

JP Morgan
Individual(k)
Plan Establishment Kit



People Matter. Quality First. Integrity Always.SM


ascensusSM

Individual(k) ESTABLISHING YOUR INDIVIDUAL(k) PLAN

Once you've decided to establish an Individual(k) plan, the process of executing the necessary paperwork is quite straightforward. Whether you have an existing business retirement plan in place or this is your first plan, the instructions located at the back of this booklet will help walk you through the steps necessary to establish an Individual(k) plan and consolidate your retirement assets. Your financial consultant will work with you to select the investments for your Individual(k) plan and will work with you to complete the appropriate paperwork for those investments.

Note: Individual(k) plans are only appropriate for a business in which only the owner(s) and spouse(s) will be covered by the plan, and the business is not considered as part of a controlled group or affiliated service group under tax law. Before completing the Adoption Agreement, please consult with your legal advisor to determine if the Individual(k) plan is appropriate for you. In addition, the Individual(k) plan is intended to be used only if it is the only plan maintained by the employer. If you intend to maintain or make contributions to any other retirement plan in addition to the Individual(k) plan, please consult with your legal advisor to determine if the Individual(k) plan is suitable for you.

There are three basic steps to the overall plan establishment process. Once you've completed steps 1 and 2, simply refer to the checklist below that summarizes the documents and forms to be completed, the entity to be provided with either an original or a photocopy of the document or form (you, Ascensus and/or JP Morgan), and mailing instructions.

Step 1: Establish Your Plan (Forms A, A1, and B)

Step 2: Establish Recordkeeping Services (Form C)

Step 3: Complete the JP Morgan Individual(k) Indemnification Letter

Note: Instructions for each of these forms are contained in the back of this booklet.

WHAT GOES WHERE?

Ascensus' recordkeeping services are supported by the most knowledgeable people and the most advanced technology in the industry. Your assistance in this process, accomplished by the completion of this Plan Establishment Kit, helps ensure the long-term success of the processing relationship. Please follow the mailing instructions below.

	<u>MAIL TO JP MORGAN</u>	<u>RETAINED BY PLAN SPONSOR</u>	<u>MAIL TO ASCENSUS</u>
<input type="checkbox"/> Adoption Agreement (Form A)	Copy	Original	Copy
<input type="checkbox"/> 415 Final Regulations Adoption Agreement Amendment (Form A1)	Copy	Original	Copy
<input type="checkbox"/> Ascensus Application (Form B)	Copy	Original	N/A
<input type="checkbox"/> Recordkeeping Service Agreement (Form C including Schedules)	Copy	Original	N/A
<input type="checkbox"/> Indemnification Letter (Form D)	Original	Copy	N/A
<input type="checkbox"/> Check* payable to Ascensus for installation and first year recordkeeping fees			

*Unless paying by credit card (See Form B)

When all items are completed, mail the applicable items to Ascensus at:

Ascensus, Inc.
Attn: Individual(k)
124 Eighth Avenue NE
PO Box 807
Brainerd, MN 56401

WHAT'S NEXT?

Upon receipt of your completed Plan Establishment Kit, Ascensus will establish your Plan on Ascensus' recordkeeping system. Once your Plan has been completely installed, Ascensus will send a welcome packet to you. Your welcome packet will provide you with the instructions on funding your newly established Individual(k) plan, a guide for administering your plan, and certain operational forms.

IMPORTANT NOTE:

Instructions on the remittance of contributions to your Plan will be included in your welcome packet.

(DO NOT REMIT CONTRIBUTIONS TO ASCENSUS.)

The recordkeeping service Ascensus provides to Individual(k) plans is an accounting of the plan by money type (i.e., deferral, profit sharing, rollover, etc.). Contributions for the report period are posted to the account by money type, according to the instructions provided to Ascensus by the client. The net gain or loss of the entire investment account is applied to the money types on a pro-rata basis. Therefore, the Ascensus Individual(k) product requires that all money types use the same investment elections when it comes to the investment of contributions so that earnings are properly applied. Additionally, any transaction that is a transfer of assets between investments is also considered to be completed pro-rata per money type.

STANDARDIZED ADOPTION AGREEMENT

Individual(k)

The Adoption Agreement has been prefilled with common elections. To change a prefilled election, please mark the change, then date and initial next to the provision. Complete the Employer Information Section and Sections 1, 8A and 9.

EMPLOYER INFORMATION

Employer Must Complete This Section

Name of Adopting Employer _____
 Address _____
 City _____ State _____ Zip _____
 Telephone _____ Adopting Employer's Federal Tax Identification Number _____
 Adopting Employer's Tax Year End (specify month and day) _____
 Type of Business (select one) Sole Proprietorship Partnership C Corporation S Corporation LLC
 Other (specify a legal entity recognized under federal income tax laws) _____
 Name of Plan _____
 Plan Sequence Number _____ Trust Identification Number (if applicable) _____ Account Number _____

SECTION 1.

Part A.

Employer Must Complete This Section

EFFECTIVE DATES Complete Part A or B
New Plan Effective Date
 This is the initial adoption of a 401(k) profit sharing plan by the Adopting Employer.
 The Effective Date of this Plan is _____.
 The Effective Date for Elective Deferrals under this Plan, if different from above, is _____.
NOTE: The Effective Date is usually the first day of the Plan Year in which this Adoption Agreement is signed and may not be earlier than such date. Elective Deferrals, however, cannot be made available before the later of the date this Adoption Agreement is signed or the Effective Date for Elective Deferrals.

Part B.

