



403(b)(7) Savings Account Application Booklet



**Delaware Charter
Guarantee & Trust Company**

P. O. Box 8963 / Wilmington, DE 19899-8963 / 302-995-2131 / 800-209-9010

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Privacy Notice

This Notice is provided on behalf of Trustar[®] Retirement Services, a trade name of Delaware Charter Guarantee & Trust Company

PROTECTING YOUR PRIVACY

This Notice is required by law. It tells how we handle personal information.

This Notice applies to:

- People, including IRA account holders, who own or apply for our products or services for personal use
- Employee benefit plan participants and beneficiaries

In this Notice, “you” refers to only these people. The Notice does not apply to an employer plan sponsor.

WE PROTECT INFORMATION WE COLLECT ABOUT YOU

We follow strict standards to protect personal information. These standards include limiting access to data and regularly testing our security technology.

HOW WE COLLECT INFORMATION

We collect data about you as we do business with you. Some of the sources of this data are as follows:

- **Information we obtain when you apply or enroll for products or services.** You may provide facts such as your name, address, Social Security number, and employment data.
- **Information we obtain from others.** This includes market value data about your account and similar data.
- **Information we obtain through our transactions and experience with you.** This includes investment records and account values.
- **Information we obtain through the Internet.** This includes data from online forms you complete. It also includes data we receive when you visit our website.

HOW WE SHARE INFORMATION WITH OTHERS

In the course of doing business we may share data with others. This could include personal information about you or about former customers, plan participants or beneficiaries. Personal information may be shared with others for the following purposes:

- in response to a subpoena,
- to prevent fraud,
- to comply with inquiries from government agencies or other regulators, or
- for other legal purposes.

We also may share personal information about you or former customers:

- with others that service your accounts, or that perform services on our behalf,
- with other companies with your consent, at your request or as allowed by law.

ACCURACY OF INFORMATION

We believe our records are accurate. Please tell us if you receive any incorrect materials from us. We will make the appropriate changes.

MORE INFORMATION

You can write to us if you have questions about our Privacy Notice:

Privacy Officer
P.O. Box 8963
Wilmington, DE 19899-8963.

Receipt of this notice does not mean your application has been accepted.

We may change our privacy practices at times. We will give you a revised notice when required by law.

Our privacy practices comply with all applicable state laws. If a state’s privacy laws are more restrictive than those stated in this Notice, we comply with those laws.

Your agent, broker, registered representative, consultant or advisor may have a different privacy policy.



Mailing Address:
P.O. Box 8963
Wilmington, Delaware 19899-8963
(800) 209-9010

**Section 403(b)(7) Application
For Custodial/Trustee Account**

Instructions: Please complete Sections 1 through 3(b) below. **Note:** This application should be signed by both the Employee and the Employer and returned to the selected investment firm.

Each party should retain a copy for their records

DCG&T Use Only	
G&T No.	_____
SS No.	_____
Code No.	100
CIP	_____
Verified	(Initials) _____
(Date)	_____

Please Print

1. Employee Information

Name of Employer _____

Name of Employee _____

Employee's Street Address
(Required) _____

City _____ State _____ ZIP Code _____

Mailing Address
If Different (may use P. O. Box) _____

City _____ State _____ ZIP Code _____

Social Security No. _____ Daytime Phone No. _____

Birth Date (Month/Day/Year) _____ E-mail address _____

2. Designation of Employee's Beneficiary

Note: Community and marital property state laws may require your spouse to be named as at least a 50% primary beneficiary, (regardless of your beneficiary designation below). Check with your legal advisor if these laws impact you. Please refer to the Custodial/Trustee Agreement for further details.

(a) Primary Beneficiary (If more than one primary beneficiary is listed, make sure % share is noted and totals 100%.)

Name	% of Account	Social Security No.
_____	_____	_____
Date of Birth	Relationship	
_____	_____	
Name	% of Account	Social Security No.
_____	_____	_____
Date of Birth	Relationship	
_____	_____	

(b) Contingent Beneficiary (In the event the primary(ies) noted above predeceases the account holder)

Name	% of Account	Social Security No.
_____	_____	_____
Date of Birth	Relationship	
_____	_____	
Name	% of Account	Social Security No.
_____	_____	_____
Date of Birth	Relationship	
_____	_____	

3. Acceptance

(a) **Employee Acceptance:** I appoint Delaware Charter to serve as Custodian/Trustee. By making this appointment, I hereby agree that I have read, understand, and agree to the terms and conditions of the Delaware Charter section 403(b)(7) Custodial/Trustee Account Agreement and Schedule of Fees.

Signature _____ Date _____

(b) **Employer Acceptance:** The Employer named above hereby agrees to the terms and conditions of the Delaware Charter Section 403(b)(7) Custodial/Trustee Account Agreement and certifies that it is an educational institution or tax-exempt organization described in Section 501(c)(3) or 403(b)(1) of the Internal Revenue Code.

Signature _____ Date _____

Title _____

(c) **Custodian Acceptance:** Delaware Charter Guarantee & Trust Company hereby accepts its appointment as Custodian/Trustee under the Delaware Charter Section 403(b)(7) Custodial/Trustee Agreement for the benefit of the Employee named above and hereby agrees to the terms and conditions of such Agreement.

Signature _____ Date _____

To Be Completed By Investment Firm Representative:

Representative Name _____ E-mail _____

Investment Firm Name _____

Address _____ Phone No. _____

Individual Account No. _____



Mailing Address:
P.O. Box 8963
Wilmington, Delaware 19899-8963
(800) 209-9010

**Asset Transfer
Authorization**

Instructions

Please use this Asset Transfer Authorization Form for transferring assets into your Delaware Charter Guarantee & Trust Company Section 403(b)(7) Custodial/Trustee Account. **Note:** Transferring assets does not change your current contribution elections. To redirect or modify your future contributions, contact your Benefits Office.

To avoid delays, attach an account statement from your current investment company.

Please return the completed Asset Transfer Authorization Form to your broker.

