference:
 - (i) the Participant's surviving spouse, if any,
 - (ii) the Participant's children, if any, in equal shares per stirpes, and
 - (iii) the Participant's estate.

If the Participant designates more than one primary or contingent Beneficiary but does not specify the percentages to which such Beneficiary or Beneficiaries is entitled, payment will be made to the surviving Beneficiary or Beneficiaries in equal shares. Unless otherwise designated by the Participant in a form and manner acceptable to the Custodian, if a primary or contingent Beneficiary designated by the Participant predeceases the Participant, the Account will be divided equally among the surviving Beneficiary or Beneficiaries. Unless otherwise designated by the Participant in a form and manner acceptable to the Custodian, if there is no primary Beneficiary or Beneficiaries living at the time of the Participant's death, payment of the Participant's Account upon his or her death will be made to the surviving contingent Beneficiary or Beneficiaries designated by the Participant. Unless otherwise specified in the Participant's designation of beneficiary form, if a Beneficiary does not predecease the Participant but dies before receiving his or her entire interest in the Custodial Account, his or her remaining interest in the Custodial Account shall be paid to the Beneficiary or Beneficiaries designated by the deceased Beneficiary. If there is no Beneficiary designation of the deceased Beneficiary on file with the Custodian, the Custodian shall distribute the Custodial Account to the survivors of the deceased Beneficiary in the following order of preference:

- (i) the deceased Beneficiary's surviving spouse, if any,
- (ii) the deceased Beneficiary's children, if any, in equal shares per stirpes, and
- (iii) the deceased Beneficiary's estate.

If the Custodian is unable to make a distribution to a Participant, a Beneficiary, or other distributee because the Custodian cannot ascertain such distributee's whereabouts by writing to the last known mailing address shown on the Custodian's records, if any, the Custodian may hold the proceeds in a non-interest-bearing account until such funds escheat by operation of law. The Beneficiary or Beneficiaries are responsible to ensure that distributions are made in accordance with the provisions of Article IV of the Plan.

- c. *Account Only Source of Benefits.* The only source of benefit for the Participant, Spouse, or Beneficiary of the Account under this Plan shall be the Custodial Account.
- d. *Qualifying Terminable Interest Property (QTIP) and Qualified Domestic Trust (QDOT).* The provisions of this Section 5(d) of Article VIII of the Plan shall apply if the Participant has designated a Qualifying Terminable Interest Property Trust or a Qualified Domestic Trust for the benefit of his or her spouse (which trust is intended to satisfy the conditions of Section 2056(b)(7) or 2056A of the Code) as Beneficiary of this IRA (hereafter referred to as the "Spousal Trust"), but only if the Participant, the trustee of the Spousal Trust or the executor of the estate of the deceased Participant notifies the Custodian in a written document acceptable to the Custodian of such individual's intention to have this Section apply. After the death of the Participant, and upon written direction of the trustee of the Spousal Trust, the Custodian shall distribute to the trustee of the Spousal Trust an amount equal to the greater of (i) all of the income of the Account for the year or (ii) the amount required to be distributed under Section 401(a)(9) of the Code and the regulations thereunder annually or at more frequent intervals. No person shall have the power to appoint any part of the Account to any person other than the Spousal Trust. If the Participant dies on or after his or her required beginning date, the Section 401(a)(9) amount shall be the amount

required to be distributed under the distribution method that applied to the Participant at his or her death. If the Participant dies before the required beginning date, the Section 401(a)(9) amount shall be the amount required under the payment method described in Article IV, Section 3(a)(i), (that is, the life expectancy of the spouse option), with payments commencing no later than the end of the year following the year of the Participant's death. If requested by the trustee of the Spousal Trust, the Custodian shall pay additional amounts from the Account's principal to the Spousal Trust. The trustee of the Spousal Trust or the Participant's surviving spouse has the right to direct the Custodian to convert nonproductive property into productive property. After the death of the Participant's surviving spouse, the Custodian shall pay any amounts remaining in the Account in accordance with written instructions given to it by the trustee of the Spousal Trust. To the extent permitted by Section 401(a)(9) of the Code, as determined by the trustee of the Spousal Trust, the surviving spouse of the Participant who has designated a Spousal Trust as his or her Beneficiary may be treated as the Participant's Beneficiary for purposes of the distribution requirement of Section 401(a)(9) of the Code. The Custodian shall have no responsibility to determine whether such treatment is appropriate.

- e. The Custodian shall not be responsible for the purpose, sufficiency or propriety of any distribution. The Custodian is only authorized to make distributions in accordance with instructions of the Participant, or after the Participant's death, his or her Beneficiary, or as otherwise provided for in this Agreement. Such instructions must be given in a form and manner acceptable to the Custodian.

6. Transfer

- a. *Transfer.* In the event that the Participant terminates his or her Custodial Account, the Custodian shall distribute or transfer the Account balance in accordance with the Participant's written instructions and in accordance with this Agreement. The Participant authorizes the Custodian to retain such sums as the Custodian may deem necessary for payment of all its fees, compensation, costs and any expenses, including but not limited to annual maintenance fees and Account termination fees, or for payment of any other liabilities, which might constitute a charge to either the Account or the Custodian. The balance of any such reserve remaining after the payment of the above items shall be paid, distributed or transferred upon satisfaction of any such charge. The Custodian shall have no duty to ascertain whether any payment, distribution or transfer as directed by the Participant is proper under the provisions of the Code, this Agreement or otherwise.
- b. *Transfer on Divorce.* A Participant may transfer any portion or all of his or her interest in an Account to a former spouse under a written instrument incident to divorce or under a divorce decree containing transfer instructions acceptable to the Custodian and compliant with the Custodian's administrative or operational requirements and regular business practices, whereupon such Account, or the transferred portion of such Account, shall be held for the benefit of such former spouse subject to the terms and conditions of the Plan.

7. Powers, Duties and Obligations of Custodian

- a. *No Investment Discretion.* The Custodian shall have no discretion to direct any investments of an Account, and is merely authorized to acquire and hold the particular investments specified by the Participant. The Custodian will not act as investment advisor or counselor to a Participant and will not advise a Participant or offer any opinion or judgment on any matter pertaining to the nature, value, potential value or suitability of any investment or potential investment by a Participant, except that the Custodian will deposit uninvested cash as provided in Article VIII 4 (e) of the Plan.
- b. *Administrative Powers.* The Custodian may hold any securities acquired hereunder in the name of the Custodian without qualification or description or in the name of any nominee. Pursuant to the Participant's direction, the Custodian shall have the following powers and authority with respect to the administration of each Account:
 - 1. To invest and reinvest the assets of the Account without any duty to diversify and without regard to whether such investment is authorized by the laws of any jurisdiction for fiduciary investments.
 - 2. To exercise or sell options, conversion privileges, or rights to subscribe for additional securities and to make payments therefor.
 - 3. To consent to or participate in dissolutions, reorganizations, consolidations, mergers, sales, leases, mortgages, transfers, reregistrations of securities or other changes affecting securities held by the Custodian.

- 4. To make, execute and deliver as Custodian any and all contracts, waivers, releases or other instruments in writing necessary or proper for the exercise of any of the foregoing powers.
- 5. To grant options to purchase securities held by the Custodian or to repurchase options previously granted with respect to securities held by the Custodian.

- c. *Proxies.* All proxy and solicitation materials, notices of shareholders' meetings, current prospectus and other annual or regular shareholder reports shall, to the extent furnished to the Custodian by the issuers of the securities in the Account, be sent by the Custodian or its delegate to the Participant. The Custodian shall exercise any rights of a shareholder (including voting rights) with respect to any securities held in the Account only in accordance with proper instructions of the Participant.
- d. *Records and Reports.* The Custodian shall keep accurate records of all contributions, receipts, investments, distributions, disbursements, and all other transactions of the Account. Within 120 days (or such other deadline imposed by applicable law) after the close of each calendar year (or after a distribution or transfer of a Participant's Account or upon the Custodian's resignation or removal), the Custodian shall file with the Participant a written report (which may consist of copies of the Custodian's regularly issued Account statements) reflecting all transactions affecting the Account for the period in question and including a statement of the assets in the Account and their fair market values. Unless the Participant files a written statement of exceptions or objections to the report with the Custodian within 60 days after mailing of the report, the Participant shall be deemed to have approved such report and the Custodian shall be released from all liability to anyone (including any Participant's spouse or Beneficiary) with respect to all matters set forth in the report as though the report had been settled by judgment or decree of a court of competent jurisdiction. No person other than a Participant, the spouse of a Participant or Beneficiary may require an accounting.
- e. *Right to Request Judicial Assistance.* The Custodian shall have the right at any time to apply to a court of competent jurisdiction for judicial settlement of its accounts or for determination of any questions of construction, which may arise, or for instructions. The only necessary party defendant to any such action shall be the Participant, but the Custodian may join any other person or persons as a party defendant. The cost, including attorney's fees, of any such proceeding shall be charged as an administrative expense under Article VIII, Section 10, of this Agreement.
- f. *Scope of Custodian's Duties.* The Custodian shall only have the duties, which are specifically set forth in this Plan. The Custodian shall have no duty to ascertain whether contributions or distributions comply with the Plan or the Code. The Custodian shall not make any investments or dispose of any investments held in an Account, except upon the direction of the Participant or in accordance with Article VIII, Section 4(e) or Section 11(d) of the Plan. The Custodian shall not question any such directions of the Participant, review any securities or other property held in an Account, or make suggestions to the Participants with respect to the investment, retention or disposition of any assets held in an Account.
- g. *Scope of Custodian's Liability.* The Custodian shall not be liable for any loss of any kind which may result from any action taken by it in accordance with the directions of the Participant or his or her designated agent or attorney in fact or from any failure to act because of the absence of any such directions. The Custodian shall not be responsible for determining whether any contribution or rollover contribution satisfies the requirements of the Code. The Custodian shall not be liable for any taxes (or interest thereon) or penalties incurred by the Participant in connection with any Account or in connection with any contribution to or distribution from the Account. The Custodian is entitled to act upon any instrument, certificate, or form it believes is genuine and believes is executed or presented by the proper person or persons, and the Custodian need not investigate or inquire as to any statement contained in such document but may accept it as true and accurate. The Custodian is not liable for any losses directly or indirectly caused by acts of war, acts of terrorism, labor disputes, exchange or market decisions including the suspension of trading, market volatility, trade volume, or by government restriction. The Participant shall duly indemnify and hold harmless the Custodian from any liability, which may arise hereunder except liability arising from the gross negligence or willful misconduct of the Custodian.