Existing Plan Amendment or Restatement Date
 This is an amendment or restatement of an existing qualified plan (a Prior Plan).
 The Prior Plan was initially effective on _____.
 The Effective Date of this amendment or restatement is _____.
NOTE: The restatement Effective Date is generally the first day of the Plan Year in which this Adoption Agreement is signed. An amendment or restatement Effective Date after the first day of the Plan Year in which this Adoption Agreement is signed may result in a reduction or elimination of accrued benefits, violating Code Section 411(d)(6). Notwithstanding the foregoing, Effective Dates for certain items (e.g., EGTRRA and other government pronouncements) are governed by the dates specified in the Basic Plan Document. If Elective Deferrals are being made available for the first time as a result of this amendment and restatement, the Elective Deferrals cannot be made available before the later of the date this Adoption Agreement is signed or the Effective Date for Elective Deferrals.

SECTION 2.

Part A.

ELIGIBILITY Complete Parts A and B
Age and Years of Eligibility Service
Age Requirement. An Employee will be eligible to become a Participant in the Plan for purposes of becoming a Contributing Participant (and thus eligible to make Elective Deferrals) or receiving an allocation of any Employer Profit Sharing Contribution, as applicable, made pursuant to Section Three of the Adoption Agreement, after attaining age 21 (no more than 21).
NOTE: If no age is specified there will be no age requirement.
Years of Eligibility Service Requirement. An Employee will be eligible to become a Participant in the Plan for purposes of becoming a Contributing Participant (and thus eligible to make Elective Deferrals) receiving an allocation of any Employer Profit Sharing Contribution, as applicable, made pursuant to Section Three of the Adoption Agreement (select one):
Option 1: No Eligibility Service Required.
Option 2: After completing _____ consecutive Months of Eligibility Service (no more than 12).
Option 3: After completing _____ Years of Eligibility Service (enter 0 or 1).
NOTE: If no option is selected, Option 1 will apply.

Part B.

Employees Employed As of Effective Date
 Will an Employee employed as of the Effective Date listed in Section One, Part A of the Adoption Agreement who has not otherwise met the requirements of Part A above be considered to have met those requirements as of the Effective Date (select one)?
Option 1: Yes.
Option 2: No.
NOTE: If no option is selected, Option 2 will apply.

Simplified Individual 401(k) Profit Sharing Plan

STANDARDIZED ADOPTION AGREEMENT

<p>SECTION 3.</p> <p>Part A.</p> <p>Part B.</p>	<p>CONTRIBUTIONS <i>Complete Part A</i></p> <p>Elective Deferrals</p> <p>Authorization of Elective Deferrals Will Elective Deferrals be permitted under this Plan (<i>select one</i>)? Option 1: <input checked="" type="checkbox"/> Yes (<i>complete the following</i>): Will Roth Elective Deferrals be permitted under this Plan in addition to Pre-Tax Elective Deferrals? Suboption 1: <input type="checkbox"/> Yes. Suboption 2: <input checked="" type="checkbox"/> No. NOTE: <i>If no suboption is selected, Suboption 1 will apply.</i></p> <p>Option 2: <input type="checkbox"/> No. NOTE: <i>If no option is selected, Option 1 will apply.</i></p> <p>Employer Profit Sharing Contributions Employer Profit Sharing Contributions, if any, shall be allocated to all Qualifying Participants pursuant to the pro rata allocation formula described in Section 3.04(B)(1) of the Plan.</p>
<p>SECTION 4.</p>	<p>VESTING AND FORFEITURES <i>There are no elections required for Section Four.</i></p> <p>There are no elections required for Section 4. Refer to the Basic Plan Document for information regarding this Section.</p>
<p>SECTION 5.</p>	<p>DISTRIBUTIONS AND LOANS</p> <p>Loans</p> <p>May a Participant request a loan pursuant to Plan Section 5.16? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NOTE: <i>If a box is not selected for this item, "No" will apply for this item.</i></p>
<p>SECTION 6.</p>	<p>DEFINITIONS <i>There are no elections required for Section Six</i></p> <p>There are no elections required for Section 6. Refer to the Basic Plan Document for information regarding this Section.</p>
<p>SECTION 7.</p>	<p>MISCELLANEOUS</p> <p>Life Insurance</p> <p>Will life insurance investments be permitted under the Plan (<i>select one</i>)? Option 1: <input type="checkbox"/> Yes. Option 2: <input checked="" type="checkbox"/> No. NOTE: <i>If no option is selected, Option 2 will apply.</i></p>

Simplified Individual 401(k) Profit Sharing Plan

STANDARDIZED ADOPTION AGREEMENT

SECTION 8.

Part A.

TRUSTEE AND CUSTODIAN *Complete Parts A and B (as applicable)*

Trustee *(This Part A must be completed unless the Plan only covers one or more Self-Employed Individuals or satisfies another exception under ERISA (select one)).*

1. Trustee Appointment

Option 1: Financial Organization as Trustee

Option 2: Individual Trustee(s)

The Trustee of this Plan shall be a: Directed Trustee Discretionary Trustee

Name of Trustee _____

Address _____

Telephone _____

Signature _____ Title _____

2. Trust Agreement

If a Trustee is designated in Part A, item 1 above, which trust agreement will apply to the Plan *(select one)*?

Option 1: Trust provisions contained in Plan Section Eight.

Option 2: Separate executed trust agreement attached hereto.

NOTE: *If no option is selected, Option 1 will apply. If Option 2 is selected, the attached trust agreement must be one filed with the IRS for use by the Prototype Sponsor listed in Section Nine below.*

Part B.

Custodian *(Both a Custodian and Trustee may be appointed for the Plan. This Part B must be completed unless a Trustee is named in Part A, above.)*

1. Custodian Appointment

Financial Organization J.P. Morgan Clearing Corp.

Address One Metrotech Center North Brooklyn, NY 11201

Signature _____

Type Name _____ Title _____

2. Custodial Agreement

If a Custodian is designated in Part B, item 1 above, which custodial agreement will apply to the Plan *(select one)*?

