

Disclosure Statement Traditional, Roth, and SEP IRA

If you did not receive this disclosure statement at least seven days before establishing your IRA you may revoke your IRA. Your IRA is established and accepted on the date you execute the application form. To revoke your IRA, you must provide written notice of revocation within seven days after your account is established. Written notice of revocation may be mailed to the advisor's transfer agent, Mutual Shareholder Services, 8000 Town Centre Dr. Ste 400 Broadview Heights, OH 44147. The revocation will be considered given as of the postmark date. Upon revocation, the entire amount of your contribution will be returned to you without adjustment for administrative expenses, sales commissions (if any), or fluctuations in market value. If you have any questions concerning your right or revocation, please call 1-888-350-3369 during normal business hours.

The following is a brief summary of some of the financial and tax consequences of establishing an individual retirement account. This Disclosure Statement is provided in accordance with Internal Revenue Service (IRS) regulations. (Where the requirements for a traditional and a Roth IRA are the same, this Disclosure Statement refers to both types of accounts as an "IRA".)

Section 1. Establishing Your Account

This Azzad Individual Retirement Account is established for the exclusive benefit of you and your beneficiaries created by a written instrument (the Custodian Account Agreement). You must clearly designate on the application forms which kind of IRA you are establishing. The following requirements apply to your Azzad IRA:

1. Contributions, transfers and rollovers must be made only in "cash" by check, draft or other form acceptable to the Custodian. The total amount of contributions, other than rollover or conversion contributions as described herein, for any taxable year to your IRA may not exceed the contribution limit in effect for such taxable year as described herein;
2. The Custodian must be a bank or savings and loan association;
3. No part of your IRA account may not be invested in life insurance contracts, or mixed with other property, except in a common trust fund or common investment fund;
4. The balance of your IRA account must be fully vested and nonforfeitable at all times;
5. You must begin receiving distributions from your account no later than April 1 of the year following the year in which you become 70 ½ years old; and distributions must be completed over a period that is not longer than the joint life expectancy of you and your beneficiary. (No age 70 ½ distribution requirements apply for your Roth IRA).

Beneficiary Designation. By completing the appropriate section on your IRA application you may designate any person(s) as your beneficiary to receive your IRA assets upon your death. You may also change or revoke an existing designation in such manner and in accordance with such rules as your IRA custodian prescribes for this purpose. If there is no beneficiary designation on file at the time of your death, or if none of the beneficiaries on file are alive at the time of your death, your IRA assets will be paid to your estate. Your IRA trustee may rely on the latest beneficiary designation on file at the time of your death, will be fully protected in doing so, and will have no liability whatsoever to any person making a claim to the IRA assets under as subsequently filed designation or for any other reason.

Section 2. Tax Consequences.

A. Traditional IRA. In general, the federal income tax consequences of establishing a traditional IRA are the following:

Tax-deferred earnings. Earnings and gains on your traditional IRA contributions will not be subject to federal income taxes until they are actually distributed.

Deductible contributions. You may be allowed to make contributions to your traditional IRA that are deductible for federal income tax purposes in an amount up to the lesser of the contribution limit in effect for such year or 100% of your current year compensation. You are permitted to make deductible traditional IRA contributions if neither you nor your spouse is an active participant in an employer maintained retirement plan, or if your adjusted gross income for the taxable year does not exceed certain dollar limits. To the extent that your traditional IRA contributions are not deductible, they may be treated as "nondeductible contributions" that must be reported on your federal income tax return. See Section 3 for more information.

Taxable distributions. Distributions from your traditional IRA will generally be taxable as ordinary income in the year of receipt, with the exception that if you have made any nondeductible contributions or after tax rollover contributions to your traditional IRA, part of your traditional IRA distributions may be treated as a nontaxable return of your nondeductible traditional IRA contributions or after tax rollover contributions. Any distributions you receive from your traditional IRA prior to age 59 ½ may be subject to an additional 10% tax (although exceptions may apply). You must start receiving certain minimum distributions from your traditional IRA beginning by April 1 of the year following the year in which you will turn age 70 ½.

Tax-free rollovers. You may be eligible to make a rollover contribution to your traditional IRA of cash or other assets you receive from another individual retirement plan or employer-maintained retirement plan. In addition, you may be eligible to roll over the taxable amount you withdraw from your traditional IRA to another individual retirement plan or an employer maintained retirement plan.

State taxes. The state tax consequences of your traditional IRA will vary from state to state. You are strongly encouraged to consult a tax adviser to determine the state tax consequences of establishing a traditional IRA.

B. Roth IRA. In general, the federal income tax consequences of establishing a Roth IRA are the following:

Tax-deferred earnings. Earnings on contributions to a Roth IRA will accumulate on a tax-deferred basis and may ultimately be tax-free if the earnings are part of a "qualified distribution." (A "qualified distribution" is generally a distribution made to you after age 59 ½ and after you have held your Roth IRA account at least five years.)

Nondeductible contributions. Contributions to a Roth IRA are not deductible for federal income tax purposes.

"Qualified" distributions are completely tax-free. A distribution from a Roth IRA will be tax-free for federal income tax purposes as long as it is a "qualified distribution." A qualified distribution is a distribution from a Roth IRA (1) made after a five-year holding period, and (2) made after age 59 ½, due to death or disability, or for the first \$10,000 of "qualified first-time home purchase expenses".

"Nonqualified" distributions are tax and penalty free return of contributions first; taxable earnings last. Any distribution that is not a qualified distribution (for example, a distribution taken before you hold your Roth IRA for five years) is first considered a tax and penalty free distribution of your contributions to your Roth IRA. Once an amount equaling the cumulative contributions to your Roth IRA has been recovered tax free, all further distributions that are not qualified distributions will be subject to both ordinary income tax and possibly an additional 10% penalty tax (if you are under age 59 ½).

Tax-free Roth IRA to Roth IRA rollovers. You may be eligible to make a rollover contribution to your Roth IRA of cash or other assets you receive from another Roth IRA. In addition, you may be eligible to roll over the amount you withdraw from your Roth IRA to another Roth IRA.

Traditional IRA to Roth IRA conversions. If you have adjusted gross income for a year of \$100,000 or less (on a single or joint filing basis) and you are not a married individual filing a separate tax return, you may roll over or "convert" a traditional IRA into a Roth IRA. You will owe tax in the year of the conversion on the amount converted to the Roth IRA (less any nondeductible contributions that you would have recovered had you simply received the conversion amount as a traditional IRA distribution). However, you will not owe a 10% early withdrawal penalty tax on the conversion amount. For purposes of qualifying for tax-free distributions from your Roth IRA, there is a separate five-year holding period for the amounts attributable to each year you make a "conversion" from a traditional IRA to a Roth IRA.