8. Resignation or Removal of Custodian

- a. *Resignation.* The Custodian may resign as Custodian hereunder as to any Account by mailing or actually delivering notice to the Participant 30 days prior to the resignation. Upon its resignation the Custodian may, but shall not be

required to, appoint a corporation or other institution as the successor custodian under this Agreement. Each Participant, after the receipt of the resignation, shall have 30 days to appoint an alternative successor custodian. If no alternate is chosen, the Participant will be deemed to have accepted the Custodian's appointed successor custodian. Upon acceptance of appointment by the successor, the Custodian shall assign transfer and deliver to the successor all assets held in the Account to which such resignation or removal relates. The Custodian is authorized, however, to reserve such amounts as it deems advisable to provide for the payment of expenses and fees then due or to be incurred in connection with the settlement of its account, and any balance remaining after the settlement of its account shall be paid to the successor custodian or trustee. At the sole discretion of the Custodian, any successor custodian appointed by the Custodian may, with the approval of the Custodian, amend the Agreement by giving notice to the Participant. If the Custodian does not choose to appoint a successor, the Participant has 30 days after receiving notification of the Custodian's resignation to appoint a qualifying successor custodian. If the Participant does not appoint a successor custodian within this time period, the Custodian shall have the right to terminate the Custodial Account and distribute the assets directly to the Participant.

- b. **Removal.** The Participant shall substitute another custodian in place of the Custodian upon notification by the Internal Revenue Service that such substitution is required because the Custodian has failed to comply with the requirement of Treasury Regulation Section 1.408-2(e), or is not keeping such records, or making such returns, or rendering such statements as are required by that regulation.
- c. The Custodian shall not be liable for the acts or omissions of its successor.

9. Amendment and Termination of the Plan

- a. **Amendment or Termination.** The Custodian may amend or terminate this Plan or this Account at any time consistent with the provisions of applicable law without obtaining the consent of the Participant, the spouse of the Participant or Beneficiary. No amendment of the Plan, however, shall deprive any Participant, spouse of a Participant or Beneficiary of any benefit to which he or she was entitled under the Plan from contributions made prior to the amendment unless the amendment is necessary to conform the Plan to the current or future requirements of Section 408 of the Code, or other applicable law, regulation or ruling, in which case the Custodian is expressly authorized to make amendments that are necessary for such purposes retroactively to the later of the effective date of the Plan or the effective date of any future legal requirements. A Participant may change an election or designation made with respect to the Adoption Agreement, provided such change is made in a form and manner prescribed by and acceptable to the Custodian. A Participant may terminate this Account at any time by delivering to the Custodian a signed written copy of such termination in a form acceptable to the Custodian.
- b. **Distribution on Termination.** If the Account is terminated for any reason by the Custodian, the balance held in each Account for the benefit of a Participant, spouse of a Participant or Beneficiary shall be distributed by the Custodian to a successor custodian or trustee, in accordance with Article VIII, Section 8, of the Plan. If the Account is terminated for any reason by the Participant, the Custodian shall distribute or transfer the Account balance in accordance with the Participant's written instructions and in accordance with Article VIII, Section 6(a) of the Plan.

10. Fees, Expenses and Indebtedness

- a. **Payment of Fees and Expenses.** The Custodian's annual maintenance, termination, and other administration fees shall be charged by the Custodian for its services hereunder in accordance with the current fee schedule of the Custodian that is in effect from time to time as it may be amended by the Custodian. Any administrative expenses, including fees for legal and/or accounting services incurred by the Custodian at the request of or necessitated by the actions of the Participant or designated Beneficiary, including, but not by way of limitation, the preparation of tax returns as a result of the direction of investment of Custodial Account assets in an investment that causes the Custodial Account to realize unrelated business taxable income within the meaning of Section 512 of the Code, that are over and above the services set forth in the Custodian's fee schedule shall be paid by the Participant and the Participant hereby covenants and agrees to pay the same. The Custodian's fees and expenses shall be automatically charged to the Custodial Account unless the Participant chooses to pay the fee directly to the Custodian in a timely manner before the Custodial Account has been so charged and fees or other administrative expenses that are not paid by the Participant directly to the Custodian when due may be charged to the Custodial Account. The Custodian reserves the right to liquidate any assets of the Custodial Account to collect any charge for which payment may at any time be

past due. In the event of Account termination by the Participant or the Custodian for any reason, the Custodian shall be entitled to receive the full termination fee, along with the full, non-prorated current year maintenance fees, regardless of the date during the year that the Account is terminated. Such amounts will be automatically charged against the IRA at the time the Participant terminates the IRA. Any reimbursement of fees charged against an Account will be recorded as a contribution to the Account and reported to taxing authorities accordingly. Specific fee details are provided in the current fee schedule available from the Custodian or from the financial institution that has introduced the Account to the Custodian.

- b. **Taxes.** Any taxes of any kind whatsoever that may be levied or assessed upon any Custodial Account or that the Custodian may otherwise be charged with the responsibility of collecting shall be paid from the assets of the Custodial Account involved.
- c. **Brokerage Commissions.** The Account will be charged brokerage commissions and other securities transaction related charges for the transactions in the Custodial Account in accordance with the Custodian's usual practice.
- d. **Indebtedness.** The Participant shall pay any debit balance or other obligation owing to the Custodian on demand.

11. Miscellaneous

- a. **Prohibited Transactions.** No Participant, spouse of a Participant or Beneficiary shall be entitled to use a Participant's Account, or any portion thereof, as security for a loan or borrow from the Account. Neither the Custodian, the Participant, nor any other person or institution shall engage in any prohibited transaction, within the meaning of Section 4975 of the Code, with respect to any Participant's Account.
- b. **Prohibition Against Assignment of Benefits.** Except to the extent otherwise required by law, none of the benefits, payments or proceeds held in an Account on behalf of any Participant, spouse of a Participant or Beneficiary shall be subject to the claims of any creditor of such Participant, spouse or Beneficiary, nor shall any Participant, spouse or Beneficiary have any right to anticipate, sell, pledge, option, encumber or assign any of the benefits, payments or proceeds to which he or she is or may be entitled under the Plan.
- c. **Applicable Law.** The Plan shall be construed, administered and enforced according to the laws of the State of Delaware, except to the extent preempted by federal law. All contributions to the Custodial Account shall be deemed to take place in the State of Delaware. The terms and conditions of the Plan shall be applicable without regard to the community property laws of any state.
- d. **Liquidation of Assets.** If the Custodian must liquidate assets in order to make distributions, transfer assets, or pay fees, expenses, or taxes assessed against a Participant's Account, and the Participant fails to instruct the Custodian as to the liquidation of such assets, assets will be liquidated in the following order to the extent held in the Account: (i) SunAmerica Trust Cash Account, (ii) any shares of a money market fund or money market-type fund, (iii) securities, (iv) other assets. The Custodian shall not be liable for any losses arising out of or as a result of assets liquidated in accordance with the provisions of this Agreement.
- e. **Delegation of Duties.** To the maximum extent allowable by law, the Custodian is authorized to delegate any of its duties hereunder.
- f. **Purpose of Form.** Form 5305-A is a model Custodial Account agreement that meets the requirements of Section 408(a) of the Code and has been automatically approved by the IRS. An Individual Retirement Account is established after the Adoption Agreement is fully executed by the Participant and entered in the records of the Custodian and must be completed no later than the due date of the individual's income tax return for the tax year (without regard to extensions). This Account must be created in the United States for the exclusive benefit of the Participant or his or her Beneficiary or Beneficiaries.
- g. **Identifying Number.** The Participant's social security number will serve as the identification number of his or her Custodial Account. An employer identification number is required only for a Custodial Account for which a return is filed to report unrelated business taxable income. An employer identification number is required for a common fund created for Individual Retirement Accounts.
- h. Contributions to a Custodial Account for a non-working spouse must be made to a separate Custodial Account established by the non-working spouse.

i. ARBITRATION DISCLOSURES

THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE. BY SIGNING AN ARBITRATION AGREEMENT, THE PARTIES AGREE AS FOLLOWS:

1. ALL PARTIES TO THIS AGREEMENT ARE GIVING UP THE RIGHT TO

SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY, EXCEPT AS PROVIDED BY THE RULES OF THE ARBITRATION FORUM IN WHICH A CLAIM IS FILED.