Option 1: Custodial provisions contained in Plan Section Eight.

Option 2: Separate executed custodial agreement attached hereto.

NOTE: *If no option is selected, Option 1 will apply. If Option 2 is selected, the attached custodial agreement must be one filed with the IRS for use by the Prototype Sponsor listed in Section Nine below.*

Employer
Must Complete
and Sign Part A

Simplified Individual 401(k) Profit Sharing Plan

STANDARDIZED ADOPTION AGREEMENT

SECTION 9.

EMPLOYER SIGNATURE

Prototype Sponsor

Name of Prototype Sponsor J.P. Morgan Clearing Corp.

Address One Metrotech Center North, Brooklyn, NY 11201

Telephone (347) 643-2590

Check the applicable box if there is an attachment(s) that applies to this Plan other than a separate trust or custodial agreement.

Attachment A, Protected Benefits and Prior Plan Provisions.

Other: (If this box is checked, please describe the attachment(s)) _____

Authorized Employer Signature

I am an authorized representative of the Adopting Employer named above and I state the following:

1. I acknowledge that I have relied upon my own advisors regarding the completion of this Adoption Agreement and the legal tax implications of adopting this Plan;
2. I understand that my failure to properly complete this Adoption Agreement may result in disqualification of the Plan;
3. I understand that the Prototype Sponsor will inform me of any amendments made to the Plan and will notify me should it discontinue or abandon the Plan; and
4. I have received a copy of this Adoption Agreement, the corresponding Basic Plan Document and, if applicable, any separate trust or custodial agreement used in lieu of the trust or custodial agreement contained in the Basic Plan Document.

Signature of Adopting Employer _____ Date Signed _____

Type Name _____ Title _____



NOTE: The Adopting Employer may rely on an opinion letter issued by the Internal Revenue Service as evidence that the Plan is qualified under Code Section 401 of the Internal Revenue Code except to the extent provided in Revenue Procedure 2005-16. An Employer who has ever maintained or who later adopts any plan (including a welfare benefit fund, as defined in Code Section 419(e), which provides post-retirement medical benefits allocated to separate accounts for key employees, as defined in Code Section 419A(d)(3), or an individual medical account, as defined in Code Section 415(l)(2) in addition to this Plan may not rely on the opinion letter issued by the Internal Revenue Service with respect to the requirements of Code Sections 415 and 416.

If the Employer who adopts or maintains multiple plans wishes to obtain reliance with respect to the requirements of Code Sections 415 and 416, application for a determination letter must be made to Employee Plans Determinations of the Internal Revenue Service. The Employer may not rely on the opinion letter in certain other circumstances, which are specified in the opinion letter issued with respect to the Plan or in Revenue Procedure 2005-16. This Adoption Agreement may be used only in conjunction with Basic Plan Document #01.

The 415 Regulations Amendment contains 415 compensation plan elective provisions. To change a prefilled election, please mark the change, then date and initial next to the provision.

This Amendment of the Plan (hereinafter referred to as "the Amendment") is comprised of this Adoption Agreement Amendment and the corresponding Basic Plan Document Amendment and is adopted to reflect the final regulations published by the Department of the Treasury on April 5, 2007, governing limitations on benefits and contributions within qualified plans under Section 415 of the Internal Revenue Code. The Amendment is intended to provide good faith compliance with those requirements until the Plan is formally restated to include such provisions and supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of the Amendment. The Amendment shall be effective for Limitation Years beginning on or after July 1, 2007.

Employer Information

Name of Plan _____ Client Number _____

SECTION 6.

DEFINITIONS

Part A, Item 5 of the Adoption Agreement is removed and replaced with the following:

Part A. 5. Post-Severance Compensation

In addition to any adjustment to Compensation elected in the Adoption Agreement, will Compensation exclude Leave Cashouts paid after Severance from Employment as described in the accompanying Basic Plan Document Amendment under item (B)(3) (select one)?

Option 1: Yes.

Option 2: No.

NOTE: If no option is selected, Option 1 will apply and such compensation will be excluded from the definition of Compensation.

Deferred Compensation

In addition to any adjustment to Compensation elected in the Adoption Agreement, will Compensation exclude Deferred Compensation paid after Severance from Employment as described in the accompanying Basic Plan Document Amendment under item (B)(4) (select one)?

Option 1: Yes.

Option 2: No.

NOTE: If no option is selected, Option 1 will apply and such compensation will be excluded from the definition of Compensation.

Signature of Employer

1. I acknowledge that I have relied upon my own advisors regarding the completion of this Amendment and the legal and tax implications of amending this Plan;
2. I understand that my failure to properly complete this Amendment may result in disqualification of the Plan; and
3. I have received a copy of this Amendment.



Signature of Adopting Employer _____ Date Signed _____

Type Name _____ Title _____

ASCENSUS APPLICATION

PLAN INFORMATION

Complete if Information is Different from Adoption Agreement

Plan Name _____
 Contact Person _____
 Mailing Address _____
 City _____ State _____ Zip _____
 Telephone _____ Fax _____
 E-mail Address _____
 Nature of Business _____ Business Code¹ _____

FINANCIAL ADVISOR INFORMATION

Name of Firm _____
 Name of Financial Advisor _____
 Mailing Address _____
 City _____ State _____ Zip _____
 Telephone _____ Fax _____
 E-mail Address _____

DESIGNATION OF SUCCESSOR PLAN ADMINISTRATOR/TRUSTEE

If you are the sole owner of the business sponsoring the Plan, you must designate a successor plan administrator/trustee. The designated successor plan administrator/trustee must sign this form, accepting associated responsibilities.