Please Print

1. Your Name (as it appears on your existing 403(b) account)

Name	Address	
City	State	ZIP Code
Social Security No.	Daytime Phone No.	

2. Your Employer

Name of Employer	Plan No.
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3. Your Current Investment Company

Provide the company's address where your 403(b) account is currently held. If you are transferring assets from more than one organization, fill out a separate form for each.

Name of Institution	Account No.	
Address	Phone No.	
City	State	ZIP Code

4. Account Information

Please indicate whether the amount you are transferring is a partial or total account balance. If your account includes assets that are held by a mutual fund company, please include the investment name, account number and place a check mark in either the liquidation or reregistration box.

Account No.	Transfer Amount	Total Account Value
	<input type="checkbox"/> Entire Account <input type="checkbox"/> Partial Amount	\$

Other Investments

Investment Name	Account No.	<input type="checkbox"/> Liquidate	<input type="checkbox"/> Reregister*
Investment Name	Account No.	<input type="checkbox"/> Liquidate	<input type="checkbox"/> Reregister*
Investment Name	Account No.	<input type="checkbox"/> Liquidate	<input type="checkbox"/> Reregister*
Investment Name	Account No.	<input type="checkbox"/> Liquidate	<input type="checkbox"/> Reregister*

* Special note: For 403(b)(7) accounts, Delaware Charter will accept reregistration instructions for mutual fund accounts ONLY.

5. Authorization and Acceptance

To ensure proper execution of your transfer, you must obtain your Employer's signature

(a) **Individual Acceptance:** I hereby agree to the terms and conditions set forth in this Asset Transfer Authorization, and acknowledge having established a Delaware Charter Guarantee & Trust Company Section 403(b)(7) Custodial/Trustee Account through execution of an application for a Delaware Charter Guarantee & Trust Company Section 403(b)(7) Custodial/Trustee Account. I hereby direct the investment company identified in Section 3 above to, based on my instructions, liquidate or reregister* the designated amount of the account listed in Section 4 above and to transfer the proceeds to the Delaware Charter Guarantee & Trust Company Section 403(b)(7) Custodial/Trustee Account.

Signature _____ Date _____

(b) **Employer Authorization:** This is to certify that the Employer identified in Section 2 above consents to the transfer requested on this form.

Signature _____ Date _____

(c) **Custodian/Trustee Acceptance:** Delaware Charter Guarantee & Trust Company hereby agrees to accept the transfer described above and upon receipt will deposit the proceeds into the Delaware Charter Guarantee & Trust Company Section 403(b)(7) Custodial/Trustee Account.

Signature _____ Date _____

Mail to: Delaware Charter Guarantee & Trust Company
P.O. Box 8963
Wilmington, Delaware 19899-8963

About the Plan

In 1958, Section 403(b) of the Internal Revenue Code provided employees of 501(c)(3) non-profit institutions the opportunity to establish retirement savings programs by deferring pre-tax dollars to tax sheltered annuities. In 1974, Congress added paragraph (7) allowing employees to set up custodial accounts directly with mutual fund companies. For exact Internal Revenue Service wording refer to IRS Publication 571, Tax Sheltered Annuity Programs. You can obtain this document by calling (800)829-3676.

The Benefits to You

- Pre-tax deferrals (Deferrals are not included with your income for federal taxes, but are subject to FICA and FUTA.)
- Tax-deferred earnings
- Convenient way to save through payroll deduction
- Portable – you can take it with you
- Flexible contribution amounts

Elective Deferrals (Salary Deferrals)

Trustar is not responsible for determining amounts or collecting contributions. This is the employee's responsibility. We will not accept any "new" employer match contributions into the account. Here is a guide to assist you in understanding how maximum deferral amounts are calculated.

The most an employee can defer annually is limited to the **lesser of the following two amounts:**

- 402(g) limit as indexed annually - \$12,000 for 2003 (The 402(g) limit includes the total of all elective deferrals contributed for the year for all employer sponsored plans.)
- 415 limit – the lesser of 100% of compensation or \$40,000

Note: Trustar will not determine the limit.

Rollovers and Transfers

The program will accept certain outside monies.

Transfers from existing 403(b) plans are permitted. You should check to make sure that you understand any possible penalties for withdrawing money from a tax sheltered annuity. The form to facilitate the transfer is in this package.

Rollover contributions can contain employer match contributions as well as elective deferrals. Rollovers can originate from another plan or an IRA.

Investments

Investments are limited to mutual funds that you can buy in your brokerage account through your Investment Executive. All dividends, capital gains, or other earnings received from the fund will be automatically reinvested in shares of the same fund. Your statement from your brokerage firm will be your periodic report of the assets in your account. You may direct the Investment Firm to exchange shares of one fund for another. Investment instructions are given directly to your investment firm.

Distributions

One of the following events must occur before salary deferrals can be paid out of a 403(b) plan:

- Age 59½
- Death
- Disability
- Separation from service
- Divorce (QDRO required)
- Financial hardship, if allowed by the plan

Note: Pre-1989 account balances that have been tracked separately by the employee can be distributed at any time.

Required Minimum Distributions (RMDs)

A minimum distribution must be taken from the account after an employee reaches the later of age 70½ or retirement. Individuals who are not retired at age 70½ are not required to begin their distributions until April 1 of the year following the year they retire. Subsequent distributions must be withdrawn by December 31.

Special rules apply for pre-1987 account balances – any amount attributed to an employee's pre-1987 account balance does not have to be included in the year end balance when calculating the RMD. If the amount is not included, the pre-1987 account balance must begin to be distributed in the year the individual attains age 75, regardless of whether the individual is still working. It is your responsibility to track this and let us know if it affects your RMD.

We will send you information the year you turn 70½ to assist you with your calculation. The method you choose is very important and we urge you to consult with your legal and/or tax advisor about the best method to use.

Hardship Withdrawals

A hardship withdrawal is a distribution from the account due to an immediate and heavy financial need. Your employer's plan will specify what constitutes this need. If you request a hardship withdrawal, it will be up to you to determine your plan's requirements and if your need meets those requirements. Examples of some of the definitions that may be in your plan are:

- Deductible medical expenses of the employee, spouse, children, or dependents.
- Purchase of a principal residence for the employee.
- Payment of tuition and related education fees for the next 12 months of post-secondary education for the employee, spouse, children, or dependents.
- Need to prevent the eviction of the employee from, or foreclosure on the mortgage of the employee's principal residence.

