

- Traditional
- Roth
- SEP

## Self Directed IRA New Account Kit

### CHECKLIST

Shipping and Account Agreement

IRA Account Application

Copy of Your IRA / 401K Statement(s)



**Self Directed IRA**

**S E R V I C E S I N C**

A subsidiary of Horizon Bank



**Precious Metals IRA**  
For Precious Metals Investments

Account may hold only Precious Metals:

- American Eagle gold, silver and platinum coins
- Other coins as allowed under IRC §408(m)(3)
- Other precious metal products which meet the minimum fineness requirements and are manufactured by a NYMEX or COMEX approved refiner/assayer

**Basic IRA**  
For Public Investments

Account may hold any combination of:

- Any Precious Metals IRA products
- Brokerage Accounts
- Public REITs
- Public LPs and LLCs
- Public Note or Debt Offerings
- Bank CDs
- Other publicly registered or available products

**Flex IRA**  
For Alternative Investments

Account may hold any combination of:

- Any Precious Metals or Basic IRA products
- Real Estate
- Trust Deeds/Mortgages
- Private Stocks and REITs
- Private LPs and LLCs
- Private Note or Debt Offerings
- Other alternative investments permitted by SDIRA Services

# IRA Fee Schedule

Effective May 1, 2011

|  |                           |             |  |
|--|---------------------------|-------------|--|
| Account Set-up Fee (Due upon account opening)  | \$25 (effective 5/1/2011) | —           | —  |
| <b>Annual Account Fees</b>   |                           |             |  |
| First Year Account Fee (Due upon account opening)  | \$60                      | \$80        | \$100  |
| Account Fee After First Year (Due annually on anniversary of account opening)  | \$60                      | \$100       | \$300  |
| Paper Statements Mailed (Electronic statements provided at no cost)  | \$20                      | \$20        | \$20   |
| Late Fee (Charged for every 30 days past due)  | \$15                      | \$15        | \$15   |
| <b>Annual Asset Holding Fees</b><br>Charged with Annual Account Fee after 1st year.  |                           |             |  |
| Real Estate Holding (per property)   | —                         | —           | \$100  |
| Mortgages/Deeds of Trust Holding (per asset)   | —                         | —           | \$100  |
| Private Investment Holding (per asset)   | —                         | —           | \$50   |
| <b>Annual Precious Metals Storage Fee</b><br>Charged upon opening the required storage account and each January thereafter.                                |                           |             |  |
| Precious Metals Storage (through Delaware Depository Service Co.)<br>\$1 per \$1,000 of value stored (10 basis points); \$100 minimum - effective 5/1/2011 | \$100 min.                | \$100 min.  | \$100 min.   |
| <b>Processing Fees</b><br>Charged at time transaction processed.   |                           |             |  |
| Real Estate Purchase or Sale (per transaction)   | —                         | —           | \$125  |
| Loan Origination (per loan)  | —                         | —           | \$50   |
| Private Investment Purchase or Sale  | —                         | —           | \$50   |
| Precious Metals Purchase or Sale   | \$40                      | \$40        | \$40   |
| Precious Metals Shipping   | \$10 + cost               | \$10 + cost | \$10 + cost  |
| <b>Service Fees</b><br>Charged at time service is provided. Fees subject to change without notice.   |                           |             |  |
| Overnight (if charged to our overnight account) - effective 5/1/2011   | \$10 + cost               | \$10 + cost | \$10 + cost  |
| Stop Payment   | \$25                      | \$25        | \$25   |
| Return Check   | \$25                      | \$25        | \$25   |
| Wire - Domestic  | \$25                      | \$25        | \$25   |
| Wire - International   | \$50                      | \$50        | \$50   |
| Distribution/Withdrawal by ACH (if scheduled monthly or quarterly)   | No charge                 | No charge   | No charge  |
| Distribution/Withdrawal by Check   | \$5                       | \$5         | \$5  |
| Distribution/Withdrawal by Wire  | \$25                      | \$25        | \$25   |
| Federal Withholding  | \$5                       | \$5         | \$5  |
| Cashier's Check  | \$25                      | \$25        | \$25   |
| Roth Conversion (per asset)  | \$25                      | \$25        | \$25   |
| 990-T Processing   | \$50                      | \$50        | \$50   |
| Asset Transfer (per asset)   | \$25                      | \$25        | \$25   |
| Transfer and Recording of Assets   | At cost                   | At cost     | At cost  |
| Research/Special Services (per hour)   | \$50                      | \$50        | \$50   |
| Account Termination  | \$150                     | \$150       | \$150  |
| <b>Minimum Cash Requirement</b><br>Account is required to maintain this minimum balance in the cash account.   |                           |             |  |
|  | No minimum required       | \$500       | \$500<br>\$1,000 if Trust Deed/Mortgage held<br>\$5,000 if directly-owned Real Estate held |

Self Directed IRA Services, Inc. reserves the right to charge for other services not shown above.

**Cash Account Information for Uninvested Cash:** Funds received on behalf of an IRA account are automatically deposited into a Custodial NOW account held with Horizon Bank, an affiliate of Self Directed IRA Services, Inc. ("SDIRA Services"), where they are FDIC-insured up to \$250,000 per depositor, pending further investment direction. Interest rates are subject to change in accordance with market conditions at the sole discretion of SDIRA Services. Please refer to the *Terms for Uninvested Cash* section in your IRA Accountholder Agreement for more information.

**INVESTMENT PRODUCTS: NOT FDIC-INSURED • NO BANK GUARANTEE • MAY LOSE VALUE**



For regular mail:  
P.O. Box 685133  
Austin, TX 78768

For overnight delivery:  
600 Congress Avenue, Suite 400  
Austin, TX 78701

Phone:  
866.928.9394  
512.637.5739

Fax:  
512.495.9554

Website:  
www.SDIRAServices.com

**1 Tell us who you are.**

Mr.  Mrs.  Ms. **Full Name**     
First Middle Last

**Street Address (Required)**

**City**  **State**  **Zip**

**Mailing Address (If different from Street Address)**

**City**  **State**  **Zip**

**Social Security Number**  **Date of Birth**  /  /

**Home Phone**  **Work Phone**

**Email Address**

**Driver's License #**  **State Issued**  **Expiration Date**  /  /



If you do not have a valid state-issued driver's license, you must provide a legible photocopy of a valid government-issued photo ID.

