

H&R Block Easy IRA Fee Schedule*

Account Opening.....	\$0.00
Minimum Initial Investment.....	\$300.00
Recontribution.....	\$0.00
Annual Account Maintenance	\$0.00
Account Termination	\$25.00
Returned Check/ACH	\$20.00
Statement Duplicate Copy (charged after the third statement request)	\$3.00
Wire Transfer Out.....	\$15.00
Withdrawal by Mail	\$0.00
Transfer funds to another financial institution.....	\$15.00
Priority Check Disbursement	\$25.00

*Fees subject to change.

Tax Preparation

IRA contributions frequently require additional forms reporting to the IRS. Consequently, funding an H&R Block Easy IRA may increase your tax preparation fee. Your tax preparer can explain those fees to you.

Late Contributions

Contributions made to an H&R Block Easy IRA, funded by a refund and designated as a contribution for the tax year 2006 must be received from the Internal Revenue Service prior to April 16, 2007. Due to IRS regulations, we cannot deposit your 2006 contributions after April 16, 2007. If a contribution is intended for tax year 2006 and is received after April 16, 2007, the contribution can be recharacterized as a contribution for the tax year 2007 and an amended tax return will be required.

H & R Block Easy IRA Disclosure Statement And Agreement for Individual Retirement Accounts

Article I. In General Disclosure Statement

Introduction

This Disclosure Statement ("Statement") is provided by H&R Block Bank ("HRBB" and/or "Custodian") in accordance with Treasury regulations and the Internal Revenue Code ("Code"). The Statement discusses many of the features of an individual retirement account ("IRA"). (Where the requirements for a traditional IRA and a Roth IRA are the same, this Statement refers to both types of accounts as an "IRA".) Remember, though, that this Statement is a general discussion; the terms of your IRA are governed by the H&R Block Bank Individual Retirement Custodial Account Agreement ("Agreement") for a traditional IRA or the Roth Individual Retirement Custodial Agreement ("Roth Agreement") for a Roth IRA.

An IRA is a retirement plan that you establish for yourself. Some or all of your yearly contributions to your traditional IRA may be deductible from gross income on your federal income tax return. Contributions to a Roth IRA are not deductible. Regardless of whether your contributions are deductible, any earnings (e.g., interest, dividends, capital gains, etc.) on your IRA are not subject to federal income tax until you receive distributions from your IRA. Distributions of earnings on your Roth IRA may not be subject to federal income tax if the distribution qualifies as a tax-free withdrawal. State and local income tax treatment of your IRA may differ from federal law; for details, you should consult your state and local taxing authority or your personal tax advisor.

Article II. Right to Revoke

You establish your IRA by signing the Adoption Agreement and making a contribution. You have the right to revoke the Adoption Agreement within seven (7) days from the date you sign it. To revoke the Adoption Agreement, you must, within the seven (7) day period, give written notice of revocation to the H & R Block Bank, P. O. Box 44215, Jacksonville, FL 32232-4215. If mailed, your notice will be deemed mailed on the date it is post marked (or, if sent by registered or certified mail, on the date of registration or certification), provided it is deposited in the mail in the United States in an envelope or other appropriate wrapper, properly addressed, first class, postage prepaid. If your notice is mailed in this manner, the Custodian will be deemed to have received your notice seven (7) days after the date of mailing. If you timely revoke your Adoption Agreement, the Custodian will return to you, without adjustment for market fluctuation, your original contribution, sales commission and administrative expenses associated with the IRA created by your Adoption Agreement. If your notice of revocation is not timely made, it will be void. In such case, you can cancel your IRA, but adjustments to your contribution for sales commissions, market fluctuation, and administrative fees and expenses will be made before return of any funds to you.

Internal Revenue Code Requirements

As is often the case when favorable tax treatment is given, the Code imposes certain requirements on establishing and maintaining an IRA. The Code requires an IRA to be a trust or custodial account created by a written instrument (like the Agreement or the Roth Agreement, and Adoption Agreement) that contains the following provisions:

- 1) Except for Rollover Contributions, a recharacterized contribution described in Code Section 408A (d)(6), or a conversion contribution, which are described later, contributions to an IRA must be made in cash. Annual contributions for any taxable year to your traditional IRA and Roth IRA cannot exceed the lesser of 100% of your compensation or the IRA Contribution Limit (defined below).
- 2) The trustee or custodian of the IRA must be a bank, or an organization, such as the Custodian, who demonstrates to the Internal Revenue Service that the organization can properly manage the IRA;
- 3) The funds in the IRA cannot be invested in life insurance contracts, or commingled with other property in other than a common trust fund or common investment fund;
- 4) Your interest in your IRA is fully vested at all times, and non-forfeitable;
- 5) Notwithstanding any provision of this agreement to the contrary, the distribution of your entire traditional IRA interest must be made in accordance with the minimum distribution requirements of Section 408(a)(6) of the Internal Revenue Code and the regulations thereunder, which are incorporated herein by reference.
- 6) Your entire traditional IRA must be distributed, or distribution must begin, by April 1 following the calendar year in which you become 70½. For each succeeding year, a distribution must be made to you on or before December 31. On or prior to April 1 of the calendar year in which you become 70½, you may elect, in a manner acceptable to H&R Block Bank, to have the balance in your account distributed in one of the following forms:
 - (a) A single sum payment;
 - (b) Equal or substantially equal payments over your life;
 - (c) Equal or substantially equal payments over your life and your designated beneficiary's life;
 - (d) Equal or substantially equal payments over a specified period that may not be longer than your life expectancy; or
 - (e) Equal or substantially equal payments over a specified period that may not be longer than the joint life and last survivor expectancy of you and your designated beneficiary.
- 7) If you die before your entire traditional IRA is distributed, your entire traditional IRA will be distributed as follows:
 - (a) If you die on or after the required beginning date and
 - (i) The designated beneficiary is your 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 one for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
 - (ii) The designated beneficiary is not your surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined

in the year following your death and reduced by one for each subsequent year, or over the period in paragraph (a)(i) below if longer. (ii) There is no designated beneficiary, the remaining interest will be distributed over your remaining life expectancy as determined in the year of your death and reduced by one for each subsequent year.

(b) If you die 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 your death. If, however, the designated beneficiary is your surviving spouse, then this distribution is not required to begin before the end of the calendar year in which you would have reached age 70½. But, in such case, if your 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) Distributed by the end of the calendar year containing the fifth anniversary of your death.

8) If you die before your entire interest in your Roth IRA is distributed to you and your surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with (a) below or, if elected or there is no designated beneficiary, in accordance with (b) below. If your surviving spouse is the designated beneficiary, such spouse will then be treated as the Participant.

(a) The remaining interest will be distributed, starting by the end of the calendar year following the year of your death, over the designated beneficiary's remaining life expectancy as determined in the year following your death.

(b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of your death.

9) If you own more than one traditional IRA, you may satisfy the minimum distribution requirements described above by receiving a distribution from one traditional IRA that is equal to the amount required to satisfy the minimum distribution requirements for two or more traditional IRAs in accordance with the regulations under Code Section 408(a)(6).

Who Can Establish an IRA?

You are eligible to establish an IRA for any taxable year during which you receive compensation (e.g., wages, salaries, professional fees, or other amounts derived from or received for personal services actually rendered, or earned income if self-employed). If your spouse receives compensation, your spouse can establish his or her own IRA. If your spouse does not receive any compensation, or elects to be treated as not having received any compensation (for IRA

purposes), you can establish a separate IRA for you and your spouse ("Spousal IRA Arrangement"). Even if you do not receive compensation, you may be eligible to establish a Rollover IRA by making a rollover contribution of certain types of distributions you receive from a qualified pension or profit sharing plan, a tax-sheltered annuity or a Code Section 457(b) governmental deferred compensation plan. You may not contribute to a traditional IRA if you have attained age 70½. You may contribute to a Roth IRA even if you have attained age 70½.

You can also establish an IRA in connection with your employer's simplified employee pension plan. A simplified employee pension (SEP) is an individual retirement account or annuity that permits your employer to contribute each year to your IRA up to 25% of your compensation or \$40,000, whichever is less.

In order to participate in a SEP with your employer, SEP-IRAs must be set up by or on behalf of all eligible employees. Your employer and all eligible employees can then enter into a SEP agreement that meets the requirements of the Internal Revenue Code.

Your employer contributes directly to your SEP-IRA.

Compensation

For purposes of the 25% limit, compensation does not include your employer's contribution to your SEP-IRA.

Example:

Barry's employer has a SEP for its employees. Barry's compensation was \$20,000. Barry's employer can contribute up to \$5,000 (25% x \$20,000) to Barry's SEP-IRA.

Employer's contribution excludable rather than deductible

Your employer's contributions to your SEP-IRA should not be included in your Form W-2, Wage and Tax Statement. Do not include these contributions in your income and do not deduct them.

If you make contributions to the IRA or annuity used to fund your SEP, however, you can deduct them the same way as contributions to a traditional IRA, up to the amount of your IRA Contribution Limit or 100% of your taxable compensation for the year, whichever is less.

How Is My H & R Block Easy IRA Invested?

Your IRA will be held in an interest-bearing FDIC-insured money-market account through H & R Block Bank, a Federal Savings Bank.

Amount and Deductibility of Contributions

A. Traditional IRA

Each tax year, you can make annual contributions to your traditional IRA up to the lesser of 100% of your compensation for that year, or the IRA Contribution Limit. In addition, you may make a contribution to a Spousal IRA Arrangement, up to the IRA Contribution Limit. In the case of a Spousal IRA Arrangement, you may choose how to allocate your contribution between the two accounts, but no more than the IRA Contribution Limit can be contributed to each account. For example, if you contribute \$7,000 in 2006 to your IRA and a Spousal IRA Arrangement, the contribution can be allocated in any manner such that neither IRA receives a contribution greater than \$4,000. Contributions for a year can be made as late as the due date (without regard to extensions) of the federal income tax return for that year.

The "IRA Contribution Limit" is \$4,000 for 2006, and will increase as follows:

IRA Contribution Limit

YEAR	\$LIMIT
2002-2004	\$3000
2005-2007	\$4000
2008	\$5000
2009 +	\$5000*

* increased by cost of living adjustments in \$500 increments

In addition, if you are age 50 or over by the end of any year, you may make a special, "catch-up" contribution to an IRA for that year. The catch-up contribution is \$500 for 2002 through 2005 and will increase to \$1,000 in 2006 and thereafter. If you are age 50 by the end of a year, your catch-up limit is added to your normal IRA Contribution Limit for that year. For example, if you are age 50 or older in 2006, your maximum IRA contribution is \$5,000 (\$4,000 under the normal IRA Contribution Limit plus \$1,000 under the special "catch-up" contribution limit.)

Your contribution can be fully deductible on your federal income tax return if you are not an active participant in a retirement plan maintained by your employer (or, if you and your spouse file a joint tax return, neither you nor your spouse are active participants in retirement plans maintained by your employers). If you are an active participant, your traditional IRA contribution will be fully deductible, partly deductible or not deductible, depending on your adjusted gross income and your tax filing status.