The following conditions may apply to hardship withdrawals depending upon the plan document:

- Amount cannot exceed the amount required to meet the need.
- The employee must obtain all distributions or loans from all plans maintained by the employer first.
- All salary deferrals must cease for 6 months.

- The deferral limit is reduced in the next taxable year by the amount of the elective contribution in the year of the distribution.
- No makeup contributions are permitted.

All elective deferrals plus any earnings on elective deferrals earned prior to 1989 can be withdrawn as a hardship distribution. Hardship withdrawals are subject to ordinary income tax and a 10% premature penalty tax if taken prior to age 59½.

Death Distributions

The rules governing death distributions are the same as the rules for qualified plan death distributions. Below is a summary of the options available to beneficiaries:

Before RMDs Begin

1. Rollover to an eligible retirement plan – spouse beneficiary only
2. Take distributions over life expectancy
3. Take distribution of the entire account according to the five-year rule

After RMDs Begin

1. Rollover to an eligible retirement plan – RMD must be withdrawn first (spouse beneficiary only)
2. Take RMDs based on the longer of the account holder's life expectancy or the designated beneficiaries' life expectancy

Taxes

Distributions from 403(b) plans are taxed as ordinary income. Distributions are subject to a 10% premature penalty tax unless one of the events listed under distributions occurs. Also there is no 10% penalty tax for withdrawals made for deductible medical expenses or if the account is set up for substantially equal periodic payments.

Unless distributions are rolled over directly to another plan or IRA, they are subject to 20% mandatory withholding. The following distributions are not eligible for rollover and are not subject to this tax:

- Required Minimum Distributions
- Death benefits to non-spouse beneficiaries
- Defaulted loans or deemed distribution of loans
- Return of excess contributions
- Hardship withdrawals

Important Information on "Float"

Float is interest that is earned on funds held by service providers, generally in short term investments, pending investment or the cashing of outstanding benefit checks.

The DOL does not consider the retention of float by service providers to be a prohibited transaction under the Employee Retirement Income Security Act of 1974 (ERISA) if several guidelines are followed. You may view a copy of the full details of the DOL's guidance on float at <http://www.dol.gov/ebsa/regs/fabmain.html>.

Trustar may earn float on:

- Contributions awaiting investment direction.

- Outstanding benefit distribution checks. Float is earned until the checks are cashed.
- Outstanding dividend checks.

Trustar tries to minimize float as much as possible. For instance:

- We mail checks the day we issue them. However, we do not have control over when the checks are cashed.
- Contributions and dividend checks are normally sent for investment on the day after they are received (hence, we would not earn float) or as soon as possible thereafter. Certain situations -e.g., lack of allocation or investment directions, etc.- slows down the allocation or investment of those funds.

We do not credit float directly to the plans or accounts for which we provide services because the cost to track the amount of float on a per plan or per account basis and allocate it to the plan participants or account would far exceed the amount of float earned. In the end, the amount that we earn on float helps us keep our fees down. Please contact your Trustar representative at (800) 209-9010 if you have questions

Important Information About Procedures For Opening A New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires Delaware Charter Guarantee & Trust Company to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask 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.

How to Set up the Account

Your employer has a 403(b) program set up for your benefit. The 403(b)(7) option allows you to add mutual funds to your investments. You select these mutual funds through your broker and investments are made directly in that account. You must sign a Custodial/ Trustee Agreement to establish the account and the appropriate forms to set up the brokerage account. Your broker will help you with this process. The agreement is not a plan and is not subject to ERISA.

The account will be titled:

Your Name 403(b)(7)
Delaware Charter as Custodian
Your Address

Tax ID #51-0099493

Checks should be made payable to **Delaware Charter Guarantee & Trust Company**.

Correspondence to the Custodian should be addressed to:

P.O. Box 8963
Wilmington, DE 19899

Street Address:

1013 Centre Road
Wilmington, DE 19805

(302) 995-2131 or (800) 209-9010

<http://www.trustar-rs.com>

Delaware Charter Section 403(b)(7) Custodial/Trustee Account Agreement

Article I **Definitions**

- 1.1 **Agreement.** The Delaware Charter Section 403(b)(7) Custodial/Trustee Account Agreement as set forth herein.
- 1.2 **Application.** The Application for Delaware Charter Section 403(b)(7) Custodial/Trustee Account executed by the Employer, the Employee and the Custodian/Trustee providing for the establishment of the Custodial/Trustee Account in accordance with the terms and conditions of this Agreement.
- 1.3 **Beneficiary.** The person or persons designated on the application to receive any undistributed amounts credited to the Custodial/Trustee Account upon the Employee's death.
- 1.4 **Code.** The Internal Revenue Code of 1986, and including any regulations issued thereunder.
- 1.5 **Custodial/Trustee Account.** The account established and maintained under this Agreement on behalf of the Employee pursuant to Section 403(b)(7) of the Code.
- 1.6 **Custodian/Trustee.** Delaware Charter Guarantee & Trust Company or any successor thereto appointed in accordance with the provisions of Article 7. 1.
- 1.7 **Disability.** A determination that the Employee is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration.
- 1.8 **Employee.** The individual who has executed the Application and who is employed by the Employer on a full or part-time basis or who is a former or retired employee of the Employer.
- 1.9 **Elective Deferral.** Contributions made to the employee's account by the employer, at the election of the employee, in lieu of cash compensation.
- 1.10 **Employer.** The employer that has executed the Application and is:
(a) described in Section 50(c)(3) of the Code and exempt from tax under Section 501(a) of the Code; or
(b) a State, a political subdivision of a State, or an agency or instrumentality thereof, but only with respect to employees who perform or have performed services for an educational organization described in Section 170(b)(1)(A)(ii) of the Code.
- 1.11 **ERISA.** The Employee Retirement Income Security Act of 1974, as amended, and including any regulations issued thereunder.
- 1.12 **Financial Hardship.** A determination that the Employee has an immediate and heavy financial need requiring a distribution from the Custodial/Trustee Account. Any determination of the existence of a qualifying financial hardship on the part of the Employee and the amount required to be distributed to meet the need created by the hardship shall be made in accordance with the rules and regulations under Section 403(b)(7) of the Code.
- 1.13 **Investment Firm.** Any custodial firm selected by the employee and acceptable to Delaware Charter.
- 1.14 **Investment Fund(s).** One or more of the regulated investment companies accepted by the

Custodian/Trustee as available investments under this Agreement.