If I am the sole owner of the business sponsoring the Plan, the following individual will become the plan administrator/trustee of the Plan upon my death for purposes of plan termination and liquidation. Upon presentation of certified proof of death, Ascensus is authorized to process payout request(s) in accordance with the instructions provided by the Successor Plan Administrator/Trustee. I understand that I must inform Ascensus in writing of any change to this designation. Absent any written notification, Ascensus will rely on the designation on file.

Name _____
 Address _____
 City _____ State _____ Zip _____
 Telephone Number _____
 E-mail _____



I understand and accept the responsibilities associated with this designation.
 Successor Plan Administrator/Trustee Signature _____ Date _____

RECORDKEEPING PAYMENT OPTIONS/ INSTRUCTIONS

Credit Card

The following payment options pertain to plan installation and the recordkeeping fees for the first year only. You will receive an invoice for subsequent annual recordkeeping service fees.

VISA/Mastercard/American Express Number (please circle one)	
Expiration Date	
Credit Card Holder Name (On a corporate card, the individual providing information)	
Credit Card Holder Billing Address	
Amount to be Charged	<input type="checkbox"/> \$375 (\$75 installation and \$300 first year's annual service fee) <input type="checkbox"/> \$525 (\$75 installation and \$300 first year's annual service fee; \$150 additional participant account) <input type="checkbox"/> Other: _____

Check

Make your check payable to Ascensus in the amount of the installation, first year's annual service fee and additional participant account fee (if applicable).

¹The 6-digit Business Code can be obtained at www.irs.gov/instructions/i5500ez. Review the selection titled Forms 5500 and 5500EZ codes for Principal Business Activity.

**PARTICIPANT #1
INFORMATION**

Last Name _____
First Name _____
Social Security Number _____
Home Address _____
City _____ State _____ Zip _____
Date of Birth mm _____ dd _____ yyyy _____
Date of Hire mm _____ dd _____ yyyy _____
Date of Participation mm _____ dd _____ yyyy _____

**PARTICIPANT #2
INFORMATION**

Last Name _____
First Name _____
Social Security Number _____
Home Address _____
City _____ State _____ Zip _____
Date of Birth mm _____ dd _____ yyyy _____
Date of Hire mm _____ dd _____ yyyy _____
Date of Participation mm _____ dd _____ yyyy _____

**PARTICIPANT #3
INFORMATION**

Last Name _____
First Name _____
Social Security Number _____
Home Address _____
City _____ State _____ Zip _____
Date of Birth mm _____ dd _____ yyyy _____
Date of Hire mm _____ dd _____ yyyy _____
Date of Participation mm _____ dd _____ yyyy _____

RECORDKEEPING SERVICE AGREEMENT

This Agreement is made between Ascensus, Inc. ("Ascensus") and _____ ("Employer") and sets forth the terms and conditions pursuant to which Ascensus will provide services to the retirement plan known as _____ ("Plan"), which is sponsored by Employer.

1. **EFFECTIVE DATE AND TERM.** The term of this Agreement will begin on _____ (the "Effective Date") and will continue in effect until terminated pursuant to Section 5.

2. **SERVICES.**

2.01 **General** – (a) Ascensus will provide to the Plan the services ("Services") set forth on Schedule A to this Agreement. Any additional services, such as technical consulting and IRS determination letter submissions, must be mutually agreed to in writing by the parties. Unless otherwise agreed to in writing, Ascensus will perform the Services only for the Plan and only using data with respect to the Plan, even if there are other benefit plans related to the Plan. It is within Ascensus' sole discretion to reasonably modify Schedule A from time to time upon written notice to Employer of such modifications. The Services are made available exclusively for individuals who are considered owners of the Employer and their spouses. Plans covering non-owners and non-spouses require additional services not included in the Services Schedule, and non-owners are not eligible to receive the Services. Any service or task not set forth on Schedule A to this Agreement or in the description of responsibilities provided to Employer is Employer's responsibility.

(b) Ascensus will act only upon the instructions of Employer, the plan administrator ("Plan Administrator") appointed by Employer or a Plan participant that are provided to Ascensus either in writing, or by mutually agreed upon electronic means. Ascensus will have neither access to Plan assets nor discretionary authority or control over the management of the Plan or Plan assets. Employer is responsible for establishing the Plan, reviewing the Plan document, maintaining the qualified status of the Plan under the Employee Retirement Income Security Act as amended, ("ERISA") and federal tax law, and performing all other Employer duties set forth in this Agreement. Employer acknowledges that Ascensus cannot properly provide the Services without Employer properly forwarding the prescribed information to Ascensus, and Employer agrees to provide complete, accurate, and timely information and approvals in the manner and within the time frames reasonably requested by Ascensus.

2.02 **Plan Document Services** – (a) Ascensus will provide recordkeeping services to the Employer using an Ascensus prototype plan document qualified under the IRS mass submitter program. Employer expressly acknowledges that Employer is responsible for choosing a plan document that is appropriate for Employer and taking all necessary actions to adopt the plan (e.g., adopting a board resolution if necessary, etc.). Employer acknowledges that Ascensus has provided no advice regarding the document used by Employer. Employer acknowledges that if it is using an Ascensus prototype for which Ascensus is acting as "sponsor" as that term is defined in Revenue Procedure 2000-20, Ascensus' responsibilities as plan sponsor will automatically end upon the termination of this Agreement.

(b) In the event that Employer is converting to an Ascensus prototype plan document from another qualified plan document, the Employer represents and warrants that the pre-existing plan: (i) is qualified under Internal Revenue Code Section 401(a) and is exempt from tax under Code Section 501(a), and that the plan has been amended for all legislative or regulatory changes; and (ii) has operated in compliance with all ERISA and Code requirements, or the Employer has taken the appropriate steps necessary to correct any compliance failures. Employer will provide _____ with accurate and reliable information as set forth in Ascensus' plan establishment materials. Ascensus will not review prior plan documents, prior administrative or recordkeeping work, or IRS and DOL filings or reporting performed by parties other than Ascensus for pre-existing plans. Ascensus will generate plan documents and perform the Services based solely on the information supplied by Employer using the documents and information-gathering tools provided by or approved by Ascensus.