The amount of adjusted gross income which will affect the deductible contribution that you can make to a traditional IRA is shown in the following tables. If you (or your spouse, if you are married and file a joint tax return) are an active participant in a retirement plan maintained by your employer and your adjusted gross income is less than the first amount shown in the table for the applicable taxable year, your contribution can be fully deductible on your federal income tax return. If you (or your spouse, if you are married and file a joint tax return) are an active participant in a retirement plan maintained by your employer and your adjusted gross income is greater than the second amount shown in the table for the applicable taxable year, no part of your contribution is deductible.

Joint Returns

TAXABLE YEAR	ADJUSTED GROSS INCOME AMOUNTS
2001	\$53,000 - \$63,000
2002	\$54,000 - \$64,000
2003	\$60,000 - \$70,000
2004	\$65,000 - \$75,000
2005	\$70,000 - \$80,000
2006	\$75,000 - \$85,000
2007 +	\$80,000 - \$100,000

Single Taxpayers

TAXABLE YEAR	ADJUSTED GROSS INCOME AMOUNTS
2001	\$33,000 - \$43,000
2002	\$34,000 - \$44,000
2003	\$40,000 - \$50,000
2004	\$45,000 - \$55,000
2005 +	\$50,000 - \$60,000

Married Filing Separate Returns

TAXABLE YEAR ADJUSTED GROSS INCOME AMOUNTS

2001 + \$0 - \$10,000

If you (or your spouse, if you are married and file a joint tax return) are an active participant in a retirement plan maintained by your employer and your adjusted gross income is greater than the first amount but less than the second amount, some portion of your contribution can be deductible and the remainder will be nondeductible.

In general, the percentage of your contribution that will not be deductible is the percentage obtained when dividing the amount by which your adjusted gross income exceeds the foregoing amount by \$10,000. For example, if you are not married and your adjusted gross income is \$52,000 in 2005, the percentage of your contribution that is not deductible is 20% (\$52,000 - 50,000 = \$2,000 divided by \$10,000 = 20%). The same percentage would be obtained if you are married and file a joint tax return, and the adjusted gross income of you and your spouse is \$72,000 in 2005 (\$72,000 - 70,000 = \$2,000 divided by \$10,000 = 20%). In either case, 90% of your contribution can be deductible. So, if you contributed \$3,000 to your IRA (\$6,000 to IRAs for you and your spouse), \$2,700 of your contribution (\$5,400 if you and your spouse each contributed \$3,000) is deductible. Remember that all earnings on your contributions accumulate tax free until you receive distributions from your IRA, regardless of whether your contributions are tax deductible in whole or in part.

For taxable years beginning after December 31, 2006, the denominator in the fraction for married taxpayers filing a joint return will be \$20,000. For example, if the combined adjusted gross income of you and your spouse for the year 2007 is \$85,000, the percentage of your contribution that is not deductible is 25% (\$85,000 - \$80,000 = \$5,000 divided by \$20,000 = 25%). In this case, 75% of your contribution can be deductible. So, if you and your spouse contributed \$8,000 to your respective IRAs, \$6,000 of your contributions is deductible.

A special rule applies if you are not an active participant in a retirement plan but your spouse is an active participant in a retirement plan sponsored by your spouse's employer and you and your spouse file a joint return. In this event, if the combined adjusted gross income of you and your spouse is less than \$150,000, you can deduct the full amount of your traditional IRA contribution. If the combined adjusted gross income of you and your spouse is greater than \$160,000, no amount of your traditional IRA contribution is deductible. If the combined adjusted gross income of you and your spouse is between \$150,000 and \$160,000, some portion of your contribution can be deductible and the remainder will be nondeductible. The percentage of your contribution that will not be deductible is the percentage obtained when dividing the amount by which your combined adjusted gross income exceeds \$150,000 by \$10,000. For example, if your combined adjusted gross income in 2005 is \$151,000, the percentage of your contribution that is not deductible is 10% (\$151,000 - \$150,000 = \$1,000 divided by \$10,000 = 10%). So, if you contributed \$3,000 to your IRA, \$2,700 of your contribution is deductible. In this example, your spouse could not make a deductible contribution to your spouse's IRA because your spouse is an active participant in a retirement plan and your adjusted gross income exceeds the applicable amount for 2005 (\$80,000).

If you qualify to make tax-deductible contributions under the above rules, you can elect to treat your contributions as nondeductible. (You might do this if you do not need the tax deduction). You make the election on your tax return. If you file an amended tax return, you can change your election from deductible to nondeductible, and vice versa.

If you make nondeductible contributions, you must inform the Internal Revenue Service of the amount thereof for the year, the amount of nondeductible contributions made in prior years and not yet withdrawn, and the year-end balance of your IRA, the amount of any distributions you receive during the year and such other information as the Internal Revenue Service requests.

B. Roth IRA

1. Annual Contributions

You can make annual contributions to your Roth IRA up to the lesser of 100% of your compensation for that year or the IRA Contribution Limit. In addition, you may make a contribution to a Spousal Roth IRA up to the IRA Contribution Limit, if you and your spouse file a joint tax return. You may make a contribution to a Roth IRA even if you are age 70½ or older. Contributions for a year can be made as late as the due date (without regard to extensions) of the federal income tax return for that year. The “IRA Contribution Limit” is \$4,000 for 2006, and will increase as follows:

IRA Contribution Limit

YEAR	LIMIT
2002-2004	\$3000
2005-2007	\$4000
2008	\$5000
2009 +	\$5000*

* increased by cost of living adjustments in \$500 increments.

In addition, if you are age 50 or over by the end of any year, you may make a special “catch-up” contribution to a Roth IRA for that year.

The catch-up contribution is \$500 for 2002 through 2005 and will increase to \$1,000 in 2006 and thereafter. If you are age 50 by the end of a year, your catch-up limit is added to your normal IRA Contribution Limit for that year. For example, if you are age 50 or older in 2006, your maximum IRA contribution is \$5,000 (\$4,000 under the normal IRA Contribution Limit plus \$1,000 under the special “catch-up” contribution limit.)

Your Roth IRA Contribution Limit is reduced by any contributions for the same year to a traditional IRA. For example, if your compensation for 2006 is at least \$4,000, you are under age 50, and you contribute \$1,000 to a traditional IRA, your maximum Roth IRA contribution limit is \$3,000.

If your income exceeds certain limits, you may not be able to make any contributions to a Roth IRA, or your contributions may be limited. This will depend on your adjusted gross income and your filing status.

Your contribution to a Roth IRA is not limited if you are a single taxpayer and your adjusted gross income is up to \$95,000, or if you are married and file a joint tax return and your adjusted gross income is up to \$150,000.

You may not make a contribution to a Roth IRA if you are a single taxpayer and your adjusted gross income is \$110,000 or more, or if you are married and file a joint tax return and your adjusted gross income is \$160,000 or more.

Your contribution is reduced if:

- You are a single taxpayer whose adjusted gross income is more than \$95,000 but less than \$110,000; or
- You are married and file a joint tax return and your adjusted gross income is more than \$150,000 but less than \$160,000.

The amount of the reduction is determined as follows. Multiply the IRA Contribution Limit by a fraction. The numerator of the fraction is the amount by which your adjusted gross income exceeds the lower number shown above (\$95,000 if you are single and \$150,000 if you are married filing jointly.) The denominator of the fraction is \$15,000 (if you are single) or \$10,000 (if you are married filing jointly.) Subtract the result from your IRA Contribution Limit. For example, assume you are married, under age 50, file a joint tax return with your spouse and your combined adjusted gross income is \$154,000. Your Roth IRA contribution is reduced by 40% ($154,000 - \$150,000 = \$4,000 \div \$10,000 = 40\%$.) This results in a maximum Roth IRA contribution of \$2,400 for 2006. ($40\% \times \$4,000$ [IRA Contribution Limit for 2005] = \$1,200; $\$4,000 - \$1,200 = \$2,400$.)

Contributions to a Roth IRA are not deductible. However, earnings on your contributions accumulate tax-free and, if certain conditions are met, may be withdrawn on a tax-free basis.

2. Conversion Contributions

You are eligible to convert a traditional IRA to a Roth IRA if, for the year of the conversion, your adjusted gross income is \$100,000 or less. This same limit applies to married and single taxpayers. If you are married, you may convert a traditional IRA to a Roth IRA only if you file a joint tax return. If you and your spouse each file a separate return you are not eligible to convert.

The conversion is treated as a taxable distribution from your traditional IRA and a subsequent conversion contribution to a Roth IRA. Distributions from your traditional IRA are includable in your taxable income in the year of the distribution, except for any portion of the distribution that represents a tax-free return of your prior nondeductible contributions. However, the distribution from your traditional IRA is not subject to the 10% penalty tax on early distributions, even if you are under age 59½ at the time of the conversion.

3. Recharacterization of IRA Contributions

A contribution to one type of IRA may generally be recharacterized as a contribution to a different type of IRA. You may decide to recharacterize a contribution because, for example, you made a conversion contribution to a Roth IRA early in the year and then realize that your adjusted gross income will exceed \$100,000 in that year.

A recharacterization is made by directing a transfer of the contribution, adjusted for earnings, to the new type of IRA and informing the transferring custodian and the receiving custodian that you are recharacterizing the contribution. The recharacterization must be completed by the due date (including extensions) of your federal income tax return for the year of the original contribution.

The recharacterization is permissible only if the contribution could have been originally made to the receiving IRA. For example, you may not recharacterize amounts in excess of the IRA Contribution Limit (unless they are rollover or conversion contributions.) Under current IRS rules, recharacterization is not restricted to amounts you converted from a traditional IRA to a Roth IRA. You can, for example, make an annual contribution to a traditional IRA and then recharacterize it as a contribution to a Roth IRA, or vice versa. You must make the election to recharacterize by the due date for your tax return for the year.

How Are Distributions Taxed?

A. Traditional IRA

You must give the Custodian written notification of the time you wish to begin receiving distributions from your traditional IRA, and the manner in which you wish to receive payment. Unless you direct the Custodian not to withhold income tax from distributions from a traditional IRA, the law requires that the Custodian do so.

Some or the entire amount distributed may be included in your gross income and taxed as ordinary income, depending on whether your contributions were deductible or not deductible. Where all contributions to your traditional IRA have been tax deductible, all distributions from your traditional IRA will be includable in your gross income and taxed as ordinary income. Where some portion of your contributions have been tax deductible and some have not, only a portion of the amount distributed will be includable in your gross income. The percentage of the distribution not includable in your gross income is the percentage obtained by dividing the total amount of nondeductible contributions ever made by you to the traditional IRA (and not previously withdrawn) by the balance in your traditional IRA (all of them, if you have more than one) at yearend plus the amount of distributions for the year. For example, if you withdrew \$1,000 during the year, and previously made \$2,500 in nondeductible contributions, and the year-end balance in your traditional IRA is \$4,000, 50% of your \$1,000 distribution is not includable in your gross income. ($\$4,000 + \$1,000 = \$5,000$; $\$2,500$ divided by $\$5,000 = 50\%$.)