Article II **Establishment of Custodial/Trustee Account**

- 2.1 **Purpose.** This Agreement is intended to provide for the establishment and administration of a Custodial/Trustee Account to receive monies on behalf of the Employee in accordance with Section 403(b)(7) of the Code. The regulations thereunder are IRS Revenue Ruling 90-24. This Agreement is not intended to be a "plan" as defined under ERISA, nor is it intended to be subject to the reporting, disclosure, and nondiscrimination requirements of ERISA and may not be interpreted in a manner which would lead the Agreement to become a plan under that statute.
- 2.2 **Establishment of Custodial/Trustee Account.** The Custodian/Trustee shall establish and maintain the Custodial/Trustee Account for the benefit of the Employee according to the terms and conditions of this Agreement. The name, address, and social security number of the Employee and Beneficiary are set forth on the Application and it shall be the obligation of the employee to notify the Custodian/Trustee of any changes thereto.

Article III **Contributions**

- 3.1 **Employer Contributions.** There will be no Employer contributions paid to or accepted by the Custodian/Trustee. The Custodian/Trustee may accept Rollover Contributions of assets which were Employer contributions including elective deferrals made by the Employee and periodic elective deferrals made by the Employee in an employer's Code Section 403(b)(7) Plan. It shall be solely the responsibility of the Employee to determine whether amounts transferred to the Custodian/Trustee are qualified to be held by the Custodian/Trustee hereunder. The Custodian/Trustee shall have no responsibility to determine the source of any amounts transferred to it hereunder or the tax status of any such amounts.
- 3.2 **Employee Contributions.** The Custodian/Trustee may accept elective deferrals made by the Employee in an employer's Code Section 403(b)(7) Plan. It shall be solely the responsibility of the Employee to determine whether amounts contributed to the account with the Custodian/Trustee are qualified to be held by the Custodian/Trustee hereunder. The Custodian/Trustee shall have no responsibility to determine the source of any amounts transferred to it hereunder or the tax status of any such amounts.
- 3.3 **Rollover Contribution.** An Employee may make and the Custodian/Trustee may accept a Rollover Contribution to the Account of all or any part of an amount distributed or distributable to him or her from a Code Section 403(b) Plan provided:
(a) the amount distributed to the Employee is deposited to the Account no later than the sixtieth day after such distribution was received by the Employee,
(b) the amount distributed is not one of a series of substantially equal periodic payments made for the life (or life expectancy) of the Employee or the joint lives (or joint life expectancies) of the Employee and the Employee's Designated Beneficiary, or for a specified period of ten years or more;

- (c) if the amount distributed included property, as permitted under Code Section 403(b), such property is rolled over, or if sold the proceeds of such property may be rolled over,
- (d) the amount rolled over does not include any amounts contributed on an after-tax basis by the Employee to a Code Section 403(b) Plan, and
- (e) all amounts rolled over must be treated for purposes of distributions in the same manner as transfer amounts.
- (f) the amount rolled over does not include any hardship distribution described in Code Section 401(k)(2)(B)(1)(IV).

Such Rollover Contributions may also be made through an Individual Retirement Account qualified under Code Section 408 where the IRA was used as a conduit from a Code Section 403(b) Plan, the Rollover Contribution is made in accordance with the rules provided under paragraphs (a) through (f) herein, above and the Rollover Contribution does not include any regular IRA contributions, or earnings thereon, which the Employee may have made to the IRA. The Custodian/Trustee shall not be held responsible for determining the tax-free status of any Rollover Contribution made to or from this Account.

Rollover Contributions, which relate to distributions prior to January 1, 1993, must be made in accordance with paragraphs (a) through (f) and additionally meet the requirements of paragraph (g):

- (g) Any distribution from a Code Section 403(b) Plan constituted the Employee's entire interest in such Plan and was distributed within one taxable year to the Employee:
 1. on account of separation from Service, a plan termination, or in the case of a profit-sharing or stock bonus plan, a complete discontinuance of contributions under such plan within the meaning of Section 402(a)(6)(A) of the Code, or
 2. in one or more distributions which constitute a qualified lump sum distribution within the meaning of Code Section 402(e)(4)(A), determined without reference to subparagraphs (B) and (H).

Under this Agreement, rollover contributions will be accepted, by the Custodian/Trustee if directed by the Employee, from Qualified Deferred Compensation Plans (or conduit IRAs) which only distribute Code Section 403(b) Plan monies. For accounting and recordkeeping purposes, rollover contributions shall be identical to transfer contributions.

3.4 Transfer Contribution. An Employee may arrange for the direct transfer of his or her benefit from a Code Section 403(b) Plan to his or her Account established by this Agreement provided that the transfer is made in accordance with the terms of the Section 403(b) Plan. In addition, direct transfers approved under IRS Revenue Ruling 90-24 are specifically permitted. The Custodian/Trustee shall not be responsible for determining the tax status of any transfer contribution.

3.5 Direct Rollover of Benefits. Notwithstanding any provision of the Agreement to the contrary that would otherwise limit an Employee's election under this paragraph, for distributions made on or after January 1, 1993, an employee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an eligible rollover distribution paid directly to another Code Section 403(b) Plan or IRA qualified under Code Section 408 specified by the Employee in a direct

rollover. Any portion of a distribution, which is not, paid directly to another Code Section 403(b) Plan or IRA qualified under Code Section 408 shall be distributed to the Employee. For purposes of this paragraph a surviving spouse or a spouse or former spouse who is an alternate payee under a qualified domestic relations order as defined in ERISA Section 206(d) and Code Section 414(p), will be permitted to elect to have any eligible rollover distribution paid directly to an individual retirement account (IRA), an individual retirement annuity or another 403(b) plan.