**Please let us know how you heard about us.**

- Internet Search  Friend or Financial Professional \_\_\_\_\_  Conference/Trade Show \_\_\_\_\_  
 News Article or Press Release  Advertisement in \_\_\_\_\_  Other \_\_\_\_\_

**2 Choose the right IRA, funding and account options for you.**

**Type of IRA:** (Must select one)  Traditional  Roth  SEP \_\_\_\_\_ Check if account is an Inherited IRA and complete section below.

|  |   |
|--|---|
| Deceased Owner's Name <input type="text"/>                   | Deceased Owner's Date of Birth <input type="text"/> <input type="text"/> <input type="text"/> |
| Deceased Owner's Social Security Number <input type="text"/> | Deceased Owner's Date of Death <input type="text"/> <input type="text"/> <input type="text"/> |

**Funding of this IRA will come from a:** (Must select one)

- Transfer from an existing IRA → Complete the **IRA Transfer Request** form and attach copy of recent statement.  
 Rollover from another IRA: \_\_\_ Traditional \_\_\_ Roth \_\_\_ SEP \_\_\_ SIMPLE → Complete the **Rollover Certification** form.  
 Rollover from a previous employer's qualified retirement plan → Complete the **Rollover Certification** form. Then contact the plan administrator to obtain the forms it requires for rollover.  
 Recharacterization → Complete the **Recharacterization Request** form.  
 Annual Contribution of \$ \_\_\_\_\_ → Specify type: \_\_\_ Regular IRA for: \_\_\_ Current tax year \_\_\_ Prior tax year\*  
 \* If made between January 1 and the April tax filing deadline.  
 \_\_\_ SEP

► **Online Access and Statement Option:** Check if you wish to have online access to your account and online quarterly statements.

I want Online Access and Online Statements.

► **Paper Statement Option:**  I want Paper Statements Mailed Quarterly (A \$5 fee per statement will apply for paper statements.)

► **Fee Schedule Options:** Select one. Refer to the **IRA Fee Schedule** to select the fee schedule based on the type of investment(s) you wish to purchase, transfer or rollover. If no selection is made, the Flex IRA fee schedule will be the default.

Precious Metals IRA

Basic IRA

Flex IRA

► **IRA Fee Options:** Select one. If no selection is made, IRA fees will be deducted from initial funding prior to the processing of any transaction.

**First Year IRA Fee:**

Check enclosed

Deduct from initial Funds indicated above

**Annual IRA Fee:**

Invoice me annually

Deduct from my account annually

### 3 Designate your IRA beneficiaries.

The following individual(s) or entity(ies) shall be my primary and or contingent beneficiary(ies). If neither primary nor contingent is indicated, the individual or entity will be deemed to be a primary beneficiary. If more than one primary beneficiary is designated and no distribution percentages are indicated, the beneficiaries will be deemed to own equal share percentages in the IRA. Multiple contingent beneficiaries with no share percentage indicated will also be deemed to share equally.

If any primary or contingent beneficiary dies before I do, his or her interest and the interest of his or her heirs shall terminate completely, and the percentage share of any remaining beneficiary(ies) shall be increased on a pro rata basis. If no primary beneficiary(ies) survives me, the contingent beneficiary(ies) shall acquire the designated share of my IRA.

| Beneficiary Type, Name and Address   | Date of Birth<br>(mm/dd/yyyy) | Social Security<br>Number | Relationship | Share %<br>Must total 100% |
|--|-------------------------------|---------------------------|--------------|----------------------------|
| 1. <input type="checkbox"/> Primary <input type="checkbox"/> Contingent<br>Name _____<br>Address _____<br>City _____ State _____ Zip _____<br>Country: ___ USA ___ Other _____<br>___ Check if address same as Accountholder |                               |                           |              | %                          |
| 2. <input type="checkbox"/> Primary <input type="checkbox"/> Contingent<br>Name _____<br>Address _____<br>City _____ State _____ Zip _____<br>Country: ___ USA ___ Other _____<br>___ Check if address same as Accountholder |                               |                           |              | %                          |
| 3. <input type="checkbox"/> Primary <input type="checkbox"/> Contingent<br>Name _____<br>Address _____<br>City _____ State _____ Zip _____<br>Country: ___ USA ___ Other _____<br>___ Check if address same as Accountholder |                               |                           |              | %                          |
| 4. <input type="checkbox"/> Primary <input type="checkbox"/> Contingent<br>Name _____<br>Address _____<br>City _____ State _____ Zip _____<br>Country: ___ USA ___ Other _____<br>___ Check if address same as Accountholder |                               |                           |              | %                          |

**Spousal Consent:**

This section should be reviewed if either the trust or the residence of the IRA Accountholder is located in a community or marital property state and the IRA Accountholder is married. Due to the important tax consequences of giving up one's community property interest, individuals signing this section should consult with a competent tax or legal advisor.

**CURRENT MARITAL STATUS**

- I am not married.** I understand that if I become married in the future, I must complete a new Designation Of Beneficiary form.
- I am married.** I understand that if I choose to designate a primary beneficiary other than my spouse, my spouse must sign the following consent.

I am the spouse of the above-named IRA Accountholder. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. Due to the important tax consequences of giving up my interest in this IRA, I have been advised to see a tax professional. I hereby give the IRA Accountholder any interest I have in the funds or property deposited in this IRA and consent to the beneficiary designation(s) indicated above. I assume full responsibility for any adverse consequences that may result. No tax or legal advice was given to me by Self Directed IRA Services, Inc.

\_\_\_\_\_  
Signature of Spouse \_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Witness \_\_\_\_\_  
Date

## 4

**Designate a Representative or name an Interested Party if you want.**

You may choose to designate a Representative and/or name an Interested Party on your Account by completing this section. By designating a Representative ("Representative" or "Rep"), you are appointing the Representative to act as your agent with regard to directives of your Account. Your Representative is not in any way an agent, employee or representative of SDIRA Services.

- I do not wish to designate a Representative at this time.
- I wish to designate the Representative shown below.

- I do not wish to name an Interested Party at this time.
- I wish to name the Interested Party shown below.

**Designate a Representative:**

I wish to designate the following person or firm as my Representative (or "Rep") on my Account according to the "Terms and Conditions of Designating a Representative" shown in section 5 of this Agreement.

Your Representative may be your financial professional, broker, or other person or firm you choose. However, it may not be: (1) Self Directed IRA Services, Inc. or (2) the sponsor of or otherwise affiliated with an investment in your Account.