- 2. ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.**
- 3. THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS.**
- 4. THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD.**
- 5. THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.**
- 6. THE RULES OF SOME ARBITRATION FORUMS MAY IMPOSE TIME LIMITS FOR BRINGING A CLAIM IN ARBITRATION. IN SOME CASES, A CLAIM THAT IS INELIGIBLE FOR ARBITRATION MAY BE BROUGHT IN COURT.**
- 7. THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT.**
- 8. AGREEMENT TO ARBITRATE CONTROVERSIES. ANY CONTROVERSY BETWEEN YOU AND US SHALL BE SUBMITTED TO ARBITRATION BEFORE THE NEW YORK STOCK EXCHANGE, INC., ANY OTHER NATIONAL SECURITIES EXCHANGE ON WHICH A TRANSACTION GIVING RISE TO THE CLAIM TOOK PLACE (AND ONLY BEFORE SUCH EXCHANGE), OR THE NASD DISPUTE RESOLUTION.**

9. CLASS ACTIONS. NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PREDISPUTE ARBITRATION AGREEMENT AGAINST ANY PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS ACTION; OR WHO IS A MEMBER OF A PUTATIVE CLASS WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS ENCOMPASSED BY THE PUTATIVE CLASS ACTION UNTIL; (I) THE CLASS CERTIFICATION IS DENIED; OR (II) THE CLASS IS DECERTIFIED; OR (III) THE CUSTOMER IS EXCLUDED FROM THE CLASS BY THE COURT. SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THIS AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN.

THE LAWS OF NEW YORK GOVERN IF NOT GOVERNED BY THE RULES AND/OR PROCEDURES OF THE SELECTED ARBITRATION FORUM WHERE THE CLAIM IS FILED.

Traditional IRA Disclosure Statement

Your IRA plan contains a section known as the "Disclosure Statement." The Disclosure Statement provides a general description of the features of a Traditional Individual Retirement Account (the "Account," the "Custodial Account," or the "IRA") for which AIG Federal Savings Bank, doing business as SunAmerica Trust Company, will act as Custodian. Occasionally, changes in the law that govern IRAs require us to provide you with an explanation of these changes as an amendment to your Disclosure Statement.

This IRA Disclosure Statement updates the IRA documents that we may have previously provided to you. This information amends your Disclosure Statement for recent law changes resulting from the Economic Growth and Tax Relief Reconciliation Act of 2001.

You do not need to sign or return any documents to your financial institution for the changes in the law described in this updated Disclosure Statement to apply to your IRA. You should review this information carefully and keep it with your other IRA documents. This updated IRA Disclosure Statement is effective January 1, 2002.

A. Right of Revocation By Participant

1. Once you execute the Adoption Agreement, you become the Participant and you have the right to revoke the Agreement for a period of seven days from the date it is executed by mailing or personally delivering a written notice of revocation to SunAmerica Trust Company, Retirement Products Department, One Pershing Plaza, Jersey City, New Jersey 07399. The notice of revocation shall be deemed mailed on the date of the postmark (or if sent by certified or registered mail, the date of certification or registration) if it is deposited in the United States mail in an envelope, or other appropriate wrapper, first class postage prepaid, properly addressed. If such notice is not received within seven days after the deemed date of mailing, the notice of revocation shall not be valid.

2. If the Adoption Agreement is revoked during the seven day revocation period, the Custodian will return your entire contribution to the IRA without penalty, service charge, administrative expenses, or any other reduction. The contribution to an IRA that is revoked, and the distribution from an IRA that is revoked must be reported to the Internal Revenue Service.

B. Special Requirements of the SunAmerica Trust Company Traditional Individual Retirement Custodial Account Plan

In addition to the statutory requirements described in the Plan, SunAmerica Trust Company, as Custodian, has the following requirements:

1. SunAmerica Trust Company (the "Custodian") will not make any investment decisions with respect to the Account. You shall direct the Custodian with respect to the investment of all contributions and earnings therefrom. Investments may be made in publicly traded securities, covered call options, long put and long call options, mutual funds, money market instruments, and other investments that are obtainable through and subject to the custody of the Custodian and compatible with its administrative or operational requirements and usual business practices. If no directions are provided to the Custodian as to the investment of any cash, the Custodian shall systematically sweep uninvested cash (subject to certain required minimums) in the Account to a SunAmerica Trust Cash Account, a savings account insured by the Federal Deposit Insurance Corporation ("FDIC"). Assets other than the SunAmerica Trust Cash Account are not insured by the FDIC.
2. You must notify the Custodian in writing as to when you wish to receive your benefits and the manner of payout pursuant to Article IV of the SunAmerica Trust Company Traditional Individual Retirement Custodial Account Plan.
3. SunAmerica Trust Company, as Custodian, will have no responsibility to ascertain whether rollover contributions comply with the Plan or the Code.
4. You shall be entitled to designate a Beneficiary or Beneficiaries to receive benefits which are payable under the IRA upon your death. If you do not designate a Beneficiary, or, if the Beneficiary dies before you, or cannot be located when you die, the benefits will be paid in the following order of priority: (a) to your surviving spouse, if any; (b) to your surviving children, if any, in equal shares per stirpes; and (c) to your estate.

C. Requirements of an IRA

1. Your contribution to your IRA must be in cash, unless it is a rollover contribution.
2. Unless you are 50 years old by the end of the year, contributions made on your behalf may not exceed \$3,000 for years 2002-2004, \$4,000 for years 2005-2007, and \$5,000 for 2008 (adjusted annually thereafter), unless the contribution is designated as a rollover or is pursuant to the terms of a SEP (see paragraph E below). Your IRA contribution for any year must be made by the due date, excluding extensions, for filing your tax return for that year (generally, April 15 of the following year). However, the earlier you set up and contribute to your IRA, the sooner you can take advantage of tax-deferred earnings on your investments. If you also maintain a Roth IRA, the maximum contribution to your Traditional IRA is reduced by any contributions you make to your Roth IRA. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the contribution limit or 100% of your compensation. If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your Traditional IRA of \$500 for years 2002-2005 and \$1,000 for year 2006 and beyond.
3. A contribution is deemed to have been made on the last day of the preceding taxable year if you make a contribution by the deadline for filing your income tax return (not including extensions), and you designate that contribution as a contribution for the preceding taxable year. For instance, if you are a calendar year taxpayer and you make your annual Traditional 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.
4. Your interest in your IRA is nonforfeitable.
5. The assets of your IRA cannot be commingled with other property except in a common trust fund or common investment fund.
6. No portion of your IRA may be invested in life insurance contracts.
7. You may not invest the assets of your IRA in collectibles as described in Section 408(m) of the 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 Internal Revenue Service. Specially minted United States gold and silver bullion coins and certain state-issued coins are permissible

IRA investments. Platinum coins and certain gold, silver, platinum, or palladium bullion as described in Section 408(m)(3) of the Code are also permitted as IRA investments.

8. You are required to take minimum distributions from your IRA at certain times in accordance with the Code and Treasury Regulations. The Custodian reserves the right to calculate your required minimum distribution based upon the Uniform Lifetime Table found in Treasury Regulation section 1.401(a)(9)-9. However, the Custodian will make distributions to you or your Beneficiary or Beneficiaries only upon specific instructions to do so.
 - a. You are required to take a minimum distribution from your IRA by April 1 of the calendar year following the year in which you attain the age of 70½ and by the end of each year thereafter. The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the prior year by the applicable divisor.
 - b. The applicable divisor is generally determined using whichever is applicable of the Uniform Lifetime Table or the Joint and Last Survivor Table, all as set forth in Treasury Regulation section 1.401(a)(9)-9 or other applicable IRS publications. The Uniform Lifetime Table assumes that your beneficiary is exactly ten years younger than you, regardless of who is the named beneficiary. If your spouse is your sole designated beneficiary and is more than ten years younger than you, the required minimum distribution may be calculated using the actual joint life expectancy of you and your spouse rather than the life expectancy divisor from the Uniform Lifetime Table.
 - c. *Distributions to your Beneficiary or Beneficiaries*
 1. If you die on or after your required beginning date, distributions will be made to your Beneficiary or Beneficiaries as follows:
 - (i) If your designated Beneficiary is your spouse, your Account will be distributed in equal or substantially equal payments over a period not exceeding the life or the life expectancy of your spouse as determined each year until your spouse's death, or over the period in (iii) below, if longer.
 - (ii) If your designated Beneficiary is not your spouse, your Account will be distributed in equal or substantially equal payments over a period not exceeding the life expectancy of your designated Beneficiary as determined in the year following your death, and reduced by one for each subsequent year or over the period in (iii) below, if longer.
 - (iii) If there is no designated Beneficiary, your Account will be distributed in equal or substantially equal payments over your remaining life expectancy as determined in the year following your death and reduced by one for each subsequent year.
 2. If you die before your required beginning date, the entire amount remaining in your Account must, at the election of your Beneficiary or Beneficiaries, either:
 - (i) Be distributed by December 31 of the fifth year following your death, or
 - (ii) Be distributed, starting by the end of the calendar year following your death, in equal or substantially equal payments over a period not to exceed the life expectancy of your designated Beneficiary.Your Beneficiary or Beneficiaries must elect either option 2(i) or 2(ii) by December 31 of the year following the year of your death. If no election is made, distribution must be made in accordance with option 2(ii). In the case of distributions under option 2(ii), distributions must commence by December 31 of the year following the year of your death. If the Beneficiary is your surviving spouse, distributions need not commence until December 31 of the year you would have attained age 70½, if later.
 3. The life expectancy of your designated Beneficiary is determined by reference to the Single Life Table, as set forth in Treasury Regulation Section 1.401(a)(9)-9 or other applicable IRS publication. If your designated Beneficiary is your spouse, his or her life expectancy is determined each year by reference to the Single Life Table until your spouse's death. If your designated Beneficiary is not your spouse, his or her life expectancy is determined by reference to the Single Life Table in the year following your death, and reduced by one for each subsequent year.