2.03 **Other Responsibilities** – (a) Employer acknowledges and agrees that Ascensus is not a "plan administrator" or "fiduciary," as those terms are defined in ERISA, and that nothing in this Agreement is intended to confer upon Ascensus the status of plan administrator or fiduciary to the Plan. The parties further acknowledge and agree that Ascensus will not be deemed to be providing legal, investment, or tax advice to Employer pursuant to this Agreement, and Employer agrees to obtain from third parties such legal, investment and tax advice as the Plan may require. Ascensus will not be responsible for payment of any federal, state or other taxes or penalties which may be charged against the Plan, Employer or other parties to the Plan. Except as expressly set forth in this Agreement, Ascensus will not be responsible for filing notices of any taxable or otherwise reportable events as defined under applicable law, nor will Ascensus be liable in any manner for any failure by Employer to file accurate reports with the IRS or Department of Labor ("DOL") in a timely manner, or for Employer's responsibility to distribute any other required notices and materials, including but not limited to, if applicable, proxy materials, prospectuses and other investment information.

(b) Ascensus will prepare Form 5500-EZ if the Plan's assets are \$250,000 or greater. Employer must instruct Ascensus to prepare Form 5500-EZ if the Plan's assets are less than \$250,000. If Ascensus is to prepare Form 5500-EZ, Employer must: (a) provide Ascensus with the information necessary to prepare such form, (b) review the prepared form for accuracy and completeness, and (c) file such form with the IRS and/or DOL by its due date. Employer acknowledges that Ascensus may provide Employer's financial advisor or broker of record with information regarding the Plan and Plan participants, and Ascensus may release any information or documentation related to Employer, the Plan and Plan participants as requested by the IRS, the DOL, or any other regulatory or judicial authority.

(c) The Employer acknowledges that it will follow the procedures set forth in the plan sponsors guide including the requirements set forth in the “roles and responsibilities.”

(d) The Employer acknowledges that it will monitor and is responsible for compliance with all statutory and regulatory limits on contributions and benefits.

(e) Ascensus will provide to the Employer a IRS Form 1099-R completed in accordance with the information provided by the Employer. Ascensus will file any completed and approved IRS Form 1099-R with the IRS. Ascensus will provide the employer with IRS Forms W-4P and 945 in the master set of forms to aid the employer in the administration of the Plan.

(f) The Employer acknowledges that it is responsible for approving all distribution requests from the plan, for delivery of an IRS Form W-4P to any participant requesting a distribution, for determining the amount of federal and/or state income tax withholding and providing this information to Ascensus, for filing the IRS Form 945 with the IRS, for remitting any withholding amounts to the appropriate government entity and for approving any IRS Form 1099-R prior to submission to the IRS by Ascensus.

2.04 Incomplete or Inaccurate Information; Imputed Knowledge – Employer acknowledges and agrees that Ascensus may rely upon the completeness and accuracy of all information provided to Ascensus by Employer. Employer acknowledges that Ascensus will not be responsible for any errors, delays, or additional costs resulting from the receipt of incomplete, inaccurate, or untimely information from Employer. No information with respect to the Plan known by a parent, subsidiary or affiliate of Ascensus will be attributed to Ascensus or considered imputed knowledge of Ascensus.

2.05 Agency Relationship – Employer acknowledges and agrees that Ascensus will serve as the agent and authorized representative of Employer solely for purposes of providing orders, instructions and other communications to the Plans’ trustee or custodian.

3. FEES AND EXPENSES.

3.01 Fees Payable by Employer – Employer will pay to Ascensus all fees (“Fees”) set forth on Schedule B to this Agreement promptly upon receipt of an invoice from Ascensus, and all Fees will be considered past due if not paid within 20 days after Employer’s receipt of Ascensus’ invoice. Ascensus reserves the right to modify the Fees upon not less than 90 days written notice to Employer, and such modified fees will not take effect until the end of such notice period. Ascensus will bill Employer for annual service fees in advance. Employer acknowledges and agrees that the Fees are based upon Employer’s compliance with all reasonable practices and procedures set forth by Ascensus, and that Employer may be responsible for the payment of additional fees to Ascensus if Employer deviates from Ascensus’ practices and procedures. Employer acknowledges that Ascensus will share with JP Morgan a portion of the fees Employer pays to Ascensus.

3.02 Nonpayment of Fees by Employer – In the event that Employer fails to pay Fees when due, and Ascensus pursues a collection against Employer, Employer will pay Ascensus’ reasonable attorney’s fees and expenses for such collection. Ascensus will be entitled to charge reasonable interest on any past-due Fees. Ascensus reserves the right to discontinue providing any or all of the Services in the event Employer fails to pay all Fees when due.

3.03 Bankruptcy/Dissolution – In the event Employer becomes the debtor in a voluntary or involuntary bankruptcy or insolvency proceeding, the parties agree that upon the filing of such proceeding this Agreement will be considered an executory contract under 11 U.S.C. Section 365 and that any pre-petition arrearage under this Agreement must be paid in full if the Agreement is to be assumed. However, Ascensus reserves the right to withhold its consent to such assumption of the executory contract. In the event of a dissolution by Employer under state law, the parties agree Ascensus will not provide any Services without first receiving payment for such Services. The parties agree that Ascensus is entitled to recover Ascensus’ reasonable attorneys fees and expenses associated with representing Ascensus in a bankruptcy or dissolution proceeding.