State taxes. The state tax consequences of your Roth IRA will vary from state to state. You are strongly encouraged to consult a tax adviser to determine the state tax consequences of establishing a Roth IRA.

Section 3. Contributions

A. Maximum Annual Contribution to IRAs. Your regular and catch-up IRA contributions are limited to the lesser of 100% of your and/or your spouse's compensation for the taxable year or the dollar amounts set forth on the chart below. If you reach age 50 before the close of the tax year for which you are making a contribution, your annual contribution limit is increased by \$1,000 for any taxable year beginning in 2011 or thereafter as described below. In addition, the maximum contribution permitted under a Roth IRA is phased out to \$0 for individuals earning above a certain level of adjusted gross income (See Section C):

Tax Year	Regular Contribution Limit	Catch-up Limit
2011	\$5,000	\$6,000
2012	\$5,000	\$6,000

For years after 2012, the contribution limit will be periodically indexed for inflation.

Catch-up Contributions. Catch-up contributions are IRA contributions made in addition to any regular IRA contributions. You are eligible to make catch-up contributions if you meet the eligibility requirements for regular contributions and you attain age 50 by the end of the taxable year for which a catch-up contribution is being made.

Not required to make any contributions. You are not required to contribute to your IRA every year, nor are you required to make the maximum contribution for any given year. However, you may not "make up" the missed contribution amount in later years.

IRA for your Spouse. If both you and your spouse earn compensation for a taxable year, you may each make contributions to a traditional or Roth IRA up to the lesser of the contribution limit in effect for such taxable year or 100% of your compensation for the taxable year, although your Roth IRA contribution limit may be phased out based on your adjusted gross income for the year (see Section C). In addition, if you are married, file a joint federal income tax return, and are younger than age 70 ½ during the entire tax year (the age requirement does not apply to your Roth IRA), your spouse may make a contribution on your behalf for that tax year if you and/or your spouse have compensation. This contribution must be made into your IRA, and it cannot exceed the contribution limits applicable to IRAs. If your spouse has little or no income (e.g. your spouse is a homemaker), your spouse may still be eligible to establish and contribute to an IRA under a special rule for spousal IRAs. To qualify for this rule, you and your spouse must file a joint return for the taxable year.

SEP & SIMPLE IRA Contributions. Your employer may make simplified employee pension (SEP) plan contributions to your Traditional IRA in addition to your own IRA contributions. Your employer is responsible for verifying the SEP eligibility requirements and determining the SEP contribution amount. This IRA cannot accept Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) IRA contributions from your employer. You must establish a SIMPLE IRA to accept such contributions from your employer. Your employer may not make SEP or SIMPLE IRA contributions to your Roth IRA.

Contribution Deadline. You may make contributions to your IRA for a taxable year at any time during the year, either periodically or in a lump sum or in the next year up to the due date for filing your federal income tax return for the taxable year not including extensions. The due date for most taxpayers is April 15.

Contributions after age 70 ½. If you continue to be eligible for Roth IRA contributions, you may continue making contributions to your Roth IRA even after age 70 ½. However, you are not permitted to make traditional IRA contributions (either deductible or nondeductible) after you have attained age 70 ½ (other than rollover contributions as described below).

B. Traditional IRA: Deductible Contributions.

Contributions to your traditional IRA may be tax deductible in whole or in part for federal income tax purposes, as determined by the rules summarized below:

Your deduction depends on whether you and your spouse (if applicable) are **active participants**, and your modified adjusted gross income.

Active Participant. You may be defined as an active participant if you participate in one of the following employer sponsored retirement plans:

A qualified pension, profit sharing, 401(k), 403(b), money purchase pension, employee stock ownership plan, or stock bonus plan, SEP plan, SIMPLE IRA or SIMPLE 401(k) plan, qualified annuity plan of an employer, tax sheltered annuity plan for employees of certain tax exempt organizations or public schools, a Section 501(c) (18) trust, an H.R. 10 or Keogh plan (for self-employer persons), a plan established by the United States, a state, or political subdivision of the state or by an agency or instrumentality of such entity (excluding certain 457 plans).

Your IRS Form W-2, Wage and Tax Statement, as provided by your employer, should help you determine whether you are an active participant. You should contact your tax adviser to determine the deductibility of IRA contributions for state or federal income tax purposes.

Fully deductible contributions if you are not an active participant. If neither you nor your spouse is active participants as described above, your annual traditional IRA contributions up to the lesser of the contribution limit in effect for the taxable year or 100% of current year compensation are generally fully deductible (regardless of your level of adjusted gross income).

Phase-out deductions if you are an active participant. If you are an active participant, the amount you may deduct depends on your modified adjusted gross income (MAGI) for the tax year for which the contribution applies. The following chart shows the phase-out ranges for joint and single filers for 2011 and 2012. For later years, please refer to the IRS website. The chart shows that if you are an active participant and the greater your MAGI, the lesser the amount you may deduct. Consult with your tax professional if your MAGI is between the low end and high-end numbers to determine your deduction amount. IRS publication 590 and the instructions to your federal income tax return also contain useful calculation information.

Year	Joint Filers Phase-out Range
2011	\$90,000 to \$110,000
2012	\$92,000 to \$112,000

Year	Single Filers Phase-out Range
2011	\$56,000 to \$66,000
2012	\$58,000 to \$68,000

Deduction Limit for Spouse. If you are married and file a joint return, and you and your spouse are not active participants in an employer maintained retirement plan, the traditional IRA contributions for each spouse for the taxable year will be fully deductible regardless of the level of your combined adjusted gross income.

If you are married and file a joint return and you and your spouse are both active participants, the traditional IRA deduction limit for each spouse for the taxable year is phased out as your combined adjusted gross income exceeds the applicable threshold (see the phase-out ranges above). If you are married and file a joint return and you are an active participant, but your spouse is not, a higher adjusted gross income phase-out will apply for your spouse's (but not your) deduction limit. The traditional IRA deduction limit for your spouse, who is not an active participant, is phased out if your combined adjusted gross income for the taxable year falls between \$169,000 to \$179,000 (year 2011) and \$173,000 to \$183,000 (year 2012) while the deduction limit for you- the active participant in an employer maintained plan- is phased out as your combined adjusted gross income for the tax year exceeds the applicable threshold provided in the chart above.

Marriage couples who file separate tax returns. If you are married and filing a separate federal income tax return and you or your spouse is an active participant, your phase out range would be \$0 to \$10,000.