The Plan provisions otherwise applicable to distributions continue to apply to rollover and transfer contributions.

Article IV Investments

4.1 Investment of Custodial/Trustee Account. All contributions to the Custodial/Trustee Account shall be invested and reinvested by the Investment Firm exclusively in shares of one or more of the Investment Funds as directed by the Employee or the Custodian/Trustee. The Investment Firm may prescribe the form and manner in which such investment directions by the Employee or the Custodian/Trustee shall be given. In making any investment of the assets of the Custodial/Trustee Account, the Investment Firm shall be fully entitled to rely on the directions properly furnished to it by the Employee or the Custodian/Trustee and shall be under no duty to make any inquiry or investigation with respect thereto. If the Investment Firm receives any contribution to the Custodial/Trustee Account that is not accompanied by instructions from the Employee or the Custodian/Trustee directing its investment, the Investment Firm may hold or return all or a part of the contribution uninvested without liability for loss of income or appreciation pending receipt of proper investment directions from the Employee or the Custodian/Trustee.

4.2 Investment Advice. The Employee agrees that the Custodian/Trustee does not undertake to provide any advice with respect to the investment of the Custodial/Trustee Account, and that the responsibility of the Custodian/Trustee to invest in shares of a particular Investment Fund pursuant to the Employee's directions does not constitute an endorsement by the Custodian/Trustee of that Investment Fund.

4.3 Custodial/Trustee Account Earnings. All dividends, capital gains distributions and other earnings received by the Custodian/Trustee on any shares of an Investment Fund held in the Custodial/Trustee Account shall be automatically reinvested in additional shares of such Investment Fund.

4.4 Investment Exchanges. The employee may direct the Investment Firm to redeem any or all shares of any Investment Fund that are held in the Custodial/Trustee Account and to reinvest the proceeds in any other Investment Fund available under this Agreement, subject to the provisions of Article 9.1. Any such exchange transaction shall conform with the provisions of the current prospectuses for the applicable Investment Funds.

4.5 Record Ownership: Voting of Shares. All shares of the Investment Funds acquired by the Custodian/Trustee pursuant to this Agreement shall be registered in the name of the Custodian/Trustee or its nominee. The Custodian/Trustee will not be responsible for forwarding or voting prospectuses, proxies and proxy soliciting materials relating to the Investment Fund shares held in the Custodial/Trustee Account.

Article V

Distribution of Assets of Custodial/Trustee Account

- 5.1 Request for Distribution.** The Custodian/Trustee shall distribute the assets of the Custodial/Trustee Account to the Employee upon receipt by the Custodian/Trustee of a written request for distribution submitted by the Employee, subject to the limitations of Article 6.2.
- 5.2 Limitations on Distributions.** Except as may otherwise be provided in Article 3.5, the assets of the Custodial/Trustee Account shall not be distributed to the Employee before the Employee attains age 59 ½ unless the Employee has:
- (a) separated from the service of the Employer;
 - (b) died;
 - (c) incurred a Disability; or
 - (d) encountered Financial Hardship if permitted under the Employer's 403(b) Plan.

For taxable years beginning after December 31, 1988, any distribution that is made to the Employee for reason of Financial Hardship shall not exceed the amount of Employer contributions made to the Custodial/Trustee Account pursuant to a salary reduction agreement with the Employee, excluding earnings thereon.

- 5.3 Method of Distribution.** Except as otherwise required under Article 6.4, the Employee may elect to have distribution of assets of the Custodial/Trustee Account made pursuant to the options available under the Employer's 403(b) plan.
- 5.4 Minimum Distribution Requirements.**

- (a) **Required Beginning Date.** Notwithstanding any provision of this Agreement to the contrary, for benefits accrued after 1986, distribution of the Custodial/Trustee Account shall commence no later than April 1 following the calendar year in which the Employee attains age 70½ or terminates employment, whichever is the later. Other rules may apply to pre-1987 accruals. Contact your Employer for additional information.
- (b) **Minimum Amounts to be Distributed.** The amount that must be distributed each year, beginning with the calendar year for which distributions are required (and each succeeding calendar year) is obtained by dividing the account balance on December 31 of the previous year by the applicable distribution period in the Uniform Lifetime Table in Q&A-2 of the §1.401(a)(9)-9 of the Income Tax Regulations, using the individual's age as of his or her birthday in the year. However, if the individual's sole designated beneficiary is his or her surviving spouse and such spouse is more than 10 years younger than the individual, then the distribution period is determined under the Joint and Last Survivor Table in Q&A-3 of §1.401(a)(9)-9, using the ages as of the individual's and spouse's birthdays in the year.

The required minimum distribution for the year the Account Holder attains age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made the end of such year.

If the Account Holder dies on or after the required beginning date, the remaining interest will be distributed at least as rapidly as follows:

- 1. If the designated beneficiary is someone other than the Account Holder's surviving spouse, the remaining interest will be distributed over the

remaining life expectancy of the designated beneficiary, with such life expectancy determined using the beneficiary's age as of his or her birthday in the year following the year of the Account Holder's death, or over the Account Holder's remaining life expectancy determined in the year of the Account Holder's death, if longer.

- 2. If the Account Holder's sole designated beneficiary is the surviving spouse, the remaining interest will be distributed over such spouse's life or over the Account Holder's remaining life expectancy determined in the year of the Account Holder's death, if longer.
- 3. If there is no designated beneficiary, the remaining interest will be distributed over the Account Holder's remaining life expectancy determined in the year of the Account Holder's death.

The amount to be distributed each year under paragraph 5.4 (b), beginning with the calendar year following the calendar year of the individual's death, is the quotient obtained by dividing the value of the account as of the end of the preceding year by the remaining life expectancy specified in such paragraph. Life expectancy is determined using the Single Life Table in Q&A-1 of §1.401(a)(9)-9 of the Income Tax Regulations.

