

Application Booklet

# 403(b)(7) Savings Account

Delaware Charter Guarantee & Trust Company  
d/b/a Principal Trust Company



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## Principal Trust Company

A member of



Mailing Address:  
P.O. Box 8963  
Wilmington, DE 19899-8963  
800-209-9010 Fax: 302-999-9554

## Privacy Notice

This Notice is provided on behalf of Delaware Charter Guarantee & Trust Company d/b/a Principal 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, personal trust clients, grantors, beneficiaries, remaindermen, 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 safeguard 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 may include 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 others with your consent, at your request or as allowed by law.

### Accuracy of Information

We strive for accurate records. 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 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.

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**Application for 403(b)(7)  
Custodial Account**

The **Application for 403(b)(7) Custodial Account** should be signed by both the Employee and Employer and returned to the selected investment firm. Your Employer must have a 403(b)(7) Service Provider Agreement on file with Principal Trust Company. The agreement is located within this application. If the agreement has not been provided, have your Employer complete and attach a copy to this form. **Each party should retain a copy for their records.**

**1. Employer Information (Please Print)**

Name of Employer		
Address of Employer	Employer Phone Number	
Employer EIN		

**2. Employee Information (Please Print)**

Name of Employee		
Employee's Address (Required)		
City	State	ZIP Code
Mailing Address – If different (may use P.O. Box)		
City	State	ZIP Code
Social Security Number	Daytime Phone Number	
Birth Date (Month/Day/Year)	E-mail address	

**3. Designation of Employee's Beneficiary**

(a) **Primary Beneficiary:** Pay any amounts payable after my death to the following primary beneficiary(ies).

Name	% of Account %	Social Security Number / Tax Identification Number
Date of Birth	Relationship	
Name	% of Account %	Social Security Number / Tax Identification Number
Date of Birth	Relationship	

(b) **Contingent Beneficiary:** If no primary beneficiary is alive at the time of my death, pay any amounts payable after my death to the following contingent beneficiaries.

Name	% of Account %	Social Security Number / Tax Identification Number
Date of Birth	Relationship	

Name	% of Account %	Social Security Number / Tax Identification Number
Date of Birth	Relationship	

**NOTE:**

- Please consult with your tax and/or legal advisor on the enforceability of your beneficiary designation under your particular state laws.
- If your designated beneficiary is your spouse and you divorce, your ex-spouse will remain as your designated beneficiary until you revise your beneficiary designation.

**4. Acceptance**

(a) **Employee Acceptance:** I appoint Delaware Charter Guarantee & Trust Company d/b/a Principal Trust Company to serve as Custodian of this 403(b)(7) account. By making this appointment, I hereby agree that I have read, understand, and agree to abide by the terms and conditions of the Principal Trust Company 403(b)(7) Custodial Account Agreement and Schedule of Fees.

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

(b) **Employer Acceptance:** The Employer named above hereby agrees to the terms and conditions of the Principal Trust Company 403(b)(7) Custodial 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 that sponsors a 403(b) plan that is not subject to Title I of ERISA.

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

Title \_\_\_\_\_

(c) **Custodian Acceptance:** Principal Trust Company hereby accepts its appointment as Custodian under the Principal Trust Company 403(b)(7) Custodial Account 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 Number
Individual Account Number	



Mailing Address:

P.O. Box 8963  
Wilmington, DE 19899-8963  
800-209-9010 Fax: 302-999-9554  
TRSPProcessing@principaltrust.com

**403(b)(7)**

## **Service Provider Agreement**

### **Information**

Name of Employer: \_\_\_\_\_ (“Employer”)

Name of Custodian: Delaware Charter Guarantee & Trust Company, d/b/a Principal Trust Company (“Custodian”) For convenience of reference, Employer and Custodian may be referred to in this agreement either collectively as the “Parties” or individually as a “Party”.  
The Custodian acts as a non bank custodian for accounts described in sections 403(b)(7) of the Internal Revenue Code (“Code”). In that capacity, the Custodian performs passive custodial duties. It has no discretion to direct the investments of a custodial account.  
Pursuant to this agreement and any other associated agreements, the Custodian may accept an exchange of assets from another 403(b) contract/custodial account within the Employer’s 403(b) plan.

### **Employer Representations to the Custodian**

The Employer represents to the Custodian that the Employer maintains (or will maintain on or before January 1, 2009, or such later compliance date as may be established) a written plan complying with the regulations under section 403(b) of the Code and that among other things, the plan provides for the exchange.  
The Employer represents to the Custodian that the distribution restrictions imposed under the receiving contract/custodial account is not less stringent than those imposed under the transferor contract/custodial account.  
The Employer represents to the Custodian that the accumulated benefit under the receiving contract/custodial account immediately after the exchange is at least equal to the accumulated benefit under the transferor contract/custodial account immediately prior to the exchange.  
The Employer represents to the Custodian that it will notify the Custodian promptly in writing in the event that it ceases to be an eligible employer under Code Section 403(b) or to maintain the plan.  
The Employer represents that its 403(b) arrangement is not subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and will notify the Custodian immediately if this representation ceases to be true.

### **Information Sharing Between Employer and Custodian**

The Employer and Custodian, agree to, from time to time in the future, provide each other with the following information:

- Information necessary for the resulting contract/custodial account, or any other contract/custodial account to which contributions have been made by the Employer, to satisfy Code Section 403(b), including information concerning the participant’s employment and information that takes into account other Code Section 403(b) contract/custodial account or qualified employer plans (such as whether a severance from employment has occurred for purposes of the distribution restrictions in Treasury Regulation Section 1.403(b)-6 and whether the hardship withdrawal rules of Treasury Regulation Section 1.403(b)-6(d)(2) are satisfied.)
- Information necessary for the resulting contract/custodial account, or any other contract/custodial account to which contributions have been made by the Employer, to satisfy other tax requirements (such as whether a plan loan satisfies the conditions in Code Section 72(p)(2) so that the loan is not a deemed distribution under Code Section 72(p)(1)).
- In the event an eligible rollover distribution is received that includes after-tax employee contributions or designated Roth contributions, information regarding the participant’s basis under Code Section 72 in the amount rolled over.
- Any other information necessary to ensure compliance with applicable laws and regulations.