Nondeductible Contributions. You may make nondeductible contributions to your traditional IRA if you are not able to, or choose not to, deduct your contributions. You report nondeductible contributions to the IRA on IRS Form 8606, Nondeductible IRAs and Coverdell ESAs, which is attached to your federal income tax return for the year of the contribution. Failure to report nondeductible contributions, or the overstatement of nondeductible contributions, may result in IRS penalties.

C. Roth IRA: Maximum Annual Contributions.

The amount you may contribute to your Roth IRA depends on your modified adjusted gross income for the tax year for which the contribution applies, your marital status, and your tax-filing status. The following chart shows how your MAGI and status affect your contribution limit. The greater your MAGI, the lesser the amount you may contribute.

Income phaseout range for determining ability to fund a Roth IRA for taxpayers filing as:	2011	2012
Single/Head of household	\$107,000-\$122,000	\$110,000-\$125,000
Married filing jointly	\$169,000-\$179,000	\$173,000-\$183,000
Married filing separately	\$0-\$10,000	\$0-\$10,000

D. Excess Contributions to Traditional or Roth IRA

An excess contribution is an amount of any contribution to your IRA (other than a rollover or conversion contribution) that exceeds your IRA contribution limit for the taxable year. An excise tax equal to 6% of the amount of any excess contribution will be assessed for the year for which the excess contribution is made and for each subsequent year until the excess amount is eliminated. If you timely file your income tax return, you may still remove your excess contribution, plus attributable earnings, as late as October 15 for calendar year filers.

Return of excess contribution after tax return due date. If you make an excess contribution to your IRA for a taxable year and you withdraw the excess contribution after the due date for filing your tax return (including extensions), the returned excess contribution will not be included in your gross income as an IRA distribution (subject to possible premature distribution penalties) if:

1. Your total IRA contributions for the year did not exceed the contribution limit in effect for the taxable year, and
2. You did not deduct the excess contribution on your return (or if the deduction you claimed was disallowed by the IRS).

However, you must pay the 6% excise tax on the excess contribution for each taxable year that it was still in your IRA at the end of the year. Under this procedure, you are not required to withdraw any earnings attributable to the excess contribution.

Applying excess contribution to subsequent year. You may also get rid of an excess contribution from your IRA in a subsequent year by not contributing the maximum amount for that year and applying the excess contribution to the amount of the excess contribution that is applied in the subsequent year provided you did not previously deduct the excess contribution (or if the deduction you claimed was disallowed by the IRS). However, if you incorrectly deducted an excess contribution in a closed taxable year (i.e. One for which the period to assess a deficiency has expired), the amount of the excess contribution cannot be deducted again in the subsequent year in which it is applied.

Section 4. Transfers

You may transfer assets from an existing IRA with another financial institution to an IRA of the same type with Azzad. Azzad reserves the right to determine whether or not to accept such transfers. We and/or the other financial institution involved may require additional documentation for such activities.

Note: A tax-free transfer differs from a rollover (described below) because in a transfer you do not receive any distributions from your IRA. Rather it is a direct transfer of your IRA funds from one custodian/trustee to another that is not affected by the 12-month waiting period applicable to IRA rollovers (as indicated below).

Transfers of the same kind of IRA. You may transfer all or a portion of your IRA with another financial institution to an IRA with Azzad without paying taxes. You may do so by authorizing a direct transfer of your IRA assets to an Azzad IRA by completing Azzad's IRA Transfer Form and submitting any required documentation. You may make such a transfer as often as you wish but transfers are not tax-deductible and must be of the same kind (traditional to traditional, Roth to Roth) and subject to the rules and restrictions of your existing account.

Section 5. Rollovers

Rollover contributions are irrevocable.

Tax-Free Rollovers. A rollover contribution is a contribution you make to your IRA of cash or other assets as a result of a distribution from another IRA, or in the case of a traditional IRA, an employer retirement plan. A rollover transaction is tax-free, in that the amounts received as a distribution and properly rolled over to your IRA will not be currently taxable in the year of receipt. Of course, a rollover contribution to your IRA is not tax-deductible.

You must report your IRA rollover to the IRS on your federal income tax return. Your contribution may only be designated as a rollover if the IRA distribution is deposited within 60 calendar days following the date you receive the distributed assets. The 60-day period may be extended to 120 days for a first time homebuyer distribution where there is a delay or cancellation in the purchase or construction of the home. You are limited to one rollover per IRA per 12 months. The distributing and receiving IRA including the IRA assets rolled over are subject to this 12-month rule.

Rollover from existing IRA to Azzad IRA. If you receive a distribution of assets from an existing IRA, you may rollover all or a portion of the assets into an Azzad IRA. Except in the case of a "conversion" from a traditional IRA to a Roth IRA, rollovers are only allowed between the same type of IRA plans (traditional to traditional). The rollover must be completed within 60 days after you receive the distribution from your existing IRA. You are only allowed one tax-free rollover every 12 months (starting from the date you receive the IRA distribution, not on the date you make the rollover contribution). Recharacterizations are not taken into account for purposes of this distribution. You may not roll over any minimum distribution amounts you are required to receive from your traditional IRA upon attaining age 70 ½.

Rollover from an employer maintained retirement plan to an Azzad Traditional IRA. If you have an employer's qualified retirement plan (such as a 401(k), 403(b), SEP, 457(b)) and are entitled to an eligible rollover distribution, you may make a tax-free rollover contribution of the distribution to an Azzad traditional IRA. However, you are not eligible to rollover directly from an employer's qualified plan into a Roth IRA. An "eligible rollover distribution" generally includes any distribution or withdrawal from an employer's qualified retirement plan, governmental 457 plan, or Section 403(b) account or annuity other than:

- 1.) A hardship distribution,
- 2.) Any portion of a distribution that represents a required minimum distribution to you after age 70 ½,

3.) A distribution that is part of a series of periodic payments over a specified period of ten years or more, or over your life expectancy or over the joint lives of you and your designated beneficiary.

After-tax contributions. If a portion of your eligible rollover distribution from an employer's plan represents a return of after-tax contributions, you may roll over your after tax contributions to a traditional IRA. If you elect to roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of these after-tax rollover amounts and to report such rollover amounts in accordance with IRS guidelines. Once you roll after-tax amounts into a traditional IRA, those amounts cannot later be rolled into an employer plan.

Direct Rollovers. A direct rollover moves eligible retirement plan assets from your employer sponsored retirement plan to your IRA in a manner that prevents you from cashing or liquidating the plan assets, or even depositing the assets anywhere except in the receiving IRA. A direct rollover is reported to the IRS but, if properly completed, the transaction is not subject to tax or penalty. There are no IRS limitations, such as the 60-day period or 12-month rule, on direct rollovers. To make a direct rollover from your employer's retirement plan account to an Azzad traditional IRA, you may contact Azzad at 1-866-862-9923 for further information.