If distributions are being 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 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 Account Holder's age in the year specified in the regulations and reduced by one for each subsequent year.

- 5.5 Distribution Upon Death of Employee.** If the Account Holder dies before the required beginning date, his or her entire interest will be distributed at least as rapidly as follows:

- (a) If the designated beneficiary is someone other than the Account Holder's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the individual's death, over the remaining life expectancy of the designated beneficiary. Such life expectancy will be determined using the age of the beneficiary as of his or her birthday in the year following the year of the Account Holder's death. The beneficiary may also elect to have the entire interest distributed by the end of the calendar year containing the fifth anniversary of the Account Holder's death.
- (b) If the Account Holder's sole designated beneficiary is the Account Holder's surviving spouse, the entire interest will be distributed starting by the end of the calendar year following the calendar year of the individual's death (or by the end of the calendar year in which the individual would have attained age 70½, if later), over such spouses' life. The spouse may also elect to have the entire interest distributed by the end of the calendar year containing the fifth anniversary of the Account Holder's death.
- (c) 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. The beneficiary may also elect to have the entire interest distributed by the end of the calendar year containing the fifth anniversary of the spouse's death. 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.

- (d) If there is no designated beneficiary, or if applicable by operation of paragraphs (a), (b), or (c) above, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the Account Holder'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 5.4 (a) above).

The value of the account includes the amount of any outstanding rollover, or transfer, under Q&A-7 and – 8 of §1.408-8 of the Income Tax Regulations.

- 5.6 Designation of Beneficiary.** The Employee may from time to time designate any person or persons (who may be designated contingently or successively and who may be an entity other than a natural person) as the Beneficiary who shall be entitled to receive any undistributed assets held in the Custodial/Trustee Account at the time of the Employee's death. Any Beneficiary designation by the Employee shall be made on a form prescribed by the Custodian/Trustee, and shall be effective only when filed with the Custodian/Trustee during the Employee's lifetime. If the Employee fails to designate a Beneficiary in the manner provided above, or if the Beneficiary designated by the Employee predeceases the Employee, the undistributed assets of the Custodial/Trustee Account shall be distributed upon the death of the Employee in the following order of priority: first to the contingent beneficiary if any, second to the Employee's surviving spouse, if any; third, to the estate of the Employee.

Article VI

Responsibilities and Duties of Custodian/Trustee

- 6.1 Asset Retention.** The Investment Firm shall hold all contributions to the Custodial/Trustee Account which are received by it subject to the terms and conditions of this Agreement and for the purposes set forth herein. The Investment Firm shall be responsible only for such assets as shall actually be received by it.
- 6.2 Recordkeeping.** Subject to the provisions of this Agreement, the Custodian/Trustee shall maintain such records as may be necessary for the proper tax reporting for the Custodial/Trustee Account.
- 6.3 Limitations on Responsibilities and Duties.** The Custodian/Trustee shall not be responsible in any way for the collection of contributions provided for under this Agreement, the selection of the investments for the Custodial/Trustee Account, the purpose or propriety of any distribution made pursuant to Article 5 hereof, or any other action properly taken at the direction of the Employee or Investment Firm. The Custodian/Trustee shall not be obliged to take any action whatsoever with respect to the Custodian/Trustee Account except upon the receipt of proper directions from the Employee or Investment Firm. The Custodian/Trustee shall be under

no obligation to determine the accuracy or propriety of any such directions and shall be fully protected in acting in accordance therewith.

- 6.4 Indemnification of Custodian/Trustee.** The Employee shall at all times fully indemnify and save harmless the Custodian/Trustee, its successors and assigns from any and all liability arising from investments or distributions made or actions taken at the direction of the Employee, and from any and all other liability whatsoever which may arise in connection with the Agreement, except liability arising from the Custodian/Trustee's breach of its responsibilities or duties hereunder. The Custodian/Trustee may conclusively rely upon and shall be protected in acting upon any direction from the Employee or Investment Firm or any other notice, request, consent, certificate, or other instrument or paper believed by it to be genuine and to have been properly executed, so long as the Custodian/Trustee acts in good faith in taking or omitting to take any action.

- 6.5 Liability of Custodian/Trustee.** The Custodian/Trustee's liability under this Agreement and matters, which it contemplates, shall be limited to matters arising from the Custodian/Trustee's negligence or willful misconduct. The Custodian/Trustee shall not be obligated or expected to commence or defend any legal action or proceeding in connection with this Agreement unless agreed upon by the Custodian/Trustee and Employee or Investment Firm, and unless fully indemnified for so doing to the Custodian/Trustee's satisfaction.

Article VII

Resignation or Removal of Custodian/Trustee

- 7.1 Resignation or Removal.** The Custodian/Trustee may resign at any time by written notice to the Employee which shall be effective 30 days after delivery thereof unless prior thereto a successor Custodian/Trustee shall have been appointed. The Employee may remove the Custodian/Trustee at any time upon 30 days written notice to the Custodian/Trustee. Upon such resignation or removal, the Custodian/Trustee shall transfer and deliver all assets of the Custodial/Trustee Account and all records relative thereto to the successor Custodian/Trustee appointed by the Employee provided such successor Custodian/Trustee has in writing accepted this Agreement as it is or may be then amended. If a successor Custodian/Trustee shall not have been so appointed within 30 days from the date of said resignation or removal, the resigning or removed Custodian/Trustee may designate any bank or trust company to be successor Custodian/Trustee under this Agreement.
- 7.2 Liability For Successor's Acts.** Upon its resignation or removal, the Custodian/Trustee shall not be liable for the acts or omissions of any successor Custodian/Trustee. Upon the transfer of the assets of the Custodial/Trustee Account to a successor Custodian/Trustee, the resigning or removed Custodian/Trustee shall be relieved of all further liability with respect to this Agreement, the Custodial/Trustee Account and the assets thereof.
- 7.3 Bank as Custodian/Trustee.** The Custodian/Trustee, and any successor Custodian/Trustee appointed to serve under this Agreement, shall be a bank as defined in Section 401(d)(1) of the Code or such other person who is qualified to serve as Custodian/Trustee under Section 401(f)(2) of the Code.