3.04 Loans – Each participant may have a maximum of one loan outstanding at any time.

3.05 Fees Payable by Mutual Funds – Ascensus receives compensation from certain mutual funds or their affiliates in consideration of services that Ascensus provides to the funds, including but not limited to processing the purchase and redemption of fund shares and participant-level fund recordkeeping. This compensation is paid directly to Ascensus by the funds pursuant to a service agreement between Ascensus and each fund or its affiliate, and Employer is not responsible for payment of this compensation. The compensation paid to Ascensus by the funds is based either on a percentage of the average daily net asset value of shares invested in the fund, or on a set fee per each participant that invests in the fund. Ascensus does not receive this compensation with respect to periodically valued (“Balance Forward”) plans, so this Section 3.04 does not apply to such plans. Employer may contact Ascensus to receive more detailed information concerning such compensation related to the Plan, including which funds pay compensation to Ascensus and an estimate of how much Ascensus may receive or has received in compensation during a particular time period.

4. INDEMNIFICATION, LIMITATION OF LIABILITY AND RELEASE AND DISCHARGE

(a) Employer will be liable for and indemnify Ascensus and J.P. Morgan Clearing Corp. and their officers, directors, shareholders, employees, subsidiaries, affiliates and agents (collectively, the “Indemnitees”) against, all losses, damages, penalties, liabilities, costs and expenses, including without limitation reasonable attorneys’ fees (collectively, “Losses”), suffered or incurred by an Indemnitee to the extent based on or arising out of a breach of any of Employer’s representations, warranties or covenants set forth in this Agreement or Employer’s negligence or willful misconduct.

(b) NEITHER ASCENSUS NOR JP MORGAN WILL BE LIABLE TO EMPLOYER OR ANY THIRD PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR SIMILAR DAMAGES, INCLUDING LOST REVENUE, LOST PROFITS AND LOST OR DAMAGED DATA, EVEN IF ASCENSUS OR JP MORGAN WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(c) IN NO EVENT WILL ASCENSUS' AGGREGATE LIABILITY UNDER THIS AGREEMENT FOR ALL DAMAGES PERMITTED UNDER THIS AGREEMENT EXCEED THE ANNUAL SERVICE FEE PAID BY EMPLOYER TO ASCENSUS DURING THE 12 MONTHS BEFORE ASCENSUS RECEIVES WRITTEN NOTICE OF THE FIRST DAMAGES CLAIM. THIS LIMITATION ON ASCENSUS' LIABILITY FOR PERMITTED DAMAGES WILL NOT APPLY TO PERMITTED DAMAGES CAUSED BY ASCENSUS' FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

(d) Upon Employer's receipt of any reports or written communications from Ascensus or a third party acting on Ascensus' behalf, Employer must notify Ascensus in writing of all inaccuracies and errors reflected in such reports or communications, with a complete description of the inaccuracies or errors, within 30 days after Employer's receipt of such report or communication. After 30 days, the information provided in such reports and communications will be deemed correct, and Ascensus will have no responsibility for any inaccuracies or errors that may exist, including any responsibility to correct any records or to make the Plan or the affected participants whole for any investment losses or any other consequences resulting from such inaccuracies or errors.

(e) Employer acknowledges that JP Morgan is a third party beneficiary of this Agreement and that JP Morgan is entitled to enforce all rights granted to it under this Agreement.

5. TERMINATION

5.01 Events of Termination – This Agreement may be terminated:

- a. By either party upon at least 60 days prior written notice to the other party;
- b. By either party immediately if the other party commits a material breach of this Agreement and does not cure such breach within 30 days after receiving written notice of the breach from the non-breaching party; or
- c. By Ascensus immediately upon notice if Employer is administering or operating the Plan in a manner inconsistent with the plan documents, or if Employer engages in activities which Ascensus reasonably believes to be illegal or a violation of Ascensus' intellectual property rights.

5.02 Termination of the Plan –

- a. **Ascensus Services** – During the term of this Agreement, if Employer causes or permits the Plan to terminate, Ascensus, upon the written request of Employer, will prepare the final Form 5500EZ for Employer, provided that Employer supplies Ascensus with timely notice of such termination and the information necessary to prepare such Form.
- b. **Duties of Employer** – Upon termination of the Plan, Employer will promptly notify Ascensus of the effective date of such termination. Employer is solely responsible for the legal review, signing and filing of the final Form 5500EZ if prepared by Ascensus, and the Notice to Interested Parties. Employer must provide Ascensus and the Plan's trustee or custodian with written wire instructions for any transfer of Plan assets upon termination.

6. OTHER PROVISIONS

6.01 Force Majeure – Ascensus will not be liable for, nor will Ascensus be considered in breach of this Agreement due to, any failure or delay in performance of its obligations under this Agreement as a result of a cause beyond its reasonable control including, but not limited to, any act of God or public enemy, act of any military, civil or regulatory authority, any act of terrorism, change in any law or regulation, fire, flood, tornado, earthquake, storm or other like event, disruption or outage of computers or communications, equipment failure, power or other utility failure, labor strikes, exchange action, unusual trading activity or the suspension or disruption of trading on any exchange.

6.02 Copyrighted Works – Employer acknowledges that Ascensus is the sole copyright owner of all Ascensus administrator's guides, the operational forms and all other materials provided under the terms of this Agreement. Ascensus grants Employer a nonexclusive, nontransferable right to copy the forms as needed for the sole purpose of collecting and processing participant information. Administrator's guides and other materials provided by Ascensus will not be copied or reproduced by Employer without Ascensus' prior written consent.