By designating a Representative on your Account, you give the Representative the power to:

- Authorize instructions and investment directions on your behalf to SDIRA Services.
- Receive copies of any and all correspondence related to your SDIRA Services account, including but not limited to, your account statements.
- Have unlimited access to information regarding your SDIRA Services account.

I understand I may change or remove my Representative designation at any time by completing SDIRA Services *Account Representative Designation* form.

**Name an Interested Party:**

I wish to name the following person or firm as an Interested Party (or "IP") on my Account according to the following terms.

Your Interested Party may be any individual or firm that you choose. However, it may not be Self Directed IRA Services, Inc.

By naming an Interested Party on your Account, you give the Interested Party authorization to:

- Receive any information on your Account, and
- Receive periodic statements of your Account.

I understand I may change or remove my Interested Party designation at any time by completing SDIRA Services *Interested Party Designation* form.

|             |       |         |                       |  |  |            |       |        |
|-------------|-------|---------|-----------------------|--|--|------------|-------|--------|
| Rep Name    |       |         | Rep # (if applicable) |  |  | IP Name    |       |        |
| Firm Name   |       |         |                       |  |  | Firm Name  |       |        |
| Rep Address |       |         |                       |  |  | IP Address |       |        |
| Rep City    | State | Zip     |                       |  |  | IP City    | State | Zip    |
| Rep Phone   |       | Rep Fax |                       |  |  | IP Phone   |       | IP Fax |
| Rep Email   |       |         |                       |  |  | IP Email   |       |        |

## 5

**Read this IRA Accountholder Agreement and sign at the end of this section.**

**Important: Please read this entire section carefully before signing. We must have a signature to open the account.** This Agreement contains important disclosures about your duties and responsibilities with regard to opening a Self Directed Individual Retirement Account ("Account") with Self Directed IRA Services, Inc. ("SDIRA Services") as your custodian. By signing below, you certify that you understand and agree to all terms and provisions shown in the Agreement below, including the terms of the attached IRA Custodial Account Agreement (the "Custodial Account Agreement"). In directing this action, you make the following representations, certifications and agreements:

1. **Appointment of Custodian, Receipt of Custodial Account Agreement and Right to Revoke:** I appoint SDIRA Services as custodian of my Account. I acknowledge that I have received and read the Custodial Account Agreement and related disclosures on the date shown below, and I agree to be bound by the terms and conditions contained in these documents. I understand that within seven (7) days from the date that I open my Account, I may revoke this application and close my Account without a penalty by mailing or delivering a written notice to SDIRA Services.

2. **Eligibility to Establish IRA:** I represent and certify that I meet the requirements set forth in Section 408 of the Internal Revenue Code ("the Code") and by the Internal Revenue Service and/or Department of Treasury to establish an individual retirement account ("IRA") and represent and certify that I am eligible to establish an IRA. Furthermore, I agree that it is not the responsibility of *SDIRA Services* to advise me as to the legality, validity or the tax implications of any contribution or transaction in my account.
3. **Sole Responsibility for Investment Selection, Management and Retention:** I understand that my Account is self directed and that I am solely responsible for the selection, management and retention of all investments held within my Account. These investments may involve a high degree of risk, and *SDIRA Services* will provide no investment advice nor make any investigation or determination as to the prudence, viability, suitability, legality or safety of the investments that I select. In addition, certain investments may constitute "prohibited transactions" under Section 4975 of the Code and subject me to significant excise taxes. *SDIRA Services* is not responsible for and will make no determination as to whether a specific transaction is prohibited under Code section 4975. I am solely responsible for this determination and understand that I should have all investments reviewed by a competent legal, tax and/or financial advisor. I understand that *SDIRA Services* recommends that I seek such professional advice.
4. **No Investment Advice Provided or Investment Suitability Determined by Custodian:** I understand and agree that my Account is self directed, which means that I am solely responsible for the management of the assets placed within my Account, including the selection, monitoring, and retention of all investments held within my Account. I understand and agree that *SDIRA Services* (i) is in no way responsible for providing investment advice or recommendations, as to my Account, (ii) is not a "fiduciary" for my Account as such term is defined in the Code, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), by the Texas Department of Savings and Mortgage Lending or under any other applicable federal, state or local laws. Furthermore, *SDIRA Services* has no responsibility to question any investment direction given by me or my Designated Representative, if I have appointed one, regardless of the nature of the investment. I understand that *SDIRA Services* is in no way responsible for the performance of any investment(s) held within my Account.
5. **No Due Diligence Review Conducted by Custodian:** I understand and agree that that *SDIRA Services* does not conduct any due diligence review of any investment, nor will *SDIRA Services* make any investigation with regards to any investment, any issuer or sponsor of any investment, or any officer, director, or other person or entity involved or affiliated with any investment. I understand and agree that *SDIRA Services* will not review or evaluate the prudence, viability, suitability, legality, or merits of any investment held in my Account. I understand that *SDIRA Services* permits my Account to invest in a wide variety of investments based on administrative factors only. I acknowledge that *SDIRA Services* does not sponsor or endorse any investment product other than the FDIC-insured NOW account where any uninvested funds are held.