D. Income Tax Consequences of Establishing an IRA

1. IRA Deductibility

If you have not yet reached the year in which you attain the age of 70½, and have earned income from services rendered, you may make an IRA contribution for the lesser of 100% of compensation or the maximum allowable contribution for the applicable year including catch-up contributions if you are age 50 or older as set forth in section C2 above. However, the amount of the contribution for which you may take a tax deduction will depend upon whether you (or, in some cases, your spouse) are an active participant in an employer-maintained retirement plan. If you are not an active participant in a retirement plan maintained by your employer, your IRA contribution will be totally deductible. If you are an active participant, the deductibility of your contribution will depend on your modified adjusted gross income (MAGI) for the tax year for which the contribution was made. MAGI is determined using your adjusted gross income but disregarding any deductible IRA contributions and adding back interest from qualified U.S. savings bonds, employer-paid adoption expenses, interest paid on education loans, deduction for qualified tuition and related expenses, and certain exclusions from income for U.S. residents and citizens living abroad.

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

- a. A qualified pension, profit sharing, 401(k), or stock bonus plan;
- b. A qualified annuity plan of an employer;
- c. A simplified employee pension (SEP) plan;
- d. A retirement plan established by the federal government, a state, or a political subdivision (except an eligible deferred compensation plan under Section 457 of the Code);
- e. A tax sheltered annuity for employees of certain tax-exempt organizations or public schools;
- f. A plan meeting the requirements of Section 501(c)(18) of the Code;
- g. A qualified plan for self-employed individuals (H.R. 10 or Keogh Plan); and
- h. A SIMPLE IRA plan or a SIMPLE 401(k) plan.

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

If you are an active participant and are single, the deductible amount of your contribution is determined as follows: (a) take the Phase-Out Maximum for the applicable year (specified below) and subtract your MAGI, (b) divide this total by \$10,000 (\$20,000 in the case of a joint return for 2007 or later), (c) multiply this number by the maximum allowable contribution for the applicable year, including catch up contributions if you are age 50 or older. The resulting figure will be the maximum IRA deduction you may take. For instance, if you are age 40 with a MAGI of \$36,000 in 2002, your maximum deductible contribution is \$2,400 (the 2002 Phase-Out Maximum of \$44,000 minus your MAGI of \$36,000, divided by the difference between the maximum and minimum phase-out limits of \$10,000 and multiplied by the contribution limit of \$3,000). You must round the resulting number to the next highest \$10 if the number is not a multiple of 10.

If you are an active participant, are married and you file a joint tax return, the deductible amount of your contributions is determined as follows: (1) take the Phase-Out Maximum for the applicable year (specified below) and subtract your MAGI, (2) divide this total by the difference between the phase-out maximum and minimum, (3) multiply this number by the maximum allowable contribution for the applicable year, including catch up contributions if you are age 50 or older. The resulting figure will be the maximum IRA deduction you may take. For instance, if you are age 40 with a MAGI of \$56,000 in 2002, your maximum deductible contribution is \$2,400 (the 2002 Phase-Out Maximum of \$64,000 minus your MAGI of \$56,000, divided by the difference between the maximum and minimum phase out limits of \$10,000 and multiplied by the contribution limit of \$3,000). You must round the resulting number to the next highest \$10 if the number is not a multiple of 10.

Tax Year	Joint Filers	Single
	Phase-out Maximum	Taxpayers Phase-out Maximum
2002	\$64,000	\$44,000
2003	\$70,000	\$50,000
2004	\$75,000	\$55,000
2005	\$80,000	\$60,000
2006	\$85,000	\$60,000
2007	\$100,000	\$60,000

If you are married filing jointly and are not an active participant in an employer-maintained retirement plan, but are married to someone who is an active participant, your maximum deductible contribution is determined by taking \$160,000 minus your MAGI and dividing this total by \$10,000. This number is then multiplied by the maximum allowable contribution for the applicable year, including catch up contributions if you are age 50 or older. This figure will be the maximum IRA deduction you may take. (Subject to the maximum combined annual contribution limit for Traditional and Roth IRAs of the lesser of the IRA contribution limit or 100% of earned income).

2. Tax Credit for Contributions

For taxable years beginning on or after January 1, 2002 and ending on December 31, 2006, you may be eligible to receive a tax credit on your IRA contributions equaling a percentage of your qualified retirement savings contributions not exceeding \$2,000. This credit will be allowed in addition to any tax deduction that may apply, and may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are:

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

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

Adjusted Gross Income*						Applicable Percentage
Joint Return		Head of a Household		All Other Cases		
Over	Not Over	Over	Not Over	Over	Not Over	
	\$30,000		\$22,500		\$15,000	50
\$30,000	\$32,500	\$22,500	\$24,375	\$15,000	\$16,250	20
\$32,500	\$50,000	\$24,375	\$37,500	\$16,250	\$25,000	10
\$50,000		\$37,500		\$25,000		0

*Adjusted gross income is the amount from your 1040, line 33, or Form 1040A, line 19.

3. Definition of Compensation

Compensation includes your wages, salary, commissions, bonuses, tips, etc., but does not include income from interest, dividends, or other earnings or profits from property, or amounts not included in your taxable income. It also includes your earned income if you are self-employed (reduced by deductible Keogh plan contributions and one-half of your self-employment taxes) and taxable alimony. The Internal Revenue Service (the "IRS") treats as compensation any amount properly shown on your Form W-2 as "wages, tips, and other compensation" reduced by the amount shown on that form as distributions from nonqualified plans.

4. Tax-Deferred Earnings

The investment earnings of your IRA are generally not subject to federal income tax until distributions are made (or in certain instances when distributions are deemed to be made). However, if your IRA investments generate unrelated business taxable income, it may be required to file Form 990-T with the Internal Revenue Service and pay current tax on such income.

5. Nondeductible Contributions

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

If you make a nondeductible contribution to an IRA, you must report the amount of the nondeductible contribution to the IRS as a part of your tax return for the year using IRS Form 8606.

You may withdraw an IRA contribution made for a calendar year any time before the due date (including extensions) for filing your federal income tax return for that year. If you do so, you must also withdraw the earnings attributable to that portion of the IRA and report the earnings as income for the year for which the contribution was made. In addition, the 10% penalty tax generally imposed on premature distributions will apply to the withdrawal of the earnings unless you have attained the age of 59½. Further, you must not take a deduction for the contributions you withdrew.

6. Spousal IRA

If you and your spouse file a joint federal income tax return and your spouse has no compensation (or elects to be treated as having no compensation) for the year, you may establish an IRA for your spouse (a "Spousal IRA"). If you maintain IRAs for yourself and your spouse who has no compensation, you may make combined contributions each year in an amount up to the lesser of 100% of your gross annual compensation or twice the annual contribution limit (\$6,000 for 2002, or \$6,500 for 2002 if only one of you is 50 or older, or \$7,000 if both you and your spouse are 50 or older). You may determine how to divide your contributions between the two IRAs, but you cannot contribute more than the annual contribution limit to either IRA. As long as you have compensation, you may continue to make contributions to your spouse's IRA until the year in which your spouse attains age 70½ or older.

7. Excess Contributions

Any contributions to your IRA over and above the permissible limits set forth above are considered "excess contributions" subject to an annual excise tax of 6% of the amount of the excess contributions for each year in which the excess contribution remains in your IRA. Such excess contributions may be corrected (so that the 6% excise tax will not apply) by withdrawing the excess contributions and related earnings, as determined by you, from the IRA on or before the due date (including extensions) for filing your federal income tax return for the year for which the contribution relates. The amount of the excess contribution will not be considered a premature distribution nor be taxed as ordinary income. However, any earnings withdrawn will be taxed as ordinary income. In addition, the 10% penalty tax generally imposed on premature distributions will apply to the withdrawal of the earnings unless you have attained the age of 59½.

Alternatively, you may carry forward any excess contributions for one year and report it in a subsequent year as an annual contribution to the extent that the excess, when aggregated with your IRA contribution (if any) for the subsequent year, does not exceed the maximum permitted contribution for that year. The 6% excise tax will be imposed on excess contributions for each year they remain in the IRA.