Beginning with April 1 of the calendar year immediately following the calendar year in which you became 70½, you must begin to receive distributions from your traditional IRA. The Internal Revenue Service publishes guidelines telling you the minimum amount you must receive each year (of course, you can take more).

If the amount distributed is less than the minimum amount required to be distributed, you must pay a penalty equal to 50% of the difference between the amount distributed and the minimum amount required to be distributed.

B. Roth IRA

You may make a withdrawal from your Roth IRA at anytime. The principal amounts that you contributed can always be withdrawn tax-free. Withdrawals of earnings will be tax-free if two requirements are met. First, the Roth IRA must have been open for five or more years before the withdrawal. Second, one of the following conditions must be met:

- You are at least age 59½ when you make the withdrawal.
- The withdrawal is made by your designated beneficiary after your death.
- You are disabled when you make the withdrawal.
- You are using the withdrawal for eligible first-time homebuyer expenses (subject to a \$10,000 lifetime limit).

Eligible expenses include the costs of purchasing, building or rebuilding a principal residence (including customary settlement, financing or closing costs.) The purchaser may be you, your spouse or a child, grandchild, parent or grandparent of you or your spouse. A person is considered a “first-time homebuyer” if the person (and spouse, if married) did not have an ownership interest in a principal residence during the two-year period immediately preceding the acquisition. The withdrawal must be used for eligible expenses within 120 days after the withdrawal. For a Roth IRA that you opened with an annual contribution, the five-year period starts with the year for which you make the initial annual contribu-

tion. For a Roth IRA that you opened with amounts rolled over or converted from a non-Roth IRA, the five-year period begins with the year in which the conversion or rollover was made.

If a withdrawal does not satisfy both of the conditions described above, the tax treatment of the withdrawal will depend on the character of the amounts withdrawn. To make this determination, all of your Roth IRAs are treated as one. Amounts withdrawn are treated as made in the following order:

- First, all annual contributions.
- Second, all conversion amounts (on a first-in, first-out basis.)
- Third, earnings.

A withdrawal of prior annual contribution amounts to your Roth IRA is not taxable income in the year you receive it and the 10% early distributions penalty tax does not apply (see below.) A withdrawal of previously taxed conversion amounts also is not taxable income in the year of the withdrawal but is subject to the 10% early distributions penalty tax. A withdrawal of earnings is includable in your gross income in the year you receive it and may be subject to the 10% early distributions penalty tax.

For purposes of determining what portion of a withdrawal is includable in income, all of your Roth IRA accounts are considered as one account. Thus, a withdrawal from a Roth IRA account is not considered to be from earnings until an amount equal to all prior annual contributions and all conversion amounts to all Roth IRAs has been withdrawn.

C. Early Distributions Penalty Tax

If you receive a taxable distribution from your traditional IRA or Roth IRA before you are age 59½ then, in addition to any income tax on the distribution, you must pay a tax penalty equal to 10% of the amount that is includable in your gross income. The additional 10% penalty tax does not apply to the following types of distributions from your traditional or Roth IRA:

- Distributions after you reach age 59½.
- Distributions attributable to your disability.
- Distributions made to your designated beneficiary after your death.
- Distributions that are part of a series of substantially equal periodic payments (not less frequently than annually) made for your life or life expectancy, or for the joint lives or life expectancies of you and your beneficiary.
- Distributions you receive to the extent the distributions do not exceed the amount of your deductible medical expenses for the taxable year (generally, medical expenses in excess of 7.5% of your adjusted gross income.)
- Distributions you receive following termination of employment to the extent the distributions do not exceed the amount of medical insurance premiums you paid for yourself, your spouse and dependents for the taxable year, provided that you have received at least 12 consecutive weeks of unemployment compensation during the current or prior taxable year. This exception does not apply to any distributions received after you have been re-employed for at least 60 days.
- Distributions to pay for qualified higher education expenses, including tuition, fees, books, supplies, equipment and room and board required for attendance for you, your spouse, your children, or your grandchildren at an eligible post-secondary educational institution.

- Distributions up to \$10,000 used to pay for acquisition costs of a principal residence for a first-time homebuyer, including you, your spouse, or any children, grandchildren, parents, or grandparents of you or your spouse. The distribution must be used within 120 days after it is received. You are considered a first-time homebuyer if you (and your spouse, if married) have not owned a principal residence during the two year period ending on the date of the acquisition. The aggregate amount of distributions you may take under this first-time homebuyer exception for the year of the distribution and all prior years is \$10,000.

- Distributions made pursuant to an IRS levy to pay overdue taxes.

In addition, if you convert an amount from a non-Roth IRA to a Roth IRA, and then make a withdrawal that is treated as coming from that converted amount within five years after the conversion, the 10% penalty applies (unless an exception is available.)

Rollovers

You can defer paying income tax on certain distributions from a qualified pension and profit sharing plan, a tax-sheltered annuity or a Code Section 457(b) governmental deferred compensation plan by rolling over the distribution into a traditional IRA. You should consult with your tax advisor to verify that your distribution qualifies for rollover treatment under the Internal Revenue Code. Distributions from these types of plans may not be rolled over into a Roth IRA. If the distribution qualifies, you must roll over the funds into a traditional IRA within 60 days of the day you received the distribution. Effective January 1, 2002, you may also rollover any part of your distribution that consists of your own nondeductible contributions to the qualified plan. Portions of the distribution other than cash may be rolled over in kind, or they may be sold and the sale proceeds rolled over. You can roll over the eligible distribution into a separate traditional IRA with the Custodian, known as a Rollover IRA. Alternatively, you can combine the distribution with your regular (Accumulation) IRA with the Custodian. Effective January 1, 2002, you may be able to later roll over your traditional IRA (Rollover IRA or Accumulation IRA) into another qualified plan.

You may also roll over your investment in one IRA to another IRA. Rollovers are only permitted between the same type of IRA (from a traditional IRA to a traditional IRA or from a Roth IRA to a Roth IRA.) You can do this by a direct transfer from the trustee/custodian of your old IRA to the trustee/custodian of your new IRA, or you can withdraw the funds and roll them over yourself within 60 days of your receipt of the funds. However you may do the latter only once in a year. The one-year period begins on the date you receive the IRA distribution, not on the date you roll it over. When making a rollover from one IRA to another IRA, the same property must be used. Thus, if you receive stock from your old IRA, the same stock must be used for payment to your new IRA.

Effective January 1, 2002, you may rollover taxable distributions from a traditional IRA into:

- Another traditional IRA;
- An employer's qualified retirement plan;
- A Code Section 403(b) tax-sheltered annuity; or
- A governmental deferred compensation plan under Code Section 457(b).

The funds must be rolled over within 60 days after the payment is made. You may not roll over after-tax contributions or nondeductible contributions that you made to the IRA. You should confirm with the plan sponsor that it will accept a rollover from an IRA.

Collectibles

If you direct the Custodian to acquire art works, rugs, antiques, metals, gems, stamps, coins, alcoholic beverages or other tangible personal property specified by the Secretary of the Treasury ("collectibles"), the cost of the collectible is treated as a distribution from your IRA. Notwithstanding the foregoing, your IRA may hold gold or silver coins issued by the United States and acquired after December 31, 1986, or coins issued under the laws of any state and acquired after November 10, 1988, or platinum coins issued by the United States and acquired after December 31, 1997, or certain types of gold, silver, platinum, or palladium bullion that is in the possession of the Custodian and acquired after December 31, 1997.

Prohibited Transactions

If you engage in a prohibited transaction with your IRA, your IRA loses its exemption from tax, and the entire amount of your IRA is deemed distributed to you as of the first day of the calendar year during which you engaged in the transaction. Except where nondeductible contributions have been made, the entire traditional IRA, and Roth IRA assets not eligible for tax-free withdrawal, will be includable in your gross income. If you are less than 59½ at the time you engaged in the transaction, the 10% penalty for early distribution will also apply. Prohibited transactions include borrowing from your IRA; selling, exchanging or leasing any property between you and your IRA; and any other interference with the independent status of your IRA.

Excess Contributions

No deduction is allowed for an excess contribution to your traditional IRA. An excess contribution is the portion of a contribution to your IRA in excess of the IRA Contribution Limit. An excess contribution may result from contributions made by you or on your behalf, or from an improper rollover. Excess contributions to a traditional IRA or a Roth IRA are subject to a nondeductible tax of 6%. The excess is taxed for the year of the excess contribution and each year after that until you correct it. The tax cannot be more than 6% of the value of your IRA as of the end of your tax year.

Example:

For 2005, Tom is filing as single on his tax return. His compensation is \$35,000 and he is under age 50. He contributed \$4,500 to his IRA.

Tom's excess contribution is \$500 (\$4,500 minus \$4,000). He does not withdraw it by the due date of his return, including extensions. Therefore, it is an excess contribution to his IRA.

He figures his penalty tax by multiplying the excess contribution (\$500) by .06, giving him a penalty tax of \$30.

Excess contributions you withdraw by the date your return is due

You will not have to pay the 6% excise tax if you withdraw the excess amount by the date your tax return is due, including extensions. You do not have to include in your gross income an excess contribution that you withdraw from your IRA before your tax return is due if:

- 1) No deduction was allowed for the excess contribution to a traditional IRA, and
- 2) the interest or other income earned on the excess was also withdrawn.

However, you must include in your gross income the interest or other income that was earned on the excess contribution. Report it on your return in the year of the excess contribution.

You may also have to pay an additional 10% tax on early distributions on the amount of this interest or other income, unless one of the exceptions applies.

Excess contributions you withdraw after your return is due

If you make an excess contribution to your IRA for a taxable year and you withdraw the excess contribution after the due date for filing your tax return, including extensions, the returned excess contribution will not be included in your gross income if (1) you did not take a deduction for the excess contribution, and (2) your total IRA contributions for the year were not more than the IRA Contribution Limit for that year. It is not necessary to withdraw the interest or other income earned on the excess. However, you will have to pay the 6% tax on the excess amount for each year the excess contribution was in the IRA.

Excess contributions greater than the IRA Contribution Limit

If the contributions to your IRA for any year are more than the IRA Contribution Limit, you must include in your gross income any excess over the IRA Contribution Limit for that year unless it is an excess rollover contribution attributable to erroneous information. You will also have to include the excess in income in the year you withdraw it. You may also have to pay a 10% tax on early distributions on the amount you withdraw, unless you are at least age 59½ or one of the other exceptions to the 10% penalty tax applies.