Indirect Rollover and Tax Withholding Option. You may choose to have an eligible rollover distribution from an employer's retirement plan paid directly to you. If you receive distributions during the tax year totaling more than \$200, your employer is required to withhold 20 percent on the taxable portion of your eligible rollover distribution as a prepayment of federal income taxes on distributions. You may make up the 20 percent withholding from your own funds at the time you deposit the distribution into an Azzad IRA. If the 20 percent is not made up at the time you deposit your distribution into an IRA, that portion is generally treated as taxable income. If you are younger than age 59 ½, you are subject to a 10 percent premature distribution penalty tax on the taxable amount of the distribution that is not rolled over, unless a penalty tax exception applies. You will still have the option to make a tax-free rollover contribution of your eligible rollover distribution to an Azzad traditional IRA within 60 days of receipt of your distribution. You may roll over any amount up to 100% of your eligible rollover distribution (including an amount equal to the 20% that was withheld by coming up with additional money to make up for the withheld amount).

Rollover by surviving spouse. A surviving spouse of a deceased employee may be permitted to make a tax-free rollover contribution to a traditional IRA of all or any portion of an eligible rollover distribution from an employer retirement plan upon the employee's death.

Separate or conduit IRA. If you were born before January 1, 1936, and you receive an eligible rollover distribution from an employer's qualified retirement plan, you may choose to roll over the distribution into a separate traditional IRA (frequently called a "rollover" or "conduit" IRA) to which no annual IRA contributions are made. In this manner, if you later roll over the assets to a new employer's qualified retirement plan you preserve any special tax treatment, such as ten year averaging, that may be available on lump-sum distributions from the qualified plan.

Rollovers and Transfers from SIMPLE IRAs. You may not roll over or transfer assets from a SIMPLE IRA to a traditional IRA until two years have passed since the date on which you first participated in an employer's SIMPLE plan, which is the initial contribution date. If you participated in SIMPLEs of different employers, the initial contribution date and two-year period are determined separately for SIMPLE IRA assets from each employer.

Section 6. Conversions

- A. **Traditional to Roth IRA Conversions.** You may convert all or a portion of your traditional IRA assets to a Roth IRA regardless of your income. The conversion will be treated as a taxable distribution from your traditional IRA but you will not be subject to the 10% additional tax penalty on early distributions nor will you have to abide by the 12-month rule. The conversion must be reported to the IRS.
- B. **Traditional and Roth IRA Recharacterizations.** An amount that is converted from a traditional IRA to a Roth IRA may be recharacterized back to a traditional IRA. An amount that is recharacterized back to a traditional IRA may not be reconverted to a Roth IRA prior to January 1 of the taxable year following the taxable year of the conversion, or 30 days from the date of the recharacterization, which is later.
- C. **Conversions of SEPs and SIMPLE Accounts.** Accounts held in a SEP IRA or a SIMPLE IRA may be converted to a Roth IRA. However, a conversion of a SIMPLE IRA is permissible only after the expiration of the initial two-year holding period. (See your SIMPLE materials for more information).

Section 7. Distributions

A. Traditional IRA: Tax Treatment of Distributions.

Distributions from your traditional IRA are taxed as ordinary income except for the portion that equals all nondeductible contributions divided by the total withdrawals during the year plus the balance in all your traditional IRAs at the end of the year plus any outstanding rollovers (amounts distributed from a Traditional IRA within 60 days of the end of the year, which are rolled over in the following year during the 60 day rollover period). IRS Form 8606, Nondeductible IRAs and Coverdell ESAs, has been specifically designed to calculate this proportionate return. You must complete IRS Form 8606 each year you take distributions under these circumstances, and attach it to your tax return for that year to validate the nontaxable portion of your IRA distributions reported for that year. Traditional IRA distributions are not eligible for the special tax treatment accorded to certain lump-sum distributions from qualified retirement plans, such as forward averaging taxation.

Distributions rolled into an eligible employer plan. The maximum amount of a traditional IRA distribution that you may roll over into an eligible retirement plan

(other than an IRA) cannot exceed the portion of your traditional IRA distribution that would otherwise be taxable (without regard to the rollover). The portion of a distribution from your traditional IRA that represents a return of after-tax rollover contributions or nondeductible contributions is not eligible to be rolled over into an employer plan. If you roll over all or a portion of a distribution from a traditional IRA into an eligible employer plan (such as a 401(k) plan, 403(b) plan), the formula described above for determining the taxable and nontaxable portion of a distribution will not apply. Instead, the portion of the distribution that is rolled over to an eligible employer plan (other than an IRA) is attributable first to amounts other than after-tax rollovers and nondeductible contributions. Therefore, you may roll over a distribution from your traditional IRA to the extent the amount distributed does not exceed the taxable amount (e.g. deductible contributions and earnings) of all of your IRAs. You may wish to consult your tax adviser before rolling over a distribution into an eligible employer plan.

Note: If you roll over a portion of a traditional IRA distribution to an eligible employer plan, the formula used to determine the taxable portion of any withdrawal you receive during or subsequent to the year of the rollover must be adjusted in accordance with IRS guidelines.

B. Roth IRA: Tax Treatment of Distributions.

You or your designated beneficiary (after your death) may make a nontaxable "qualified distribution" from your Roth IRA. Qualified distributions are not included in your gross income and are generally not subject to the additional 10% penalty tax on early distributions. A qualified distribution from your Roth IRA is a distribution made more than five years after you establish your Roth IRA and described by any one of the following:

1. Made on or after the date you reach age 59 ½
2. Made to your designated beneficiary after your death
3. Made because of your permanent disability or
4. A qualified "first time homebuyer" distribution which is subject to a \$10,000 lifetime limit. This distribution must be used within 120 days after it is received. You are considered a first time buyer if you (or your spouse) have not owned a principal residence during the two-year period ending on the date of acquisition.

Ordering Rules. The ordering rules for Roth IRAs determine what portion of your distribution will be subject to income and penalty taxes. The ordering rules, which take into account all of your Roth IRAs, state that your assets will be deemed distributed in the following order by type:

1. From regular contributions;
2. From conversion contributions on a first-in, first-out basis; and
3. From earnings.

All of your assets within a certain type must be removed before you may move on to the next asset type.

Nonqualified Distributions first considered a tax-free return of contributions. If a Roth IRA distribution is not a qualified distribution, it is first treated as a tax-free return of your Roth IRA contributions. Your contributions to a Roth IRA may be distributed tax-free (see ordering rules above). To the extent a nonqualified distribution, when added to all of your previous Roth IRA distributions (whether qualified or nonqualified), is attributable to earnings, it will be fully taxable. In addition, for each conversion done while you are younger than age 59 ½, a separate five-year holding period will be applied solely for determining if you owe a 10% premature distribution penalty.