8. Designation of Beneficiary or Beneficiaries

The assets remaining in your IRA will be distributed upon your death to the designated Beneficiary or Beneficiaries named by you on record with the Custodian. Your designated Beneficiary or Beneficiaries may be confirmed to you periodically by the Custodian and upon your request, and may be changed by you in a form and manner acceptable to the Custodian. If there is no designated Beneficiary for your IRA in the Custodian's records, your IRA will be paid in the following order of preference: (a) your surviving spouse, if any, (b) your surviving children, if any, in equal shares per stirpes, and if none, (c) your estate. Unless you designate otherwise, if a primary Beneficiary you designated predeceases you, the shares for that deceased Beneficiary will be divided equally among the surviving primary Beneficiary or Beneficiaries. If there is no primary Beneficiary living at the time of your death, payment of your IRA will be made to the surviving contingent Beneficiary or Beneficiaries designated by you. Unless otherwise specified in your designation, if a Beneficiary does not predecease you but dies before receiving his or her entire interest in the IRA, the remaining assets will be distributed to the Beneficiary or Beneficiaries designated by the deceased Beneficiary. If there is no Beneficiary designation of the deceased Beneficiary on file with the Custodian, his or her remaining interest in the IRA will be paid to the survivors of the deceased Beneficiary in the following order of

preference: (a) the deceased Beneficiary's surviving spouse, if any, (b) the deceased Beneficiary's children, if any, in equal shares per stirpes, and, (c) the deceased Beneficiary's estate. For the rules governing mandatory distributions see paragraph C.8 of this Disclosure Statement.

9. Taxation of Distributions

Except to the extent attributable to nondeductible IRA contributions, distributions from your IRA (that are not rolled over) are taxed as ordinary income and are not eligible for capital gains treatment. The special taxation rules applicable to lump sum distributions from qualified retirement plans is not available for distributions from your IRA.

If you make nondeductible IRA contributions, a portion of your distributions from the IRA will be nontaxable (as return of your nondeductible contributions) and a portion will be taxable (as a return of deductible contributions, if any, and account earnings). The following formula is used to determine the nontaxable portion of your distribution for a taxable year.

$$\begin{aligned} & \text{Aggregate nondeductible contributions} \\ & \div \text{Year-end account balance} \\ & \times \text{Distribution amount} \\ & = \text{Nontaxable portion of the distribution} \end{aligned}$$

To figure the year-end total IRA balance you must treat all of your IRAs as a single IRA. This includes all Traditional IRAs, as well as SEP IRAs and Rollover IRAs. You must also add back the distributions taken during the year in calculating your year-end total IRA balance. You must also complete IRS Form 8606 and attach it to your Federal income tax returns.

10. Rollovers

The balance in your IRA may be rolled over to another IRA, or your IRA may receive rollover contributions from any of your other IRAs or from your Employer's Retirement Plan (Qualified Retirement Plan, Tax-Sheltered Annuity, or governmental Section 457(b) deferred compensation plan), provided that all of the applicable rollover rules are followed. "Rollover" is a term used to describe a tax-free movement of cash or other property to your IRA from any of your IRAs. Funds in a SIMPLE IRA may not be rolled to your IRA during the first two years you participate in your employer's SIMPLE IRA plan. The rollover rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover, please see a tax advisor.

- a. **IRA to IRA Rollovers.** Funds distributed from your IRA may be rolled over to another IRA if the requirements of Section 408(d)(3) of the Code are met. A proper IRA to IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another IRA to IRA rollover from the distributing IRA during the 12 months preceding the date you receive the distribution. Further, you may roll the same dollars or assets only once every 12 months. However, direct transfers from an IRA custodian to another IRA custodian are not subject to this limitation.
- b. **Employer Retirement Plan to IRA Rollovers.** You may roll over, directly or indirectly, any eligible rollover distribution. An eligible rollover distribution is defined generally as any distribution from an Employer Retirement Plan (other than distributions to nonspouse beneficiaries) unless it is part of a series of equal or substantially equal periodic payments, a required minimum distribution or a hardship distribution.

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

As an alternative to the indirect rollover, your employer generally must give you the option of directly rolling your qualified plan balance over to an IRA. If you elect the direct rollover option, your eligible rollover distribution will be paid directly to the IRA (or other Employer Retirement Plan) that you designate. The 20% withholding requirements do not apply to direct rollovers.

- c. **Traditional IRA to Roth IRA Rollovers.** If your adjusted gross income is not more than \$100,000, you are eligible to roll over (or convert) all or any portion of your existing Traditional IRA(s) into your Roth IRA(s). The amount of

the rollover from your Traditional IRA to your Roth IRA is treated as a distribution for income tax purposes and is includible in your gross income (except for any nondeductible contributions). Although the rollover amount is generally included in income, the 10% early distribution penalty does not apply to rollovers or conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10% penalty. You should file IRS Form 8606 if you convert a Traditional IRA to a Roth IRA.

- d. **Rollover Election.** At the time you make a proper rollover to an IRA, you must designate to the Custodian, in a form and manner acceptable to the Custodian, your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.
- e. You cannot rollover to your IRA any required minimum distributions which you receive from your IRA or your Employer Retirement Plan or tax-sheltered annuity. Required minimum distributions from your IRA are those you must start taking for the year you attain the age of 70½ or older.

11. Carry-Back Contributions

A contribution is deemed to have been made on the last day of the preceding taxable year if you make a contribution by the deadline for filing your income tax return (not including extensions), and you designate that contribution as a contribution for the preceding taxable year. For instance, if you are a calendar year taxpayer and you make your Traditional 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.

12. Transfers Pursuant to Divorce or Separation

If all or part of your IRA is transferred to your spouse or former spouse under a divorce or separate maintenance decree or a written document related to such decree, the transfer is not considered a taxable distribution. As of the date of the transfer, the amount which is transferred will be considered to be the IRA of your spouse or former spouse.

E. Limitations and Restrictions

1. Under a Simplified Employee Pension (SEP) Plan that meets the requirements of Section 408(k) of the Code, your employer may make contributions to your IRA. Your employer is required to provide you with information that describes the terms of your employer's SEP Plan. In the case of employer contributions to a SEP-IRA, the annual contribution limit is limited to the lesser of 25% of your compensation (up to \$200,000, as adjusted for cost-of-living increases) or \$40,000 (as adjusted for cost-of-living increases). You may also make an individual contribution to your SEP-IRA of up to the maximum allowable contribution for the applicable year, or 100% of your compensation, if less.
2. Transfer of your IRA assets to a named Beneficiary made during your life and at your request or because of your failure to instruct otherwise, may be subject to federal gift tax under Section 2501 of the Code. However, the naming of a Beneficiary generally will not subject you to gift tax liability. Amounts remaining in your IRA upon your death are included in your gross estate for Federal estate tax purposes.
3. Any withdrawal from your IRA, except a direct transfer to another IRA or Employer Retirement Plan, is subject to federal income tax withholding and, perhaps, state income tax withholding. You may, however, elect not to have withholding apply to your IRA withdrawal. If withholding is applied to your withdrawal, not less than 10% (or other amount as prescribed by applicable law) of the amount withdrawn must be withheld for federal income tax. Special federal income tax withholding rules may apply if the distribution is sent outside of the United States.
4. If you or your Beneficiary engage in a prohibited transaction with your IRA, as described in Section 4975 of the Code, the IRA will lose its tax exemption and you must include the value of your account in your gross income for that taxable year. In addition, if you are under the age of 59½, the "distribution" also will be subject to both ordinary income tax and the 10% penalty tax for premature distributions. In general, a "prohibited transaction" means any direct or indirect (a) sale or exchange, or leasing, of any property between the disqualified person and the IRA; (b) lending of money or other extension of credit between the disqualified person and the IRA; (c) furnishing of goods, services, or facilities between the disqualified person and the IRA; (d) transfer to, or use by or for the benefit of, the disqualified person, of the income or assets of the IRA; (e) dealing by the disqualified person who is a fiduciary with the assets of the IRA in his or her own interest or for his or her own account; or (f) receipt of any consideration for his or her own personal account by any disqualified person who is a fiduciary from any party dealing with the IRA in connection with a transaction involving the income or assets of the IRA. For this purpose, "disqualified per-

son” means generally the individual for whom the IRA is maintained, such individual’s family members and any fiduciary or service provider to the IRA.

5. If you pledge any portion of your IRA as collateral for a loan, the amount so pledged will be treated as a taxable distribution and will be included in your gross income for that year.

F. Federal Tax Penalties

1. If you are under the age of 59½ and receive an IRA distribution, an additional tax of 10% will apply, unless the distribution is made on account of death, disability, a qualifying rollover, a direct transfer, the timely withdrawal of an excess contribution, or if the distribution is part of 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. Payments made to pay medical expenses which exceed 7.5% of your adjusted gross income and distributions to pay for health insurance for an individual who has separated from employment and who has received unemployment compensation under a federal or state program for at least 12 consecutive weeks are also exempt from the 10% tax if the distribution is made before the individual has been reemployed for at least 60 days. In addition, payments to cover certain qualified education expenses and distributions to buy, build, or rebuild a first home (up to lifetime maximum of \$10,000) are exempt from the 10% tax. Distributions to satisfy a levy issued by the Internal Revenue Service will also be exempt from the 10% tax. This additional tax will apply only to the portion of a distribution that is includible in your income.
2. If you or your designated Beneficiary or Beneficiaries fail to take a minimum distribution as described in paragraph C.8 of this Disclosure Statement, an additional tax of 50% is imposed upon any excess of the minimum required to be distributed over the amount actually distributed. This tax is referred to as an excess accumulation penalty tax. This tax applies each year until the required amount is distributed.
3. You must file Form 5329 with the Internal Revenue Service when any additional or excise taxes are due.