Excess employer contributions you withdraw before your return is due

If your employer contributes more to your SEP-IRA than 25% of your compensation or \$40,000, whichever is less, you must withdraw this excess amount (including any earnings) from your SEPIRA before the date for filing your tax return, including extensions. If you do not, you are liable for the 6% tax on excess contributions. You may also have to pay the 10% penalty tax on the early distribution of the earnings on the excess contribution.

Excess employer contributions you withdraw after your return is due

If employer contributions for the year are \$40,000 or less, you may withdraw any excess employer contributions from your SEP-IRA after the due date for filing your tax return, including extensions, free of the 10% penalty tax on early distributions. However, the excess contribution is subject to the annual 6% excise tax. Also, you may have to pay the additional 10% penalty tax on the early withdrawal of interest or other income earned on the excess contribution.

Estate Tax

The value of your IRA is includable in your gross estate for federal estate tax purposes.

Amendments

You may not amend the Agreement. You may change an election in the Adoption Agreement. You must notify the Custodian in writing of the change because the Custodian cannot honor any change of election it has not received. The Custodian may amend the Agreement at any time, including retroactively. If the Custodian amends the Agreement it will notify you in writing.

Miscellaneous

- 1) Growth in the value of your IRA cannot be guaranteed or precisely projected.
- 2) The Custodian, in consideration of its services under this Agreement, shall receive the fees specified in its current fee schedule. The Custodian may amend its fee schedule at anytime.

- 3) Any taxes of any kind which may be imposed with respect to your IRA and any administrative expenses incurred by the Custodian, together with any custodial fees referred to above, shall be paid by you, your estate, or from your IRA. The Custodian may withdraw cash and sell assets from your IRA to pay such amounts.

- 4) You must file Treasury Form 5329 with the Internal Revenue Service for each taxable year during which your contributions exceed the contribution limits; you receive a premature distribution; or you receive less than the required minimum distribution.

- 5) The provisions of the Agreement apply without regard to any state's community property laws.

- 6) Masculine pronouns, whenever used herein, shall be deemed to include the feminine, and the use of the masculine pronouns shall not be deemed to imply any preference for them or any subordination, disqualification or exclusion of the feminine.

- 7) Further information about individual retirement accounts can be obtained from any district office of the Internal Revenue Service, or by obtaining a copy of IRS Publication 590.

Part A (Applicable Only to Traditional IRA's)

H & R Block Easy Individual Retirement Custodial Account Agreement (Traditional IRA)

This Agreement is made between the Participant and H&R Block Bank, as passive custodian (sometimes hereinafter referred to as the "Custodian").

WHEREAS, the Participant wishes to establish, under the terms of this Agreement, an Individual Retirement Account (hereinafter referred to as a "Custodial Account"); and

WHEREAS, the Custodian has provided the Participant with the disclosure statement required by the Treasury regulations for Section 408(i) of the Code,

NOW, THEREFORE, the Participant and the Custodian, by executing the Adoption Agreement incorporating this Agreement, agree as follows in Part A and Part C:

Article I. Contributions

Section 1. Types of Contributions

The Custodian can accept the following types of contributions under this Agreement:

A. rollover contributions described in Code Sections 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3) or 457(e)(16) ("rollover contributions");

B. employer contributions for the Participant's benefit to a Simplified Employee Pension Plan ("SEP") as described in Code Section 408(k);

C. a recharacterized contribution described in Code Section 408A (d)(6); and

D. annual contributions that, in the aggregate, do not exceed the lesser of 100% of the Participant's compensation or the IRA Contribution Limit of up to \$3,000 for tax year 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 years after 2008, these limits will be increased by the Secretary of the Treasury under Code section 219(b)(5)(C) to reflect cost-of-living increases, if any. Such adjustments will be in multiples of \$500.

For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased by \$500 for any taxable year beginning in 2002 through 2005 and by \$1,000 for the taxable year 2006 and thereafter. However, if:

- (i) The Participant has a spouse who (a) did not receive any compensation for the tax year or (b) elects to be treated as not having received compensation for that tax year;
- (ii) The spouse has signed an Adoption Agreement to establish his or her own individual retirement account under this Agreement and the Agreement is in effect for that year; and
- (iii) The Participant and spouse file a joint income taxreturn for that year, then for that tax year the Participant may make a combined annual contribution to the Custodial Accounts established by the Participant and spouse that does not exceed the lesser of 100% of the Participant's Compensation, and two times the IRA Contribution Limit (\$8,000 for 2005). The Participant may allocate the combined annual contribution between the two Custodial Accounts, but may not allocate more than the IRA Contribution Limit of such contribution to either account.

No contributions will be accepted under a SIMPLE IRA plan established by any employer pursuant to Code Section 408(p). Also, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA plan will be accepted from a SIMPLE IRA, that is, an IRA used in conjunction with a SIMPLE IRA plan, prior to the expiration of the two-year period beginning on the date the individual first participated in that employer's SIMPLE IRA plan.

Section 2. Age Limitations on Making Contributions

A Participant can no longer make contributions to his or her Custodial Account once the Participant reaches the tax year during which he or she becomes age 70½. However, in the case of a Spousal IRA, a Participant can continue to make annual contributions to the spouse's Custodial Account that do not exceed the lesser of 100% of the Participant's Compensation or the IRA Contribution Limit, provided the Participant and spouse file a joint income tax return for the tax year for which the contribution is made, and provided further that the spouse is not age 70½ or older at the end of such tax year.

Section 3. Form of Making Contributions

Contributions other than rollover contributions or recharacterized contributions must be made in the form of cash. Annual contributions must be accompanied by a written statement or other notation indicating the calendar year for which such contribution is made, and paid to the Custodian on or before the due date (but not including extensions thereof) for filing the Participant's federal income tax return for such calendar year. If the Participant does not furnish the written statement required herein, the Custodian will assume that the contribution was made under Code Section 219(b) (1) for the calendar year in which it was received by the Custodian.

Section 4. Excess Contributions

If a Participant makes a contribution to a Custodial Account which the Participant deems to be in excess of the Code's limitations, the Participant may withdraw such excess amount, plus any increment thereon, upon written notice to the Custodian that there has been such excess contribution, and, where necessary, with instructions to sell securities. The Custodian shall not have any duty, obligation or responsibility to determine whether an excess contribution is being

or has been made to a Participant's Custodial Account.

Section 5. Exclusive Benefit

The Participant's Custodial Account shall be created and held for the exclusive benefit of the Participant and the Participant's Beneficiaries.

Section 6. Contributions Non-Forfeitable

The Participant's interest in the balance in the Participant's Custodial Account is non-forfeitable.

Article II. Investments

Section 1. Life Insurance Contracts; Collectibles; Commingling

No part of the Participant's Custodial Account may be invested in life insurance contracts, nor may any part of the Custodial Account be commingled with other property except in a common trust fund or common investment fund within the meaning of Code Section 408(a)(5). No part of the Participant's Custodial Account may be invested in collectibles (within the meaning of Code Section 408(m)), except as otherwise permitted by Code 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 III. Distributions

Section 1. Permissive Distributions

The Participant may withdraw any part or all of the assets in his or her Custodial Account at any time, by completing and giving the Custodian a properly completed Distribution Form. Blank Distribution Forms may be obtained from the Custodian.

Section 2. Required Distributions

A. Notwithstanding any provision of this Agreement to the contrary, the distribution of the Participant's interest in his or her Custodial Account shall be made in accordance with the following requirements and shall otherwise comply with Section 408(a)(6) of the Internal Revenue Code and the regulations there under, which are herein incorporated by reference.

B. The Participant's entire interest in his or her Custodial

Account must be or begin to be distributed by the Participant's required beginning date, the April 1 following the calendar year-end in which the Participant reaches age 70½ (the "required beginning date"). By that date, the Participant may elect, in a manner acceptable to the Custodian, to have the balance in the Custodial Account distributed in:

- (i) A single sum payment.
- (ii) Equal or substantially equal monthly, quarterly, or annual payments over the life of the Participant. The payments must begin by April 1 following the calendar year in which the Participant reaches age 70½.
- (iii) Equal or substantially equal monthly, quarterly, or annual payments over the joint and last survivor lives of the Participant and his or her designated beneficiary. The payments must begin by the April 1 following the calendar year in which the Participant reaches age 70½.
- (iv) Equal or substantially equal annual payments over a specified period that may not be longer than the Participant's life expectancy.
- (v) Equal or substantially equal annual payments over a specified period that may not be longer than the joint life and last survivor expectancy of the Participant and his or her designated beneficiary.

Even if distributions have begun to be made under option (iv) or (v), the Participant may receive a distribution of the balance in his or her Custodial Account at any time by giving written notice to the Custodian. Forms for providing such notice may be obtained from the Custodian. If the Participant does not choose any of the methods of distribution described above by April 1 following the calendar year in which he or she reaches age 70½, distribution to the Participant will be made on that date by a single sum payment. If the Participant elects as a means of distribution (iv) or (v) above, the annual payment required to be made by the Participant's required beginning date is for the calendar year the Participant reached age 70½. Annual payments for subsequent years, including the year the Participant's required beginning date occurs, must be made by December 31 of that year.

The required minimum distribution under paragraph B for any year, beginning with the year the Participant reaches age 70½, is the Participant'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 Q&A-2 of Regulation Section 1.401(a)(9)-9, using the Participant's age as of his or her birthday in the year. However, if the Participant's sole designated beneficiary is his or her surviving spouse, and such spouse is more than 10 years younger than the Participant, then the distribution period is determined under the Joint and Last Survivor Table in Q&A-3 of Regulation Section 1.401(a)(9)-9, using the pages as of the Participant's and spouse's birthdays in the year.

C. If the Participant dies on or after the required beginning date, the entire remaining interest will be distributed at least as rapidly as follows:

- (i) If the designated beneficiary is not the Participant's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined using the beneficiary's age as of his or her birthday in the year following the year of the Participant's death, or over the period in paragraph C(iii) below if longer.
- (ii) If the sole designated beneficiary is the Participant's surviving spouse, the remaining interest will be distributed over such spouse's life or over the period in paragraph C (iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death, or, if the distributions are being made over the period in paragraph C (iii) below, over such period.
- (iii) If there is no designated beneficiary, or if applicable by operation of paragraph C (i) or (ii) above, the remaining interest will be distributed over the remaining life expectancy of the Participant determined in the year of the Participant's death.
- (iv) The amount to be distributed each year under paragraphs C (i), (ii) or (iii), beginning with the calendar year following the calendar year of the Participant's death, is the account value at the close of business on December 31 of the preceding year divided by the remaining life expectancy specified in such paragraph (as determined in the Single Life Table in Q&A- 1 of Regulation Section 1.401(a)(9)-9).

If distributions are being made to a surviving spouse as the sole beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the beneficiary's or the Participant's age in the year specified in paragraph C(i), (ii) or (iii) and reduced by 1 for each subsequent year.