Five year holding period for Roth IRA distributions. For your Roth IRA distributions to be qualified distributions you must have held your Roth IRA for at least 5 years prior to the distribution. This 5 year holding period is generally measured by counting five years beginning with the earlier of the first year for which your first regular Roth IRA contribution relates (not necessarily the year in which your first regular Roth IRA contribution was made) or the first year in which you made a conversion contribution.

C. 10% Penalty Tax on Early Distributions from IRAs.

Your IRA is intended to help you save for your retirement. For this reason, distributions are taxed an additional tax unless certain exceptions apply. This additional tax is equal to 10% of the taxable amount of the distribution and is in addition to the ordinary income tax on the distribution. The 10% penalty tax does not apply to the tax-free portion of any distributions you receive from your IRAs. The additional tax may also apply if you will receive a distribution from your IRA before age 59 ½ as a result of borrowing from your IRA or pledging your IRA as security for a loan. You may also be subjected to the 10% penalty tax if you make a distribution from a Roth IRA that is attributable to conversion contributions within the separate five-year holding period for conversion amounts. The additional penalty tax will not be imposed on distributions made from your IRA for the following reasons:

1. Distributions made after age 59 ½,
2. Death or permanent disability,
3. For the return of nondeductible or excess contributions from your traditional IRA,
4. For the return of excess contributions from your Roth IRA,
5. As payments for certain catastrophic medical expenses,
6. As payments made after an extended period of unemployment to cover health insurance premiums,
7. As payments made in substantially equal installments, which may be based on, but not limited to, the following methods: life expectancy, amortization, or annuitization,
8. As payments for qualified higher education expenses of your immediate family or grandchildren,
9. As payments for certain expenses incurred to purchase a first-time home,
10. As payments made on account of an IRS levy.

D. Required Minimum Distributions For You.

You must begin receiving distributions from your traditional IRA no later than April 1 of the calendar year following the calendar year in which you reach age 70 ½. Subsequent distributions must be taken by December 31 of each such year. The distribution is taxable in the calendar year you receive it. No age 70 ½ distribution requirements apply for Roth IRAs.

Calculating Your Traditional IRA Minimum Required Distribution. Your required minimum distribution from your Traditional IRA is calculated by dividing the entire balance in your account as of December 31 of the preceding calendar year by the applicable distribution period. Generally, the applicable distribution period is determined using the IRS's Uniform Lifetime Table. See IRS Publication 590 for more details including the life expectancy tables used to calculate required minimum distribution amounts.

Penalty Tax for Insufficient Distributions from Traditional IRAs. Distributions of amounts less than the required minimum distribution for your traditional IRA will be subject to a 50% penalty tax on the difference between the amount required to be distributed and the amount actually distributed in that year. The IRS may waive this penalty tax if the insufficient distribution was made due to reasonable error and steps are taken to correct the insufficiency.

E. Distributions upon Your Death.

If you die before your IRA account is fully distributed, the remaining balance in your Azzad IRA will be distributed to your designated beneficiary according to your instructions (as indicated on your application or subsequent written beneficiary designation notice). Your beneficiary may request distribution under the appropriate method or methods described below by filing a written claim with the custodian.

Traditional IRAs. If you die after the required beginning date for making minimum distributions, but before your entire interest is distributed, the remaining portion of your account must be distributed at least as rapidly as under the distribution method in effect prior to death.

All IRAs. If you die before the required beginning date for making minimum distributions, or at any other time if you have a Roth IRA, the balance in your account must be paid out in a five-year period, with the following exceptions:

1. Benefits may be paid out over the life expectancy of a nonspouse beneficiary, provided such benefits begin no later than December 31 of the year following the year of death, or
2. Benefits may be distributed to your surviving spouse over the life expectancy of the spouse, provided that the distributions from your traditional IRA start no later than December 31 of the year in which you would have reached age 70 ½, or
3. Your spouse, as beneficiary, may treat either the traditional IRA or Roth IRA as his or her own by making a contribution or by completing an Application.

F. Federal Estate and Give Taxation

Gift Tax Consequences. Your designation of a beneficiary(ies) to receive distributions from your IRA upon your death is not considered a transfer of property for federal gift tax purposes.

Estate Tax Consequences. Generally, amounts remaining in your IRA after your death are included in your gross estate for federal estate tax purposes. You should consult with an estate tax lawyer or financial planner for more information on the estate tax consequences of your IRA assets.

Income Tax Withholding. The IRS requires the withholding of federal income tax on distributions from a traditional IRA unless you choose not to have withholding apply. An Azzad Traditional IRA will generally withhold 10% of the amount of the distributions. Upon a request for a distribution under the Azzad Traditional IRA, we will notify you of your right to choose not to have withholding apply (or to revoke any prior election). State income tax may be withheld from your IRA distributions, if applicable.

Section 8. Simplified Employee Pension or SEP

SEP. A Simplified Employee Pension or SEP is a special traditional IRA plan that allows employers to make deductible contributions to the separate traditional IRAs established for their employees. If your employer has adopted a SEP, your employer may make deductible SEP contributions directly to your Azzad traditional IRA each year in an amount up to the lesser of \$49,000 or 25% of your current year compensation for year 2011 or the lesser of \$50,000 or 25% of your current year compensation for year 2012.

Exclusion from your gross income. Provided that your employer's SEP contributions to your traditional IRA do not exceed the above IRS limits, contributions are excluded from your gross income. You may also make your own annual contributions to either your traditional or Roth IRA each year up to the lesser of the contribution limit in effect for the taxable year or 100% of current year compensation.

Determination of Compensation. For purposes of the 25% of compensation limit that applies to SEP contributions, you may take into account only the amount of your current year compensation from the employer making the SEP contribution. In addition, you may not include the amount of the SEP contribution in the determination of your compensation. The maximum amount of compensation that may be taken into account on behalf of any SEP participant is subject to an indexed limit (\$245,000 for year 2011, \$250,000 for year 2012).

Self-employed Persons. Any sole proprietor or partnership may be eligible to establish a SEP and make deductible SEP contributions to the separate traditional IRAs established by the sole proprietor or partners (as well as to the traditional IRAs of any common-law employees). In the case of a self-employed individual, the term "compensation" includes the individual's earned income from self-employment, reduced by the amount of deductible retirement plan contributions.

Contributions after age 70 ½. Your employer may make SEP contributions to your IRA even after you have reached age 70 ½.