G. Other

1. The form of Agreement used to establish this IRA is the model government form provided by the Internal Revenue Service and is known as Form 5305-A. The Internal Revenue Service approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.
2. You may obtain further information on IRAs from your District Office of the Internal Revenue Service or search the IRS web site at www.irs.gov. In particular, you may wish to obtain IRS Publication 590, Individual Retirement Arrangements.
3. If you designate a trust for the benefit of your spouse as Beneficiary of your IRA and that trust is designed to meet certain special federal estate tax rules, special provisions of your IRA plan may apply. Those provisions relate to payments from your IRA to the trust after your death. Be sure to consult with your tax advisor about this issue.
4. Upon your death your IRA will be divided into separate shares and each beneficiary’s share will be transferred into a separate account. This permits each beneficiary to provide investment and distribution directions as to his or her share of your IRA. The transfer to a separate account does not create a taxable event for your designated beneficiaries.

H. Additional Financial Information

1. Custodial Fees

If not accompanied by this Disclosure Statement and Individual Retirement Custodial Account Plan, a schedule of fees is available from the Custodian or from the financial organization that has introduced your Account to the

Custodian. The Custodian’s annual maintenance, termination, and other administration fees will be charged by the Custodian for its services hereunder in accordance with the current fee schedule of the Custodian that is in effect from time to time. At the discretion of the Custodian, you may receive an invoice for the custodial maintenance and other related fees that are due and payable upon receipt. Unless timely paid by you, fees will be automatically charged against the Account, or as you direct in writing, charged against another account held by the Custodian over which you have investment authority. You may not reimburse your IRA for custodial fees once they have been charged to your IRA. Any such reimbursement of custodial or other administrative fees charged to your Account will be deemed a contribution to your IRA and reported to the IRS accordingly. The Custodian will notify you prior to changing the fee schedule. In the event of Account termination either by you or by the Custodian for any reason, the Custodian shall be entitled to receive the full termination fee, along with the full, nonprorated current year maintenance fee, regardless of the date during the year of the termination of the Custodial Account.

2. Brokerage Commissions

Brokerage commissions and other securities transaction related charges shall be as charged by the financial organization which has introduced your Account to the Custodian. Such commissions must be paid from assets held within your IRA and may not be reimbursed.

3. Other Expenses

Taxes of any kind which may be imposed with respect to your IRA and any expenses incurred by the Custodian in the management of your IRA, including, but not limited to expenses incurred in the preparation of unrelated business income tax returns, together with any fees referred to above, will be paid by you, or if not timely paid, will be charged against your Account, or as directed in writing by you, charged against another account over which the you have investment authority.

4. Earnings

The earnings of each separate Account shall be allocated only to that Account. The Custodian will attribute earnings only to the assets held in the Account in the custody of the Custodian according to its ordinary business practices and in accordance with its established customs and procedures.

5. Growth in Value

Growth in value of your Account will depend entirely on the investment decisions made by you and is neither guaranteed nor projected.



SUNAMERICA TRUST COMPANY

Privacy Policy Notice

At AIG Federal Savings Bank, doing business as SunAmerica Trust Company, your privacy is important to us. That is why we have provided this notice about the way we treat nonpublic personal information about you that is under our control. "Nonpublic personal information" means personally identifiable financial information you provide to us, or resulting from a transaction between you and us, or that we obtain in the course of providing a product or service to you. This notice explains the types of nonpublic personal information we collect and how we use it to provide you with the value and service that you deserve.

What Information We Collect

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications and other forms;
- Information about your transactions with us, our affiliates or others; and
- Information we receive from third parties such as our affiliates and consumer reporting agencies.

What Information We May Disclose

We may disclose the following kinds of nonpublic personal information about you:

- Information we receive from you on applications and other forms, such as name, address, and social security number;
- Information about your transactions with us, our affiliates or others, such as your account balance, payment history, parties to transactions and debit card usage; and
- Information we receive from a consumer reporting agency, such as your credit history.

To Whom We May Disclose:

Sharing Information within the AIG Corporate Family

We are an indirect affiliate of American International Group, Inc. ("AIG"). We may disclose nonpublic personal information about you to AIG and its other affiliated financial service providers (the "AIG

Corporate Family"), such as securities broker-dealers and insurance providers.

However, we will not share any of your nonpublic personal information, other than transaction or experience-related information, with our affiliates without first providing you an opportunity to direct that such information not be shared.

Sharing Information Outside the AIG Corporate Family

We may disclose all of the information we collect, as described above, to companies that perform services for us or functions on our behalf.

We may also disclose nonpublic personal information to nonaffiliated third parties as permitted by law. For example, we may disclose nonpublic personal information about you to third parties that help us provide you with products and services you have requested, to consumer reporting agencies, to government entities in response to subpoenas, or in order to protect your account against fraud.

Our Former Customers

If you close your account(s) or become an inactive customer, we will continue to adhere to the privacy policies and practices described in this notice.

State Law

You may have additional privacy rights under applicable state law.

Our Security Procedures

We also take steps to safeguard customer information. We restrict access to your personal information to those employees and service providers who need to know that information in order to provide products and services to you. Employees who violate these standards will be subject to disciplinary measures. We maintain physical, electronic and procedural safeguards that comply with federal standards to protect the confidentiality of your nonpublic personal information against unauthorized access or disclosure, and against accidental loss, alteration or destruction.



SunAmerica Trust Company

Attn: Retirement Plans Department
One Pershing Plaza
Jersey City, NJ 07399

IMPORTANT INFORMATION FOR CLIENTS CONCERNING THE CASH ACCOUNT SAVINGS PROGRAM

INTRODUCTION

This disclosure document is provided to customers (referred to herein as “you” or “your”) of [Broker] who have an individual retirement account (“IRA”) for which AIG Federal Savings Bank, including AIG Federal Savings Bank d/b/a SunAmerica Trust Company (“STC”), acts as custodian (the “IRA Custodian”).¹ Pursuant to your agreement with the IRA Custodian, available cash balances (from securities transactions, dividends, interest payments or other activities) in your IRA are automatically invested, or “swept,” through the Cash Account Savings Program (the “Program”) into a statement savings account (the “Savings Account”) at AIG Federal Savings Bank (“AIG FSB”). AIG FSB and [Broker] are each subsidiaries of American International Group, Inc. (“AIG”). Your Savings Account is subject to certain transaction limitations, as described below.

The IRA Custodian has entered into an agreement with Pershing LLC (“Pershing”) to act as its sub-custodian in holding the assets in your IRA. By participating in the Program, you authorize Pershing to make deposits into, and withdrawals from, your Savings Account as described below.

Funds in your Savings Account will be eligible for Federal Deposit Insurance Corporation (“FDIC”) insurance up to \$100,000 (including principal and accrued interest) in most insurable capacities (e.g., individual, joint, etc.). Funds in your Savings Account held through an IRA, Section 457 Plan, self-directed Keogh Plan and certain self-directed defined contribution plans, will be insured up to \$250,000 in the aggregate (including principal and accrued interest). The insurance limit applicable to each insurable capacity will be referred to as the “Maximum Applicable Deposit Insurance Amount.” Any deposits (including certificates of deposit) that you maintain in the same capacity directly with AIG FSB, or through an intermediary (such as Pershing or another broker), will be aggregated with deposits in your Savings Account at AIG FSB for purposes of the FDIC deposit insurance limits.

Your funds will be deposited in your Savings Account at AIG FSB without limit and without regard to the Maximum Applicable Deposit Insurance Amount. You are responsible for monitoring the total amount of deposits that you have with AIG FSB, in order to determine the extent of FDIC deposit insurance coverage available to you. The funds in your Savings Account will not be insured by the Securities Investor Protection Corporation (“SIPC”) or excess SIPC coverage obtained by Pershing. You should review carefully the section of this Booklet titled “INFORMATION ABOUT FDIC INSURANCE AND SIPC.”

A deposit will not be created, and your funds will not be covered by FDIC insurance, until Pershing deposits your funds in your Savings Account at AIG FSB.

Your Savings Account is a direct obligation of AIG FSB and is not directly or indirectly an obligation of [Broker] or Pershing. You can obtain publicly available financial information concerning AIG FSB at www.ffiec.gov/nic or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, Virginia 22226 or by phone at (703) 562-2200. Pershing does not guarantee in any way the financial condition of AIG

FSB or the accuracy of any publicly available financial information concerning AIG FSB.

You will not have a direct deposit account relationship with AIG FSB. Pershing, as agent for the IRA Custodian, will establish the Savings Account for you at AIG FSB and make deposits to and withdrawals from your Savings Account. [Broker] and Pershing will receive a fee from AIG FSB. The amount of the fee paid to [Broker] and Pershing may affect the interest rate paid on the Savings Account. You should review carefully the section of this Booklet titled “INFORMATION ABOUT YOUR RELATIONSHIP WITH THE IRA CUSTODIAN AND PERSHING.”

OPERATION OF THE PROGRAM

Establishment of, and Deposits into, your Savings Account

The Program makes available to you a statement savings account, a type of savings deposit. The Savings Account is non-transferable.

When funds are first available for deposit, Pershing will open a Savings Account on your behalf at AIG FSB.