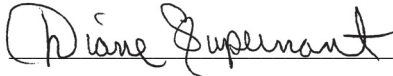
- 6.03 **Notices With Respect to the Plan** – Employer agrees to provide a working e-mail address for notices with respect to the Plan, and to promptly notify Ascensus of any changes to such e-mail address. Employer consents to receiving any and all notices with respect to the Plan at the then-current e-mail address for Employer in Ascensus’ records.
- 6.04 **Notices With Respect to this Agreement** – Any notice with respect to Agreement (such as a notice of breach or termination) must be in writing and must be given by either certified mail, return receipt requested, or by overnight mail sent with a nationally recognized courier service, and must be addressed to the parties as follows:
 If to Employer: The then-current address for Employer in Ascensus’ records
 If to Ascensus: Ascensus, Inc.
 200 Dryden Road
 Dresher, PA 19025
 Attention: President
- 6.05 **Record Retention** – Employer acknowledges and agrees that it is expressly responsible for the retention of all records related to the Plan other than copies of IRS required reports, which IRS required reports Ascensus will retain for 3 years after each such report has been filed.
- 6.06 **Amendment and Modification; Handwritten Changes** – Employer may not amend or modify this Agreement except in a writing signed by both parties. Ascensus may amend and modify this Agreement from time to time by providing written notice to Employer; provided, however, that if Employer objects to any such amendment or modification, it may exercise its termination rights under this Agreement. Any handwritten changes, markings, or other alterations to this Agreement as initially provided to Employer will be binding upon Ascensus only if initialed by a duly authorized officer of Ascensus.
- 6.07 **Waiver** – In the event any provision of this Agreement is not enforceable in any jurisdiction, the remainder of this Agreement will not be affected thereby.
- 6.08 **Applicable Law and Venue** – The validity, construction and interpretation of this Agreement will be governed by the laws of the State of New York, without regard to New York’s conflicts of laws principles. The State of New York will have jurisdiction and venue over any claim or other action pertaining to or arising out of this Agreement.
- 6.09 **Time Limit for Bringing Claim or Action** – Any claim made or action brought under this Agreement must be commenced within 24 months after the act which caused the error or inaccuracy occurred. If this time limitation is prohibited by New York law, the 24 month period will be deemed amended to conform with the minimum period permitted by New York law.
- 6.10 **Authority of Employer** – Employer warrants it is legally authorized to enter into this Agreement on behalf of the Plan.
- 6.11 **Entire Agreement** – This Agreement supercedes all prior agreements and understandings, either written, electronic or oral, between the parties with respect to the subject matter of this Agreement, and this Agreement constitutes the entire agreement between the parties with respect to its subject matter.
- 6.12 **Successors and Assigns** – Employer may not assign its rights or delegate its duties under this Agreement without Ascensus’ prior written consent. This Agreement will be binding upon each party’s successors and permitted assigns.

7. SIGNATURES

 Name of Company (the “Employer”)
 Signature: _____
 Name: _____
 Title: _____

To be completed by:

Ascensus, Inc.

Signature: 
 Name: Diane Supernant
 Title: Vice President

SCHEDULE A SERVICES

1. Installation and Plan Set-Up Services

- A. Ascensus' Plan Sponsor's Guide
- B. Ascensus' current prototype plan document
- C. 1-800 Recordkeeping Client Service for Installation
- D. Entering the Plan's information onto Ascensus' recordkeeping system

2. Annual Services

- A. Reconciliation of participant accounts
- B. Contribution processing for deferrals, rollovers and discretionary contributions
- C. Loan repayment processing, if applicable
- D. IRS Form 5500EZ preparation, if required
- E. Annual Account Statements

3. Loan Services

- A. Process loan application paperwork
- B. Project the loan amount available
- C. Produce the amortization schedule for new loans
- D. Provide other forms required to initiate the loan

4. Distribution Services

- A. Prepare and file IRS Form 1099-R
- B. Process payouts of terminated employees and retirees
- C. Calculate and process age 70½ required minimum distributions
- D. Calculate hardship and in-service distributions
- E. Process excess contributions, death, and disability distributions
- F. Process QDRO distributions

5. Plan Termination Services

- A. Prepare final IRS Form 5500-EZ upon Employer's written instruction

SCHEDULE B FEES

1. PAYMENT RESPONSIBILITY

The Employer is responsible for the payment of all fees.

2. FEES PAYABLE BY EMPLOYER

- A. Installation and Plan Set-Up Fee:** \$75

This is a one-time fee payable on the Effective Date of the Agreement.

- B. Annual Service Fee:** \$300 for the first participant, plus
\$150 for each additional participant account

This is an annual fee payable on the Effective Date of the Agreement and each anniversary of the Effective Date.

- C. Loan Fee:** \$125 per loan

- D. Distribution Fee:** \$50 per distribution

- E. Plan Amendment Fee:** \$75 per plan

Note: Sales tax may be applicable, either now or in the future, to the products and/or services provided by Ascensus under this Agreement. All applicable sales tax will be in addition to the fees set forth in this Agreement.

Account Number

J.P. Morgan Clearing Corp
One Metrotech Center North
Brooklyn, New York 11201-3859
Tel 212-272-1000
www.jpmorgan.com

Employer Name
Address

Re: Individual(k) Recordkeeping Indemnification Letter

Dear Employer:

This letter confirms our understanding with respect to the Individual(k) Recordkeeping Agreement (the "Recordkeeping Agreement"), between you and Ascensus, Inc. ("Ascensus"). You acknowledge that you have chosen to adopt an Ascensus prototype plan document that we have made available to you and that you have entered into the Recordkeeping Agreement pursuant to which Ascensus will provide services to your 401(k) plan (the "Plan"), a retirement plan sponsored by you. You further acknowledge that you have read the prototype plan document, the Recordkeeping Agreement and all other materials provided to you concerning the services to be provided to you by Ascensus in connection with the Recordkeeping Agreement and that the adoption of the Ascensus prototype plan document and execution of the Recordkeeping Agreement by you was your own decision and that you could have established the Plan using documents provided by any other prototype plan document provider. You understand that we are not parties to the Recordkeeping Agreement and we are not responsible for the performance of the services provided by Ascensus to you pursuant to the Recordkeeping Agreement.