Section 9. Income Tax Returns

If you are eligible to make deductible contributions to your traditional IRA, you may claim your deduction for traditional IRA contributions on your federal income tax

return (Form 1040 or Form 1040A) even if you do not itemize deductions. Each year, the Custodian will send you IRS Form 5498, showing your preceding year IRA contributions. If you make nondeductible contributions to your traditional IRA for a taxable year, or if you receive any distributions from your IRA during a taxable year that includes nondeductible contributions, you will be required to provide certain information concerning these transactions on Form 8606, to be included with your federal income tax return for the taxable year. If you make after-tax rollover contributions to your traditional IRA, you should report such contributions in accordance with IRS guidelines.

Penalty taxes. You may be required to complete Form 5329, Additional Taxes on Qualified Plans (including IRAs) and Other Tax-Favored Accounts, with the IRS if one of the following situations occur:

1. Payment of a 6 percent excise tax due to an excess contribution to an IRA.
2. Payment of a 10 percent tax penalty due to an early distribution before age 59 ½.
3. Payment of a 50 percent excise tax because of an insufficient distribution from your IRA after age 70 ½.

You do not need to file Form 5329 if the only activity in your IRA for the year consisted of proper contributions and distributions.

Distributions. You must file Form 1099-R when you receive distributions from your Azzad IRA and you must notify us that you have started taking distributions from your IRA account.

For more information about IRAs, visit the IRS website at www.irs.gov.

CUSTODIAL ACCOUNT AGREEMENT

Establishment of Account

By signing the application, the Investor hereby establishes a traditional individual retirement account (Traditional IRA) as described in Section 408(a) of the Code or a Roth individual retirement account (Roth IRA) as described in Section 408A of the Code to provide for his or her retirement and for the support of his or her beneficiaries after death. The investor acknowledges that we have given him or her the disclosure statement required under Regulations section 1.408-6.

The investor's interest in the balance in the custodial account is nonforfeitable. The account is established for the exclusive benefit of the investor or his or her beneficiary under the following agreement:

Section I- Definitions

Account refers to the custodial account established by the investor to which contributions may be made in accordance with the terms and conditions of this Agreement. The Custodian shall hold all assets of the Account for the exclusive benefit of the investor or, following his or her death, the Beneficiary.

Beneficiary refers to person(s) or entities designated in accordance with Article IV to receive any undistributed amount credited to the Account after the investor's death.

Code refers to the Internal Revenue Code of 1986, as amended from time to time, or any successor statute.

Custodian refers to Union Bank of California or any successor thereto.

Custodial Account refers to the Individual Retirement Account established under this agreement.

Conversion Contribution refers to amounts rolled over, transferred, or considered transferred from a non-Roth IRA to a Roth IRA. A non-Roth IRA is an individual retirement account or annuity described in Code Section 408(a) or 408(b), other than a Roth IRA.

Investor refers to the individual establishing the account.

IRA means individual retirement account.

SEP Contribution means a contribution on behalf of the investor by his or her employer under a simplified employee pension as described in Section 408(k) of the Code.

SIMPLE IRA means an IRA that receives contributions from a SIMPLE (Savings Incentive Match Plan for Employees of Small Employers) retirement plan.

Traditional IRA refers to an IRA which was established to receive deductible or non-deductible contributions, and which may be taxable upon distribution.

Rollover Contribution means a contribution by the investor that consists of funds distributed from an individual retirement plan.

We, our, s refers to Azzad, its agents, transfer agent and/or custodian bank.

Section II- Contributions

2.1 Regular Contributions. Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a simplified employee pension plan (SEP) as described in Code Section 408(k), a qualified rollover contribution to a Roth IRA as described in Code Section 408A(e), or a recharacterized contribution described in Code Section 408A(d)(6), all contributions to the Account by or on behalf of the investor shall be made in cash, and the total of such contributions to all of the investor's IRAs shall not exceed \$5,000 per year for tax years 2010 through 2012. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$6,000 per year for tax years 2010 through 2012. For tax years after 2012, the above limits will be increased to reflect a cost-of-living adjustment, if any.

2.2 Regular Roth Contributions. The maximum regular contribution that can be made to all of an investor's Roth IRA for the taxable year is gradually reduced to \$0 for higher income limits. For a single investor, the annual contribution is phased out between adjusted gross income (AGI) of \$107,000 and \$122,000 for year 2011 and \$110,000 to \$125,000 for year 2012; for a married depositor filing jointly, between

AGI of \$169,000 and \$179,000 for year 2011 and \$173,000 and \$183,000 for year 2012; and for a married depositor filing separately, between AGI of \$0 and \$10,000. Adjusted gross income is defined in section 408A(c)(3). In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the investor and his or her spouse.

2.3 Contributions to both Roth and Traditional IRAs. If the investor makes contributions to both Roth IRAs and Traditional IRAs for a taxable year, the maximum regular contributions that can be made to all of the investor's Roth IRAs for that taxable year is reduced by the regular contributions made to the investor's non-Roth IRAs for the taxable year.

2.4 Recharacterization. A regular contribution to one type of IRA can be recharacterized pursuant to the rules in Section 1.408A-5 of the Income Tax Regulations as a regular contribution to another type of IRA. A regular contribution to a non-Roth IRA that is recharacterized to a Roth IRA is subject to the limits in Section 2.2.

2.5 Rollover and Conversion Contributions in Cash or Shares. We may accept rollover and conversion contributions within the meaning of Sections 402(c), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3), 457(e)(16), or 408A(e) of the Code that consists of cash or of such other assets that are acceptable to us and that are permissible investments under Section 408(j) of the Code. Prior to making a rollover, the investor shall make available any information we may require, in a form and manner acceptable to us. We shall be under no obligation to accept any rollover contribution consisting of assets other than cash. The investor shall have the sole responsibility for determining whether any contribution to the Account qualifies as a rollover contribution.

2.6 SEP IRA Contributions. SEP-IRA Contributions may be made to a Traditional IRA on behalf of the investor by his or her employer for any taxable year in an amount not to exceed \$49,000 (year 2011) and \$50,000 (year 2012) or such other amount as provided in section 408(j) of the Code or any successor statutory provision thereto for such taxable year. Before making a SEP IRA contribution, the investor shall execute such forms as we may require certifying that the investor is covered under a Simplified Employee Pension, and providing such information as we may request. The investor is solely responsible for determining whether any contribution to the account qualifies as a SEP Contribution.

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

2.8 Age Restrictions. No contribution (other than Rollover Contributions or employer contributions under a SEP, if applicable) may be made to a Traditional IRA beginning with the calendar year in which the investor reaches age 70 ½. Contributions may be made to a Roth IRA regardless of the age of the investor.