AIG FSB will accept your funds without limit and without regard to the Maximum Applicable Deposit Insurance Amount. All activity with respect to your Savings Account will be confirmed and appear on your periodic brokerage account statement. **It is your obligation to monitor your funds deposited at AIG FSB from all sources in order to determine the extent of FDIC deposit insurance coverage available to you. You should review carefully the section of this Booklet titled “INFORMATION ABOUT FDIC INSURANCE AND SIPC.” You may at any time direct your Financial Consultant to withdraw funds from AIG FSB and place the funds in another investment.**

If Pershing is unable to cause the deposit of your funds on a business day, the funds will not be covered by FDIC insurance and you will not earn interest for that day. Your funds will be insured as “cash” by SIPC, within applicable limits.

Withdrawals

All withdrawals necessary to satisfy debits in your IRA will be made by Pershing as agent for the IRA Custodian. A debit is created to satisfy a securities purchase or a request for a withdrawal of funds from your brokerage account and, if applicable, when you write a check on your brokerage account, make payments via the online bill pay service or withdraw funds through your debit card. Checks written on your brokerage account are not drawn directly against the Savings Account established for you at AIG FSB.

Your Savings Account is not a transaction account. Federal banking regulations generally limit the number of transfers and withdrawals from a Savings Account to a total of six (6) during a monthly statement cycle. Certain exceptions to this limitation apply. The Federal Reserve Board has determined that withdrawals from your Savings Account as described above will not be subject to the transfer and withdrawal limits. You will be notified of any changes that limit your withdrawals from your Savings Account.

As required by federal regulations, AIG FSB reserves the right to require seven (7) days’ prior notice before permitting a withdrawal from your Savings Account. While AIG FSB has not exercised this right in the past and has indicated that it currently has no intention of doing so, pursuant to its reservation of rights it may elect to do so in the future.

¹ The Cash Account Savings Program has previously been made available to certain customers with accounts that are not IRAs. The Program is no longer offered to such accounts. However, the information provided in this disclosure document is applicable to non-IRA accounts still participating in the Program.

Interest on Balances in Your Savings Account

The interest rate on your Savings Account will be determined by AIG FSB based upon the amount AIG FSB is willing to pay on your Savings Account, which may be influenced by the fees paid to [Broker] and Pershing as set forth below in the section of this Booklet titled “FEES AND ADDITIONAL BENEFITS TO AIG.”

Interest rates may change daily and will be available on the business day the rates are set. Interest will accrue on Savings Account balances from the day funds are deposited into your Savings Account through the business day preceding the date of withdrawal from your Savings Account. Interest will be compounded daily and credited monthly. You may contact your Financial Consultant to determine the current interest rate on your Savings Account.

The interest rates paid with respect to your Savings Account at AIG FSB may be higher or lower than the interest rates available to depositors making deposits directly with AIG FSB or other depository institutions in comparable accounts and for other cash equivalent investments available through [Broker]. You should compare the terms, interest rates, required minimum amounts, and other features of the Program with other accounts and alternative investments.

Information About Your Savings Account

You will not receive trade confirmations. All activities with respect to your Savings Account will be confirmed and appear on your periodic statement from Pershing.

For each statement period, your statement from Pershing will reflect:

- All deposits to and withdrawals from your Savings Account
- The closing balance in your Savings Account
- The closing balance in your Savings Account on the next to the last business day of the month
- The interest rate and interest earned on your Savings Account

Pershing is responsible for the accuracy of your statement from Pershing, not AIG FSB. Your Financial Consultant can assist you in understanding your statement from Pershing and can answer any questions you may have about your statement from Pershing.

You may obtain information about your Savings Account, including balances and the current interest rates, by calling your Financial Consultant.

Notices

All notices described in this Booklet may be made by means of a letter, an entry on your brokerage account statement or by other means.

INFORMATION ABOUT YOUR RELATIONSHIP WITH THE IRA CUSTODIAN AND PERSHING

Relationship with the IRA Custodian and Pershing

You have entered into an agreement with the IRA Custodian to act as custodian for your IRA assets. Direction for investment of your IRA assets is given to your Financial Consultant as agent of the IRA Custodian. The Program is the only sweep investment made available by the IRA Custodian.

Pershing is acting as agent for the IRA Custodian in establishing the Savings Account at AIG FSB, depositing funds into the Savings Account, and withdrawing funds from the Savings Account. Savings Account ownership will be evidenced by a book entry on the account records of AIG FSB and by records maintained by Pershing. No other or separate evidence of ownership, such as a passbook or certificate will be issued to you. Your statements from [Broker] will reflect your activity in the

Program. You should retain your statements from [Broker] for your records. You may at any time obtain information about your Savings Account by contacting your Financial Consultant.

Unless you establish the Savings Account directly with AIG FSB as described below, all transactions with respect to your Savings Account should be directed to your Financial Consultant and all information concerning your Savings Account should be obtained from your Financial Consultant.

The IRA Custodian may, in its sole discretion, terminate your use of the Program as a sweep investment option. If the IRA Custodian terminates your use of the Program as a sweep investment option, you may establish a direct depository relationship with AIG FSB, subject to its rules with respect to maintaining deposit accounts.

Similarly, if you decide to terminate your participation in the Program, you may establish a direct relationship with AIG FSB by requesting to have your Savings Account established in your name at AIG FSB, subject to AIG FSB's rules with respect to establishing and maintaining deposit accounts.

Establishing your Savings Account in your name at AIG FSB will separate the Savings Account from your IRA. Your Savings Account balances will no longer be reflected in your statement from [Broker] and Pershing will have no further responsibility concerning your Savings Account.

Relationship with AIG FSB

As described above, you will not have a direct account relationship with AIG FSB. However, each Savings Account constitutes an obligation of AIG FSB and is not directly or indirectly an obligation of [Broker] or Pershing. You can obtain publicly available financial information concerning AIG FSB at www.ffiec.gov/nic or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, Virginia 22226 or by phone at 703-562-2200. Neither [Broker] nor Pershing guarantees in any way the financial condition of AIG FSB or the accuracy of any publicly available financial information concerning AIG FSB.

FEES AND ADDITIONAL BENEFITS TO AIG

Fees

AIG FSB will pay [Broker] an annual fee of 40 basis points and will pay Pershing a fee for its services based on the average daily deposit balance in your Savings Account. The amount of the fee will affect the interest rate paid by AIG FSB on your Savings Account.

Your Financial Consultant will receive a portion of the fee paid to [Broker] by AIG FSB. Upon request, [Broker] will provide you with information about [Broker's] compensation arrangements with respect to its sweep investments.

Other than applicable fees imposed by [Broker] on your IRA, there will be no charges, fees or commissions imposed on your IRA with respect to the Program.

Additional Benefits to AIG

The Program creates financial benefits to AIG and one or more of its subsidiaries. In addition to the fees received by [Broker], AIG FSB may use the cash balances in the Savings Account to fund certain lending and investment activities. As with other depository institutions, the profitability of AIG FSB is determined in large part by the difference between the interest paid and other costs incurred by it on its deposits and the interest or other income earned on its loans, investments and other assets. The income (i.e., “spread”) that AIG FSB will have the opportunity to earn through its lending and investment activities could be

significant. Deposits in the Savings Accounts at AIG FSB also provide a stable source of lendable funds for AIG FSB.

INFORMATION ABOUT FDIC INSURANCE AND SIPC

Deposit Insurance: General

Your Savings Account (including principal and accrued interest) is insured by the FDIC, an independent agency of the U.S. Government, to the Maximum Applicable Deposit Insurance Amount for all deposits held in the same insurable capacity at AIG FSB. Generally, any accounts or deposits that you may maintain directly with AIG FSB, or through any other intermediary, in the same insurable capacity in which your Savings Account is maintained would be aggregated with your Savings Account for purposes of the Maximum Applicable Deposit Insurance Amount. In the event AIG FSB fails, your Savings Account is insured, up to the Maximum Applicable Deposit Insurance Amount, for principal and interest accrued to the date AIG FSB is closed.

Under certain circumstances, if you become the owner of deposits at AIG FSB because another depositor dies, beginning six months after the death of the depositor the FDIC will aggregate those deposits for purposes of the Maximum Applicable Deposit Insurance Amount with any other deposits that you own in the same insurable capacity at AIG FSB. Examples of accounts that may be subject to this FDIC policy include joint accounts, “payable on death” accounts and certain trust accounts. The FDIC provides a six-month “grace period” to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

You are responsible for monitoring the total amount of deposits that you hold with AIG FSB, directly or through an intermediary, in order for you to determine the extent of deposit insurance coverage available to you on your deposits, including your Savings Account. Neither Pershing, [Broker] nor any other party is responsible for any insured or uninsured portion of your Savings Account or any other deposits.

If your Savings Account or other deposits at AIG FSB are assumed by another depository institution pursuant to a merger or consolidation, such deposits will continue to be separately insured from the deposits that you might have established with the acquiror until (i) the maturity date of any time deposits that were assumed, or (ii) with respect to deposits that are not time deposits, the expiration of a six month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquiror held in the same capacity for purposes of federal deposit insurance. Any deposit opened at AIG FSB after the acquisition will be aggregated with deposits established with the acquiror for purposes of federal deposit insurance.

The application of the Maximum Applicable Deposit Insurance Amount is illustrated by several common factual situations discussed below.