## **Confidentiality**

**Confidentiality.** For purposes of this Agreement, Custodian's "Confidential Information" consists of: (a) all non-public information (including but not limited to trade secrets, proprietary information, and information about products, business methods and business plans) relating to Custodian's business (or to the business of Custodian's licensors, suppliers or other trading partners) that is either marked or otherwise identified as confidential or proprietary, or that a reasonable person would understand to be considered confidential by Custodian (even if not so marked or identified); and (b) all information that Custodian is obligated by law to treat as confidential for the benefit of third parties, including but not limited to personal, financial, and/or health information about individuals who have applied for or purchased financial products or services from Custodian. Employer acknowledges that, in connection with the performance of this Agreement or otherwise in the course of its dealings with Custodian, Employer may receive Confidential Information from Custodian or may otherwise have access to or learn of Custodian's Confidential Information. In the absence of Custodian's prior written consent to a specific disclosure or use, Employer will not disclose to any third party any of Custodian's Confidential Information, either orally or in writing, and will not appropriate any of Custodian's Confidential Information to Employer's own use or to the use of any third party. Confidential Information that is provided by Custodian to Employer will be used by Employer and its agents only for the purpose for which it was provided, and access to such information will be restricted to individuals who require the information (or access to the information) to further that purpose. Without limiting any of the foregoing, Employer will take at least such precautions to protect Custodian's Confidential Information as Employer takes to protect its own confidential information, and in any event will take all precautions that are reasonably necessary to protect the security of Custodian's Confidential Information. In addition, Employer agrees to protect Custodian's Confidential Information by maintaining administrative, technical and procedural safeguards that comply with all applicable laws, ordinances, rules and regulations. Employer further agrees that upon request of Custodian it will return or destroy all tangible items and destroy all electronic items, as specified by Custodian, which contain any of Custodian's Confidential Information, including all copies, abstractions and compilations thereof, without retaining any copies of the items required to be returned or destroyed, except for a limited number of electronic backup copies of such information as are automatically created and retained by Employer's standard backup processes and systems for purposes of disaster recovery. Whether or not affiliates are included in the term "Custodian" for purposes of this Agreement in general, they will be treated as being so included for purposes of the confidentiality provisions of this Agreement. Accordingly, the Confidential Information of Custodian's affiliates will be considered part of Custodian's Confidential Information.

**Notification obligation.** Upon learning of any unauthorized disclosure or use of Custodian's Confidential Information, Employer will notify Custodian promptly and cooperate fully with Custodian to protect Custodian's Confidential Information.

**Disclosure required by law.** If Employer believes it is required by law or by a subpoena or court order to disclose any of Custodian's Confidential Information, then prior to any disclosure Employer will promptly notify Custodian in writing, attaching a copy of the subpoena, court order or other demand, and Employer will make all reasonable efforts to allow Custodian an opportunity to seek a protective order or other judicial relief.

**Non-restricted information.** Except as stated in the final sentence of this paragraph, nothing in this Agreement will be construed to restrict disclosure or use of information that: (a) was in the possession of or rightfully known by Employer, without an obligation to maintain its confidentiality, prior to receipt from Custodian; (b) is or becomes generally known to the public without violation of this Agreement; (c) is obtained by Employer in good faith from a third party having the right to disclose it without an obligation of confidentiality; (d) is independently developed by Employer without the participation of individuals who have had access to Custodian's Confidential Information. Employer acknowledges that certain laws governing information about individuals are more restrictive than the foregoing statements, and Employer agrees to comply in all respects with such laws.

**Duration of obligations.** The obligations imposed by this Agreement with respect to Confidential Information will survive termination of this Agreement and will remain in effect with respect to each item of Confidential Information until that information becomes unprotected under the terms of the paragraph above titled "Non-restricted information". However, if applicable law sets a maximum period for the duration of obligations of nondisclosure and non-appropriation of confidential information, the obligations imposed by this Agreement with respect to each item of Confidential Information (other than trade secrets and other than information about individuals that is protected by law) will remain in effect only until such period expires.

## **General Provisions**

The provisions of this agreement represent the entire understanding of the Parties with respect to the provisions set forth in this agreement and except as otherwise expressly provided herein or otherwise provided by applicable law, this agreement supersedes all prior oral or written agreements or understandings between the Parties concerning the subject matter of this agreement. No promise or agreement with regard to these matters has been made to or between the Parties other than as stated herein. If any part or provision of this agreement shall be finally determined to be invalid or unenforceable under applicable law by a court of competent jurisdiction, that part or provision shall be ineffective to

the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of said part or provision or the remaining parts or provisions of this agreement.

If permissible under applicable laws and regulations, the Custodian reserves the right to delegate and/or assign its obligations under this agreement to any third party record-keepers of its choice without prior consent or notice to the Employer.

This agreement shall be binding upon and shall inure to the benefit of the respective successors and assigns of the Parties.

The individuals executing this agreement for the Parties represent and warrant that they are authorized to enter into this agreement on behalf of the Party on whose behalf they are signing this agreement.

The agreement shall remain in effect until terminated by either Party with not less than 60 days' advance notice to the other Party.

The agreement shall be governed by and construed in accordance with the laws of the state of Delaware, and any applicable U.S. Treasury Regulations.

**The Parties have caused this Agreement to be executed in their respective names by their duly authorized representatives and with the intent to be fully bound by this Agreement.**

Name of Employer

Address of Employer

City

State

ZIP Code

Employer EIN

Name of Authorized Representative of Employer

Signature of Authorized Representative of Employer

Date (MM/DD/YYYY)

Name of Authorized Representative of Custodian

Signature of Authorized Representative of Custodian

Date (MM/DD/YYYY)

**Principal Trust Company**

A member of



Mailing Address:  
 P.O. Box 8963  
 Wilmington, DE 19899-8963  
 800-209-9010 Fax: 302-999-9554  
 TRSPprocessing@principaltrust.com

# 403(b)(7) Transfer In Authorization Form

**General Instructions**

Use this form to transfer your 403(b)(7) custodial account or other retirement account into your Delaware Charter Guarantee & Trust Company d/b/a Principal Trust Company 403(b)(7) Custodial Account.

If you are establishing a new Principal Trust Company 403(b)(7) custodial account, please complete the Application for 403(b)(7) Custodial Account.

Your employer must have a 403(b)(7) Service Provider Agreement on file with Principal Trust Company. This agreement is located within the 403(b)(7) Custodial Account Application Booklet. If this agreement has not been provided, have your employer complete and attach a copy to this form.

A copy of the most recent account statement **must** be attached from your current custodian. Your request cannot be processed without this information.