Article VIII
Amendment and Termination

8.1 Amendment of Agreement.

- (a) The Employee and Employer hereby delegate to the Custodian/Trustee the power to amend this Agreement, including any retroactive amendment necessary to assure the Agreement will satisfy or continue to satisfy the applicable requirements of the Code. The Custodian/Trustee shall deliver written notice of any such amendment to the Employee and Employer.
- (b) No amendment to this Agreement shall cause or permit:
 - 1. any part of the assets of the Custodial/Trustee Account to be used for, or diverted to, purposes other than for the exclusive benefit of the Employee or Beneficiary;
 - 2. the Employee to be deprived of any accrued benefits under this Agreement unless such amendment is required for the purpose of conforming the Agreement to the requirements of the Code; or
 - 3. the imposition of any additional duties or obligations of the Employer or the Employee without their consent, unless such amendment is required for the purpose of conforming the Agreement to the requirements of the Code.

Article IX
Miscellaneous

- 9.1 Exclusive Benefit.** The assets of the Custodial/Trustee Account shall not be used for, or diverted to, purposes other than the exclusive benefit of the Employee or his or her Beneficiary. The assets of the Custodial/Trustee Account shall not be subject to the claims of the Employer's creditors.
- 9.2 Nonforfeitable and Nontransferability.** The interest of the Employee in the balance of the Custodial/Trustee Account shall at all times be nonforfeitable and nontransferable. All rights under this Agreement are enforceable solely by the Employee or his or her Beneficiary, or any duty authorized representative of the Employee or Beneficiary.
- 9.3 Non-alienation.** The assets of the Custodial/Trustee Account shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary; provided, however, that the Custodian/Trustee shall not be hereby precluded from complying with any qualified domestic relations order as defined in Section 206(d)(3)(B) of ERISA. Any attempt by the Employee or Beneficiary to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to distributions hereunder shall be void, except as otherwise required by law.
- 9.4 Notices.** Any notice, accounting, or other communication which the Custodian/Trustee may give to the Employee shall be deemed given when mailed to the Employee at the latest address which has been furnished to the Custodian/Trustee. Any notice or other communication which the Employer or Employee may

give to the Custodian/Trustee shall not become effective until actual receipt of said notice by the Custodian/Trustee. The Employee and/or Beneficiaries must notify the Custodian/Trustee of any change of address.

- 9.5 Arbitration.** The Employee agrees that all controversies between the Grantor and/or Beneficiaries and the Trustee and/or any of its officers, directors, or employees present or former concerning or arising from (i) any retirement account maintained with the Trustee by the Employee; (ii) any transaction involving the Employee's account, whether or not such transaction occurred in such account or accounts; or (iii) the construction, performance or breach of this agreement between us, whether such controversy arose prior, on or subsequent to the date hereof, shall be determined by arbitration under the commercial arbitration rules of the American Arbitration Association. Any disputes as to the arbitrability of a matter or the manner of such arbitration shall be determined in such arbitration. Such arbitration shall be held in Wilmington, Delaware.

Arbitration Disclosures: Arbitration is final and binding on the parties; the parties are waiving their right to seek remedies in Court, including the right to jury trial; pre-arbitration discovery is generally more limited than and different from court proceedings; the arbitrators' award is not required to include factual findings or legal reasoning, and any party's right to appeal or to seek modification of rulings by the arbitrators is strictly limited; the panel of arbitrators will consist of arbitrators for American Arbitration Association; the arbitration will be under the commercial arbitration rules of the American Arbitration Association; the arbitration shall be held in Wilmington, Delaware; and any disputes as to such arbitration or the manner there of shall be determined in such arbitration.

- 9.6 Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Delaware, to the extent not preempted by Federal law. No provision of this Agreement shall be construed to conflict with any provision of an Internal Revenue Service regulation, ruling, release, or other order which affects, or could affect, the terms of this Agreement or its qualification under Section 403(b)(7) of the Code.

- 9.7 Severability.** The determination that any provision of this Custodial Agreement is not enforceable in accordance with its terms in a particular jurisdiction shall not affect the validity or enforceability of the remaining provisions of this Agreement generally or in any other jurisdiction or as to any other parties, but rather such unenforceable provisions shall be stricken or modified in accordance with such determination only as to such parties and this Agreement, as so modified, shall continue to bind the specific parties involved therein and otherwise all other parties in unmodified form.

All contributions to the Custodial/Trustee Account shall be deemed to take place in the State of Delaware.

This Custodial Agreement may be executed in any number of counterparts, each one of which shall be deemed to be the original although the others shall not be produced.

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Mailing Address:
P.O. Box 8963
Wilmington, Delaware 19899-8963
(800) 209-9010

**The Economic Growth & Tax
Relief Reconciliation Act of
2001**

The Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001 was signed into law on June 7, 2001. This law, along with the issuance of new proposed required minimum distribution (RMD) regulations, greatly affects 403(b) plans and the way they are administered. These new rules became effective on January 1, 2002. To give customers a better understanding of these changes, we are providing the following information as an Interim Amendment to our existing plan documents:

ISSUE	CURRENT LAW	EGTRRA												
403(b) Deferral Limits	\$10,500	Limit increases as follows: <table border="1"> <thead> <tr> <th>Year</th> <th>Limit</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>\$11,000</td> </tr> <tr> <td>2003</td> <td>\$12,000</td> </tr> <tr> <td>2004</td> <td>\$13,000</td> </tr> <tr> <td>2005</td> <td>\$14,000</td> </tr> <tr> <td>2006+</td> <td>\$15,000 (indexed)</td> </tr> </tbody> </table>	Year	Limit	2002	\$11,000	2003	\$12,000	2004	\$13,000	2005	\$14,000	2006+	\$15,000 (indexed)
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2002	\$11,000													
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403(b) Catch-up Contributions for Individuals Age 50 or Older (Individual must turn age 50 by end of taxable year)	Available in certain circumstances. Limits vary depending on other factors.	Catch-up contributions are as follows: <table border="1"> <thead> <tr> <th>Year</th> <th>Limit</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>\$1,000</td> </tr> <tr> <td>2003</td> <td>\$2,000</td> </tr> <tr> <td>2004</td> <td>\$3,000</td> </tr> <tr> <td>2005</td> <td>\$4,000</td> </tr> <tr> <td>2006+</td> <td>\$5,000 (indexed)</td> </tr> </tbody> </table>	Year	Limit	2002	\$1,000	2003	\$2,000	2004	\$3,000	2005	\$4,000	2006+	\$5,000 (indexed)
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2002	\$1,000													
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2006+	\$5,000 (indexed)													
Maximum Exclusion Allowance	The most an employee can defer annually is limited to the lesser of three amounts: <ul style="list-style-type: none"> ➢ 402(g) limit as indexed (\$10,500 in 2001) ➢ 415 limit – lesser of 25% of compensation or \$35,000 ➢ Exclusion allowance = (20% x current year's compensation) x total years of service, minus prior year's vested contributions 	The most an employee can defer annually is limited to the lesser of the following amounts: <ul style="list-style-type: none"> ➢ 402(g) limit as indexed (\$11,000 in 2002) ➢ 415 limit – lesser of 100% of compensation or \$40,000 ➢ <i>Repealed – Exclusion allowance</i> 												
Minimum Distributions	Generally, participants must receive a minimum distribution starting at the later of age 70½ or retirement.	IRS is directed to update life expectancy tables.												
Definition of Pay for Self-Employed Individuals	Pay means net earnings subject to self-employment tax. Participants of certain religious faiths elect to be exempt from self-employment tax on religious grounds; therefore, they have no pay on which to base contributions.	Definition of pay now includes an individual's net earnings that would be subject to self-employment tax if the employee was not exempt from the tax on religious grounds.												
Employer-Provided Investment Education	Employer provided retirement advice is not income to employees.	Clarifies that employer provided individual retirement and financial planning services are treated as a non-taxable fringe benefit if the services are available to all eligible employees on the same terms.												
Repeal of Coordination Requirement for 457 Plans	The section 457(b) limit on deferred compensation is reduced dollar-for-dollar by employee elective deferrals under 401 (k) and 403(b) plans.	The coordination requirement is repealed for years beginning after December 31, 2001. Separate limits now apply to 457 and 403(b) accounts, allowing the participant to save up to \$22,000.												
Creation of "Roth" 403(b) Accounts	No provision.	Effective after 2005, employers may allow employees to make "Roth" contributions to a 403(b) account. Employees are taxed immediately but contributions and earnings generally would not be subject to taxation upon distribution.												

ISSUE	CURRENT LAW	EGTRRA
Rollovers between various types of plans	Amounts paid from an employer-sponsored plan or 403(b) arrangement may only be rolled over to the same type of plan or an IRA. Amounts could not be rolled from an IRA (other than a "conduit" IRA) to any type of employer plan.	Qualified, 403(b), IRAs and governmental 457 plans (but not tax exempt 457 plans) can accept rollovers from any other type of plan, as long as that plan accepts rollovers.
Hardship Relief	Employees who obtain hardship distributions under a 401(k) or 403(b) plan must be suspended from participation for 12 months.	The 12-month period is shortened to six months.
Expansion of Spousal Rollover	Surviving spouses of participants generally may roll over distributions from a 403(b) plan to an IRA.	Surviving spouses also could roll over distributions to a qualified plan, 403(b) plan, or governmental 457 plan in which they participate.
Same Desk Rule	Distribution to terminated employees is not allowed if the employee continues performing the same function for a successor employer.	Eliminated.
Sunset Provision		All provisions of the bill do not apply to taxable, plan, or limitation years beginning after December 31, 2010.

If you have any additional questions about these new changes, please contact your designated customer service team. Our representatives are available to answer your questions between the hours of 8 a.m. and 6 p.m. EST. We also recommend that you consult with your tax advisor or tax attorney on how these changes will affect your particular situation. Delaware Charter Guarantee & Trust Company is not licensed to practice law or give tax advice.

Schedule of Custodial/Trustee Fees Effective January 1, 2004

ACCEPTANCE FEE

Opening the Custodial/Trustee account	\$ 25
The acceptance fee will be refunded if you revoke the Trust within seven (7) days from the date of adoption	
Service charge if acceptance fee does not accompany application	\$ 12

ANNUAL FEES

Annual fee	\$ 45
Annual fees are charged on a calendar year basis and are not pro-rated. There is no percentage charge based on cumulative assets	
Late payment or directive to debit your account for Trustee fees (after 30 days)	\$ 10

FEES FOR DISBURSEMENT FROM ACCOUNT

Partial distribution	\$ 15
Includes return/reallocation of excess contributions \$30 maximum per calendar year	

OTHER CHARGES

Transfer or termination of an existing account in addition to annual fees	\$ 75
Change in brokerage firm	\$ 15
Transaction requiring trustee processing	\$ 15
No charge for buys and sells in the brokerage account	
Processing on terminated account	\$ 15
Processing of checks or securities after the account has been closed more than 6 months	
Reissue of check over 6 months old	\$ 30
Returned check	\$ 25
Research of transaction over 6 months old per hour (minimum ½ hour)	\$ 80
Affidavit of loss	\$ 50
Never funded account, after one year	\$ 50
Reinstatement of closed account	\$ 50
Outgoing wire processing	\$ 25

Special services not otherwise provided above As agreed

In the event the fees becomes delinquent and it becomes necessary to collect the balance through the services of a collection agency, you will be held responsible for their fees.

Your Custodian/Trustee fees depend on the Brokerage Firm who services your account. Please check with your Brokerage Firm for all fees applicable to your account. If you transfer your account to another Brokerage Firm, you will need to obtain another schedule of fees.



Delaware Charter Guarantee & Trust Company

P. O. Box 8963 / Wilmington, DE 19899-8963 / 302-995-2131 / 800-209-9010