2.9 Modified Adjusted Gross Income (Modified AGI). For purposes of Section 2.2 above, an investor's modified AGI for a taxable year is defined in Code Section 408A(c)(3)(C)(i) and does not include any amount included in gross income as a result of a conversion. For taxable years beginning after December 31, 2004, any amount included in the investor's gross income by reason of a required minimum distribution shall not be taken into account in determining the investor's modified AGI for purposes of a Conversion Contribution (as described in Section 2.2 above).

2.10 Transfers to Account. At our discretion, we may accept transfers of assets from other retirement accounts provided that the trustee or custodian transfers the assets in a form or manner acceptable to us. The assets will be held in the account on behalf of the investor under this agreement. By accepting such transfers of assets, we are not responsible for the tax results of the transfer, the responsibility for which rests solely with the investor.

2.11 Our Responsibility. We shall not have any responsibility for determining whether any contribution by or on behalf of an investor to the account qualifies as a rollover contribution, IRA contribution, or SEP contribution, or whether any contribution to the account is deductible by the investor for federal income tax purposes.

Section III- Investments

The investor must indicate to us in written form the tax year for which a contribution is made.

3.1 Investment of Contributions. Contributions to the investor's account will be invested in accordance with the instructions as indicated on the investor's IRA investment application. Each cash contribution to the account shall be applied to purchases of shares of the Fund or Funds (or portfolio) currently designated by the investor at the applicable offering price in accordance with the terms of such Fund's prospectus or to other investment products offered by Azzad. If no Fund is designated, the contribution will be allocated among the Azzad Funds at Azzad's discretion until such time as the investor shall designate a Fund. The investor or beneficiary (if the investor is deceased) may from time to time change the investment instructions by providing specific instructions in the manner and form acceptable to us. Pending such instructions, we shall not be held liable for any loss (realized or unrealized) resulting from such contribution.

3.2 Reinvestment of Dividends and Capital Gain Distributions. All dividends and distributions shall be reinvested in Fund shares. Once the investor reaches age 59 ½ and, in the case of a Roth IRA, the applicable five taxable year period described in Code 408A(d)(2)(B) has been met, the investor may request that dividends and capital gain distributions be distributed from the Account.

3.3 Prohibitions concerning life insurance, collectibles, and commingling. No assets in the account will be invested in life insurance contracts, nor will the assets of the account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)). No part of the

account will be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

3.4 Responsibility of Custodian and Azzad. The investor hereby acknowledges that neither the Custodian nor Azzad undertakes to render any investment advice in connection with this agreement, and that the assets of the account are to be invested, reinvested, and controlled exclusively by the investor or, following his or her death, the beneficiary in accordance with the terms and conditions set forth in this agreement.

3.5 Azzad Fund Shares. By directing that assets of the account be invested in an Azzad Fund, the investor or beneficiary shall be deemed to have acknowledged receipt of the appropriate prospectus, terms and conditions or other required disclosure document, as the case may be, for the Azzad investment product(s), which the investor directs us to acquire with assets of this custodial account. By establishing (or having established) the account, the investor hereby directs Azzad to vote on all Azzad fund shares held in the account.

3.6 Reporting & Disclosure. Investors shall provide us with all information as may be necessary to prepare any reports required pursuant to Section 408(i) of the Code and the regulations thereunder. We shall also render an annual report to the investor containing all information with respect to the preceding calendar year as is required to be furnished pursuant to Section 408(i) of the Code and the regulations thereunder and such information concerning required minimum distributions as is prescribed by the Commissioner of the Internal Revenue. In addition, we shall submit all other reports to the IRS and the Investor (or, following his or her death, the Beneficiary) as may be prescribed by the IRS.

3.7 Fees and Expenses. Investors may be charged reasonable fees with respect to the establishment and maintenance of the account, and to reimbursement for all reasonable expenses incurred by it in the management of the account. We may change the fees at any time by providing investors with written notice of such changes. Fees will be deducted directly from IRA assets unless paid directly by the investor at such time and in such manner as we may prescribe. Fees billed separately to the investor and paid by the investor may be claimed on his or her federal income tax return as miscellaneous itemized deductions. The payment of fees has no effect on investor's contributions. Additionally, we reserve the right to liquidate an investor's IRA assets to pay such fees and expenses. If an investor does not direct us on the liquidation, we will not be responsible for any losses or claims that may arise out of the liquidation.

Certain investment related fees, which apply to an investor's IRA, must be charged to an investor's IRA and cannot be paid directly. We hold the right to liquidate the investor's IRA assets to pay fees and expenses, federal tax levies, or other assessments on the investor's IRA. If the investor does not direct us on the liquidation, we will liquidate the assets of our choice and will not be responsible for any losses or claims that may arise out of the liquidation.

Section IV- Distribution of the Account

4.1 a. General Requirements. Notwithstanding any provision of this agreement to the contrary, the distribution of the investor's interest in the account shall be made in accordance with the requirements of Code Section 408(a)(6) (as modified by Section 408A(c)(5) for Roth IRAs), and the regulations thereunder, the provisions of which are incorporated herein by reference. We shall distribute the balance of the account to the investor or, after his or her death, the beneficiary, at such times and in such manner as the investor or beneficiary shall direct; subject to the requirements set forth below.

4.1 b. Method of distribution. The investor or his or her beneficiary may choose to have all or any portion of the account distributed in one or a combination of the following ways:

- (1) A partial payment,
- (2) A lump sum payment, or
- (3) Payments over a period not longer than the life of the investor or the joint lives of the investor and his or her beneficiary.

The investor or beneficiary's request must be made in a form and manner acceptable to us. The investor or beneficiary may change his or her designated method of distribution upon proper notification to us.

4.1 c. Distribution in kind. All distributions from the account shall be made in cash, with the exception that the investor or beneficiary may elect to have all or any portion of the distribution made in kind, in which case we shall transfer such specific assets as the investor or beneficiary may direct into the name of the investor or beneficiary, and with the further exception that any assets held in the account, which cannot be sold by us for cash in the ordinary course of business for purposes of making distributions from the account, shall be distributed to the investor or beneficiary in kind.

4.2 Lifetime Minimum Distribution Requirements

A. Traditional Individual Retirement Account.

(a) **Required Beginning Date.** The entire value of the account of the investor for whose benefit the account is maintained must commence to be distributed no later than the first day of April following the calendar year in which the investor reaches age 70 ½ (the "required beginning date") over the life of the investor or the lives of the investor and his or her designated beneficiary.