D. If the Participant dies before the required beginning date, the remaining interest will be distributed at least as rapidly as follows:

- (i) If the designated beneficiary is someone other than the Participant's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Participant's death, over the remaining life expectancy of the designated beneficiary, with such life expectancy determined using the age of the beneficiary as of his or her birthday in the year following the year of the Participant's death, or, if elected, in accordance with paragraph (iii) below.
- (ii) If the Participant's sole designated beneficiary is the Participant's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Participant's death (or by the end of the calendar year in which the Participant would have attained the age of 70½, if later), over such spouse's life, or, if elected, in accordance with paragraph (iii) below. If the Participant's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated beneficiary's remaining life expectancy determined using such beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with paragraph (iii) below. If the surviving spouse dies after distributions are required to begin, any remaining interest will be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death.
- (iii) If there is no designated beneficiary, or if applicable by operation of paragraph D (i) or (ii) above, the entire interest will be distributed by the end of the calendar year containing fifth anniversary of the Participant's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under paragraph (ii) above).
- (iv) The amount to be distributed each year under paragraph D(i) or (ii) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy specified in such paragraph (as determined in the Single Life Table in Q&A-1 of Regulation section 1.401(a)(9)-9). If distributions are made to a surviving spouse as the sole designated beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in that year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the beneficiary's age in the year specified in paragraph D(i) or (ii) and reduced by 1 for each subsequent year.

E. The "value" of the account includes the amount of any outstanding rollover, transfer and recharacterization under Q&As – 7 and – 8 of Regulations section 1.408-8.

F. If the Participant's surviving spouse is the designated beneficiary, such spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take required distributions as a beneficiary.

G. If the Participant dies before his or her entire interest has been distributed and if the designated beneficiary is other than the Participant's surviving spouse, no additional cash contributions may be accepted in the Custodial Account.

H. If a participant owns more than one traditional IRA, the participant may satisfy the minimum distribution requirements described

above by receiving a distribution from one traditional IRA that is equal to the amount required to satisfy the minimum distribution requirements for two or more traditional IRAs, in accordance with Q&A- 9 of Regulation section 1.408-8.

PART B (Applicable Only to Roth IRA's)

Roth Individual Retirement Custodial Account Agreement (Roth IRA)

This Roth Agreement is made between the Participant and H&R Block Bank, as passive custodian (sometimes hereinafter referred to as the "Custodian").

WHEREAS, the Participant wishes to establish, under the terms of this Roth Agreement, a Roth Individual Retirement Account (hereinafter referred to as a "Roth IRA"); and

WHEREAS, the Custodian has provided the Participant with the disclosure statement required by the Treasury regulations Section 1.408-6 of the Code,

NOW, THEREFORE, the Participant and the Custodian, by executing the Adoption Agreement incorporating this Roth Agreement, agree as follows in Part B and Part C:

Article I. Contributions

Except in the case of a rollover contribution described in section 408A (e), a recharacterized contribution described in section 408A (d)(6), or an IRA Conversion Contribution, the Custodian will accept only cash contributions up to \$3,000 per year, or the Participant's compensation, if less, 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 years after 2008, the above limits will be increased by the Secretary of the Treasury under Code section 219(b)(5)(C) to reflect a cost-of-living adjustment, if any. Such adjustments will be in multiples of \$500.

Section 1.

The annual contribution limit described in Article I, Section 1 is gradually reduced to \$0 for higher income levels. For a single Participant, the annual contribution is phased out between adjusted gross income ("AGI") of \$95,000 and \$110,000; for a married Participant, the annual contribution is phased out between AGI of \$150,000 and \$160,000; and for a married Participant filing separately, between AGI of \$0 and \$10,000. In the case of a conversion, the Custodian will not accept IRA Conversion Contributions in a tax year if the Participant's AGI for the tax year the funds were distributed from the other IRA exceeds \$100,000 or if the Participant is married and files a separate return. Adjusted gross income is defined in section 408A(c)(3) and does not include IRA Conversion Contributions. If the Participant makes regular contributions to both Roth and non-Roth IRAs for a taxable year, the maximum regular contribution that can be made to the entire Participant's Roth IRAs for that taxable year is reduced by the regular contributions made to the Participant's non-Roth IRAs for the taxable year.

Section 2.

In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the Participant and his or her spouse

Section 3.

A rollover from a non-Roth IRA cannot be made to a Roth IRA if, for the year the amount is distributed from the non-Roth IRA, (i) the Participant is married and files a separate return, (ii) the Participant is not married and has modified AGI in excess of \$100,000 or (iii) the Participant is married and together the Participant and the Participant's spouse have modified AGI in excess of \$100,000. For purposes of the preceding sentence, a husband and wife are not treated as married for a taxable year if they have lived apart at all times during the taxable year and file separate returns for the taxable year.

Section 4.

A regular contribution to a non-Roth IRA may be recharacterized pursuant to the rules in section 1.408A-5 of the regulations as a regular contribution to the Roth IRA, subject to the limits in sections 1 and 2 above.

Section 5. Nonforfeitureability.

The Participant's interest in the balance of the Roth IRA is non-forfeitable.

Article II. Investments

Section 1.

No part of the Roth IRA funds may be invested in life insurance contracts, nor may the assets of the Roth IRA be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).

Section 2.

No part of the Roth IRA 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 III. Distributions

Section 1. Required Distributions

A. Notwithstanding any provision of this Agreement to the contrary, the distribution of the Participant's interest in his or her custodial account shall be made in accordance with the requirements of Code Section 408(a)(6), as modified by Code Section 408A(c)(5), and the regulations there under, the provisions of which are herein incorporated by reference.

B. If the Participant dies before his or her entire interest is distributed to him or her, his or her remaining interest will be distributed at least as rapidly as follows:

(i) If the designated beneficiary is someone other than the Participant's surviving spouse, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the Participant's death, over the designated beneficiary's remaining life expectancy, with such life expectancy determined using the age of the beneficiary as of his or her birthday in the year following the year of the Participant's death, or, if elected, in accordance with paragraph (b) (iii) below.

(ii) If the Participant's sole designated beneficiary is the Participant's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Participant's death (or by the end of the calendar year in which the Participant would have attained age 70½, if later), over such spouse's life, or, if elected, in accordance with paragraph B (iii) below. If the surviving spouse dies before distributions are required to begin, the remaining interest will be distributed, starting by the end of the calendar year following

the calendar year of the spouse's death, over the spouse's designated beneficiary's remaining life expectancy determined using such beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with paragraph B (iii) below. If the surviving spouse dies after distributions are required to begin, any remaining interest will be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death.

(iii) If there is no designated beneficiary, or if applicable by operation of paragraph B (i) or (ii) above, the remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Participant's death (or of the spouse's death, in the case of the surviving spouse's death before distributions are required to begin under paragraph B (ii) above.

(iv) The amount to be distributed each year under paragraph B(i) or (ii) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy specified in such paragraph (as determined in the Single Life Table in Q&A-1 of Regulation section 1.401(a)(9)-9). If distributions are made to a surviving spouse as the sole designated beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in that year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the beneficiary's age in the year specified in paragraph B (i) or (ii) and reduced by 1 for each subsequent year.

C. The "value" of the account includes the amount of any outstanding rollover, transfer and recharacterization under Q&As-7 and -8 of Regulations section 1.408-8.

D. If the Participant's surviving spouse is the designated beneficiary, such spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take required distributions as a beneficiary.

Section 2.

No amount is required to be distributed prior to the death of the individual for whose benefit the account was originally established.

Article VI.

Section 1.

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

Section 2.

The Custodian agrees to submit to the IRS and Participant the reports prescribed by the IRS.

Article VII.

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV of Part B and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related regulations, and other published guidance will be invalid.

Article VIII.

This Agreement will be amended as necessary to comply with the provisions of the Code, the related regulations, and other published guidance. Other amendments may be made with the consent of the Participant and the Custodian.

PART C (Applicable to Traditional and Roth IRA's Article I. Investments

Section 1. Participant to Control Investments

The Participant shall have and exercise exclusive responsibility for and control over the investment of the assets in the Participant's Custodial Account, including, but not limited to, the investment of funds awaiting security investment and of funds held pending distribution. The Custodian shall not have any duty, obligation or responsibility to question the Participant's direction or lack of direction in that regard, or to advise the Participant regarding purchase, retention, sale or other means of investment of such assets. The Custodian does not assume to render and it shall not have any duty, obligation or responsibility for rendering advice as to the investment of the Participant's Custodial Account and shall not be liable for any loss which results from a Participant's exercise of or failure to exercise responsibility for or control over the Participant's Custodial Account. The Participant understands and acknowledges that the Custodian cannot take investment action unless and until directed to do so by the Participant, and that the Participant's Custodial Account or portions thereof may go uninvested because the Participant failed to give the Custodian investment directions.

Section 2. Permitted Investments

Subject to the limitations of the Code and the provisions hereof, the Participant's Custodial Account will be invested into an interest-bearing FDIC-insured money market account through H & R Block Bank, a Federal Savings Bank.

Article II. Distributions

Section 1. Form of Distributions

Distributions will be made in accordance with the Custodian's established policies. If the Participant requests a cash distribution and there is not sufficient cash in the Custodial Account to accommodate the request, the Participant must direct the Custodian which assets in the Participant's Custodial Account should be sold to enable the requested cash distribution to be made. Distributions of assets in kind (e.g., distributions of stock or mutual fund shares) may generally be made only once each calendar year; depending on the nature of the physical asset, distribution in kind may not be possible, or may only be available at specified times.

Section 2. Designation of Beneficiary

If the Participant wishes to designate one or more persons (including the Participant's estate or trust) to receive the balance in the Participant's Custodial Account in the event of the Participant's death, the Participant must complete and give the Custodian a Designation of Beneficiary Form. A Participant may change or revoke a designation by completing and giving the Custodian a new Designation of Beneficiary Form. Blank Designation of Beneficiary Forms may be obtained from the Custodian. A designation will not be effective hereunder until completed by the Participant and received by the Custodian. A completed Designation of Beneficiary Form received by the Custodian after the Participant's death will govern distributions to be made after its receipt by the Custodian.

Any portion of the Participant's Custodial Account that cannot be distributed pursuant to a Designation of Beneficiary Form (e.g., because no form was ever completed and given to the Custodian, or none of the Beneficiaries designated on the last form completed and given to the Custodian survived the Participant) will be distributed by the Custodian in a lump sum to the Participant's surviving spouse, or if there is no spouse living at the time of the Participant's death, to the Participant's estate.

Article III. Powers, Authority and Duties of Custodian

Section 1. Powers and Authority of Custodian

In addition to the powers and authorities granted the Custodian elsewhere herein, the Custodian shall have the following powers and authorities in the administration of the Participant's Custodial Account.

A. Pursuant to the Participant's directions, to invest and reinvest the assets of a Custodial Account without any duty to diversify and without regard to whether such investment is authorized by the laws of any jurisdiction for trust investment.

B. Pursuant to the Participant's directions, to exercise or sell options, conversion privileges, or rights to subscribe for additional securities, and to make payments therefore.