You hereby agree to release and discharge us and all of our respective successors, affiliates, assigns, directors, officers, agents and employees (collectively, the "Released Parties") from any and all liability to you or the Plan for any acts, errors or omissions of Ascensus in connection with the performance of the services provided by Ascensus to you and the Plan pursuant to the Recordkeeping Agreement.

You also hereby agree to release and discharge the Released Parties against all losses, damages, penalties, liabilities, costs and expenses, including without limitation, attorneys' fees, imposed upon, suffered by or asserted against you or your successors, affiliates, assigns, directors, officers, shareholders, agents and employees, in connection with the performance of the services provided by Ascensus to you and the Plan pursuant to the Recordkeeping Agreement.

The provisions of this Agreement will survive the termination of the Recordkeeping Agreement.
Please execute the acknowledgement below.

Yours truly,

J.P. Morgan Clearing Corp

Acknowledged and Agreed

Name of Company

By:

Name:

Title:

Form A – Adoption Agreement

These instructions are designed to help you, the business owner, along with your attorney and/or tax advisor, review and complete the Adoption Agreement for your Individual(k) plan. These instructions are to be used only as a general guide and are not intended as a substitute for qualified legal and tax advisors. We recommend that you obtain the advice of your legal or tax advisor before you sign the Adoption Agreement. The words and phrases that are capitalized are terms that are defined in the Basic Plan Document.

You will use Form A, the Individual(k) Adoption Agreement, to execute your Individual(k) plan document. Once completed, this Adoption Agreement, along with the Basic Plan Document included in this packet, will constitute your Individual(k) Plan Document—the legal documents governing your Individual(k) plan.

Employer Information: The Plan Sequence Number is used on the annual 5500 forms to identify an employer’s particular plan to the IRS. If you are adopting your Individual(k) plan as an amendment and restatement of an existing plan, the Plan Sequence Number should remain the same as the Plan Sequence Number of the plan you are restating. Otherwise, you should enter a three digit Plan Sequence Number that indicates the number of plans you have previously maintained. For example, if this is the first plan you have ever adopted for your business, the Plan Sequence Number will be 001—if this plan represents the second plan you have ever established, the Plan Sequence Number will be 002, and so on. For purposes of the Plan Sequence Number, you do not include SEP-IRA and SIMPLE IRA plans. Account Number is assigned by Ascensus when we receive your completed paperwork.

Section 1. Effective Dates: Your Individual(k) plan is designed to operate on the same 12-month period as your business tax year, meaning the Plan Year will generally run from January 1 through December 31. As a general rule, you will want to establish your Individual(k) plan effective as of January 1 of the calendar-year in which you are establishing the plan. If you are establishing your Individual(k) plan as an amendment and restatement of an existing plan, you must also indicate the date on which your existing plan was originally effective.

Section 2. Eligibility: An Individual(k) plan is generally designed for use by businesses that either do not have any employees (with the exception of spouses) or businesses that only employ employees that may be excluded from coverage under the federal laws governing qualified retirement plans. This section allows you to establish the eligibility criteria that will determine who is eligible to participate in this plan. It is important to note that you, the business owner, are also subject to the eligibility criteria you establish.

Section 3. Contributions: Roth option has been prefilled to no. Roth 401(k) contributions are not allowed with this program.

Section 4. Vesting and Forfeitures: No elections are required for this Section. Employer contributions and forfeitures are 100% vested immediately in accordance with section 4.01.A.1. of the Basic Plan Document.

Section 5. Distributions and Loans: As a general rule, you will probably want to select “yes” to the loan question to give yourself the most flexibility permitted under the plan. (Note: Selecting “yes” to this provision does not mean you will be required to take a loan.) Selecting “yes” simply ensures that you will have the flexibility to take a loan if you so desire.

Section 6. Definitions: No elections are required for this Section. This section of the Basic Plan Document provide definitions to certain terms used as well as covering various miscellaneous issues.

Section 7. Miscellaneous: Life insurance as an investment in the plan is not permitted as an investment in the Individual(k) product.

Section 8. Trustee and Custodian: Part A: You must assign someone (generally yourself) to act as trustee for your Individual(k) plan. Part B: No elections are required for this section.

Section 9. Employer Signature: By signing this Adoption Agreement as the Adopting Employer, you are agreeing to be bound by the terms of this Adoption Agreement and the accompanying Basic Plan Document.

A photocopy of the completed and signed Form A is sent to Ascensus. You will need to keep the signed original for your records. Refer to the checklist in the front of this booklet for information regarding where to send the photocopy of Form A.

Form A1 – Final 415 Regulations Amendment

The final 415 regulations amendment contains 415 compensation plan elective provisions. The document is signature ready. If you need to change the amendment, please mark each change clearly in black ink, initial and date the change.

Form B – Ascensus Application

This form is used to supply pertinent information that will be needed during the plan installation process.

Special Note: *This Individual(k) arrangement is designed exclusively for plans that will cover only business owners or business owners and their spouses. Generally, the following are the only situations in which multiple participants are permitted under this Individual(k) plan arrangement:*

- a) spouses of business owners (who receive compensation from the business)*
- b) partnerships and corporations with more than one business owner.*

Form C – Recordkeeping Service Agreement

This document outlines the third-party administrative services that will be provided by Ascensus.

On the Recordkeeping Service Agreement (Form C), you must complete the following:

1. Enter the name of your business, and the name of your plan (e.g., “Johnson Consulting Services Individual(k) Plan”) on the first page.
2. Enter the effective date of the agreement in Section 1, this date should be a current or future date.
3. Complete and sign Section 7.