Individual Customer Accounts. Deposits at AIG FSB held by an individual in an account in the name of an agent or nominee of such individual (such as your Savings Account held through Pershing) or held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the agent, nominee or custodian, but are added to other deposits of such individual held in the same insurable capacity (including funds held in a sole proprietorship) and are insured up to \$100,000 in the aggregate. Deposits held through a qualified tuition savings program (529 Plan) will be insured as deposits of the participant and aggregated with other deposits of the participant if the arrangement and the name of the participant are identified on Pershing’s account records.

Joint Accounts. An individual’s interest in deposits at AIG FSB held under any form of joint ownership valid under applicable state law may be insured up to \$100,000 in the aggregate, separately and in addition to the \$100,000 allowed on other deposits individually owned by any of the

co-owners of such accounts (hereinafter referred to as a “Joint Account”). For example, a Joint Account owned by two persons would be eligible for insurance coverage of up to \$200,000 (\$100,000 for each person), subject to aggregation with each owner’s interests in other Joint Accounts at AIG FSB. Joint Accounts will be insured separately from individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners.

Revocable Trust Accounts. General Rule. Deposits at AIG FSB in which the owner evidences an intent that at his or her death the funds shall belong to one or more individuals (frequently referred to as a “Totten trust” account, “payable upon death” account or other type of revocable trust account (as determined under applicable state law)) will be aggregated with other deposits of the owner held in an individual insurable capacity at AIG FSB and insured up to a maximum of \$100,000. **Special Rule.** Revocable trust accounts will be insured as to each named beneficiary, separately from other accounts of the owner or the beneficiary, provided that: (i) Pershing’s account records evidence an intention that upon the death of the owner the funds will belong to the owner’s spouse, or to one or more parents, siblings, children or grandchildren and (ii) the beneficiaries of the revocable trust are specifically named in Pershing’s account records. However, a revocable trust account established by a husband and wife that names the husband and wife as sole beneficiaries will be treated as a Joint Account, and will be aggregated with other Joint Accounts subject to the rules described above under “Joint Accounts.” **Living Trusts.** A living trust is a formal revocable trust over which the owner retains ownership and control of the assets and designation of beneficiaries during his or her lifetime. Living trusts are subject to special rules, which should be carefully reviewed in order to determine the available deposit insurance coverage.

Irrevocable Trust Accounts. Deposits at AIG FSB held pursuant to one or more irrevocable trust agreements created by the same grantor (as determined under applicable state law) will be insured for up to \$100,000 for the interest of each beneficiary provided that the beneficiary’s interest in the account is non-contingent (i.e., capable of determination without evaluation of contingencies). According to the FDIC, **Coverdell Education Savings Accounts** will be treated as irrevocable trust accounts for deposit insurance purposes. The deposit insurance of each beneficiary’s interest is separate from the coverage provided for other accounts maintained by the beneficiary, the grantor, the trustee or other beneficiaries. The interest of a beneficiary in irrevocable trust accounts at AIG FSB created by the same grantor will be aggregated and insured up to \$100,000.

Deposit Insurance: Retirement Plans and Accounts

Retirement Plans and Accounts--Generally. If you have deposits at AIG FSB that are held through one or more retirement plans and accounts, the Maximum Applicable Deposit Insurance Amount available for your deposits will vary depending on the type of plan or account and, in some cases, the features of the plan or account.

The following sections discuss in general terms the rules that apply to your Savings Account and other deposits held through retirement plans and accounts. Because these rules determine the Maximum Applicable Deposit Insurance Amount available to you and whether your deposits at AIG FSB held through different retirement plans and accounts will be aggregated for purposes of the Maximum Applicable Deposit Insurance Amount, you should consult with your tax or legal adviser before investing in the Savings Account.

Pass-Through Deposit Insurance for Employee Benefit Plan Deposits. Subject to the limitations discussed below, under FDIC regulations an individual’s non-contingent interests in the deposits at AIG FSB held by many types of plans are eligible for insurance up to the Maximum Applicable Deposit Insurance Amount on a pass-through basis. This means that instead of an employee benefit plan’s deposits at AIG FSB being entitled to only the Maximum Applicable Deposit Insurance

Amount in total, each participant in the employee benefit plan is entitled to insurance of his or her non-contingent interest in the employee benefit plan's deposits of up to the Maximum Applicable Deposit Insurance Amount (subject to the aggregation of the participant's interests in different plans, as discussed below). The pass-through insurance provided to an individual as an employee benefit plan participant is separate from the Maximum Applicable Deposit Insurance Amount allowed on other deposits held by an individual in different insurable capacities with AIG FSB.

The types of plans for which deposits may receive pass-through treatment are employee benefit plans, as defined in Section 3(3) of the Employee Retirement Income Security Act (ERISA) (including Keogh plans, whether or not they are technically "employee benefit plans" under ERISA) and eligible deferred compensation plans described in Section 457 of the Internal Revenue Code of 1986. For purposes of Section 3(3) of ERISA, employee benefit plans are broadly defined to include most employee benefit plans, including most defined benefit plans and most defined contribution plans.

A deposit at AIG FSB held by an employee benefit plan that is eligible for pass-through insurance is not insured for an amount equal to the number of plan participants multiplied by the Maximum Applicable Deposit Insurance Amount. For example, an employee benefit plan owns \$200,000 in deposits at AIG FSB and the participants are eligible for up to \$100,000 per plan beneficiary. The employee benefit plan has two participants, one with a non-contingent interest of \$170,000 and one with a non-contingent interest of \$30,000. In this case, the employee benefit plan's deposits would be insured up to only \$130,000; the individual with the \$170,000 interest would be insured up to the \$100,000 limit and the individual with the \$30,000 interest would be insured up to the full value of such interest.

The contingent interests of employees in an employee benefit plan and overfunded amounts attributed to any employee benefit plan are not insured on a pass-through basis. Contingent interests of employees in an employee benefit plan deposit are interests that are not capable of evaluation in accordance with FDIC rules and are aggregated and insured up to the Maximum Applicable Deposit Insurance Amount. Similarly, overfunded amounts are insured, in the aggregate for all participants, up to the Maximum Applicable Deposit Insurance Amount separately from the insurance provided for any other funds owned by or attributable to the employer or an employee benefit plan participant.

Retirement Plans and Accounts Eligible for a Maximum Applicable Deposit Insurance Amount of \$250,000. The retirement plans and accounts described below are eligible for a Maximum Applicable Deposit Insurance Amount of \$250,000 and all deposits held through such plans and accounts will be aggregated for purposes of the Maximum Applicable Deposit Insurance Amount. This means that all deposits at AIG FSB that you hold through the plans and accounts described below will be eligible for insurance up to a total of \$250,000. IRAs. All deposits at AIG FSB held in traditional, Roth, SEP and SIMPLE IRAs will be aggregated for purposes of the Maximum Applicable Deposit Insurance Amount and will be further aggregated with deposits held through other plans described in this section. Section 457 Plans. These plans include any eligible deferred compensation plan described in Section 457 of the Internal Revenue Code of 1986. Self-Directed Keogh and 401(k) Plans. Deposits held in any plan described in Section 401(d) of the Internal Revenue Code of 1986, generally referred to as Keogh plans, and in any plan described in Section 3(34) of ERISA including, but not limited to, plans generally referred to as Section 401(k) plans. The plan must be "self-directed" to qualify for the \$250,000 deposit insurance limit. The FDIC defines self-directed to mean the ability of the plan participants to direct funds into a specific depository institution.

Retirement Plans and Accounts Eligible for a Maximum Applicable Deposit Insurance Amount of \$100,000. All retirement plans and

accounts not listed above, including defined contribution plans and plans that do not meet the FDIC's "self-directed" criteria, will be eligible for federal deposit insurance up to \$100,000 per participant, subject to the aggregation rules described below.

Additional Aggregation for Purposes of the Maximum Applicable Deposit Insurance Amount. In addition to the aggregation rules discussed above for retirement plans and accounts eligible for a Maximum Applicable Deposit Insurance Amount of \$250,000, under FDIC regulations an individual's interests in plans maintained by the same employer or employee organization (e.g., a union) that are holding deposits at AIG FSB will be aggregated for purposes of the Maximum Applicable Deposit Insurance Amount. It is therefore important to understand the type of plan or account holding your deposits.

Questions About FDIC Deposit Insurance Coverage. If you have questions about basic FDIC insurance coverage, please contact your Financial Consultant. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one insurable capacity. You may also obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Supervision and Consumer Protection, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618(TDD)), visiting the FDIC website at www.fdic.gov/deposit/deposits/index.html, or by e-mail, using the FDIC's On-line Customer Assistance Form available on its website.

SIPC Coverage

SIPC is a non-profit membership corporation created by the Securities Investor Protection Act of 1970, funded primarily by its member securities brokerage firms registered with the U.S. Securities and Exchange Commission. SIPC provides protection against custodial risk to clients of securities brokerage firms, like Pershing, in the event such firms become insolvent. Unlike FDIC insurance, SIPC does not insure against the loss of your investment. Nor does SIPC insurance insure the quality of investments or protect against a decline or fluctuations in the value of your investment. SIPC protects each client's securities and cash held in a client's brokerage account at an insolvent brokerage firm. Balances maintained in your Savings Account at AIG FSB are not protected by SIPC or any excess SIPC-like coverage purchased by Pershing.

If you have questions about SIPC coverage and additional SIPC-like coverage, please contact your Financial Consultant. You may also obtain information about SIPC coverage, including a brochure that describes SIPC and SIPC insurance, by accessing the SIPC website at www.sipc.org.