C. Pursuant to the Participant's directions, to consent to or participate in dissolutions, reorganizations, consolidations, mergers, sales, leases, mortgages, transfers or other changes affecting securities held by the Custodian.

D. Pursuant to the Participant's direction, to grant options to purchase securities held by the Custodian or to repurchase options previously granted with respect to securities held by the Custodian.

E. To hold any securities in the name of the Custodian without qualification or description or in the name of any nominee.

F. To make, execute and deliver as Custodian any and all contracts, waivers, releases or other instruments, in writing, and to take such other actions as are necessary or proper for the exercise of any of the foregoing powers or to carry out its duties or responsibilities under the Agreement.

Section 2. Duties of Custodian

The Custodian shall have only those duties specifically set forth in this Agreement.

A. The Custodian shall deliver to each Participant all notices, prospectuses, financial statements, proxies, and proxy solicitation material relating to the securities in the Participant's Custodial Account. The Custodian shall not vote any shares held hereunder except in accordance with the written instructions of the Participant.

B. The Participant agrees to provide the Custodian with information necessary for the Custodian to prepare any reports required under Section 408(i) of the Code and Regulations Sections 1.408-5 and 1.408-6. The Custodian shall keep accurate and detailed records of all contributions, receipts, investments, distributions, disbursements, and other transactions in respect of the Participant's Custodial Account. The Custodian shall furnish annual calendar year reports concerning the status of the account and such information concerning required minimum distributions as is prescribed by the Commissioner of Internal Revenue. The Custodian will submit reports to the Internal Revenue Service and the Participant as prescribed by the Code and related regulations and the Internal Revenue Service. If the Participant does not give the Custodian written objections to any such report within sixty days after the date of such report, the Participant shall be deemed to have approved such report and the matters set forth therein. With respect to the Participant's Custodial Account, 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 such action shall be the Participant, but the Custodian may bring in other parties if it so elects. The cost,

including attorneys' fees of any such accounting shall be charged to the Custodial Account as an administration expense under Article V of this Agreement.

In carrying out and performing its duties as Custodian of the Participant's Custodial Account, the Custodian shall be fully protected in and shall not incur any liability for acting upon any instrument, certificate, notice designation, document, form or paper believed by it to be genuine. The Custodian shall not have any duty, obligation or responsibility to make any investigation or inquiry as to any statement contained in any such writing or as to the genuineness of any signature thereto, or as to the validity of any date thereon, but may accept the same as conclusive evidence of the truth and accuracy of the statements, genuineness of signature and validity of dates therein contained.

Article IV. Resignation or Removal of Custodian

The Custodian may resign as custodian of the Participant's

Custodial Account at any time by giving written notice thereof to the participant. The Custodian's resignation will be effective as of the thirty-first day after the date of such notice. Upon the effective date of the resignation, the new Custodian shall become obligated for any and all obligations of the Custodian under the terms of this Agreement.

Should H & R Block Bank resign as Custodian as set forth in the foregoing paragraph, the Participant may transfer the Participant's Custodial Account by removing the new Custodian without the payment of a termination fee or charge to the new Custodian, notwithstanding the termination fee stated in Article V of this Agreement, if such transfer occurs within 90 days from the date that the Participant is notified of the resignation of the Custodian.

The Participant may remove the Custodian as custodian of the Participant's Custodial Account by giving written notice thereof to the Custodian. The Participant shall remove the Custodian as custodian of the Participant's Custodial Account by giving written notice thereof to the Custodian if the Participant receives notification by the Commissioner of the Internal Revenue Service that substitution of custodians is necessary because the Custodian has failed to comply with Section 1.408-2(e) of the Treasury Regulations or is not keeping such records, or making such returns, or rendering such statements as are required by forms or Treasury Regulations.

Upon such resignation or removal, the Participant shall appoint a qualified successor trustee or custodian. Upon receipt by the Custodian of written acceptance of such appointment by the successor trustee or custodian, the Custodian shall transfer and pay over to such successor the assets of the Custodial Account and copies of all its records pertaining thereto. Notwithstanding any provision of this Agreement, the Custodian is authorized to reserve and retain from the assets of the Custodial Account such sum of money and other assets as it deems advisable for payment of all its fees, compensation, costs and expenses, or for payment of any other liabilities constituting a charge against the assets of the Custodial Account or against the Custodian, and to sell such assets to cover the fees, compensation, costs, expenses and other payments due the Custodian; any balance of such reserve remaining after the payment of all such items shall be paid over to the successor trustee or custodian.

It shall be a condition of the removal of the Custodian that the Participant shall have appointed a qualified successor trustee or custodian. In the event of the resignation or removal of the Custodian and the Participant's failure to appoint a qualified successor, the Custodian may distribute the balance of the Custodial Account, exclusive of any assets reserved by the Custodian in accordance herewith, to the Participant, or the Custodian may apply to a court of competent

jurisdiction for the appointment of such successor and the costs of such a proceeding shall be treated as an expense under Article V of this Agreement.

The provisions of this Section relating to the Custodian's rights to reserve and retain from the assets of the Participant's Custodial Account funds and other assets and to sell such assets shall survive termination of this Agreement and the Participant's Custodial Account.

Article V. Custodian's Fees and Expenses

In consideration of the Custodian's services under this Agreement, the Participant shall pay the Custodian the fees specified on the current fee schedule of the Custodian, which the Custodian may change from time to time. The Participant shall also pay the Custodian a fee of \$25 upon termination of a Custodial Account, and reasonable fees for any services performed by the Custodian not contemplated by any such fee schedule, and either deemed by the Custodian to be necessary or desirable, or requested by the Participant.

Any income, gift, estate and inheritance taxes and other taxes of any kind whatsoever, including transfer taxes incurred in connection with the investment or reinvestment of the assets of the Participant's Custodial Account, that may be levied or assessed in respect to such assets, and all other administrative expenses incurred by the Custodian in the performance of its duties including fees for legal services rendered to it, shall be charged to the Custodial Account.

If the Participant does not pay all such fees, taxes and other administrative expenses charged or chargeable to the Participant's Custodial Account upon demand therefore by the Custodian, the Custodian may deduct from the Participant's Custodial Account cash and other assets in an amount sufficient to cover all such unpaid fees, taxes and other administrative expenses. Notwithstanding any other provision in this Agreement, if the cash in the Participant's Custodial Account is not sufficient to pay all such unpaid fees, taxes and expenses, the Custodian may sell assets in the Custodial Account to cover such amounts. If the assets in the Participant's Custodial Account are not sufficient to pay all such unpaid fees, taxes and expenses, the Participant shall owe, be responsible and pay the Custodian any deficiency. The provisions of this Section shall survive the termination of this Agreement and the Participant's Custodial Account.

Article VI. Definitions

Section 1. Adoption Agreement

The agreement incorporating the terms hereof and executed by the Custodian and by or on behalf of an individual to create an individual retirement account hereunder.

Section 2. Beneficiary

The person or persons designated by the Participant to receive the balance in the Participant's Custodial Account in the event of the Participant's death.

Section 3. Benefits

A Participant's or Beneficiary's share of the balance of the Participant's Custodial Account.

Section 4. Code

The Internal Revenue Code of 1986, as amended from time to time.

Section 5. Compensation

Compensation means wages, salaries, professional fees, or other amounts derived from or received for personal service actually rendered (including, but not limited to commissions paid salesmen,

compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips and bonuses) and includes earned income, as defined in Code Section 401(c)(2) (reduced by the deduction the self-employed individual takes for contributions made to a self-employed retirement plan). For purposes of this definition, Code Section 401(c)(2) shall be applied as if the term trade or business for purposes of Code Section 1402 included service described in (c)(6). Compensation also includes any amounts received as alimony or separate maintenance payments includable in the recipient's gross income under Code Section 71. Compensation does not include amounts derived from or received as earnings or profits from property (including, but not limited to, interest and dividends) or amounts not includable in gross income. Compensation also does not include any amount received as a pension or annuity or as deferred compensation. In the case of a married individual filing a joint return, the greater compensation of his or her spouse is treated as his or her own compensation, but only to the extent that such spouse's compensation is not being used for purposes of the spouse making a contribution to a Roth IRA or a deductible contribution to a non Roth IRA.

Section 6. Custodial Account

An individual retirement account established by or for a Participant pursuant to this Agreement.

Section 7. Participant

An individual who has executed the Adoption Agreement or on whose behalf the Adoption Agreement has been executed, to create an individual retirement account under this Agreement.

Section 8. Disabled

As used herein, "disabled" has the same meaning as in Code Section 72(m) (7). "Disability," as used herein, shall have the same meaning as disabled.

Article VII. Amendment and Termination

Section 1. Amendment

The Participant may not amend this Agreement.

The Custodian may amend this Agreement in any respect at any time, including retroactively, in order to conform this Custodial Account to pertinent provisions of the Code and other laws or successor provisions of law, or to obtain a government ruling that such requirements are met, to adopt a prototype or master form of agreement in substitution for this Agreement, or as it otherwise may deem advisable, provided the Custodian amends in the same manner all agreements comparable to this one, having the same Custodian, permitting comparable investments, and under which such power has been retained by it. All such amendments by the Custodian shall be communicated in writing to the Participant.

This Section shall not apply and shall not be construed to restrict the Custodian's right to substitute fee schedules in the manner provided by Article V of this Agreement, and no such substitution shall be deemed to be an amendment of this Agreement.

Section 2. Termination

The Custodian shall terminate the Custodial Account if this Agreement is terminated. Termination of the Custodial Account shall be effected by distributing all assets thereof in a lump sum in cash or in kind to the Participant, subject to the Custodian's right to reserve and retain funds and other assets and sell assets as provided in Articles IV and V of this Agreement. Termination shall relieve the Custodian of all further duties hereunder.

Article VIII. Miscellaneous

Section 1. Notices

Any notice given by the Custodian with respect to this Agreement shall be effective if sent by first class mail to the person to whom it is directed at that person's last address on the Custodian's records. Notices directed to the Custodian shall be effective when received by an authorized officer of the Custodian.

Section 2. Non-Alienability of Benefits

Neither the Participant nor his Beneficiary shall have the right or power to anticipate any part of the Custodial Account or to sell, assign, transfer, pledge or hypothecate any part thereof. The Custodial Account shall not be liable for the debts of the Participant or his Beneficiary or subject to any seizure, attachment, execution or other legal process in respect thereof. At no time shall it be possible for any part of the assets of the Custodial Account to be used for or diverted to purposes other than for the exclusive benefit of the Participant or the Participant's Beneficiary. The foregoing notwithstanding, the rights of the Participant and his Beneficiary are subject to the provisions of Articles IV and V hereof, and to the rights of any spouse or former spouse in the Custodial Account under a divorce or separation instrument pursuant to Code Section 408(d)(6).