6. **Custodian Does Not Determine Investment Compliance With Federal, State or Local Laws:** I understand and agree that *SDIRA Services* will not make any determination as to whether an investment does not violate any requirements, give rise to any excise taxes or penalties, and is otherwise acceptable under ERISA, the Code, or any other applicable federal, state or local laws, including securities laws. I agree that it is my sole responsibility to review any investments to ensure compliance with the above requirements and to avoid the occurrence of any "prohibited transactions" under the Code arising out of my investments in my Account. I understand that I should have all investments reviewed by my attorney and/or tax advisor prior to directing *SDIRA Services* to process any transaction on behalf of my Account. I agree that *SDIRA Services* may refuse to process any transaction that or otherwise condition the processing any transaction on receiving an opinion from your legal counsel on the legality of a given transaction. I also understand and agree that the decision of *SDIRA Services* as to whether or not to condition the processing of a proposed transaction on the receipt of a legal opinion is solely within its discretion and is no indication as to whether *SDIRA Services* has investigated the facts and circumstances surrounding a proposed transaction or made any determination as to whether a proposed transaction is permitted under applicable legal requirements.
7. **Administrative Feasibility of Investments:** I understand and agree that *SDIRA Services* may perform an administrative review of any investment to determine if the investment is administratively feasible for *SDIRA Services* to hold, and *SDIRA Services* may decline to process any proposed transaction based on such review or require that I obtain a suitable agent or counsel to perform administration of such investment. I acknowledge and agree, however, that any such review is only as to the feasibility of administering the investment and that *SDIRA Services* will not perform a due diligence review or undertake any other investigation as to the prudence, viability, legality, merits, or suitability of any investment in my Account. I understand that if the investment contains any administrative requirements or duties beyond the capabilities or expertise of what *SDIRA Services* can provide, I agree, if permitted by *SDIRA Services* in its sole discretion, to seek out suitable agents or counsel necessary to perform such duties and deliver written service agreements acceptable to *SDIRA Services* in its sole discretion for execution on behalf of my account.
8. **Terms and Conditions of Designating a Representative:** I understand that I have the option to designate a representative ("Representative") on this Custodial Account Agreement or by completing *SDIRA Services* Representative Designation form. I understand that if I appoint a Representative, such Representative cannot be an individual or firm in which my Account has invested. I understand that it is my responsibility to ensure that the Representative is independent of and in no way connected with the investments held in my Account. *SDIRA Services* is in no way responsible for determining this relationship. It is my responsibility to communicate all trade and/or investment instructions to my Representative and all instructions received by my Representative (including Representative's agents, employees or broker dealer) shall be assumed by *SDIRA Services* to have been authorized by me. I understand that I may change or remove my Representative at any time, by communicating in writing my desire to do so to *SDIRA Services*. I understand that all instructions received from my Representative prior to such removal will be executed by *SDIRA Services*. *SDIRA Services* has made no investigation or recommendation with respect to my Representative and will not compensate my Representative, except for the payments I personally instruct. I understand and agree that such Representative is not in any way an agent, employee, representative, or affiliate of *SDIRA Services*. I acknowledge and agree that *SDIRA Services* is not responsible for and is not bound by any representations, warranties, statements or agreements made by my Representative beyond the terms and provisions contained in this Agreement. I further understand that *SDIRA Services* has not made and will not make any recommendation or investigation with respect to my Representative or any other financial representative, broker, advisor or issuer that might have suggested that I retain *SDIRA Services* as custodian for an investment(s) made within my Account. Furthermore, *SDIRA Services* does not compensate my Designated Representative, or any other financial representative, broker, advisor or issuer in any manner. I agree to indemnify and hold harmless, *SDIRA Services* for any loss which may result from any action or inaction it takes in accordance with any written instructions received from my Representative on behalf of my Account.
9. **Custodian Not Affiliated With Any Representative, Investment Issuer or Other Parties:** I represent and warrant that if I have designated a representative ("Representative") on this Custodial Account Agreement or by completing *SDIRA Services* Representative Designation form, such Representative is not in any way an agent, employee, representative, or affiliate of *SDIRA Services*. Likewise, if another financial representative, broker, advisor, investment issuer or other party suggested I retain *SDIRA Services* as custodian for an investment(s) made within my Account, such individual or party is in no way an agent, employee, representative, or affiliate of *SDIRA Services*. I acknowledge and agree that *SDIRA Services* is not responsible for and is not bound by any representations, warranties, statements or agreements made by my Representative beyond the terms and provisions contained in this agreement or on *SDIRA Services* forms and/or documents. I further understand that *SDIRA Services* has not made and will not make any recommendation or investigation with respect to my Representative or any other financial representative, broker, advisor or issuer that might have suggested that I retain *SDIRA Services* as custodian for an investment(s) made within my Account. Furthermore, *SDIRA Services* does not compensate my Representative, or any other financial representative, broker, advisor or issuer in any manner.

10. **Monitoring Investments and Actions of Others:** I understand and agree that it is my sole responsibility to monitor the investments in my Account and that *SDIRA Services* has no duty or responsibility to monitor the performance of the investments in my Account or actions of the sponsor, nor to monitor the sufficiency or adequacy of my actions or duties or those of my heirs, successors, agents or assigns. I further understand and agree that *SDIRA Services* will not be required to monitor the acts of any paid consultant to whom *SDIRA Services* may have contractually delegated any duties or responsibilities pursuant to my directions or the directions of my Designated Representative.
11. **Prohibited Transactions:** I understand that certain transactions are prohibited for tax exempt retirement arrangements under Code Section 4975 (a "prohibited transaction"), including transactions with a "disqualified person" or a "party in interest" (as defined in the Code), and that such transactions will trigger excise taxes and may result in a deemed distribution from your IRA. I further understand that the determination of whether a transaction directed by me within my Account is a prohibited transaction depends on the facts and circumstances that surround each transaction, and I understand and agree that *SDIRA Services* has no responsibility to make a determination as to whether any transaction directed by me is a prohibited transaction. I understand and agree that it is solely my responsibility to consult with advisors as I deem necessary and appropriate, and that I will warrant to *SDIRA Services* that any investment directed by me is not a prohibited transaction. I agree that *SDIRA Services* may condition the processing of any transaction and require that I obtain an opinion from my legal counsel that the proposed transaction is not a prohibited transaction and refuse to process such transaction without such opinion. I also understand and agree that the decision of *SDIRA Services* as to whether or not to condition the processing on the receipt of a legal opinion is solely within its discretion and is no indication as to whether *SDIRA Services* has investigated the facts and circumstances surrounding a proposed transaction or made any determination as to whether a proposed transaction is a prohibited transaction.
12. **Investment Funding Requirements:** I understand and agree that I cannot make investments without having available liquid funds in my Account. In addition, if any investment contains provisions for future contractual payments or assessments, including margin calls, I acknowledge and agree that such payments or assessments shall be borne solely by my Account to the extent such payment is authorized by me or my Designated Representative, and may reduce or exhaust the value of my Account. I further agree to indemnify *SDIRA Services* for any and all payments or assessments which may be imposed as a result from holding the investment within my Account, and I agree that *SDIRA Services* shall be under no obligation whatsoever to extend credit to my Account or otherwise disburse payment beyond the cash balance of my Account for any payment or assessment related to the investment.
13. **Terms for Unrelated Business Taxable Income:** I understand that certain investments, such as limited partnerships, limited liability companies, and debt-financed real estate may generate Unrelated Business Taxable Income, or "UBTI". I further understand that, if the UBTI attributable to my Account exceeds \$1,000 for any taxable year, an IRS Form 990-T must be filed and the appropriate amount of tax is to be paid from my Account. I understand and agree that *SDIRA Services* will not monitor the amount of UBTI in my Account and does not prepare Form 990-T. If the filing of Form 990-T is applicable, I agree that it is my sole responsibility to prepare or have the proper Form 990-T prepared, and forward it to *SDIRA Services*, along with my authorization to pay the tax from my Account. If I am required to file Form 990-T with regard to any UBTI, I understand that I must obtain and utilize an Employer Identification Number ("EIN"). I agree that I will not use the EIN of *SDIRA Services* or my own social security number. I understand and agree that I must apply for my own EIN prior to or in conjunction with requesting *SDIRA Services* to pay any tax owed with regard to any UBTI that might be incurred on an investment held within my Account.
14. **Payment Instructions:** I agree to furnish payment instructions to *SDIRA Services* regarding any invoice, assessment, fee or any other disbursement notification received by *SDIRA Services* on behalf of my investments, and I understand that *SDIRA Services* has no duty or responsibility to disburse any payment until such instructions are received from me or my Designated Representative.
15. **Withholding:** I understand that distributions I receive from my Account will be subject to applicable federal and state income tax withholding requirements unless I elect to not have withholding apply. By signing and dating below, I understand and agree that I have elected not to have withholding apply to "in-kind" distributions from my Account, subject to my right to revoke this election at a later date. If I should revoke this election and have withholding apply to "in-kind" distributions, I agree and understand that it will be my responsibility to ensure that this Account maintains a sufficient amount of cash to satisfy my withholding election. I understand and agree that I am solely responsible for paying federal and state income tax on the taxable portion of my distribution(s) and that I may be subject to tax penalties if my payments of estimated tax and withholding, if applicable, are not adequate.
16. **Investments Not Guaranteed or Insured and May Lose Value:** I understand and agree that investments held within my Account are not guaranteed by *SDIRA Services* and that my investments are subject to investment risk, including the possible loss of the principal invested, and that my investments may lose value. I understand and agree that, except to the extent of the cash which is invested in the *SDIRA Services* Custodial Account (which is held at Horizon Bank and is FDIC insured), or directed into other FDIC insured bank products, the investments within my Account are not FDIC-insured, nor are any investments guaranteed by *SDIRA Services* or Horizon Bank, and that such investments may lose value.
17. **Notices, Proxies and Assessments:** I understand and agree that *SDIRA Services* has no responsibility or duty to notify me or to forward to me any notices, proxies, assessments or other documents received by *SDIRA Services* on behalf of my investments, unless I, or my Designated Representative request each such document in writing.
18. **Valuation of Investments Held:** I understand that *SDIRA Services* must receive an annual fair market value or good faith estimate for investments held in my Account and, for public and certain private investments, *SDIRA Services* will make every effort to obtain such valuation from the investment issuer. However, I agree that it is ultimately my sole responsibility to obtain and provide such market value or good faith estimate from the investment issuer/sponsor or through an independent appraisal, whichever is deemed appropriate by *SDIRA Services*. I further understand and agree that if *SDIRA Services* has not been provided with an annual fair market value or good faith estimate for any investment held within my Account, *SDIRA Services* may distribute that investment to me in-kind based upon the original acquisition cost or last known value, and that such distribution would be a taxable event. I understand and agree to these terms and to the Valuation Policy shown in the Financial Disclosure included with this IRA Application, IRA Custodial Agreement and Disclosure Statement.
19. **Collection and Legal Action:** I agree to be responsible for any and all collection actions, including contracting with a collection agency or instituting legal action, and bringing any other suits or actions which may become necessary to protect the rights of my Account as a result of the operation or administration of investments of my Account. I understand and agree that any legal filings made on behalf of my investments are to be made in the name of "Self Directed IRA Services, Inc. FBO (my Name) IRA." I agree that I shall not institute legal action on behalf of my investments without the written consent of *SDIRA Services* to litigate and that I shall be solely responsible for prosecuting any legal action. I agree that any such legal action will be carried out in a manner that does not cause *SDIRA Services* to incur any costs or legal fees. I agree to be responsible for any and all collection actions, including contracting with a collection agency or instituting legal action, and bringing any other suits or actions which may become necessary to protect the rights of my Account as a result of the operation or administration of investments of my Account. I understand and agree that any legal filings made on behalf of my investments are to be made in the name of "Self Directed IRA Services, Inc., Custodian FBO (my Name) IRA." I agree that I shall not institute legal action on behalf of my investments without the written consent of *SDIRA Services* to litigate and that I shall be solely responsible for prosecuting any legal action. I agree that any such legal action will be carried out in a manner that does not cause *SDIRA Services* to incur any costs or legal fees.

20. **IRA Fees and Payment Policy:** I acknowledge that I have received and reviewed the IRA Fee Schedule included with this IRA Application and I agree and consent to timely pay all fees provided therein within 30 days of receiving notice of such fee. I agree that, if any fees remain unpaid after 30 days of receiving notice of such fee, SDIRA Services may deduct amounts directly from the assets in my Account, or may sell or otherwise dispose of assets in my Account in order to satisfy such unpaid fees. In the event assets are liquidated in order to collect fees, the selection of those assets will occur systematically in the following order: 1) liquid assets, including NOW account holdings and mutual funds, followed by 2) any other asset type.
- I understand that IRA fees are due on my Account at the time my Account is opened and that IRA fees will be charged each year thereafter. SDIRA Services will invoice my IRA fees on the anniversary date. I understand that if not paid within 30 days of invoice, all account fees will be deducted from any available uninvested cash. If there is insufficient liquid funds in the account to deduct the fees due, my account will be charged a \$15 late fee, and SDIRA Services may liquidate other assets in the account in a sufficient amount to satisfy the amount owed.
- If my Account is unfunded with zero value, I understand my Account will continue to incur IRA fees each year and in certain situations may require written notice in a form acceptable to SDIRA Services, to close the account. SDIRA Services does not prorate its IRA fees, and the full amount will be due and payable for any year during which the account is open, even if the account is terminated at any point during the year. SDIRA Services reserves the right to assess an additional fee for extraordinary services. Any fees charged by a third-party will be passed on to the accountholder. SDIRA Services reserves the right to change its Fee Schedule at any time with 30-day notice to any affected accountholders.
21. **Terms for Uninvested Cash:** The Custodian will automatically deposit all deposits, transfers, earnings, and other cash received into a Negotiable Order Withdrawal (NOW) account, as defined in 12 U.S.C.A section 1832, held by SDIRA Services, as Custodian, pending further investment instruction. The Custodial account is a FDIC-insured bank account, which pays a rate of interest that is reviewed and adjusted periodically in accordance with market conditions. Interest Rates are determined at the sole discretion of SDIRA Services. Interest on your deposit will be calculated on the Daily Balance Method, which applies a periodic rate to the principal in the account each day. Interest begins to accrue no later than the business day the Custodian receives credit for the deposits. SDIRA Services Custodial NOW account is FDIC-insured up to \$250,000 per depositor. SDIRA Services will maintain the Custodial NOW account with its affiliate, Horizon Bank, SSB. SDIRA Services is a wholly-owned subsidiary of Horizon Bank, SSB, which is headquartered in Austin, Texas. We reserve the right to require you give us written notice of an intended withdrawal not less than seven days before the withdrawal of the deposits (plus any interest) is made.
22. **Availability of Funds After Deposit:** Any funds received into an SDIRA Services account which are made by check may be subject to an eleven business day (11) clearing period before funds are available to invest. Due to the right of revocation, a new account is subject to a seven (7) calendar day waiting period before any funds can be invested.
23. **Indemnification and Hold Harmless:** I agree to indemnify SDIRA Services and their respective principals, officers, directors, shareholders, partners, members, employees, consultants, affiliates and agents, including any legal representatives or controlling persons of any such person (each, an "Indemnified Party"), and to hold each harmless from and against any losses, claims, settlement costs, injury, breach of laws, damages, liabilities, charges, taxes, penalties, or other expenses due to or arising out of (i) a breach of any representation, warranty, acknowledgement, certification or agreement contained in this Agreement or in any other document in connection with my establishment and management of my Account, (ii) the execution by SDIRA Services of any direction provided by me with respect to my Account, (iii) any action or inaction by an Indemnified Party with respect to my Account that, although not pursuant to my specific direction, is otherwise contemplated under the terms of this Agreement or the Custodial Account Agreement (iv) any investment whatsoever made with respect to my Account, and (v) any tax consequences relating to my Account, including, without limitation, the tax and withholding requirements on any distributions from my Account.
24. **Entire Agreement:** I agree that this Agreement, together with the Custodial Account Agreement, is the complete and exclusive agreement between the parties with respect to the subject matter hereof, superseding any prior agreements and communications (both written and oral) regarding such subject matter. We have the right to amend this Agreement and the Custodial Account Agreement at any time. Any amendment we make to comply with the Internal Revenue Code and related Regulations does not require your consent. You will be deemed to have consented to any other amendment unless, within 30 days from the date we mail the amendment, you notify us in writing that you do not consent.
25. **Assignment:** I understand that this Agreement is not assignable without the express prior written consent of SDIRA Services.
26. **Severability:** If any provision of this Agreement or the application thereof to any person or circumstances shall be determined to be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
27. **Governing Law:** I agree that this Agreement and the Custodial Account Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and the federal laws of the United States of America, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.
28. **Dispute Resolution:** I agree to meet and confer in good faith with SDIRA Services to resolve any problems or disputes that may arise under this Agreement, the Custodial Account Agreement, or any other dispute related to my Account with SDIRA Services.
29. **Jurisdiction and Venue:** With respect to any suit, action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, I agree (i) that such suit, action or proceeding shall be held in state district court in Austin, Texas, (ii) that exclusive jurisdiction shall lie in the state district court in Austin, Texas and (iii) to irrevocably and unconditionally submit myself and my property, to the exclusive jurisdiction of the state district courts sitting in Austin, Texas, any and any appellate court to which any appeal may properly be taken there from and (iv) that all claims in respect of any such suit, action or proceeding may be heard and determined in any such court, (v) that process in any such suit, action or proceeding may be served on any party anywhere in the world, and (vi) agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. I irrevocably and unconditionally waive, to the fullest extent permitted by law, (i) any objection that I may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby in the state district court sitting in Austin, Texas, and (ii) the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in any such court. If I initiate suit under this Agreement and do not prevail, I agree that SDIRA Services shall be entitled to all costs, including attorneys' fees. Notwithstanding the above, I further agree that SDIRA Services may request that any suit initiated under this Agreement or the transaction proposed herein be initiated in or removed to U.S. federal court in Austin, Texas if and as appropriate.
30. **WAIVER OF JURY TRIAL:** The parties expressly waive any right to a trial by jury in any action or proceeding to enforce or defend any right, power, or remedy under or in connection with this agreement or under or in connection with any amendment, instrument, document, or agreement delivered or which may in the future be delivered in connection herewith or arising from any relationship existing in connection with this agreement, and agree that any such action shall be tried before a court and not before a jury. The terms and provisions of this section constitute a material inducement for the parties entering into this agreement.



31. **IMPORTANT USA PATRIOT ACT INFORMATION:** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

**What this means to you:** You must provide us with your name, residential address, social security number, date of birth and either driver's license information or a photocopy of a valid state or government-issued photo identification before we will accept and open your account.

**INVESTMENT PRODUCTS: NOT FDIC-INSURED • NO BANK GUARANTEE • MAY LOSE VALUE**

**ALL SECTIONS OF THIS APPLICATION SHOULD BE COMPLETED TO AVOID PROCESSING DELAYS.**

Agreed and accepted by applicant,



\_\_\_\_\_

Accountholder Signature

\_\_\_\_\_

Date

\_\_\_\_\_

Accountholder's Printed Name

**THIS SECTION IS TO BE COMPLETED ONLY BY IRA CUSTODIAN.**

Accepted by Self Directed IRA Services, Inc.,

\_\_\_\_\_

Authorized Signature of Self Directed IRA Services, Inc.

\_\_\_\_\_

Date



For regular mail:  
P.O. Box 685133  
Austin, TX 78768

For overnight delivery:  
600 Congress Avenue, Suite 400  
Austin, TX 78701

Phone:  
866.928.9394  
512.637.5739

Fax:  
512.495.9554

Website:  
www.SDIRAServices.com

Internal use only

1

**Provide information about the account from which you wish to transfer or rollover.**

| ACCOUNT FROM WHICH YOU WISH TO TRANSFER/ ROLLOVER:   | ACCOUNT TO RECEIVE YOUR TRANSFER/DIRECT ROLLOVER:  |
|--|--|
| Account Number with Present Custodian or Plan Administrator <input type="text"/>   | Your Name <input type="text"/>   |
| Type of Account<br><input type="radio"/> Traditional IRA <input type="radio"/> SEP IRA <input type="radio"/> 401(k), 403(b), 457(b) or other Qualified Retirement Plan<br><input type="radio"/> Roth IRA <input type="radio"/> SIMPLE IRA      | Your Social Security Number <input type="text"/>   |
| Note: You may <u>initiate</u> a Direct Rollover from a 401(k) or other eligible Qualified Retirement Plan using this form. However, your Plan Administrator will require you to complete its plan distribution forms packet before processing. | Account Number with SDIRA Services <input type="text"/>  |
| Name as it appears on the Account <input type="text"/>   | Your Daytime Phone Number <input type="text"/>   |
| Name of Custodian or Plan Administrator <input type="text"/>   | Type of Account<br><input type="radio"/> Traditional IRA <input type="radio"/> SEP IRA<br><input type="radio"/> Roth IRA <input type="radio"/> SIMPLE IRA  |
| Custodian's/Administrator's Physical Delivery Address <input type="text"/>   | <input type="radio"/> Transfer/Direct Rollover of an IRA or eligible Qualified Retirement Plan for which you are the Spouse Beneficiary<br><input type="radio"/> Transfer/Direct Rollover of an Inherited IRA or eligible Qualified Retirement Plan<br><input type="radio"/> Transfer/Direct Rollover Due to Divorce |
| City <input type="text"/> State <input type="text"/> Zip <input type="text"/>  |  |
| Phone Number for Custodian/Administrator <input type="text"/>  |  |

2

**Give instructions for how this transfer or direct rollover is to be processed.**

- Complete Transfer/Rollover:**  
Transfer or rollover all assets as indicated below, including any cash balance, and close my account.
- Partial Transfer/Rollover:**  
Transfer or rollover only what is indicated below and keep my account open.
- Cash: \_\_\_ All cash available \_\_\_ Exactly \$ \_\_\_\_\_
  - Please liquidate or re-register only the asset(s) indicated below.

| Liquidate             | Re-Register           | Asset Description | # of Shares | Approximate Value |
|-----------------------|-----------------------|-------------------|-------------|-------------------|
| <input type="radio"/> | <input type="radio"/> |                   |             | \$                |
| <input type="radio"/> | <input type="radio"/> |                   |             | \$                |
| <input type="radio"/> | <input type="radio"/> |                   |             | \$                |
| <input type="radio"/> | <input type="radio"/> |                   |             | \$                |
| <input type="radio"/> | <input type="radio"/> |                   |             | \$                |

\*\*\* Attach a copy of your most recent account statement with your Present Custodian or Plan Administrator to this form. \*\*\*

**• Deduct any necessary fees and deliver this transfer/direct rollover as indicated below:**

|  |  |
|--|--|
| <input type="radio"/> Send Check by U.S. Mail<br><br><input type="radio"/> Send Check for Overnight Delivery | Make check payable as shown below.<br><b>Self Directed IRA Services, Inc., Custodian</b><br><br><b>FBO</b> _____ <b>IRA #</b> _____<br><br>U.S. Mail Address: _____ Overnight Delivery Address: _____<br>P.O. Box 685133 600 Congress Avenue, Suite 400<br>Austin, TX 78768 Austin, TX 78701 |
| <input type="radio"/> Wire Funds   | Wiring Instructions:<br><b>Horizon Bank</b><br>600 Congress Avenue<br>Austin, TX 78701<br>ABA: 111907940<br>Account Name: SDIRA Services Custodial Account<br>Account Number: 4515532<br>FCT: Accountholder<br>Name _____ IRA Account # _____  |

**• For any assets that are to be reregistered, send the necessary asset reregistration/assignment forms as indicated below:**

|  |  |
|--|--|
| <input type="radio"/> Send Forms by U.S. Mail<br><br><input type="radio"/> Send Forms for Overnight Delivery<br><br><input type="radio"/> Send Forms via _____ | Assets should be reregistered as shown below.<br><b>Self Directed IRA Services, Inc., Custodian</b><br><br><b>FBO</b> _____ <b>IRA #</b> _____<br><br>600 Congress Avenue, Suite 400<br>Austin, TX 78701<br>Tax ID: 26-2637994 |
|--|--|

**• I instruct my Present Custodian/Plan Administrator to process my Required Minimum Distribution payment as indicated below:**

|  |  |
|--|--|
| If I am age 70½ or over or the beneficiary of an IRA, I authorize my Present Custodian to: | <input type="radio"/> Distribute my RMD or life expectancy payment to me prior to transferring my assets.<br><input type="radio"/> Segregate and retain my RMD or life expectancy payment amount.<br><input type="radio"/> Include the amount that represents my RMD or life expectancy payment in the transfer. |
|--|--|


**3 Tell us how you want us to remit this form to your Present Custodian or Plan Administrator.**

|  |  |   |
|--|--|---|
| <input type="radio"/> UPS Ground<br><br>If no selection is made, this request will be sent by UPS Ground Delivery to your Present Custodian. | <input type="radio"/> Overnight Choose one: ___ FedEx ___ UPS<br><br>___ Self Directed IRA Services, Inc. is authorized to deduct the \$25 overnight fee from the transfer of funds received in my Account.<br><br>___ Self Directed IRA Services, Inc. is authorized to charge FedEx or UPS account # _____ | <input type="radio"/> Fax to # _____<br><br>Attn _____<br><br>You must first verify your Present Custodian or Plan Administrator will accept a faxed copy and does not require an original signature. |
|--|--|---|

**4 Sign below to authorize this transfer/direct rollover.**

I authorize the IRA transfer or direct rollover in the manner described above and certify that all of the information provided by me is correct and may be relied upon by the Custodian. I understand that I am responsible for determining my eligibility for transfer or direct rollover within the limits set forth by tax laws, related regulations and plan agreements. I represent that I have established an IRA account with Self Directed IRA Services, Inc ("SDIRA Services") as Custodian. I agree to indemnify and hold harmless both my present Custodian/Plan Administrator and SDIRA Services from any and all costs, obligations, losses, claims, damages and expenses (including reasonable attorney fees) related or associated with this request. If special handling is requested (wire or overnight delivery), I authorize the deduction of applicable fees from my account. I assume responsibility for any tax consequences or penalties that may apply and I agree that the Custodian or Plan Administrator shall in no way be held responsible.

- ★ Before signing, check with your present Custodian to determine whether it will require a Medallion Signature Guarantee to process this request.
- ★ If a signature guarantee is not required, please sign below and send this form to Self Directed IRA Services, Inc.
- ★ If required, a signature guarantee can be obtained from your bank or a brokerage firm. A signature guarantee may not be obtained from a notary public.

|   |   |
|---|---|
| <br><br>_____<br>Accountholder Signature Date | <b>MEDALLION SIGNATURE GUARANTEE</b><br><br>A Medallion Signature Guarantee Program is approved by the Securities Transfer Association. Participating financial institutions guarantee that the individual signing this form is in fact the owner of the account for which the transfer is being requested. |
|---|---|

**5 Letter of Acceptance by Self Directed IRA Services, Inc.**

The account for the above-named individual is a valid IRA and Self Directed IRA Services, Inc. hereby accepts appointment as Custodian for the IRA account and agrees to accept the assets for transfer or direct rollover as indicated herein.

|  |               |
|--|---------------|
| _____<br>Authorized Signature of Self Directed IRA Services, Inc., IRA Custodian | _____<br>Date |
|--|---------------|



# Self Directed IRA

## S E R V I C E S I N C

A subsidiary of Horizon Bank

600 Congress Avenue, Suite 400 • Austin, TX 78701

Phone 512.637.5739 • Fax 512.495.9554 • www.SDIRAServices.com

# Deposit Coupon

Please complete all applicable information on the Deposit Coupon and submit along with the check. If funds are being wired, please fax this Deposit Coupon to the attention of "Accounting" prior to the wire transfer.

### 1 Account Information

|                    |   |                    |
|--------------------|---|--------------------|
| Accountholder Name |   | Account Number     |
| Daytime Phone      | Email Address   |                    |
| Account Type       | <input type="checkbox"/> Traditional <input type="checkbox"/> Roth <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE |                    |
| Deposit Amount     | Check Number  | Wire Transfer Date |

### 2 Specify Type of Deposit

#### • Contribution or Rollover Deposit Accountholder must sign and date Section 3 below.

- Contribution For Tax Year \_\_\_\_\_ (SEP contributions are reported in the year received.)
- Rollover For Tax Year \_\_\_\_\_

#### • Investment-Related Deposit Must specify name of the investment below.

|                 |
|-----------------|
| Investment Name |
|-----------------|

- Note or Debt Payment: Must complete the payment information below, including any interest and principle breakdown.

|  |              |                                       |
|--|--------------|---------------------------------------|
| Interest \$                            | Principle \$ | Note Payoff: _____ Partial _____ Full |
| New Ending Balance on the Note/Debt \$ |              |                                       |

- Rental Income
- Dividend
- Return of Capital
- Sale Proceeds: Partial Sale \_\_\_\_\_ Complete Sale \_\_\_\_\_

### 3 Signature

Accountholder must sign and date below if deposit is a Contribution or Rollover.

I hereby certify that all information provided is true and correct and may be relied on by SDIRA Services.

If making a Contribution, the undersigned understands the terms and conditions applicable to the IRA account are contained in the IRA plan agreement and agrees to be bound by those terms and conditions. The undersigned certifies that (i) the eligibility requirements have been met for making the type of IRA contribution indicated above, (ii) accountholder assumes complete responsibility for ensuring that all IRA contributions made are within the limits set by the tax laws, related regulations and plan agreement and for the tax consequences of any contributions (including any rollover and conversion contributions) and distributions, and (iii) the deposit described above is eligible to be contributed to the IRA.

If making a Rollover, the undersigned Accountholder understands the rules and conditions applicable to direct rollovers and certifies that (i) the requirements have been met for making a direct rollover of the funds shown above (ii) all funds are being deposited within the allowable 60 day period since distributed to me, (iii) this is the only rollover for or by me within the previous 12 month period, and (iv) none of the assets being deposited contain amounts from a Required Minimum Distribution. I acknowledge that I have been advised to see a tax professional due to the important tax consequences of rollovers. I assume full responsibility for this rollover transaction and will not hold Self Directed IRA Services, Inc. (SDIRA Services") liable for any adverse consequences that may result. I hereby irrevocably designate the rollover amount shown above as a rollover contribution.

Accountholder Signature \_\_\_\_\_ Date \_\_\_\_\_



Form **5305-SEP**  
 (Rev. December 2004)

Department of the Treasury  
 Internal Revenue Service

**Simplified Employee Pension-Individual  
 Retirement Accounts Contribution Agreement**

**(Under section 408(k) of the Internal Revenue Code)**

OMB No. 1545-0499

**Do not file with  
 the Internal  
 Revenue Service**

\_\_\_\_\_ makes the following agreement under section 408(k) of the Internal Revenue Code and the instructions to this form.  
 (Name of Employer)

**Article I – Eligibility Requirements** (check applicable boxes – see instructions)

The employer agrees to provide discretionary contributions in each calendar year to the individual retirement account or individual retirement annuity (IRA) of all employees who are at least \_\_\_\_\_ years old (not to exceed 21 years old) and have performed services for the employer in at least \_\_\_\_\_ years (not to exceed 3 years) of the immediately preceding 5 years. This simplified employee pension (SEP)

includes  **does not** include employees covered under a collective bargaining agreement,  includes  **does not** include certain nonresident aliens, and  includes  **does not** include employees whose total compensation during the year is less than \$450\*.

**Article II – SEP Requirements** (see instructions)

The employer agrees that contributions made on behalf of each eligible employee will be:

- A. Based only on the first \$205,000\* of compensation.
- B. The same percentage of compensation for every employee.
- C. Limited annually to the smaller of \$41,000\* or 25% of compensation.
- D. Paid to the employee's IRA trustee, custodian, or insurance company (for an annuity contract).

**Signature** Important: Please read before signing.

- I certify that:
1. I am authorized to establish this SEP plan on behalf of the employer.
  2. The employer is eligible to establish this SEP plan.
  3. In determining its eligibility to adopt this SEP plan, the employer has relied solely upon the advice of its own advisors.
  4. The employer agrees not to hold Self Directed IRA Services, Inc. responsible for any income tax liabilities it may suffer as a result of being found ineligible to establish this SEP plan.

Employer Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name and Title \_\_\_\_\_

\* For 2005 and later years, this amount is subject to annual cost-of-living adjustments. The IRS announces the increase, if any, in a news release, in the Internal Revenue Bulletin, and on the IRS website at [www.irs.gov](http://www.irs.gov).