(b) **Annual Minimum Amount.** The amount to be distributed each year, beginning with the calendar year in which the investor reaches age 70 ½ and continuing through the year of death, is the investor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations Section 1.401(a)(9)-9. However, if the investor's sole designated beneficiary is his or her surviving spouse and such spouse is more than ten years younger than the investor, then the distribution

period is determined under the Joint and Last Survivor Table n Q&A-3 of Section 1.401(a)(9)-0 of the Income Tax Regulations, using the ages of the investor's and spouse's birthdays in the year.

- (c) **Timing of minimum distributions.** The required minimum distribution for the year the investor reaches age 70 ½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
- (d) **Aggregation of IRAs.** The investor may satisfy the minimum distribution requirements described above by taking from one IRA the amount required to satisfy the requirement for another IRA in accordance with the regulations under section 408(a)(6).

B. Roth IRA. No amount is required to be distributed from a Roth IRA prior to the death of the investor for whom the account was originally established.

4.3 Distributions Upon Death: Traditional and Roth IRAs. In the event the investor dies before the complete distribution of the account, the remaining balance of the account will be distributed to the beneficiary at such time and in such manner as the beneficiary shall direct, in a form and manner acceptable to us, subject to the following rules:

Traditional IRAs where investor dies before required beginning date and all Roth IRAs. For traditional IRAs where the investor dies prior to the required beginning date and for all Roth IRAs, the investor's interest must be distributed at least as rapidly as follows:

1. If the beneficiary is someone other than the investor's spouse, the entire interest must be distributed, starting by December 31 of the calendar year following the calendar year of the investor's death, over the remaining life expectancy of the beneficiary, with such life expectancy determined using the age of the beneficiary as of his or her birthday in the year following the year of the investor's death, or, if elected, in accordance with paragraph(3) below.
2. If the investor's sole beneficiary is the investor's surviving spouse, the entire interest must be distributed, starting by December 31 of the calendar year following the calendar year of the investor's death (or by the end of the calendar year the investor would have attained age 70 ½, if later), over such spouse's life, or, if elected, in accordance with paragraph (3) below. If the surviving spouse dies before distributions are required to begin, the remaining interest must be distributed, starting by December 31 of the calendar year following the calendar year of the spouse's death, over the spouse's beneficiary's remaining life expectancy determined using such beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with paragraph (3) below. If the surviving spouse dies after distributions are required to begin, any remaining interest will be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death.
3. If there is no designated beneficiary, or if applicable by operation of paragraph (1) or (2) above, the remaining interest must be distributed by the end of the calendar year containing the fifth anniversary of the investor'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 (2) above).
4. The amount that must be distributed under paragraphs (1) or (2) above is the amount determined by dividing the value of the IRA 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 Section 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 the beneficiary's age in the year specified in paragraph (1) or (2) and reduced by one for each subsequent year.

Traditional IRAs where investor dies on or after required beginning date. If the investor dies on or after the required beginning date, the remaining portion of his or her interest in the Traditional IRA must be distributed at least as rapidly as follows:

If the beneficiary is the investor's surviving spouse, the remaining interest in the account will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (3) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (3) below, over such period.

If the investor dies on or after the required beginning date and the beneficiary is not the investor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the investor and reduced by 1 for each subsequent year, or over the period in paragraph (3) below if longer.

If the investor dies on or after the required beginning date and there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the depositor as determined in the year of the depositor's death and reduced by 1 for each subsequent year.

- (a) If the investor dies before his or her entire interest has been distributed and if the designated beneficiary is not the investor's surviving spouse, no additional contributions may be accepted in the account.
- (b) The "interest" or "value" of the IRA includes the amount of any outstanding rollover, transfer and recharacterization.
- (c) If the sole designated beneficiary is the investor's spouse, the spouse may choose to treat the IRA as his or her own IRA. This choice will be

deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take required distributions as a beneficiary.

Section V- Reports and Records.

5.1 Reports. We will maintain the records necessary for IRS reporting on this IRA account. Required reports will be provided to the investor, or designated beneficiary after the investor's death, and the IRS. Investors who believe that their reports are inaccurate or incomplete must notify us in writing within 30 days following the receipt date.

5.2 Notice and Delivery. Any notice mailed to the investor will be deemed delivered and received, five days after the postmark date. This fifth day following the postmark is the receipt date. Notices will be mailed at the last address we have in our records. The investor is solely responsible for ensuring that we have his or her correct mailing address on file. All notices must be in writing unless our policies and procedures provide for oral notices.

Section VI- Applicable Laws, Disqualifying Provisions, Representations & Indemnity.

6.1 Applicable Laws. This agreement will be construed and interpreted in accordance with the laws of, and venue in, the State of Virginia.

6.2 Disqualifying Provisions. Any provision of this agreement that would disqualify the IRA will be disregarded to the extent necessary to maintain the account as an IRA.

6.3 Representations and Indemnity. The investor represents that any information he or she and/or his or her agent provides to us is accurate and complete, and that the investor's actions comply with this agreement and applicable laws governing retirement plans. It is the investor's sole responsibility to seek the guidance of a tax or legal professional for issues regarding his or her IRA. We rely on information provided by the investor and are not responsible for determining whether distributions and/or contributions comply with this agreement and/or the federal laws governing retirement plans. We are not responsible for any taxes, judgments, penalties or expenses incurred in connection with the investor's IRA, or any losses that are a result of events beyond our control. We have no responsibility to process transactions until after we have received appropriate direction and documentation, and have had a reasonable opportunity to process the transactions. We are not responsible for interpreting or directing beneficiary designations or divisions, including separate accounting, court orders, penalty exception determinations, or other similar situations.

Section VII- Amendment, Termination and Assignment

7.1 Amendment. We may amend this agreement in any respect and at any time (including retroactively) to comply with the applicable provisions of the Code and the regulations thereunder, and other applicable laws governing retirement accounts. Any other amendments shall require the investor's consent, by action or no action, and will be preceded by a written notice to the investor. The investor (or beneficiary) shall be deemed to consent to any such amendment if he or she fails to object thereto by notifying us, in a form and manner acceptable to us, within 30 calendar days from the date the notice is delivered, to terminate the agreement.

7.2 Termination. The investor may terminate this agreement without our consent by providing us with a written notice of such termination. A termination and the resulting distribution or transfer will be processed and completed as soon as administratively feasible following the receipt of proper notice. At the time of termination we may retain the sum necessary to cover any fees and expenses, taxes, or investment penalties.

7.3 Assignment. We reserve the right to assign and/or delegate any and all of its rights and obligations under this agreement to an affiliate of ours without the prior approval of the investor or beneficiary.

For more information on IRAs, including the required disclosures investors should receive, see Pub. 590, Individual Retirement Arrangements (IRAs).

Although deemed to be accurate, this information is not guaranteed and a shareholder should consult with his or her tax advisor for more information.