Section 3. Governing Law

This Agreement shall be construed and administered in accordance with the laws of the State of Michigan and any relevant federal law, without regard to the community property laws of any state. This Agreement is intended to qualify under Section 408(a) of the Code as an individual retirement account and to entitle the Participant the retirement savings deduction under Section 219 of the Code, and if any provision hereof is subject to more than one interpretation or any term used herein is subject to more than one construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with that intent. However, the Custodian shall not be responsible or liable if such intentions are not achieved through use of this Agreement; the Participant should seek the advice and counsel of the Participant's attorney or tax advisor for any such assurances.

Section 4. Participant to Seek Own Legal Advice

The Participant should seek advice from the Participant's attorney or tax advisor regarding the legal and tax consequences (including but not limited to federal and state tax matters) of entering into this Agreement, contributing to the Custodial Account, and ordering the Custodian to make distributions from the Account. The Participant understands that the Custodian is prohibited by law from rendering such advice.

Section 5. Participant's Benefits

The Participant shall look solely to the assets of the Participant's Custodial Account for the payment of any Benefits to which the Participant is entitled.

Section 6. Headings

The headings and subtitles used herein are solely for convenience of the reader, and are to be ignored in the construction of this Agreement.

Section 7. Indemnification

The Participant shall at all times duly indemnify and save the Custodian harmless from any liability cost or expense which may arise under this Agreement in connection with the Participant's Custodial Account, except liability cost or expense arising from the negligence or willful misconduct of the Custodian. The provisions of this Section shall survive termination of the Participant's Custodial Account and this Agreement.

Section 8. Incorporation

The recitals to this Agreement are, by this reference, incorporated in the agreement of the Participant and Custodian.

Financial Disclosure

The purpose of this Financial Disclosure is to provide you with an IRS required growth projection of the value of your IRA available for withdrawal at the end of each of the first five years of its existence and at the end of the years in which you attain the ages of 60, 65, and 70. Certain assumptions are applied that may vary from your actual Investment provisions.

Three projection methods are provided for the situations where the nature of your initial investment allows for a reasonable projection.

The growth projection must be made assuming either a \$1,000 contribution made on January 1 of each year or a \$1,000 one-time contribution made on January 1 of your first year. The annual contribution represents an initial contribution that is a regular, SEP, or recharacterized regular Roth IRA contribution. One-time contributions include a rollover, transfer, or recharacterized conversion contribution. These projected amounts are not guaranteed.

IRA Fees And Loss Of Earnings Penalties

This Section Applies To The Projection Method Selected.

The fees and penalties listed below may affect the projected value of your IRA. The disclosed fees and penalties will be included in that projection method applicable to your Financial Disclosure. Projection Method One cannot be used if an IRA Establishment Fee, Annual Service/Administration Fee, and/or certain Other boxes are checked below, including the Other box under Loss of Earnings Penalty.

Fees:

- None**
- IRA establishment Fee \$ _____
- Annual Service/Administration Fee of \$ _____ or _____ % of assets will be charged at end beginning of each year for purposes of this projection.
- Transfer/Direct Rollover Fee \$ _____
- IRA Termination Fee \$ _____
- Other: _____ \$ _____ or _____ % of Assets
- Other: _____ \$ _____ or _____ % of Assets

Loss of Earnings Penalty (Check one):

- Projection Method One – Use Preprinted Table**
The preprinted financial disclosure tables on the following page provide you with the IRA's projected values. The assumptions used to calculate each table's projected IRA values are:
 - **Earnings rate** – one-half (.5) percent compounded annually on a 365-day year.
 - **Projected values** – Calculated using numbers rounded to the nearest one cent (\$.01).
 - **Loss of earnings penalties** – The 1-, 3-, and 6-month penalties are calculated on a 30-day month and 360-day year.
 - **Calculated loss of earnings penalty** – The 1-, 3-, and 6-month penalties are not rounded prior to subtraction from the No Penalty column's projected value.

If a fee was disclosed and it is only charged on a distribution transaction or an IRA termination, the After Fees column will be completed on the appropriate table taking the fee(s) into account for each applicable projected value.

If no fees are disclosed, follow the instructions located above the preprinted tables to determine the appropriate projected values for your IRA.

Projection Method Two – Custom Projection.

Your IRA's values projected below are based on the following assumptions:

- Annual Contributions.
 - Rollover/Transfer (one-time) Contribution.
- Your age on January 1 of this initial contribution year: _____
- Earnings Rate: _____ %
- Compounding Method: _____
- Loss of Earnings Calculation Method: _____

End of Year	Projected Value	Age	Projected Value
1	\$ _____	60	\$ _____
2	\$ _____	65	\$ _____
3	\$ _____	70	\$ _____
4	\$ _____		
5	\$ _____		

Projection Method Three – See Separate Financial Disclosure and Assumptions Provided by Your IRA's Custodian.

Financial Disclosure - Projection Method One

How to Use the Preprinted Tables. Your projection will come from the Annual Contributions table if your initial IRA contribution is a regular, SEP, or recharacterized regular Roth IRA contribution. The Rollover/Transfer Contribution table is used if your initial contribution is a rollover, transfer, or recharacterized conversion contribution.

- If we disclosed a distribution transaction or termination fee in the **IRA FEES AND LOSS OF EARNINGS PENALTIES** of this disclosure, the After Fees column has been completed to reflect your IRA's projected values. We have reduced the value in the No Penalty column or loss of earnings penalty column applicable to your initial investment. The same factors affect each of your projected values.
- Find your age as of January 1 this year of establishment on the appropriate table. If your birthday is January 1 of this year, find your age as of December 31 of the previous year on the appropriate table. The amounts to the right of your age are the projected values of your IRA at the end of the year you attain age 70. Your values may be subject to a 1-, 3-, or 6-month penalty. See **IRA FEES AND LOSS OF EARNINGS PENALTIES** to determine the applicable loss of earnings penalty. The loss of earnings penalty determines the appropriate column to use for your projection.
- Your IRA's projected value at the end of the year you attain age 65 is found in the fifth row below your age 70 values.
- Your IRA's projected value at the end of the year you attain age 60 is found in the fifth row below your age 65 values.
- Your IRA's projected value at the end of each of the first five years is identified at the bottom of each table.

Your Age	ANNUAL CONTRIBUTIONS				After Fees	Your Age	ROLLOVER/TRANSFER CONTRIBUTION				After Fees
	No Penalty	1-Month Penalty	3-Month Penalty	6-Month Penalty			No Penalty	1-Month Penalty	3-Month Penalty	6-Month Penalty	
1	82,566.11	82,531.88	82,463.42	82,360.72		1	1,410.78	1,410.20	1,409.03	1,407.27	
2	81,155.33	81,121.68	81,054.39	80,953.45		2	1,403.76	1,403.18	1,402.02	1,400.27	
3	79,751.57	79,718.51	79,652.38	79,553.19		3	1,396.78	1,396.20	1,395.04	1,393.31	
4	78,354.80	78,322.32	78,257.35	78,159.89		4	1,389.83	1,389.25	1,388.10	1,386.38	
5	76,964.98	76,933.07	76,869.25	76,773.53		5	1,382.92	1,382.35	1,381.20	1,379.48	
6	75,582.07	75,550.73	75,488.06	75,394.06		6	1,376.04	1,375.47	1,374.33	1,372.62	
7	74,206.04	74,175.28	74,113.75	74,021.45		7	1,369.19	1,368.62	1,367.49	1,365.79	
8	72,836.86	72,806.66	72,746.27	72,655.68		8	1,362.38	1,361.82	1,360.69	1,358.99	
9	71,474.49	71,444.86	71,385.59	71,296.70		9	1,355.60	1,355.04	1,353.92	1,352.23	
10	70,118.90	70,089.83	70,031.69	69,944.48		10	1,348.86	1,348.30	1,347.18	1,345.51	
11	68,770.05	68,741.54	68,684.52	68,598.98		11	1,342.15	1,341.59	1,340.48	1,338.81	
12	67,427.91	67,399.96	67,344.05	67,260.18		12	1,335.47	1,334.92	1,333.81	1,332.15	
13	66,092.45	66,065.05	66,010.25	65,928.04		13	1,328.83	1,328.28	1,327.18	1,325.53	
14	64,763.63	64,736.78	64,683.08	64,602.53		14	1,322.22	1,321.67	1,320.58	1,318.93	
15	63,441.42	63,415.12	63,362.51	63,283.61		15	1,315.64	1,315.09	1,314.00	1,312.37	
16	62,125.79	62,100.03	62,048.52	61,971.25		16	1,309.09	1,308.55	1,307.46	1,305.84	
17	60,816.71	60,791.50	60,741.07	60,665.43		17	1,302.58	1,302.04	1,300.96	1,299.34	
18	59,514.14	59,489.47	59,440.12	59,366.10		18	1,296.10	1,295.56	1,294.49	1,292.88	
19	58,218.05	58,193.91	58,145.64	58,073.23		19	1,289.65	1,289.12	1,288.05	1,286.44	
20	56,928.41	56,904.81	56,857.60	56,786.80		20	1,283.23	1,282.70	1,281.64	1,280.04	
21	55,645.18	55,622.11	55,575.97	55,506.76		21	1,276.85	1,276.32	1,275.26	1,273.68	
22	54,368.34	54,345.80	54,300.72	54,233.10		22	1,270.50	1,269.97	1,268.92	1,267.34	
23	53,097.85	53,075.84	53,031.81	52,965.77		23	1,264.18	1,263.66	1,262.61	1,261.04	
24	51,833.68	51,812.19	51,769.21	51,704.74		24	1,257.89	1,257.37	1,256.33	1,254.76	
25	50,575.80	50,554.83	50,512.90	50,449.99		25	1,251.63	1,251.11	1,250.07	1,248.52	
26	49,324.18	49,303.73	49,262.83	49,201.49		26	1,245.40	1,244.88	1,243.85	1,242.30	
27	48,078.79	48,058.86	48,018.99	47,959.19		27	1,239.20	1,238.69	1,237.66	1,236.12	
28	46,839.59	46,820.17	46,781.33	46,723.08		28	1,233.03	1,232.52	1,231.50	1,229.97	
29	45,606.56	45,587.65	45,549.84	45,493.11		29	1,226.90	1,226.39	1,225.38	1,223.85	
30	44,379.66	44,361.26	44,324.46	44,269.27		30	1,220.80	1,220.29	1,219.28	1,217.77	
31	43,158.87	43,140.98	43,105.19	43,051.51		31	1,214.73	1,214.23	1,213.22	1,211.71	
32	41,944.15	41,926.76	41,891.98	41,839.81		32	1,208.69	1,208.19	1,207.19	1,205.69	
33	40,735.47	40,718.58	40,684.81	40,634.14		33	1,202.68	1,202.18	1,201.19	1,199.69	
34	39,532.81	39,516.42	39,483.64	39,434.47		34	1,196.70	1,196.20	1,195.21	1,193.73	
35	38,336.13	38,320.24	38,288.45	38,240.77		35	1,190.75	1,190.26	1,189.27	1,187.79	
36	37,145.40	37,130.00	37,099.20	37,053.00		36	1,184.83	1,184.34	1,183.36	1,181.89	
37	35,960.60	35,945.69	35,915.87	35,871.15		37	1,178.94	1,178.45	1,177.47	1,176.01	
38	34,781.69	34,767.27	34,738.43	34,695.17		38	1,173.07	1,172.58	1,171.61	1,170.15	
39	33,608.65	33,594.72	33,566.85	33,525.05		39	1,167.23	1,166.75	1,165.78	1,164.33	
40	32,441.44	32,427.99	32,401.09	32,360.74		40	1,161.42	1,160.94	1,159.98	1,158.53	
41	31,280.04	31,267.07	31,241.14	31,202.23		41	1,155.64	1,155.16	1,154.20	1,152.77	
42	30,124.42	30,111.93	30,086.95	30,049.49		42	1,149.89	1,149.41	1,148.46	1,147.03	
43	28,974.55	28,962.54	28,938.51	28,902.48		43	1,144.17	1,143.70	1,142.75	1,141.33	
44	27,830.40	27,818.86	27,795.79	27,761.17		44	1,138.48	1,138.01	1,137.07	1,135.65	
45	26,691.94	26,680.87	26,658.74	26,625.54		45	1,132.82	1,132.35	1,131.41	1,130.00	
46	25,559.14	25,548.54	25,527.35	25,495.56		46	1,127.18	1,126.71	1,125.78	1,124.38	
47	24,431.98	24,421.85	24,401.59	24,371.21		47	1,121.57	1,121.11	1,120.18	1,118.78	
48	23,310.43	23,300.77	23,281.44	23,252.45		48	1,115.99	1,115.53	1,114.60	1,113.22	
49	22,194.46	22,185.26	22,166.86	22,139.25		49	1,110.44	1,109.98	1,109.06	1,107.68	
50	21,084.04	21,075.30	21,057.82	21,031.59		50	1,104.92	1,104.46	1,103.55	1,102.17	
51	19,979.14	19,970.86	19,954.29	19,929.44		51	1,099.42	1,098.96	1,098.05	1,096.69	
52	18,879.74	18,871.91	18,856.26	18,832.78		52	1,093.95	1,093.50	1,092.59	1,091.23	
53	17,785.81	17,778.44	17,763.69	17,741.57		53	1,088.51	1,088.06	1,087.16	1,085.80	
54	16,697.32	16,690.40	16,676.55	16,655.79		54	1,083.09	1,082.64	1,081.74	1,080.40	
55	15,614.25	15,607.78	15,594.83	15,575.41		55	1,077.70	1,077.25	1,076.36	1,075.02	
56	14,536.57	14,530.54	14,518.49	14,500.41		56	1,072.34	1,071.90	1,071.01	1,069.67	
57	13,464.25	13,458.67	13,447.50	13,430.76		57	1,067.00	1,066.56	1,065.67	1,064.35	
58	12,397.26	12,392.12	12,381.84	12,366.42		58	1,061.69	1,061.25	1,060.37	1,059.05	
59	11,335.58	11,330.88	11,321.48	11,307.38		59	1,056.41	1,055.97	1,055.10	1,053.78	
60	10,279.18	10,274.92	10,266.40	10,253.61		60	1,051.15	1,050.71	1,049.84	1,048.54	
61	9,228.04	9,224.21	9,216.56	9,205.09		61	1,045.92	1,045.49	1,044.62	1,043.32	
62	8,182.13	8,178.74	8,171.95	8,161.78		62	1,040.72	1,040.29	1,039.43	1,038.13	
63	7,141.42	7,138.46	7,132.54	7,123.66		63	1,035.54	1,035.11	1,034.25	1,032.97	
64	6,105.89	6,103.36	6,098.30	6,090.70		64	1,030.39	1,029.96	1,029.11	1,027.83	
65 Year 5	5,075.51	5,073.41	5,069.20	5,062.89		65 Year 5	1,025.26	1,024.84	1,023.99	1,022.71	
66 Year 4	4,050.26	4,048.58	4,045.22	4,040.19		66 Year 4	1,020.16	1,019.74	1,018.89	1,017.62	
67 Year 3	3,030.11	3,028.85	3,026.34	3,022.57		67 Year 3	1,015.08	1,014.66	1,013.82	1,012.56	
68 Year 2	2,015.03	2,014.19	2,012.52	2,010.02		68 Year 2	1,010.03	1,009.61	1,008.77	1,007.52	
69 Year 1	1,005.00	1,004.58	1,003.75	1,002.50		69 Year 1	1,005.00	1,004.58	1,003.75	1,002.50	