**Account Information (Please print or type)**

<u>Applicant Information</u>		<u>Receiving Investment Firm Information</u> (To be completed by Investment Representative)	
Name:		Firm Name:	
Mailing Address:		Firm Account Number:	
City, State Zip:		Representative Name:	
Daytime Phone Number:		Representative Phone Number:	
Evening Phone Number:		Representative Email:	
Email Address:		<u>Employer Information</u> (To be completed by Employer)	
Social Security Number:		Employer Name:	
		Employer Address:	
<u>Type of Transfer</u>		Phone Number:	
<input type="checkbox"/> Total		EIN Number:	
<input type="checkbox"/> Partial			

**Resigning Trustee/Custodian & Account Information**

Trustee/Custodian Name:	<b>Plan Type</b> (select below)		
Account Number:	<input type="checkbox"/> IRA		
Tax ID Number:	<input type="checkbox"/> SEP IRA		
Mailing Address:	<input type="checkbox"/> SIMPLE IRA		
City, State Zip:	<input type="checkbox"/> Qualified Plan		
Contact Name:	<input type="checkbox"/> 403(b)		
Contact Phone Number:	<input type="checkbox"/> 457(b)		
Contact Fax Number:			

**Accounts to be Transferred**

Cash/Money Market		Account Number		Amount or %
Mutual Funds	Account Number	Liquidate	Reregister	Shares or %
		<input type="checkbox"/> Liquidate	<input type="checkbox"/> Reregister	
		<input type="checkbox"/> Liquidate	<input type="checkbox"/> Reregister	
		<input type="checkbox"/> Liquidate	<input type="checkbox"/> Reregister	
		<input type="checkbox"/> Liquidate	<input type="checkbox"/> Reregister	

Other Investments	Account Number	Liquidate	Shares or %
		<input type="checkbox"/> Liquidate	
		<input type="checkbox"/> Liquidate	
		<input type="checkbox"/> Liquidate	
		<input type="checkbox"/> Liquidate	

**Authorization and Acceptance**

**(a) Individual Acceptance**

I hereby agree to the terms and conditions set forth in this Transfer In Authorization and acknowledge having established a Principal Trust Company 403(b)(7) Custodial Account through execution of an application for a Principal Trust Company 403(b)(7) Custodial Account. I understand the transfer/rollover money will now be subject to the distribution rules and restrictions of the Custodial Agreement. I understand that as a result of new Section 403(b) regulations contract exchanges or tax-free transfers must be made in accordance with Treasury Regulation Section 1.403(b)-10(b)(2) and will only be accepted if my employer's 403(b) plan permits such an exchange. I certify that the assets being transferred do not consist of after-tax or Designated Roth Account assets as they are not permitted by the Custodial Agreement.

I understand that the tax law rules governing tax-free transfers to a 403(b) custodial account from another account or annuity contract are complex and that I and my employer are responsible for complying with all such requirements and for the tax results of this transfer. I understand I am responsible for obtaining the authorization of my employer on this form and my employer must have entered into a 403(b)(7) Service Provider Agreement with Principal Trust Company.

I hereby direct the resigning trustee/custodian to liquidate, reregister or transfer the assets in my account as identified above. I authorize you to liquidate any nontransferable proprietary money market investment and transfer the proceeds to my new custodian. I authorize you to deduct any fees due to effect this transfer. If my account does not have enough cash to cover any and all fees, I authorize you to liquidate the assets in my account to the extent necessary to satisfy all fees.

X

Signature

Date

**(b) Employer Acceptance**

This is to certify that the Employer identified on this form consents to the transfer as requested on this form. If the transfer represents a contract exchange from another vendor, I certify that the exchange has been made in accordance with 1.403(b)-10(b)(2) and is a permitted exchange under the 403(b) plan.

I further certify that I have entered into a 403(b)(7) Service Provider Agreement with Principal Trust Company as required by regulations.

X

Signature

Date

**(c) Custodian Acceptance (This Section to Be Completed By Principal Trust Company)**

Principal Trust Company hereby accepts appointment as custodian and will deposit any proceeds into the Principal Trust Company 403(b)(7) custodial account.

Authorized Signature Principal Trust Company

Tax ID Number:  
51-0099493

Date Signed

Send completed form to:

Principal Trust Company  
P.O.Box 8963  
Wilmington, DE 19899-8963

## Principal Trust Company

A member of



Mailing Address:  
P.O. Box 8963  
Wilmington, DE 19899-8963  
800-209-9010 Fax: 302-999-9554

## About the Plan

The 403(b)(7) Custodial Account is available to employees of hospitals, schools, churches and other 501(c)(3) organizations. Due to recent changes in the 403(b) regulations, employers are now required to adopt a written plan document and establish agreements with outside vendors of the plan. Your employer must sign a 403(b)(7) Service Provider Agreement before you can establish a 403(b)(7) Custodial Account with Principal Trust Company.

For additional information on 403(b) Plans you may refer to IRS Publication 571, Tax Sheltered Annuity Programs (403(b) Plans) located at [www.irs.gov](http://www.irs.gov).

### 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

### Elective Deferrals

Delaware Charter Guarantee & Trust Company d/b/a Principal Trust Company (Principal Trust) is not responsible for the computation or collection of contributions. This is the responsibility of you and your employer. We will not accept any “new” employer match contributions, after-tax or Designated Roth contributions into the account. Following 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 limits under Internal Revenue Code (“Code”) Section 402(g)(1)(B) and Code Section 415(c):

- 402(g) limit - \$16,500 for 2010 (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 includible compensation for your most recent year of service or \$49,000 for 2010, excluding catch up contributions.
- Additional Catch - Up Contributions (You must be age 50 or older by the end of the year) - \$5,500 for 2010.
- 15-Year Rule - You may qualify for an increase on the limit of elective deferrals if you have at least 15 years of service with certain qualified organizations. Please refer to Publication 571 and work with your employer to determine if you qualify for the 15-year rule.

**Note:** Principal Trust Company will not monitor the limits outlined above.

### Rollovers and Transfers

The custodial account will accept rollovers and transfers of certain outside monies as permitted by the Custodial Agreement and your employer’s plan. Transfers or rollovers of after-tax or Designated Roth Contributions are not permitted. Your employer must authorize any transfers or rollovers into your account on the Transfer In Authorization Form which is included in this booklet.

Transfers from existing 403(b) plans are permitted if allowed under your employer’s plan. You should check to make sure that you understand any possible penalties for withdrawing money from a tax sheltered annuity.

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

Principal Trust will allocate rollovers and transfers to a single account; we will not maintain separate accounts for your rollover or transfer money.

**Note:** A 403(b) Plan Service Provider Agreement must be executed by your employer prior to the transfer.

### Investments

Investments are limited to mutual funds that are shares of regulated investment companies within the meaning of Code Section 851(a) that you can buy in your investment 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 investment firm will be your periodic report of the assets in your account. It is your responsibility to direct the investment of the custodial funds. You may direct the investment firm to exchange shares of one fund for another. Investment instructions are given directly to your investment firm.

## ***Distributions***

You may request a distribution from your Custodial Account by submitting a 403(b)(7) distribution form to Principal Trust. One of the following events must occur before a distribution can be paid out of your 403(b)(7) account:

- Attainment of age 59½
- Severance from employment
- Death
- Disability (within the meaning of Code Section 72(m)(7))
- Divorce (Qualified Domestic Relations Order required)
- Plan termination
- Correction of an excess deferral
- Permissible withdrawals as provided in Code Section 414(w)(2)

Distributions due to financial hardship or a loan are not permitted.

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

## ***Required Minimum Distributions (RMDs)***

A RMD 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.

If you have multiple 403(b) contracts, you must determine the RMD separately for each contract. However, the minimum amounts can be totaled and the total taken from any one or more of the contracts.

An annual RMD must be satisfied before you can roll over any portion of your 403(b) account.

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 to 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.

## ***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. Additional timing and payment options may apply and should be reviewed with a tax advisor before a payment election is made.

### **Before RMDs Begin**

#### Spouse Beneficiary

1. Rollover to an eligible retirement plan
2. Take distributions over spouse's single life expectancy, recalculated each year
3. Take distribution of the entire account by the end of the calendar year containing the fifth anniversary of the employee's death

#### Non-Spouse Beneficiary

1. Rollover to an Inherited IRA
2. Take distributions over designated beneficiary's remaining life expectancy reduced by one for each subsequent year
3. Take distribution of the entire account by the end of the calendar year containing the fifth anniversary of the employee's death

### **After RMDs Begin**

#### Spouse Beneficiary

1. Rollover to an eligible retirement plan – RMD must be withdrawn first
2. Take RMDs based on the longer of the employee's remaining life expectancy reduced by one for each subsequent year or the remaining life expectancy of the spouse recalculated each year

#### Non-Spouse

1. Rollover to an Inherited IRA - RMD must be withdrawn first
2. Take RMDs based on the longer of the employee's remaining life expectancy reduced by one for each subsequent year or the designated beneficiary's remaining life expectancy reduced by one for each subsequent year

## **Taxes**

Distributions from 403(b) plans are taxed as ordinary income. Distributions prior to age 59 ½ are subject to a 10% premature penalty tax unless an exception applies including but not limited to distributions due to death, disability, deductible medical expenses, and a return of excess deferrals.

Unless distributions are rolled over directly to another plan or IRA, they are subject to 20% mandatory withholding. Certain exceptions exist that are not subject to mandatory withholding and include but are not limited to a return of excess deferrals, minimum required distributions and certain periodic payments.

## **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 Principal 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. A 403(b)(7) account with Principal Trust Company allows you to select mutual funds, with the assistance of your investment executive, at a designated investment firm. When you decide to establish an account, you and/or your employer should complete the:

- 403(b)(7) Plan Service Provider Agreement
- Application for 403(b)(7) Custodial Account
- 403(b)(7) Transfer In Authorization Form, if applicable

Print or save a copy of the 403(b)(7) Custodial Agreement for your records.

Establish an account with a designated investment firm and work with your investment adviser to select the mutual fund investments for your account.

Forward the required documents along with your acceptance fee to Principal Trust Company.

The account will be titled:

Your Name 403(b)(7)  
Delaware Charter Guarantee & Trust Company as Custodian  
Your Address

Tax ID #51-0099493

Investment Executive Note:

Set the account up so that duplicate statements are sent to:

PO Box 8963  
Wilmington, DE 19899-8963

Investments should be sent to the investment firm. Checks should be made payable to **Principal Trust Company**.

Paying by check authorizes Principal Trust Company to send the information from your check electronically to your bank for payment. You will not receive your original check back from your financial institution. For security reasons we will destroy your original check, but we will keep an electronic image of the check for recordkeeping purposes.

Correspondence to the Custodian should be addressed to:

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

Street Address:

1013 Centre Road  
Wilmington, DE 19805  
302-995-2131 or 800-209-9010

<http://www.principaltrust.com>

## ***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.

Principal Trust Company may earn float on:

- Contributions awaiting investment direction.
- Outstanding benefit distribution checks. Float is earned until the checks are cashed.
- Outstanding dividend checks. Float is earned until the checks are cashed.

Principal Trust 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 direction, etc. – slows down the allocation or investment of those funds.

We do not credit float directly to the accounts for which we provide services because the cost to track the amount of float on a per account basis and allocate it the account would far exceed the amount of float earned. In the end, the amounts that we earn on float help us keep our fees down. Please consult a Principal Trust Company representative at (800) 209-9010 if you have questions.

**Principal Trust Company**

A member of



Mailing Address:  
P.O. Box 8963  
Wilmington, DE 19899-8963  
800-209-9010 Fax: 302-999-9554

**Principal Trust Company  
Section 403(b)(7) Custodial  
Account Agreement**

This 403(b)(7) Custodial Account Agreement is intended to provide for the establishment of a Custodial Account to receive monies on behalf of a Participant in accordance with Section 403(b)(7) of the Code. This Custodial Account may be held under an employee pension plan but is not itself intended to be a plan as defined under ERISA, nor is it intended to constitute the written plan required under Code Section 403(b)(7) and applicable IRS regulations. This Agreement may not be interpreted in a manner which would lead the Custodial Account to constitute a plan under the Code or ERISA. The Employer, and not the Custodian, is solely responsible for the form and operation of the Plan in compliance with the Code and ERISA.

When used in this document, the words *you* and *your* refer to the person for whom the 403(b)(7) Custodial Account is established. *We*, *us*, and *our* refer to Delaware Charter Guarantee & Trust d/b/a Principal Trust Company (Principal Trust) as Custodian of your 403(b)(7) Account.

You and your Employer are responsible for determining the legal and tax implications of (i) the type of 403(b)(7) Custodial Account selected, (ii) your eligibility to contribute to such 403(b)(7), (iii) the amount of contributions made to the 403(b)(7) and whether such contributions are deductible, (iv) the tax treatment of any withdrawals from your 403(b)(7), and (v) any other tax treatment. We have not, and may not, provide you or your Employer with legal or tax advice

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**Article I  
Definitions**

The following definitions shall apply to terms used in this Custodial Agreement:

- 1.1 Account** means the Custodial Account under Section 403(b)(7) of the Code or an Account established for the benefit of the Participant or his or her Beneficiary.
- 1.2 Agreement** means the Principal Trust Company 403(b)(7) Custodial Agreement established for the benefit of the Participant or his or her Beneficiary as set forth herein and as may be amended from time to time.
- 1.3 Application** means the Application for Principal Trust Company 403(b)(7) Custodial Account executed by the Employer, the Participant and Custodian providing for the establishment of the 403(b)(7) Custodial Account in accordance with the terms and conditions set forth in this Agreement.
- 1.4 Beneficiary** means the person designated by the Participant on the Application to receive benefits under the plan after the Participant's death.
- 1.5 Code** means the Internal Revenue Code of 1986, and including any regulations as amended, including relevant regulations and rulings.
- 1.6 Custodial Account** means the Account established and maintained under this Agreement on behalf of the Participant in accordance with Section 403(b)(7) of the Code, to hold assets of the Plan.
- 1.7 Custodian** means Principal Trust Company or any successor appointed in accordance with the provisions of Article IX.
- 1.8 Elective Deferral** means Contributions made to the Participant's Account by the Employer, at the election of the Participant, in lieu of cash compensation.
- 1.9 Employer** means the employer who has executed the Application and is exempt from tax under Section 501(a) of the Code and is further described in Section 501(c)(3) of the Code or is a state, a political subdivision of the State, or an agency or instrumentality thereof, but only with respect to Participants who perform or have performed.
- 1.10 Employer Plan** means an employee retirement benefit plan meeting the requirements of Code Section 401(a), Code Section 457(b) and (g), or Code Section 403(b).
- 1.11 ERISA** means the Employee Retirement Securities Act of 1974, as amended, including relevant regulations and rulings.
- 1.12 Investment Firm** means any custodial firm selected by the Participant in the Application and acceptable to the Custodian.

- 1.13 Investment Fund(s)** means one or more of the regulated investment companies accepted by the Custodian as available under this Custodial Account.
- 1.14 Notice** means a communication between the parties. A communication intended to be a Notice may be written communication, facsimile transmission, telephone call, or electronic transmission in any form, and to any address, e-mail address, or fax or telephone number that the Parties agree to in advance. A communication to us that is intended to be a Notice to us must be sufficiently clear and complete so that we can use it without requesting further data or instruction in order to be a Notice. Notice given by us will be sufficient in whatever form that we provide it. We may not, and are forbidden to, take any action based on any form of communication other than either a Notice or a form of legal compulsion, including a subpoena.
- 1.15 Participant** means a person who is entitled to benefits under a Plan.
- 1.16 Plan** means the employee retirement benefit plan which meets the requirements of Section 403(b) under which this Custodial Account is held.

## **Article II** **Contributions and Rollovers**

- 2.1 Elective Deferral Limits.** The maximum you can defer each calendar year may not exceed the amount permitted under Code Section 402(g)(1)(B), as adjusted for cost-of-living increases, except to the extent permitted under Code Section 402(g)(7) and 414(v).
- 2.2 Annual Additions.** The total annual additions to the Custodial Account (excluding age 50 catch-up contributions under Code Section 414(v)) may not exceed the applicable limits of Code Section 415(c).
- 2.3 Employer Contributions.** No Employer contributions will be paid to or accepted by the Custodian.
- 2.4 Employee Contributions.** The Custodian may accept Elective Deferrals made by you under the Plan and other contributions as allowed by applicable law. It is solely your responsibility to determine whether amounts contributed or transferred to your Custodial Account are qualified to be held by the Custodian. The Custodian shall have no responsibility to determine the source of any amounts transferred, or the tax status of any such amounts.
- 2.5 Rollover Contributions.** If allowed by the Plan, you may make and the Custodian may accept a contribution that is an eligible rollover distribution, excluding rollovers of designated Roth account or after-tax assets, as that term is defined in Code Section 402(f). Rollover contributions will be allocated to a single account on your behalf and will not be maintained separately from other contributions.
- 2.6 Transfer Contributions.** You may arrange for the direct transfer of benefits from another Code Section 403(b) plan to your Custodial Account provided that the transfer is made in accordance with the terms of your Employer's 403(b) Plan, the plan from which the benefits are transferring and applicable IRS regulations. The Custodian shall not be responsible for determining the tax status of any transfer contribution or whether the transfer is made in accordance with the terms of your Employer's 403(b) Plan and the plan from which the benefits are transferring. The Custodian will not accept a transfer of designated Roth account or after-tax assets. Transfers will be allocated to a single account on your behalf and will not be maintained separately from other contributions.
- 2.7 Responsibility of the Custodian Regarding Contributions.** All contributions received will be held and administered by us pursuant to the terms of the Custodial Account. We are not responsible for the computation and collection of any contributions under the Plan.

## **Article III** **Exchanges**

- 3.1 Exchanges.** Contract exchanges from other vendors made in accordance with Treasury Regulation Section 1.403(b)-10(b)(2) shall be accepted to this Custodial Account if:
1. The Plan provides for the receipt of the contract exchange.
  2. No portion of the contract exchange represents after-tax or Designated Roth account assets.

## **Article IV** **Investments**

- 4.1 Limited Investments.** Investments are limited to mutual funds that are shares in regulated investment companies within the meaning of Code Section 851(a) you can buy in your investment account through your Investment Firm. TR 800 Page 3 of 8 12/2009 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 Investment Firm will be your periodic report of the assets in your Custodial Account. You may direct the Investment Firm to exchange shares of one fund for another. Investment instructions are given directly to your Investment Firm.

- 4.2 Investment Information.** Any information provided to you by the Investment Firm should not serve as a primary basis for your investment decisions. Any questions concerning the authority of your broker should be directed to the Investment Firm. The broker is not an employee of the Custodian and we do not supervise or control the activity of the broker. It is our understanding that you will exercise independent judgment when you make your investment decisions.
- 4.3 Investment Performance.** No projection of the growth in value of your 403(b)(7) Custodial Account can reasonably be made or guaranteed. The value of your Custodial Account and the growth in value of the 403(b)(7) Custodial Account is dependent solely on the performance of the investments chosen by you.
- 4.4 Investment Advice.** You agree that the Custodian does not undertake to provide any advice with respect to the investment of the Custodial Account, and that the responsibility of the Custodian to invest in shares of a particular Investment Fund pursuant to your directions does not constitute an endorsement by the Custodian of that Investment Fund.
- 4.5 Investment Exchanges.** You may direct the Investment Firm to redeem any or all shares of any Investment Fund that are held in your Custodial Account and to reinvest the proceeds in any other Investment Fund available under this Custodial Account. Any such exchange transaction shall conform to the provisions of the current prospectuses for the applicable Investment Funds.
- 4.6 Record Ownership: Voting of Shares.** All shares of the Investment Funds acquired by the Custodian pursuant to this Custodial Account shall be registered in the name of the Custodian or its nominee. The Custodian will not be responsible for forwarding or voting prospectuses, proxies and proxy soliciting materials relating to the Investment Fund shares held in the Custodial Account. The Custodian shall destroy all prospectuses, proxies, or proxy soliciting materials that it receives.

## **Article V**

### **Distributions**

- 5.1 Requests for Distributions.** You may request a distribution of the assets from your Custodial Account by submitting the request in writing to the Custodian. This request may also require authorization from your Employer.
- 5.2 Limitations on Distributions.** Except to the extent otherwise permitted by the Code and regulations issued thereunder and other applicable laws, distributions to you before age 59½, may be paid only for the following reasons.
- i. severance from employment.
  - ii. death.
  - iii. disability (within the meaning of Code Section 72(m)(7)).
  - iv. distribution related to plan termination as provided in Treas. Reg. 1.403(b)-10(a).
  - v. correction of an excess deferral as provided in Treas. Reg. 1.403(b)-4(f) or
  - vi. permissible withdrawals as provided in Code Section 414(w)(2).
- Distributions on account of a Hardship are not permitted.
- 5.3 Minimum Distributions.** This Custodial Account shall comply with the minimum distribution requirements of Section 401(a)(9) of the Code and the regulations thereunder, including the minimum incidental death benefit requirements of Code Section 401(a)(9)(6). For purposes of applying the distribution rules of section 401(a)(9) of the Code, each Custodial Account is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of Section 1.408-8 of the Income Tax Regulations, except as provided in Section 1.403(b)-6(e) of the Income Tax Regulations.
- 5.4 Designation of Beneficiary.** You may from time to time designate any person or persons, entity, or other recipient acceptable to the Custodian as the primary or contingent Beneficiary who shall be entitled to receive any undistributed assets held in the Custodial Account upon your death, subject to the following:
1. Designation of Beneficiary. Your Beneficiary designation shall be made on a form prescribed by the Custodian, and shall be effective only when filed with the Custodian during your lifetime.
  2. No Beneficiary Designation. If you have not designated a Beneficiary prior to your death or your designation is not effective for any reason, the Beneficiary will be your surviving spouse, or if none, the Beneficiary will be your estate.
  3. Beneficiary May Designate Own Beneficiary. Upon your death, your designated Beneficiary may designate his or her own Beneficiary to receive any remaining assets in the Account.
  4. *Effect of Divorce.* You acknowledge that if your designated Beneficiary is your spouse and you divorce, your ex-spouse will remain as your designated Beneficiary until you revise your Beneficiary designation.

- 5.5 Loans.** Loans are not permitted.
- 5.6 Taxes.** Distributions from 403(b) plans are subject to applicable taxes. Distributions may be subject to 20% mandatory withholding unless they are rolled over directly to another plan or IRA.
- 5.7 Domestic Relations Orders.** The Custodial Account permits a distribution to an alternate payee under a qualified domestic relations order as defined in Code Section 414(p) (or pursuant to a domestic relations order in case of a church or government plan), irrespective of whether the participant has had a severance of employment or other event permitting a distribution to be made. Distributions pursuant to domestic relations order shall be made upon the receipt of instructions in a manner and format acceptable to the Custodian. The Employer may be required to determine the qualified status of the order as defined in Code Section 414(p).

## **Article VI**

### **Protection of Benefits**

- 6.1 Nonforfeitable.** Your right to the balance of the Custodial Account shall at all times be nonforfeitable within the meaning of Code Section 403(b)(1)(C).
- 6.2 Nontransferability.** The Custodial Account is nontransferable within the meaning of Code Section 401(g).
- 6.3 Exclusive Benefit.** The assets of the Custodial Account may not be used for, or diverted to, purposes other than the exclusive benefit of you or your Beneficiary. The assets of the Custodial Account shall not be subject to the claims of your Employer's creditors.
- 6.4 Non-alienation.** The assets of the Custodial Account may 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 shall not be hereby precluded from complying with any qualified domestic relations order as defined in Section 414(p) of the Code or Section 206(d)(3)(B) of ERISA, as applicable. Any attempt by you 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. This section shall not, however, be interpreted to forbid the collection of fees and expenses by the Custodian.

## **Article VII**

### **Financial Disclosure**

- 7.1 Available Assets.** The amount of money that will be available at any period of time depends on:
- (a) The amount of contributions.
  - (b) Total years of participation.
  - (c) Earnings, including interest, dividends, realized and unrealized gains and losses and
  - (d) Expenses incurred for brokerage commissions and applicable Custodian fees.

Due to the many kinds of investments that you may choose, neither a guaranteed return nor a projected amount can be furnished.

- 7.2 Fees.** We charges annual and other fees for your 403(b)(7) Custodial Account. Please refer to the attached fee schedule. If you fail to pay our compensation, taxes, and/or expenses within a reasonable time after demand for payment is made, we reserve the right to charge the expenses to your Custodial Account and liquidate such assets of the Custodial Account as needed to satisfy the demand. Such collection of fees by the custodian may be made without your approval or direction. We reserve the right to revise the fee schedules and will provide sufficient advance written or electronic notice of any revision to you. Brokerage commissions are considered a separate cost and are in addition to the above fees charged by us. Questions about brokerage commissions should be discussed with your Investment Firm or broker before any orders are executed.

**Article VIII**  
**Responsibilities of the Custodian**

- 8.1 Information Sharing.** You agree and understand that we may share information about your Custodial Account with your Employer or other parties at the direction of you or your Employer. The information shared may include, but is not limited to, contribution amounts, distributions and withdrawals that you have made to your Custodial Account.
- 8.2 Asset Retention.** The Investment Firm shall hold all contributions to the Custodial Account which are received by it subject to the terms and conditions of this Custodial Account and for the purposes set forth herein. The Investment Firm shall be responsible only for such assets as shall actually be received by it.
- 8.3 Recordkeeping.** Subject to the provisions of this Custodial Account, the Custodian shall maintain such records as may be necessary for the proper tax reporting for the Custodial Account.
- 8.4 Limitations on Responsibilities and Duties.** The Custodian shall not be responsible in any way for the collection of contributions provided for under this Custodial Account, the selection of the investments for the Custodial Account, the purpose or propriety of any distribution made pursuant to Article 5 hereof, or any other action properly taken at the direction of you or your Investment Firm. The Custodian shall not be obliged to take any action whatsoever with respect to the Custodial Account except upon the receipt of proper directions from you or the Investment Firm. The Custodian 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.
- 8.5 Indemnification of Custodian.** You shall at all times fully indemnify and hold harmless the Custodian, its successors and assigns from any and all liability arising from investments or distributions made or actions taken at the direction of you and from any and all other liability whatsoever which may arise in connection with the Custodial Account, except liability arising from the Custodian's breach of its responsibilities or duties hereunder. The Custodian may conclusively rely upon and shall be protected in acting upon any direction from you or your 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 acts in good faith in taking or omitting to take any action.
- 8.6 Liability of Custodian.** The Custodian's liability under this Custodial Account and matters, which it contemplates, shall be limited to matters arising from the Custodian's gross negligence or willful misconduct. The Custodian shall not be obligated or expected to commence or defend any legal action or proceeding in connection with this Custodial Account unless agreed upon by the Custodian and you or your Investment Firm, and unless fully indemnified for so doing to the Custodian's satisfaction.

**Article IX**  
**Resignation or Removal of the Custodian**

- 9.1 Resignation or Removal.** The Custodian may resign and appoint a successor trustee or custodian to serve under this Custodial Account or under another governing Custodial Account selected by the successor trustee or custodian by giving you written notice of at least 30 days prior to the effective date of such resignation and appointment, which shall also include or be provided under separate cover a copy of such other governing instrument, if applicable. You shall then have 30 days from the date of the notice to either request in writing a distribution of the entire Custodial Account balance or designate a different successor trustee or custodian and notify the Custodian in writing of the designation. If you do not request a distribution of the Custodial Account balance or notify the Custodian of the designation of a different successor trustee or custodian within the 30 day period, you will have been deemed to have consented to the appointment of the successor trustee or custodian and the terms of any new governing instrument, and neither you nor the successor shall be required to execute any written document to complete the transfer of the Custodial Account to the successor trustee or custodian. The successor trustee or custodian may rely on any information, including beneficiary designations, previously provided by you to the Custodian.
- 9.2 Liability for Successor's Acts.** Upon its resignation or removal, the Custodian shall not be liable for the acts or omissions of any successor Custodian. Upon the transfer of the assets of the Custodial Account to a successor Custodian, the resigning or removed Custodian shall be relieved of all further liability with respect to this Custodial Account, and the assets thereof.
- 9.3 Plan Termination.** The Custodian may resign upon written notice from your Employer that the Plan is terminating in accordance with Section 1.403(b)-10. In the event that the Plan is terminated the Custodian will make distributions from your Custodial Account in accordance with the terms of your Employer's plan.

- 9.4 Bank as Custodian.** The Custodian, and any successor Custodian appointed to serve under this Custodial Account, shall be a bank as defined in Section 408(n) of the Code or such other person who is qualified to serve as Custodian under Section 401(f)(2) of the Code.

## **Article X Amendments**

- 10.1 Future Amendments.** We may make any amendments to the Agreement we deem advisable, including but not limited to, changes that are required to keep the Custodial Account in compliance with applicable laws. You will be notified of any such amendments. No amendment to this Agreement shall cause or permit:
1. 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 you or your Beneficiary;
  2. You 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 you without consent, unless such amendment is required for the purpose of conforming the Agreement to the requirements of the Code.

## **Article XI Miscellaneous**

- 11.1 Grandfathered and Orphan Contracts.** Notwithstanding any other provision of this Agreement to the contrary, to the extent the Account is not treated as maintained pursuant to a plan described in Section 1.403(b)-3(b)(3) on account of Section 1.403(b)-11(g), Section 8 of Revenue Procedure 2007-71 or other applicable IRS authority, the Account shall be administered according to the Custodian's reasonable administrative practices and policies.
- 11.2 Services.** We will provide services in a timely manner at all times this Agreement is in force. This is subject to your fulfilling the role required of you with respect to each of those services, our receipt of Notice containing timely and correct data, and our receiving timely payment of Fees..
- 11.3 Status.** Nothing in this Agreement, nor in the provision of services, makes us a party to, or a fiduciary or administrator, regarding the Employer's Plan or any Plan entity.
- 11.4 Notices.** Any notice, accounting, or other communication which the Custodian may give to you shall be deemed given when mailed to you at the latest address which has been furnished to the Custodian. Any notice or other communication which the Employer or you may give to the Custodian shall not become effective until actual receipt of said notice by the Custodian. You and/or your Beneficiaries must notify the Custodian of any change of address.
- 11.5 Limitation on Our Duties.** We will not be under any duty while performing any part of this Agreement greater than a duty of ordinary care, or:
- to take any action with regard to any Account, unless we specifically agree in writing to do so,
  - to inquire into the correctness, completeness or any other respect of any Notice, communication, or other matter,
  - to enforce any provision of an Employer Plan or other arrangement,
  - to inquire about the status or performance of an Employer Plan, any Plan entity, or any successor, with regard to that Plan,
- Our duties and performance under this Agreement do not give us knowledge of any underlying fault or problem with regard to the Account or any Plan or Plan entity.
- 11.6 Limitation on Our Liability.** Our performance under this Agreement is heavily dependent on information provided to us by Notice. We will not be responsible for any improper performance of, or failure to perform, a service due, in whole or in part, to receipt of no, or incomplete or incorrect, data needed to perform that service. We will not be liable with regard to any performance, failure to perform, or partial performance of, a service when we are acting based on late, incomplete, or inaccurate information. We are only obligated to provide services and nothing more. While we may, from time to time, agree to perform other or different actions or services with regard to the Account, we are under no obligation to do so. No such obligation is implied in this Agreement or by our performance, nor may any be inferred.
- 11.7 Right to Rely.** We may rely conclusively on any Notice we receive. We will not have any liability for any losses that may arise from the acts, omissions, delays, or inaction of any other person not affiliated with us.

- 11.8 Waiver.** No failure or delay to exercise, nor any single or partial exercise of, any right, power, or privilege given or arising under this Agreement will operate as a waiver of future rights to exercise any such right, power, or privilege.
- 11.9 Force Majeure.** We will incur no liability to you, your Employer or any Plan and will not be responsible for delivery or non-delivery or error in transmission of reports or Notices that is caused by a third party. We will also not be responsible for any delay in performance, or non-performance, of any obligation hereunder and for any loss to the extent that such delay in performance or non-performance or such loss is due to forces beyond our reasonable control including delays, errors, or interruptions caused by third parties, any industrial, judicial, governmental, civil or military action, acts of terrorism, insurrection, or revolution, nuclear fusion, nuclear fission or radiation, failure or fluctuation in electrical power, heat, light, air conditioning, or telecommunications equipment, or acts of God.

**11.10 Dispute Resolution.**

\*General. In the event that there is any dispute between the parties regarding:

- this Agreement;
- any services;
- any rights, duties, or obligations explicitly or implicitly granted or arising under this Agreement;
- any transaction made under this Agreement; or
- any construction or application of this Agreement,

the parties will try in good faith to first resolve all such disputes as described below.

The parties agree that all discussions and communications during the dispute resolution process will be, and will remain, confidential to the fullest extent allowed by applicable law. The parties agree to treat all such discussions and communications as compromise and settlement negotiations for the purposes of any rules of evidence.

Negotiation. If the parties cannot resolve a dispute in the ordinary course of business, the party claiming a dispute against the other shall give the other Notice of that dispute in writing, stating the nature of the dispute and the relevant facts, including documentation, and referring to this article. The other party will then have 15 calendar days to make a complete, written response in a Notice to the other. The parties will meet to discuss the dispute. If practicable and mutually desirable, the parties will meet in person. If the dispute remains unresolved for any reason after 60 calendar days following the mailing of the response, the parties will then proceed to mediation.

Mediation. The parties will, as soon as commercially reasonable after the 60 calendar day period referred to under negotiation, above, initiate the mediation process and endeavor in good faith to settle their dispute by mediation. Unless the parties agree to the contrary, the mediation will conform to the then current Mediation Rules for Commercial Financial Disputes of the American Arbitration Association or such similar organization as the parties may agree. If the parties cannot agree on a neutral mediator, one will be appointed by the American Arbitration Association in accordance with its mediation rules. Mediation will occur within 60 days of the initiation of the mediation process. The parties will share equally in the fees and expenses of the mediator and the cost of the facilities used for the mediation, but will otherwise bear their respective costs incurred in connection with the mediation. The mediation shall be non-binding. If the dispute remains unresolved for any reason after the completion of the mediation process, the parties will then proceed to arbitration.

Arbitration. If a dispute is to be resolved by arbitration, the arbitration proceeding will take place in Wilmington, Delaware. The arbitration will be governed by the Federal Arbitration Act.

There will be three arbitrators, each of which will be selected, and the arbitration conducted, in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA), except that the provisions of this Agreement will control over the AAA rules where the Agreement and the Rules differ or the Rules are silent.

The arbitrators must be attorneys (current members of the bar of the State or retired from active practice within the past 5 years) who are familiar with, and have practiced in, the areas of law relevant to the arbitration.

The parties will share equally in the fees and expenses of the arbitrators and the cost of the facilities used for the arbitration hearing. Each party will bear all other costs and expenses that it incurs in connection with the arbitration.

Depositions will not be allowed, but information may be exchanged by other means.

The parties agree to use their best efforts to ensure that the arbitrators are selected promptly and that the arbitration hearing is conducted no later than 3 months after the arbitrators are selected.

The arbitrators must decide the dispute in accordance with the substantive law which would govern the dispute had it been litigated in court. This requirement does not, however, mean that the award is reviewable by a court for errors of law or fact.

Following the arbitration hearing, the arbitrators will issue an award and a separate written decision that summarizes the reasoning behind the award and the legal basis for the award. The arbitrators may not award punitive damages and may not require one party to pay another party's costs, fees, attorneys' fees, or expenses. The award of the arbitrators will be binding on each party. Judgment upon the award may be entered in any federal district court.

Preliminary Injunctive Relief. The dispute resolution procedures set forth above will be the sole and exclusive procedures for the resolution by the parties of any disputes which arise out of or are related to this Agreement, except that a party may seek preliminary or temporary injunctive relief from a court if, in the party's sole judgment, such action is necessary to avoid irreparable harm or to preserve the status quo. If a party seeks judicial injunctive relief as described in this paragraph, the parties will continue to participate in good faith in the dispute resolution procedures described above. The parties agree that no court which a party petitions to grant the type of preliminary injunctive relief described in this paragraph may award damages or resolve the dispute. Venue for any judicial proceeding for preliminary or temporary injunctive relief will be in the state of Delaware. Any objections or defenses based on lack of personal jurisdiction or venue are hereby expressly waived for the purposes of the injunctive relief described in this paragraph.

**11.11 Applicable State Law.** This Custodial Account 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 Custodial Account 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 Custodial Account or its qualification under Section 403(b)(7) of the Code.

**11.12 Enforceability and Severability.** The determination that any provision of this Agreement is not enforceable in a particular jurisdiction will not affect the validity or enforceability of the remaining provisions generally, or in any other jurisdiction or as to any other entities not involved in that judgment. Such unenforceable provisions will be stricken or deemed modified in accordance with such determination and this Agreement, as so modified, will continue to be in force and effect

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

**11.13 Money Laundering Activities.** To help the government fight funding of terrorism and money laundering activities, federal law requires Principal Trust Company to obtain, verify, and record information that identifies each person who opens an account.

What this means to you: When you open this Custodial Account, we will ask you for your name, address, date of birth and other information that allows us to identify you. We may also ask to see your driver's license or other identifying documents.

**11.14 Information Regarding 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 Department of Labor ("DOL") does not consider the retention of float by service providers to be a prohibited transaction under ERISA if several guidelines are followed. You may view a copy of the DOL's guidance on float at: <http://www.dol.gov/ebsa/regs/fabmain.html>.

Principal Trust Company may earn float on:

- (i) Contributions awaiting investment direction.
- (ii) Outstanding benefit distribution checks. Float is earned until the checks are cashed.
- (iii) Outstanding dividend checks.

Principal Trust Company 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.

Please contact your Principal Trust Company representative at 800-209-9010 if you have questions.

**Principal Trust Company**

A member of



Mailing Address:  
P.O. Box 8963  
Wilmington, DE 19899-8963  
800-209-9010 Fax: 302-999-9554

**Schedule of Standard  
Trustee Fees  
Effective January 1, 2010**

**Acceptance Fee**

Opening the Trust 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.....	\$ 150
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
Assets held outside the brokerage account.....	\$ 75
Investment holding fee.....	\$ 15

**Fees for Disbursement from Trust**

Partial distribution .....	\$ 15
Includes refund/reallocation of excess	

**Other Charges**

Transfer or termination of an existing Trust 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 Trust.....	\$ 25
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
Additional managed account .....	\$ 25
Investment review .....	\$ 150
Research of transaction over 6 months old per hour (minimum 1/2 hour) .....	\$ 80
Affidavit of loss.....	\$ 50
Never funded account, after one year .....	\$ 50
Reinstatement of closed account.....	\$ 50
Forms 2439 filing .....	\$ 50
Preparing and signing Form 990-T .....	\$ 150
Signing Form 990-T only .....	\$ 25
Outgoing wire processing .....	\$ 25
<b>Special services not otherwise provided above</b>	As agreed

*In the event the fees become 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 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.**

**Principal Trust Company**

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WE'LL GIVE YOU AN EDGE<sup>SM</sup>

P.O. Box 8963, Wilmington, DE 19899-8963 | 800-209-9010 | [www.principaltrust.com](http://www.principaltrust.com)

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