Privacy Commitment and other important information

H&R Block Bank (“we”) is one of the H&R Block family of companies dedicated to being your tax and financial partner. As such, we understand the importance of safeguarding your personal information. We are providing this statement to inform you about the types of information we may collect from you, and how we may use or disclose that information in connection with your business relationship with the H&R Block Bank. This privacy statement applies to consumers who are our clients or former clients. This privacy statement applies to personal information, which is non-public information about our clients that we may obtain while providing a financial product or service.

How we protect your personal information

We restrict access to information about you to those employees who need to know the information to provide products or services to you. We maintain physical, electronic and procedural safeguards to protect your personal information.

How you can help protect your personal information

You should not share your account information or passwords with others. We encourage you to notify us promptly if you suspect the confidentiality of your personal information has been compromised or if you believe your personal information needs to be corrected or updated.

Our Privacy Policy and Practices recognize the trust you have placed in us. We are committed to preserving that trust and we will work hard to safeguard the confidentiality of your personal information. Of course, we reserve the right to modify this policy to reflect any changes or enhancements that we make to those protections. If we do make modifications, we will let you know promptly.

How and why we collect personal information

You provide personal information to us so that we may help you try to meet your financial goals. Such information allows us to process your requests and transactions, keep you apprised of products and services that may be of interest to you and enhance customer service by better understanding your needs.

Information We Collect

We may collect information about you from the following categories and sources:

- Information you provide to us on applications or other forms (examples include name, address, social security number, assets and income).
- Information about your transactions with us, our affiliates or others (examples include your account balances, payment history, debit card usage).
- Information collected from your browser when you visit our websites and your browser interacts with them.
- Information we receive from consumer reporting agencies (examples include your credit worthiness and credit history).

As required by the USA Patriot Act, we also collect information and take actions necessary to verify your identification.

Sharing information within the H&R Block family of companies

In an effort to better serve your financial needs and to inform you about the products and services H&R Block offers, we may share personal information, such as the information described above, within our family of affiliated companies. (Our affiliates are companies that are controlled or owned by us or companies controlling

or under common control with our parent company). For example, H&R Block Tax Services, Inc. offers a complete menu of tax products and services.

The Fair Credit Reporting Act allows you the opportunity to limit the sharing of “nonexperience” information within the H&R Block family. Such information includes information that is used, expected to be used or collected for the purpose of establishing your eligibility for consumer credit, insurance and related products and services, and is not related solely to your transactions or other communications with us. If you would prefer that we not share nonexperience information within the H&R Block family of companies, you may direct us not to share this information by calling us toll-free at 1-800-472-5625 or write us at P.O. Box 10364, Kansas City, Missouri 64171-0364.

If you opt out of our sharing of “nonexperience” information within the H&R Block family, we may still share information relating solely to your transactions or other communications with us with our affiliates to allow such affiliates to market additional services to you. If you would prefer that we not share such experience information within the H&R Block family of companies for such purpose, you may direct us not to share this information by calling us toll-free at 1-800-472-5625.

Regardless of these opt out elections, we may still share information in other ways that are permitted by law, for example, as needed to service your relationship with us.

Sharing information outside the H&R Block family of companies

We may share your personal information as described above with certain nonaffiliated third parties such as:

- Third party service providers that have been retained by us to perform certain functions on our behalf,
- Third parties with whom we have entered into joint marketing arrangements,
- Credit bureaus or similar reporting agencies,
- Governmental agencies and courts as required by subpoena, court order or law,
- Others to the extent permitted or required by law

To the extent that we share your personal information as described above with service providers or joint marketers, such disclosures will be subject to an appropriate, contractual confidentiality pledge, and solely for the purpose and only to the extent necessary to carry out the contractual purposes, or as otherwise permitted or required by law.

Furnishing Negative Information

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

Changes to Our Privacy Statement.

This Privacy Statement and our practices are subject to change. If we make a material change to this Privacy Statement, including a material change in the way we use your personal information, we will notify you by using one of the following methods at least thirty (30) days prior to the effective date of such change: (1) we will post a notice on our Web site describing the change; or (2) we will hand deliver or send you regular or electronic mail notifying you of the change. As required by law, H&R Block Bank will provide notice of our Privacy Policy annually, as long as you maintain an ongoing relationship with us. To receive the most up to date Privacy Policy, you can visit our Web site at www.hrblockbank.com or call us toll-free at 1-888-OURHRBB.

CONSENT TO USE OR DISCLOSE INFORMATION H&R BLOCK EASY IRA AND H&R BLOCK EASY SAVINGS ACCOUNT

Privacy protection is fundamental to the way H&R Block conducts business. We honor all applicable privacy regulations, and we further strive to operate our business in a manner that justifies your choice of H&R Block products and services.

The H&R Block Easy Individual Retirement Arrangement (“H&R Block Easy IRA”) or H&R Block Easy Savings Account you have applied for is offered through H&R Block Bank, an FDIC-insured member institution that is part of the H&R Block family. To evaluate and process your application, H&R Block Bank requires certain tax return information you have provided to H&R Block.* Without this information, H&R Block Bank will not process your application.

Your signature on this consent gives H&R Block and H&R Block Bank (as applicable) permission to use your tax return information to offer you an H&R Block Easy IRA and/or an H&R Block Easy Savings Account and evaluate and process your application. H&R Block will not use or disclose your tax return information for any other purpose in connection with this consent, except as required or permitted by law.

H&R Block Bank may use information it obtains on your application and information disclosed under this consent in accordance with its privacy policy. The H&R Block Bank privacy policy is disclosed to you in connection with the documents you sign to open an H&R Block Easy IRA and/or H&R Block Easy Savings Account.

By signing below, you consent for H&R Block and H&R Block Bank to use your tax return information as described above. You also acknowledge that you have received and read the H&R Block Privacy Policy provided by your H&R Block office.

Client’s signature _____ Date _____

Name (print): _____

Spouse’s signature _____ Date _____

Name (print): _____

(If “Married Filing Jointly”)

Important Disclosure: Banking services offered through H&R Block Bank, a Federal Savings Bank, Member FDIC. Tax services offered through subsidiaries of H&R Block Services, Inc. or franchisees of H&R Block Tax Services, Inc.

*Opening your Account: The USA Patriot Act is a federal law requiring that all financial institutions obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open an H&R Block Easy IRA or H&R Block Easy Savings account, we will ask you for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents.