

SEP AND SEP PLUS[®] SIMPLIFIED EMPLOYEE PENSION PROGRAMS

PLAN DOCUMENTS, DISCLOSURE STATEMENTS AND EMPLOYER'S ADOPTION AGREEMENTS

CONTENTS

SEP PROGRAM

This **Merrill Lynch Prototype Simplified Employee Pension Plan** is for use on or after January 1, 2002 and, as required by law, does not include a salary reduction feature. A second plan, the Merrill Lynch Prototype Simplified Employee Pension Plus Plan, includes a salary reduction feature and is available for use by Employers who have maintained Simplified Employee Pension Plans with salary reduction, features since, at least, December 31, 1996.

The Merrill Lynch Prototype Simplified Employee Pension Plan as set forth in this booklet has been approved by the Internal Revenue Service. Approval by the IRS, however, is a determination as to the form, not the merits, of this prototype plan.

For Simplified Employee Pension Plans (without a Salary Reduction feature established or amended on or after January 1, 2002.

RETIREMENT PLANNING WITH THE MERRILL LYNCH SEP PROGRAM	2
PROTOTYPE SEP PLAN	2
IRS APPROVAL	6
PROTOTYPE SEP DISCLOSURE STATEMENT	7
PROTOTYPE SEP EMPLOYER'S ADOPTION AGREEMENT	10

SEP PLUS PROGRAM

This **Merrill Lynch SEP Plus[®] Prototype Simplified Employee Pension Plan** includes a salary reduction feature that is intended to qualify under Internal Revenue Code of 1986, as amended, ("Code") section 408(k)(6) and any guidance issued thereunder. This Merrill Lynch SEP Plus Prototype Simplified Employee Pension Plan is limited to use by Employers who maintained simplified employee pension plans with salary reduction features on December 31, 1996.

This Merrill Lynch SEP Plus Prototype Simplified Employee Pension Plan as set forth in this booklet has been approved by the Internal Revenue Service. Approval by the IRS, however, is a determination as to the form, not the merits, of this prototype plan.

For Simplified Employee Pension Plans that included Salary Reduction features on December 31, 1996.

PROTOTYPE SEP PLUS PLAN	12
IRS APPROVAL	17
PROTOTYPE SEP PLUS DISCLOSURE STATEMENT	18
NOTICE TO EMPLOYEES	23
PROTOTYPE SEP PLUS EMPLOYER'S ADOPTION AGREEMENT	26

Merrill Lynch Wealth Management makes available products and services offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S) and other subsidiaries of Bank of America Corporation. MLPF&S is a registered broker-dealer, Member SIPC and a wholly owned subsidiary of Bank of America Corporation.

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
-----------------------------	--------------------------------	-----------------------

RETIREMENT PLANNING WITH THE MERRILL LYNCH SEP PROGRAM

When it comes to securing your financial future, an employer-sponsored retirement plan is a tremendous benefit. With tax-favored investment vehicles playing an ever-increasing role in retirement planning, Merrill Lynch's SEP Program is the first choice of many self-employed individuals and small-business owners.

Merrill Lynch's SEP Program has a combination of features making it attractive to employers and employees alike. A SEP Plan permits employers to make tax-deductible contributions to SEP/IRA accounts that are maintained by employees, and allows for the tax-deferred accumulation of assets that can significantly increase the growth potential of a retirement account. Plan participants enjoy separate SEP/IRA accounts, giving each the opportunity to take an active part in his or her own retirement planning and to make individually appropriate investment decisions in order to secure income for a comfortable retirement.

In addition, the SEP/IRA is a less complex and more economical vehicle than other tax-favored retirement plans. It can be used to receive traditional IRA contributions and rollover assets from other retirement plans. For small-business owners, maintaining a SEP plan presents fewer administrative tasks and allows greater flexibility.

Merrill Lynch's SEP Program can be part of a sound retirement plan. By combining personal savings and Social Security benefits with a SEP/IRA account, you can plan effectively for the retirement lifestyle you want. You can gain the services of our professionally trained Financial Advisor, who will work with you and your plan participants to explore investment alternatives, and you can benefit from our years of experience as a retirement plan custodian.

Take your first step toward a financially secure tomorrow by planning for your employees' and your retirement needs today.

PROTOTYPE SEP PLAN

ARTICLE I. DEFINITIONS

As used in this Prototype SEP and Employer's Adoption Agreement, each of the following terms shall have the meaning for that term set forth in this Article I:

"Employer's Adoption Agreement" means a document so designated with respect to this Prototype SEP and executed by the Employer, as amended from time to time.

"Affiliate" means any corporation or unincorporated business (other than the Employer): (a) which is controlled by, or under common control with, the Employer within the meaning of sections 414(b) and (c) of the Code, (b) which is a member of an "affiliated service group" (as defined in section 414(m) of the Code) which includes the Employer, or (c) which is required to be aggregated with the Employer under section 414(o) of the Code and the regulations thereunder provided that for purposes of Article IV, "Affiliate" status shall be determined in accordance with section 415(h) of the Code.

"Business" means in the case of an Employer that is a sole proprietorship or partnership, the trade or business of the Employer with respect to which this Plan is adopted, and in the case of an Employer that is a corporation, each trade or business of the corporation.

"Code" means the Internal Revenue Code of 1986, as now in effect or as amended from time to time. A reference to a provision of the Code shall be to such provision and any valid regulations pertaining thereto as well as to the corresponding provision of any legislation which amends, supplements or supersedes that provision and any valid regulations pertaining thereto.

"Compensation" means:

(a) For an Employee other than a Self-Employed Individual, wages [as defined in Code section 3401(a)] and all other payments of compensation by the Employer to the Employee included in the "Wages, tips, other compensation" box on the Internal Revenue Service Form W-2 furnished to the Employee, which information is required to be reported by the Employer under Code sections 6041(d), 6051(a)(3) and 6052. In determining Compensation, the Employer must include wages without regard to rules under Code section 3401(a) that contain limitations with respect to wages based on the nature or location of the Employee's employment or services performed.

(b) For a Self-Employed Individual, his or her Earned Income for the Plan Year involved.

(c) For any Employee (including a Self-Employed Individual), Compensation shall include any amount which is contributed by the Employer pursuant to a salary reduction agreement and which is not includable in the gross income of the Employee under Code section 125, 402(e)(3), 402(h), 403(b), 408(p)(2)(A)(i), 457, or, effective January 1, 2001, 132(f)(4).

(d) For any Employee (including a Self-Employed Individual), the annual Compensation taken into account for determining all benefits provided under the Plan for any Plan Year shall not exceed the amount specified in Code section 408(k)(3)(C) [as indexed for cost-of-living pursuant to Code section 408(k)(8)]; provided, however, that the dollar increase in effect on January 1 of any calendar year is effective for Plan Years beginning in such calendar year.

(e) If a determination period consists of fewer than 12 months, the foregoing annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

(f) For the purposes of defining compensation for the compensation limit under Code section 408(k)(2)(C), the foregoing provisions of subsections (a)-(e) under the term "Compensation" shall apply by virtue of these provisions meeting the definition of compensation set forth under Code section 414(q)(4).

"Defined Contribution Plan" means a plan of the type defined in Code section 414(i) maintained by the Employer or an Affiliate, as applicable.

"Earned Income" means the "net earnings from self-employment" [within the meaning of Code section 401(c)(2) but without regard to any exclusion under Code section 911] of a Self-Employed Individual from the Business, but only if the personal services of the Self-Employed Individual are a material income-producing factor with respect to the Business. Net earnings will be determined:

(a) Without regard to paragraphs (4) and (5) of Code section 1402(c),

(b) In the case of any individual who is treated as an employee under section 3121(d)(3)(A), (C), or (D), Without regard to paragraph (2) of Code section 1402(c),

(c) Without regard to items not included in gross income and the deductions properly allocable to or chargeable against such items and are to be reduced by contributions by the Employer to a retirement plan to the extent deductible under Code section 404,

(d) with regard to the deduction allowed to the Self-Employed Individual by Code section 164(f); and

(e) As if the term “trade or business” for purposes of Code section 1402 included service described in Code section 1402(c)(6).

“Eligible Employee” means any Employee of an Employer other than an Employee in either or both of the following categories of Employees:

(a) Employees included in a unit of Employees covered by a collective bargaining agreement between the Employer or any Affiliate and “employee representatives,” if retirement benefits were the subject of good faith bargaining and 2% or less of the Employees who are covered pursuant to that agreement are professional employees as defined in Treasury Regulation § 1.410(b)-9. For this purpose, the term “employee representatives” does not include any organization more than half of whose members are Employees who are owners, officers or executives of the Employer or any Affiliate.

(b) Nonresident aliens within the meaning of Code section 7701(b)(1)(B) who receive no earned income within the meaning of Code section 911(d)(2) from the Employer or any Affiliate which constitutes income from sources within the United States within the meaning of Code section 861(a)(3).

Notwithstanding the foregoing, the Employer’s Adoption Agreement may provide for inclusion of either or both categories of Employees as Eligible Employees.

“Employee” means a Self-Employed Individual, any individual who is employed by the Employer in the Business and any individual who is employed by an Affiliate. Each Leased Employee shall also be treated as an Employee of the recipient Employer.

“Employer” means the corporation, proprietorship, partnership or other organization (or any successor thereto) which adopts the Plan by execution of an Employer’s Adoption Agreement. Each Affiliate shall also adopt this Plan, and each of such adopting Affiliates shall be deemed an “Employer” with respect to the Plan; provided, that the Employer signing the Employer’s Adoption Agreement shall (a) be the Plan sponsor within the meaning of ERISA section 3(16)(B), and (b) have the authority to act for all participating Employers with respect to Plan administration and the execution and amendment of the Plan.

“Employer Contributions” means the contributions made on a Participant’s behalf described in Article III.

“ERISA” means the Employee Retirement Income Security Act of 1974, as now in effect or as amended from time to time. A reference to a provision of ERISA shall be to such provision and any valid regulations pertaining thereto as well as to the corresponding provision of any legislation which amends, supplements or supersedes that provision and any valid regulations pertaining thereto.

“Leased Employee” means any individual (other than an Employee) who, pursuant to an agreement between the recipient Employer and any other person (the “leasing organization”), has performed services for the recipient Employer [or for the recipient Employer and “related persons” determined in accordance with Code section 414(n)(6)] on a substantially full-time basis for a period of at least one year, such services are performed under the primary direction or control of the recipient Employer and such individual is required to be treated as an Employee under Code section 414(n), and any other individual who must be treated as a “leased employee” under regulations adopted pursuant to Code section 414(o).

“Participant” means an Eligible Employee who satisfies the eligibility requirements of Article II with respect to the Plan Year involved.

“Plan” means the simplified employee pension plan of the Employer in the form of this Prototype SEP and the applicable Employer’s Adoption Agreement executed by the Employer.

“Plan Year” means as specified in the Employer’s Adoption Agreement either the calendar year or the Employer’s tax year ending on the date specified in the Employer’s Adoption Agreement. If the Plan Year is modified by an amendment to the Employer’s Adoption Agreement, the term “Plan Year” means the Plan Year in effect prior to the amendment, the short period commencing on the first day in which the modification is effective and ending on the day before the first day of the first Plan Year as so modified, and each consecutive twelve month period thereafter ending on the date specified in the Employer’s Adoption Agreement. In the event of such a change in Plan Year for purposes of any service requirement specified in the Employer’s Adoption Agreement, (a) an Employee who has any service with the Employer during the short period must be given credit for that service in determining whether he or she has satisfied that requirement and (b) each Employee who but for such change would have been entitled to a contribution for the calendar year in which the short period begins shall be entitled to share in any Employer contribution made pursuant to Article III for the short period.

“Prototype SEP” means Merrill Lynch’s Prototype Simplified Employee Pension Plan as set forth in this document, as amended from time to time.

“Self-Employed Individual” means an individual who has Earned Income for the Plan Year involved, or who would have had such Earned Income but for the fact that the Business had no net earnings for that Plan Year. Such term shall also include an individual who has been a self-employed individual within the meaning of the preceding sentence for any prior taxable year.

“SEP/IRA” means the Merrill Lynch Individual Retirement Custodial Account established by or on behalf of an Employee for investment of contributions made on behalf of the Employee under the Plan.

“Taxable Wage Base” means the contribution and benefit base in effect under section 230 of the Social Security Act at the beginning of the Plan Year involved.

ARTICLE II. ELIGIBILITY TO PARTICIPATE

Each individual who at any time during a Plan Year was an Eligible Employee who met the eligibility and any age and/or service requirements set forth in the Employer’s Adoption Agreement shall be a Participant eligible to receive an allocation to his SEP/IRA for the Plan Year and otherwise participate in the Plan. Notwithstanding the foregoing, an Employee who does not receive Compensation from the Employer for a Plan Year of at least the amount specified in Code section 408(k)(2)(C), as indexed for cost-of-living pursuant to Code section 408(k)(8), shall not be a Participant in the Plan for the Plan Year.

ARTICLE III. EMPLOYER CONTRIBUTIONS

A. ALLOCATION FORMULA NOT PROVIDING FOR PERMITTED DISPARITY

If the Employer elects in the Employer’s Adoption Agreement that Employer Contributions are not calculated using “permitted disparity,” the Employer will decide how much, if anything, to contribute for each Plan Year to the SEP/IRAs of Participants. The allocation will be based on the same percentage of each Participant’s Compensation, provided that the contribution for any Employee shall not exceed the lesser of the percentage of the Participant’s Compensation specified in Code section 402(h)

(2)(A) from the Employer for the Plan Year involved or the amount specified in Code section 415(c)(1)(A), as adjusted under Code section 415(d) (or such higher amount as may be permissible under applicable Treasury Department regulations). For purposes of the limitation described in the preceding sentence, Compensation does not include any amount contributed by the Employer pursuant to a salary reduction agreement and which is not included in the gross income of the Employee under Code section 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b), 408(p)(2)(A)(i) or 457.

B. ALLOCATION FORMULA PROVIDING FOR PERMITTED DISPARITY

If the Employer so elects in the Employer’s Adoption Agreement, the Employer Contributions to the SEP/IRA of each Participant shall be calculated using “permitted disparity,” often referred to as the contributions being “integrated” with Social Security, in the following manner:

- 1) First the Employer will decide how much to contribute to each Participant’s SEP/IRA as a uniform percentage (the “Base Percentage”) of the Participant’s Compensation. The Base Percentage shall not be less than 3% unless either (a) the Plan is not a “top-heavy” plan as described in Article V or (b) the Employer has designated in the Employer’s Adoption Agreement that “top-heavy” minimum contributions will be provided under another Defined Contribution Plan.
- 2) After the contribution has been allocated pursuant to the previous paragraph, an additional allocation shall be made to the SEP/IRA of each Participant, taking into consideration only that amount of such Participant’s Compensation in excess of the Integration Level designated by the Employer in the Employer’s Adoption Agreement for the Plan Year involved. The percentage of Compensation for any additional allocation (the “Excess Percentage”) under this paragraph shall not exceed the lesser of:
 - (i) The contribution percentage used under paragraph 1; or
 - (ii) The applicable percentage determined in accordance with integration and percentages outlined in the following chart:

If the Integration Level is:	The applicable percentage is:	
1) Equal to the Taxable Wage Base	5.7%	
More than:	But not more than:	
2) \$0	20% of the Taxable Wage Base	5.7%
3) 20% of the Taxable Wage Base	80% of the Taxable Wage Base	4.3%
4) 80% of the Taxable Wage Base	Up to the Taxable Wage Base	5.4%

For 2007, the Taxable Wage Base is \$97,500. For 2008, the Taxable Wage Base is \$102,000.

For purposes of the allocation described in the preceding chart, in no event can the amount allocated to a Participant’s SEP/IRA exceed the lesser of the percentage of the Employee’s Compensation specified in Code section 402(h)(2)(A) or the amount specified in Code section 415(c)(1)(A), as adjusted under Code section 415(d) (or such higher amount as may be permissible under applicable Treasury Department regulations). For purposes of the limitation described in the preceding sentence, Compensation does not include any amount contributed by the Employer pursuant to a salary reduction agreement and which is not included in the gross income of the Employee under Code section 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b), 408(p)(2)(A)(i) or 457.

Notwithstanding the foregoing, for any calendar year this Prototype SEP benefits any Participant who benefits under another SEP or qualified plan described in Code section 401(a) maintained by the Employer that provides for permitted disparity (or imputes disparity), Employer Contributions will be allocated to each Participant’s SEP/IRA in an amount equal to the Excess Percentage multiplied by the Participant’s total Compensation.

The cumulative permitted disparity limit for a Participant is 35 total cumulative permitted disparity years. Total cumulative permitted disparity years means the number of years credited to the Participant for allocation or accrual purposes under this Prototype SEP or any other SEP or any qualified plan described in Code section 401(a) (whether or not terminated) ever maintained by the Employer.

For purposes of determining the Participant’s cumulative permitted disparity limit, all years ending in the same calendar year are treated as the same year. If the Participant has not benefited under a defined benefit or target benefit plan for any year beginning on or after January 1, 1994, the Participant has no cumulative permitted disparity limit.

C. DEDUCTIBILITY OF EMPLOYER CONTRIBUTIONS

The Employer may, subject to limitations contained in the Code, deduct contributions made to the Plan in the taxable year within which the Plan Year ends. Contributions made for a particular taxable year of the Employer which are contributed by the due date of the Employer’s income tax return (including extensions) are deemed made in such taxable year. The otherwise applicable deduction limitation under Code section 404(a)(3)(A) (with respect to allowable deductions for contributions made under any stock bonus or profit-sharing plan maintained by the Employer) shall be reduced by the amount of SEP contributions deductible by the Employer for the taxable year involved.

D. EMPLOYER TAX CREDIT

Employers who employ 100 or fewer employees who have received at least \$5,000 of Compensation from the Employer in the preceding year and employ at least one employee who is not a highly compensated employee, as defined in Code section 414(q), may claim a tax credit of 50% of the administrative and retirement education expenses incurred for the Plan. The credit is limited to \$500 and may be claimed by the Employer for the first three years of the plan.

ARTICLE IV. LIMITATIONS ON CONTRIBUTIONS

If the Employer currently maintains another Defined Contribution Plan, contributions under the Defined Contribution Plan shall first be limited to the extent necessary to satisfy the maximum contribution limitations under Code section 415(c)(1).

ARTICLE V. TOP-HEAVY PROVISIONS

A. TOP-HEAVY RULES

In any Plan Year that this Plan is a “top-heavy” plan, the provisions of this Article V will automatically take effect and supersede any conflicting provision of the Plan.

B. TOP-HEAVY PLAN

The determination of whether the Plan is a “top-heavy” plan for any Plan Year shall be made in accordance with Code section 416(g) and the regulations thereunder, which provide that the Plan will be considered “top-heavy” if, as of the last day of the preceding Plan Year, it favors “key employees,” that is, if the value of the “account balances” for certain “key employees” exceeds 60% of the value of the “account balances” for all Participants. In making the determination of “top-heavy” status, unless otherwise provided in the Employer’s Adoption Agreement, a Participant’s “account balance” under this Plan shall be deemed to be the sum of all Employer Contributions made on his or her behalf.

C. TOP-HEAVY BENEFITS

For any Plan Year that this Plan is a “top-heavy” plan, the Employer will be required to make a minimum contribution for the benefit of each “non-key” employee who is a Participant in the Plan. In other words, unless otherwise provided in the Employer’s Adoption Agreement, an Employer contribution for such “Top- Heavy” Plan Year will be made to the SEP/IRA of each Participant [other than a “key employee” under Code section 416(i)(1)], which shall not be less than an amount which, in combination with all other contributions, if any, is equal to the lesser of (a) three percent (3%) of the Participant’s Compensation or (b) a percentage of Compensation equal to the percentage of Compensation at which all contributions are made under the Plan for the Plan Year for the “key employee” for whom such percent age is the highest for the Plan Year. For purposes of determining whether the Plan is “top heavy,” the account balance of any individual who has not performed services for the Employer during the one-year period ending on the determination date shall not be taken into account.

The Employer may provide in the Adoption Agreement that the minimum benefit requirement shall be met in another plan [including another plan that consists solely of a cash or deferred arrangement which meets the requirements of Code section 401(k)(12) and matching contributions with respect to which the requirements of Code section 401(m)(11) are met]. If so, Employer matching contributions shall be taken into account for purposes of satisfying the minimum contribution requirements of Code section 416(c)(2) and this Plan.

Under Code section 416(i)(1), a “key employee” is an Employee or former Employee (and any beneficiary thereof) who, at any time during a Plan Year, was:

- (i) An officer of the Employer [if the Employee has Compensation in excess of \$150,000 in 2008 as adjusted under Code section 416(i)(1) or such other amount specified in Code section 416(i)(1)(A)(i)]
- (ii) A 5% owner of the Employer, as (defined in Code section 416(i)(1)(B)(i); or

- (iii) A 1% owner of the Employer (if the Employee has Compensation in excess of \$150,000). The determination of who is a “key employee” will be made in accordance with Code section 416(i)(1) and the applicable regulations and other guidance of general applicability issued thereunder.

ARTICLE VI. MILITARY SERVICE

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with section 414(u) of the Code.

ARTICLE VII. AMENDMENT

Merrill Lynch reserves the right to amend this Plan and will give the Employer written notice of any amendment. If Merrill Lynch ever determines that it will no longer provide the Plan, Merrill Lynch will give the Employer written notice. The Employer may amend the Plan as applied to the Employer by changing its elections on the Adoption Agreement and will give Merrill Lynch a written notice of any such change in election.

ARTICLE VIII. ELECTRONIC DELIVERY

Merrill Lynch shall provide any notice (written or otherwise) required under the Plan or the Code in a manner determined by Merrill Lynch, in its sole discretion, including electronic delivery or posting to an internet address.



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Sponsor Name: MERRILL LYNCH PIERCE FENNER & SMITH INC
Plan Description: Prototype SEP 001
FFN: 50494150000-001 Case: 200300615 EIN: 13-3180817
BPD: 00 Plan: 001 Letter Serial No: K410392c

MORGAN LEWIS & BOCKIUS LLP
VIVIAN S MCCARDELL ESQ
1701 MARKET STREET
PHILADELPHIA, PA 19103

Contact Person:
Ms. Arrington 50-00197
Telephone Number:
(202) 283-8811
In Reference To:
T:EP:RA:T2
Date: 01/28/2004

** COPY FOR AUTHORIZED REPRESENTATIVE **

Dear Applicant:

In our opinion, the amendment to the form of your Simplified Employee Pension (SEP) arrangement does not adversely affect its acceptability under section 408(k) of the Internal Revenue Code. This SEP arrangement is approved for use only in conjunction with an Individual Retirement Arrangement (IRA) which meets the requirements of Code section 408 and has received a favorable opinion letter, or a model IRA (Forms 5305 and 5305-A).

Employers who adopt this approved plan will be considered to have a retirement savings program that satisfies the requirements of Code section 408 provided that it is used in conjunction with an approved IRA. Please provide a copy of this letter to each adopting employer.

Code section 408(l) and related regulations require that employers who adopt this SEP arrangement furnish employees in writing certain information about this SEP arrangement and annual reports of savings program transactions.

Your program may have to be amended to include or revise provisions in order to comply with future changes in the law or regulations.

If you have any questions concerning IRS processing of this case, call us at the above telephone number. Please refer to the Letter Serial Number and File Folder Number shown in the heading of this letter. Please provide those adopting this plan with your phone number, and advise them to contact your office if they have any questions about the operation of this plan.

You should keep this letter as a permanent record. Please notify us if you terminate the form of this plan.

Sincerely yours,

Paul T. Shultz
Director,
Employee Plans Rulings & Agreements

PROTOTYPE SEP DISCLOSURE STATEMENT

Your employer's Merrill Lynch Prototype Simplified Employee Pension Plan ("Prototype SEP") allows for potentially significant employer contributions to provide retirement benefits through a Merrill Lynch individual retirement account ("SEP/IRA") for each participant. Through your own SEP/IRA, you have available the choice and flexibility to structure an investment program depending on your retirement goals and preferences.

The terms and conditions of your Merrill Lynch SEP/IRA and certain tax and legal considerations are described in the Merrill Lynch Individual Retirement Account Disclosure Statement ("IRA Disclosure Statement"). That statement is included in the booklet containing a copy of the Merrill Lynch Individual Retirement Account Custodial Agreement (the legal document governing your SEP/IRA). You should have received a copy of that booklet along with copies of your Prototype SEP Employer's Adoption Agreement.

You should read this Prototype Disclosure Statement in connection with your Prototype Employer's Adoption Agreement. It describes the eligibility rules for a SEP, the manner in which SEP contributions are calculated and limited and other important information relating to SEPs. If you still have questions concerning SEPs, you should call the Federal tax information number, or the toll free number, shown in the white pages of the local telephone directory. You may also find IRS Publication 560, *Retirement Plans for Small Business (SEP, SIMPLE and Qualified Plans)* and Publication 590, *Individual Retirement Arrangements (IRAs) helpful*.

I. SIMPLIFIED EMPLOYEE PENSION

A SEP is a written arrangement (a plan) that allows your employer to make contributions toward your retirement. Contributions are made to your SEP/IRA which is a prototype traditional individual retirement account for which the IRS has issued a favorable opinion letter.

Your employer is not required to make SEP contributions. If a contribution is made, it must be allocated to all the eligible employees according to the Prototype SEP.

Your employer will provide you with a copy of the Prototype SEP Employer's Adoption Agreement containing participation rules and a description of how employer contributions may be made to your SEP/IRA. Your employer must also provide you with a yearly statement showing any contributions to your SEP/IRA.

All amounts contributed to your SEP/IRA by your employer belong to you even after you stop working for your employer.

II. ELIGIBILITY REQUIREMENTS FOR PARTICIPATION

Your employer must include you as a Prototype SEP participant if you meet the age and service requirements specified in the Employer's Adoption Agreement. Your employer may not require you to be older than age 21 or work either full or part time for your employer in more than 3 years of the past 5 plan years in order to participate. At the time you become eligible to participate in the Prototype SEP, your employer or plan administrator must inform you in writing that a SEP has been adopted and state which employees may participate, how employer contributions are allocated, and who can provide you with additional information.

In the Prototype Employer's Adoption Agreement, your employer chose as the plan year either its tax year or the calendar year. The plan year is used not only for determining whether you are eligible to participate, but also for measuring your compensation on which your employer's SEP contribution is based, as described in Section IV of this Prototype SEP Disclosure Statement.

In addition, in order to participate, you must receive at least \$500 (adjusted periodically for inflation) in compensation from your employer during the plan year. (Compensation for this purpose is determined without regard to any salary reduction contributions which you make under a "cafeteria plan" or similar arrangement.)

Generally, employees who are nonresident aliens with no U.S. source income and/or covered by a collective bargaining agreement are excluded from participation in the Prototype SEP unless your employer specifically includes them on the Employer's Adoption Agreement.

You can participate in the Prototype SEP even though you participate in another plan of your employer. However, the combined contribution limits are subject to certain limitations

described in section 415 of the Internal Revenue Code of 1986, as amended (the "Code"). Also, if you work for several employers, you may be covered by the SEP of one employer and a pension or profit-sharing plan of another employer.

If your employer selects or recommends the traditional IRAs into which the SEP contributions will be deposited (or substantially influences you or other employees to choose them), your employer or plan administrator must ensure that a clear written explanation of the terms of those traditional IRAs is provided at the time each employee becomes eligible to participate. The explanation must include information about the terms of those traditional IRAs, such as the rates of return, and any restrictions on a participant's ability to "rollover," transfer, or withdraw funds from the traditional IRAs (including restrictions that allow rollovers or withdrawals but reduce earnings of the traditional IRAs or impose other penalties).

III. CONTRIBUTIONS TO AND WITHDRAWALS FROM YOUR SEP/IRA

You or your employer must establish a Merrill Lynch SEP/IRA for you if you are eligible to participate in your employer's Prototype SEP. In addition to receiving any SEP contributions, you may use your SEP/IRA to make annual traditional IRA contributions of up to the maximum amount permitted under the Code or 100% of compensation, whichever is less. However, the amount of annual traditional IRA contributions that you can deduct may be reduced or eliminated because, as a participant in a SEP, you are covered by an employer retirement plan. You may also transfer or roll over assets from other retirement plans as described in the IRA Disclosure Statement. Alternatively, you may find it to your advantage to make annual traditional IRA contributions, transfers or rollovers to a traditional IRA other than the SEP/IRA to which your employer contributes under the Prototype SEP were made.

Your employer's SEP contributions under the Prototype SEP are tax-deferred unless contributions are in excess of applicable limits. Employer contributions within these limits will not be included on your Form W-2.

If you are eligible to participate under your employer's plan for a plan year and your employer makes an employer contribution for the year, you are entitled to have a contribution made to your SEP/IRA if you worked for the employer at any time during the year even if you are no longer working for the employer at the end of the plan year or at the time the contribution is made for that year. In that case, your employer must deposit the contribution in your SEP/IRA and send notice of the contribution to your last address shown on your employer's records.

Employer contributions, discussed in Section IV of this Prototype SEP Disclosure Statement, made under a Prototype SEP, can be made to your SEP/IRA if you are eligible to receive them,

even after you attain age 70½. However, as described in the IRA Disclosure Statement, you are not permitted to make annual IRA contributions to your SEP/IRA starting in the year in which you attain age 70½. (Note, however, that distributions from your SEP/IRA must begin by April 1 following the year in which you reach 70½, whether or not you are employed and are receiving contributions).

All contributions to your SEP/IRA are nonforfeitable, that is, the assets in a SEP/IRA belong to you and withdrawals can be made by you at any time, subject to income tax (to the extent income tax has not previously been assessed) and, possibly, to a penalty tax for distributions made prior to your attaining age 59½ (unless a penalty exception applies).

You may generally avoid the income and penalty taxes, however, by "rolling over" the withdrawn amount to a traditional IRA a qualified plan, a 403(b) plan, a 403(a) plan, or an eligible governmental 457 deferred compensation plan within 60 days after you receive the withdrawal. This 60-day rollover requirement may be waived by the Secretary of the IRS under certain circumstances, including casualty, disaster, or other events beyond your reasonable control. Nondeductible contributions made to your IRA and after-tax contributions previously rolled over to your traditional IRA are ineligible for rollover to a qualified retirement plan, 403(b) plan, 403(a) plan or 457(b) plan.

A "rollover" can be done without penalty only once in any 1-year period. However, there are no restrictions on the number of times that you may make "transfers" if you arrange to have these funds transferred between the trustees or the custodians so that you never have possession of the funds.

Remember that IRAs other than the SEP/IRA into which employer contributions are made under the Prototype SEP may provide different rates of return and may have different terms concerning, among other things, transfers and withdrawals of funds from the IRA(s). Please refer to the IRA Disclosure Statement for discussion about rules on rollovers.

IV. EMPLOYER CONTRIBUTIONS

Employer SEP contributions are discretionary, that is, your employer is not required to make an annual contribution to your SEP/IRA under a SEP plan.

If your employer chooses to make a SEP contribution for a plan year, the contribution must be based on one of two types of definite written allocation formulas, both of which are described in the following paragraphs of Section IV.

A. DEFINITION OF COMPENSATION

"Compensation" generally means wages and all other payments of compensation to you by your employer included in the "Wages, tips, other compensation" box on the Internal Revenue Service Form W-2.

If you are self-employed, i.e., a partner or sole proprietor, your compensation is your reported "net earnings from self-employment," after taking into account your deductions for retirement plan contributions (including employer SEP contributions to your SEP/IRA) and for one-half of your self-employment tax. Net earnings from self-employment will include earnings that are not generally considered net earnings from self-employment because you claimed an exemption based on religious grounds.

Whether you are an employee or a self-employed individual, your compensation is calculated by adding in salary reductions under a cafeteria plan or a similar arrangement. Additionally, not more than \$230,000 in 2008 (\$225,000 in 2007) of your compensation is used in determining the amount of contributions to your SEP/IRA for a plan year.

B. FORMULAS

On the Employer's Adoption Agreement, the employer may choose between two allocation formulas. The simpler formula requires that the employer contribution to the SEP/IRA of each participant be a uniform percentage of the participant's compensation.

Under the other method, employer contributions are calculated using "permitted disparity," which is often referred to as the contributions being "integrated with Social Security" since under old law the employer was permitted to take its portion of the Old-Age, Survivors and Disability Insurance portion of the social security tax into consideration in computing the uniform percentage of compensation required of employer contributions under a SEP.

If the employer elects the "integrated" allocation method, the employer chooses a "base contribution percentage" and contributes that percentage of your total compensation (not in excess of the upper compensation limit described in Section IV.A of this Prototype SEP Disclosure Statement) to your SEP/IRA. The employer then chooses another percentage, which is not in excess of the lesser of (a) the "base contribution percentage" or (b) the percentage determined using a table in the Plan. This second percentage is applied to your compensation, if any, in excess of the "integration level" that your employer has chosen on the Employer's Adoption Agreement up to that compensation limit. The integration level is either the Social Security taxable wage base or a specified portion of that wage base.

Employer contributions made under the Prototype may not discriminate in favor of certain highly compensated employees. The simpler formula, described in the previous paragraph, satisfies this requirement because contributions are based on a uniform relationship to the compensation of each employee maintaining a SEP/IRA. The "integrated" formula satisfies this requirement by limiting the "second percentage" (described above) to a permissible maximum percentage.

Whether the uniform percentage method or the integrated method is chosen, the employer contribution to your SEP/IRA cannot exceed the lesser of 25% of your compensation or \$46,000 for 2008 (\$45,000 for 2007). For purposes of this limit, your compensation is reduced by your pre tax deferrals under any employer arrangement. If in any plan year your employer's Prototype SEP plan is considered "top-heavy" (i.e., the aggregate contributions under the plan are heavily weighted to "key employees"), your employer may be required to make a minimum contribution under the plan of up to 3% of your compensation.

Your employer is required to inform you in writing of all employer contributions to your SEP/IRA by January 31 of the year after which the contribution is made, or within 30 days after the contribution is made, whichever is later. Your employer's contribution to your SEP/IRA must be made by the employer's federal income tax filing deadline, including any extensions, for the employer's tax year in which the plan year ends.

C. MILITARY SERVICE

If you are reemployed after a period of military service that is protected under the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"), you will be entitled to employer contributions made for any plan year during your period of military service, if you would have been eligible to receive such contribution. Your compensation for purposes of the "makeup" contribution is the amount you would have otherwise received from the employer during the period of your military service, or if it is not reasonably certain what that compensation would be, your average compensation from the employer during the 12-month period immediately before your military service began.

V. FEES FOR YOUR SEP/IRA

A custodial fee is charged each year on your SEP/IRA, but will be waived for the time that your SEP/IRA is enrolled in a Merrill Lynch investment advisory program. In addition, investment in certain assets will result in additional fees. Please refer to your IRA Disclosure Statement for further information.

VI. AMENDMENTS TO THE PROTOTYPE SEP PLAN

Merrill Lynch will inform your employer of any amendments to the Prototype SEP Plan or if it has decided to terminate the SEP Program. Within 30 days of the effective date of an amendment to the Prototype SEP Plan, your employer is required to provide you with a copy of the amendment and an explanation of its effects.

VII. EXCESS CONTRIBUTIONS

Contributions exceeding the yearly limitations may be withdrawn without penalty by the due date (plus extensions) for filing your tax return (normally April 15), but are includable in your gross income. Excess contributions left in your SEP/IRA after that time may have adverse tax consequences. Withdrawals of those contributions may be taxed as premature withdrawals.

VIII. FINANCIAL INSTITUTION WHERE IRA IS ESTABLISHED TO PROVIDE INFORMATION

The financial institution must provide you with a disclosure statement that contains the following items of information in plain nontechnical language:

1. The law that relates to your IRA.
2. The tax consequences of various options concerning your IRA.

3. Participation eligibility rules, and rules on the deductibility of retirement savings.
4. Situations and procedures for revoking your IRA, including the name, address, and telephone number of the person designated to receive notice of revocation. (This information must be clearly displayed at the beginning of the disclosure statement.)
5. A discussion of the penalties that may be assessed because of prohibited activities concerning your IRA.
6. Financial disclosure that provides the following information:
 - (a) Projects value growth rates of your IRA under various contribution and retirement schedules, or describes the method of determining annual earnings and charges that may be assessed.
 - (b) Describes whether, and for when, the growth projections are guaranteed, or provides a statement of the earnings rate and the terms on which the projections are based.
 - (c) States the sales commission for each year expressed as a percentage of \$1,000.

In addition, the financial institution is required to provide you with a financial statement each year. You may want to keep these statements to evaluate your IRA's investment performance.

PROTOTYPE SEP EMPLOYER'S ADOPTION AGREEMENT

Please type or print. Retain this agreement for your records.

PURPOSE

By completing and signing this Employer's Adoption Agreement, the Employer (check one):

- Adopts a Simplified Employee Pension (SEP) Plan as set forth in
- Amends an existing SEP Plan to provide as set forth in

the Merrill Lynch, Pierce, Fenner & Smith Incorporated Prototype Simplified Employee Pension Plan and this Employer's Adoption Agreement.

I. EMPLOYER INFORMATION

Name of Employer

Business Address

City/State/Zip Code

Employer's tax year for federal income tax purposes (check one):

- Calendar year; or
- Fiscal year ending on the last day of _____ (indicate applicable month).

For purposes of this Plan, the Plan Year is (check one):

- The calendar year; or
- The Employer's tax year.

II. ELIGIBILITY TO PARTICIPATE

A. Eligibility.

Subject to the minimum compensation rule described in the Prototype SEP, all Employees of all Employers are eligible to participate in the Plan, except that certain union employees and nonresident aliens (as further defined in the Prototype SEP) are automatically excluded unless the appropriate box is checked below (choose one or more, if applicable):

- Employees subject to collective bargaining (union employees) are included.
- Non-resident alien employees with no U.S. source income are included.

B. Age and Service Requirements.

1. AGE (CHECK ONE):

- No minimum age requirement
- The Employee must be at least age _____ (not greater than 21).

2. SERVICE (CHECK ONE):

- No service requirement
- The Employee must have worked for the Employer in at least _____ (not more than three) of the immediately preceding five Plan Years.

III. CALCULATION OF EMPLOYER'S CONTRIBUTIONS

(Check one:)

- Employer Contributions to the SEP/IRA of Participants shall be a uniform percentage of Participants' Compensation.
- Employer Contributions to the SEP/IRAs of Participants shall be calculated using "permitted disparity" (commonly referred to as "Social Security integration") in the manner described in the section entitled "Allocation Formula Providing for Permitted Disparity" in the Prototype SEP. The "Integration Level" shall be (check one):
 - The Taxable Wage Base
 - % of the Taxable Wage Base (See section entitled "Allocation Formula Providing for Permitted Disparity" in the Prototype SEP.)

IV. TOP-HEAVY PROVISIONS

A. Top-Heavy contributions

Minimum allocations will be provided under the Plan only in the Plan Years in which the Plan is top-heavy, as defined in Code section 416(g) unless one of the boxes below is checked. (Complete part B if no box is checked below.)

(Check one:)

- The Plan will automatically satisfy the top-heavy requirements under Code section 416 each Plan Year since the Employer Contributions to the SEP/IRAs of each Participant will be at least equal to 3% of the Participants' Compensation. (Skip part B.)
- Minimum allocations will be provided under the following Defined Contribution Plan. (Skip part B.)

B. Top-Heavy determinations

The determination of top-heavy status with respect to benefits under the Plan will be made on the basis of aggregate contributions as provided in the Prototype SEP unless the box below is checked.

- The determination of top-heavy status with respect to benefits under the Plan will be made on the basis of the aggregate value of the SEP/IRAs of Participants.

V. EFFECTIVE DATE

The Plan provisions reflected in this Prototype SEP Employer's Adoption Agreement are effective as of (Enter effective date in the space provided), _____, _____.

VI. Plan administration

The Employer shall be the plan administrator.

Name of individual that employees may contact for more information about the Plan:

Name *Address*

Telephone

By signing below, the Employer acknowledges receipt of, and represents that it has read and understood the Merrill Lynch Prototype Simplified Employee Pension Plan and the Merrill Lynch Prototype Disclosure Statement. The Employer understands that it may not use this form if the Employer is a member of an "affiliated service group," a controlled group of corporations, or trades or businesses under common control, unless all employees of such groups, trades or businesses are treated as employees of the Employer for purposes of participation in this Plan. The Employer agrees to make contributions in accordance with this Employer's Adoption Agreement only to a SEP/IRA maintained with Merrill Lynch, Pierce, Fenner & Smith Incorporated by or on behalf of each eligible employee. The Employer understands that each such SEP/IRA shall be governed by the terms of the Merrill Lynch Individual Retirement Account Custodial Agreement and that custodial fees, commissions and other expenses may be charged with respect to each such account.

Employer's Signature *Date*

Title (if other than sole proprietor)

A copy of the completed Prototype SEP Employer's Adoption Agreement should be given to each Eligible Employee.

The Merrill Lynch Prototype Simplified Employee Pension Plan is sponsored by:

Merrill Lynch, Pierce, Fenner & Smith Incorporated
Retirement Plan Services
1400 American Blvd., MSC 0403
Pennington, New Jersey 08534-4128

PROTOTYPE SEP PLUS PLAN

ARTICLE I. DEFINITIONS

As used in this Prototype SEP Plus Plan and Employer's Adoption Agreement, each of the following terms shall have the meaning for that term set forth in this Article I:

"Employer's Adoption Agreement" means a document so designated with respect to this Prototype SEP and executed by the Employer, as amended from time to time.

"Affiliate" means any corporation or unincorporated business (other than the Employer):

- (a) which is controlled by, or under common control with, the Employer within the meaning of sections 414 (b) and (c) of the Code,
- (b) which is a member of an "affiliated service group" (as defined in section 414(m) of the Code) which includes the Employer, or
- (c) which is required to be aggregated with the Employer under section 414(o) of the Code and the regulations thereunder provided that for purposes of Article V, "Affiliate" status shall be determined in accordance with section 415(h) of the Code.

"Business" means in the case of an Employer that is a sole proprietorship or partnership, the trade or business of the Employer with respect to which this Plan is adopted, and in the case of an Employer that is a corporation, each trade or business of the corporation.

"Code" means the Internal Revenue Code of 1986, as now in effect or as amended from time to time. A reference to a provision of the Code shall be to such provision and any valid regulations pertaining thereto as well as to the corresponding provision of any legislation which amends, supplements or supersedes that provision and any valid regulations pertaining thereto.

"Compensation" means:

- (a) For an Employee other than a Self-Employed Individual, wages [as defined in Code section 3401(a)] and all other payments of compensation by the Employer to the Employee included in the "Wages, tips, other compensation" box on the Internal Revenue Service Form W-2 furnished to the Employee, which information is required to be reported by the Employer under Code sections 6041(d), 6051(a)(3) and 6052. In determining Compensation, the Employer must include wages without regard to rules under Code section 3401(a) that contain limitations with respect to wages based on the nature or location of the Employee's employment or services performed.
- (b) For a Self-Employed Individual, his or her Earned Income for the Plan Year involved.
- (c) For any Employee (including a Self-Employed Individual), Compensation shall include any amount which is contributed by the Employer pursuant to a salary reduction agreement and which is not includable in the gross income of the Employee under Code section 125, 402(e)(3), 402(h), 403(b), 408(p)(2)(A) (i), 457, or, effective January 1, 2001, 132(f)(4).
- (d) For any Employee (including a Self-Employed Individual), the annual Compensation taken into account for determining all benefits provided under the Plan for any Plan Year shall not exceed the amount specified in Code section 408(k)(3)(C) [as indexed for cost-of-living pursuant to Code section 408(k)(8)]; provided, however, that the dollar increase in effect on January 1 of any calendar year is effective for Plan Years beginning in such calendar year.
- (e) If a determination period consists of fewer than 12 months, the foregoing annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

- (f) For purposes of defining compensation for the compensation limit under Code section 408(k)(2)(C), the foregoing provisions of subsections (a)-(e) under the term "Compensation" shall apply by virtue of these provisions meeting the definition of compensation set forth under Code section 414(q)(4).

"Deferral Percentage" means the ratio (expressed as a percentage) of an Employee's Salary Reduction Contributions (other than additional Salary Reduction Contributions permitted under Code section 414(v) determined before application of the deferral percentage limitation) to the Employee's Compensation for the Plan Year.

"Defined Contribution Plan" means a plan of the type defined in Code section 414(i) maintained by the Employer or an Affiliate, as applicable.

"Earned Income" means the "net earnings from self-employment" (within the meaning of Code section 401(c)(2) but without regard to any exclusion under Code section 911) of a Self-Employed Individual from the Business, but only if the personal services of the Self-Employed Individual are a material income-producing factor with respect to the Business. Net earnings will be determined:

- (a) without regard to paragraphs (4) and (5) of Code section 1402(c);
- (b) in the case of any individual who is treated as an employee under section 3121(d)(3)(A), (C), or (D), without regard to paragraph (2) of Code section 1402(c);
- (c) without regard to items not included in gross income and the deductions properly allocable to or chargeable against such items and are to be reduced by contributions by the Employer to a retirement plan to the extent deductible under Code section 404;
- (d) with regard to the deduction allowed to the Self-Employed Individual by Code section 164(f); and
- (e) as if the term "trade or business" for purposes of Code section 1402 included service described in Code section 1402(c)(6).

"Eligible Employee" means any Employee of an Employer other than an Employee in either or both of the following categories of Employees:

- (a) Employees included in a unit of Employees covered by a collective bargaining agreement between the Employer or any Affiliate and "employee representatives," if retirement benefits were the subject of good faith bargaining and 2% or less of the Employees who are covered pursuant to that agreement are professional employees as defined in Treasury Regulation §1.410(b)-9. For this purpose, the term "employee representatives" does not include any organization more than half of whose members are Employees who are owners, officers or executives of the Employer or any Affiliate.
- (b) Nonresident aliens within the meaning of Code section 7701(b)(1)(B) who receive no earned income within the meaning of Code section 911(d)(2) from the Employer or any Affiliate which constitutes income from sources within the United States within the meaning of Code section 861(a)(3).

Notwithstanding the foregoing, the Employer's Adoption Agreement may provide for inclusion of either or both categories of Employees as Eligible Employees.

“Employee” means a Self-Employed Individual, any individual who is employed by the Employer in the Business and any individual who is employed by an Affiliate. Each Leased Employee shall also be treated as an Employee of the recipient Employer.

“Employer” means the corporation, proprietorship, partnership or other organization (or any successor thereto) which adopts the Plan by execution of an Employer’s Adoption Agreement. Each Affiliate shall also adopt this Plan, and each of such adopting Affiliates shall be deemed an “Employer” with respect to the Plan; provided, that the Employer signing the Employer’s Adoption Agreement shall (a) be the Plan sponsor within the meaning of ERISA section 3(16)(B), and (b) have the authority to act for all participating Employers with respect to Plan administration and the execution and amendment of the Plan.

“Employer Contributions” means the contributions made on a Participant’s behalf described in Article III.

“ERISA” means the Employee Retirement Income Security Act of 1974, as now in effect or as amended from time to time. A reference to a provision of ERISA shall be to such provision and any valid regulations pertaining thereto as well as to the corresponding provision of any legislation which amends, supplements or supersedes that provision and any valid regulations pertaining thereto.

“Excess Contributions” means with respect to any Plan Year, the excess of:

- (i) the aggregate amount of Salary Reduction Contributions actually taken into account in computing the Deferral Percentage of a Highly Compensated Employee for such Plan Year, over
- (ii) the maximum amount of such Salary Reduction Contributions permitted under Code section 408(k)(6).

“Highly Compensated Employee” means: Any Employee who (i) during the “determination year” or “look-back year” was at any time a 5% owner; or (ii) for the preceding year received compensation from the Employer in excess of \$105,000 for tax years beginning on or after December 31, 2008 (indexed for inflation) and if the Employer so elects, the Employee was in the group of Employees consisting of the top 20% of the Employees when ranked on the basis of compensation paid during the year (“top-paid group”).

The determination of who is a Highly Compensated Employee, including the determinations of the number and identity of Employees in the “top-paid group” and the compensation that is considered, will be made in accordance with Code section 414(q) and the regulations thereunder. The determination of who is a 5% owner shall be made in accordance with section 416(i) of the Code and the regulations thereunder.

“Leased Employee” means any individual (other than an Employee) who, pursuant to an agreement between the recipient Employer and any other person (the “leasing organization”), has performed services for the recipient Employer (or for the recipient Employer and “related persons” determined in accordance with Code section 414(n)(6)) on a substantially full-time basis for a period of at least one year, such services are performed under the primary direction or control of the recipient Employer and such individual is required to be treated as an Employee under Code section 414(n), and any other individual who must be treated as a “leased employee” under regulations adopted pursuant to Code section 414(o).

“Non-Highly Compensated Employee” means an Employee who is not a Highly Compensated Employee.

“Participant” means an Eligible Employee who satisfies the eligibility requirements of Article II with respect to the Plan Year involved.

“Plan” means the simplified employee pension plan of the Employer in the form of this Prototype SEP and the applicable Employer’s Adoption Agreement executed by the Employer.

“Plan Year” means as specified in the Employer’s Adoption Agreement either the calendar year or the Employer’s tax year ending on the date specified in the Employer’s Adoption Agreement. If the Plan Year is modified by an amendment to the Employer’s Adoption Agreement, the term “Plan Year” means the Plan Year in effect prior to the amendment, the short period commencing on the first day in which the modification is effective and ending on the day before the first day of the first Plan Year as so modified, and each consecutive 12 month period thereafter ending on the date specified in the Employer’s Adoption Agreement. In the event of such a change in Plan Year for purposes of any service requirement specified in the Employer’s Adoption Agreement, (a) an Employee who has any service with the Employer during the short period must be given credit for that service in determining whether he or she has satisfied that requirement and (b) each Employee who but for such change would have been entitled to a contribution for the calendar year in which the short period begins shall be entitled to share in any Employer contribution made pursuant to Article III for the short period.

“Prototype SEP” means Merrill Lynch’s SEP Plus Prototype Simplified Employee Pension Plan as set forth in this document, as amended from time to time.

“Salary Reduction Contribution Agreement” means an agreement entered into between an Employee and the Employer to reduce the Compensation otherwise payable directly to the Participant in cash, as further described in Article IV of this Prototype SEP.

“Salary Reduction Contributions” means the contributions made on a Participant’s behalf described in Article IV.

“Self-Employed Individual” means an individual who has Earned Income for the Plan Year involved, or who would have had such Earned Income but for the fact that the Business had no net earnings for that Plan Year. Such term shall also include an individual who has been a self-employed individual within the meaning of the preceding sentence for any prior taxable year.

“SEP/IRA” means the Merrill Lynch Individual Retirement Custodial Account established by or on behalf of an Employee for investment of contributions made on behalf of the Employee under the Plan.

“Taxable Wage Base” means the contribution and benefit base in effect under section 230 of the Social Security Act at the beginning of the Plan Year involved.

ARTICLE II. ELIGIBILITY TO PARTICIPATE

Each individual who at any time during a Plan Year was an Eligible Employee who met the eligibility and any age and/or service requirements set forth in the Employer’s Adoption Agreement shall be a Participant eligible to receive an allocation to his SEP/IRA for the Plan Year and otherwise participate in the Plan. Notwithstanding the foregoing, an Employee who does not receive Compensation from the Employer for a Plan Year of at least the amount specified in Code section 408(k)(2)(C), [as indexed for cost-of-living pursuant to Code section 408(k)(8)], shall not be a Participant in the Plan for the Plan Year.

ARTICLE III. EMPLOYER CONTRIBUTIONS

A. ALLOCATION FORMULA NOT PROVIDING FOR PERMITTED DISPARITY

If the Employer elects in the Employer’s Adoption Agreement that Employer Contributions are not calculated using “permitted disparity,” the Employer will decide how much, if anything, to contribute for each Plan Year to the SEP/IRAs of Participants.

The allocation will be based on the same percentage of each Participant's Compensation, provided that the contribution for any Employee shall not exceed the lesser of the percentage of the Participant's Compensation specified in Code section 402(h) (2)(A) from the Employer for the Plan Year involved or the amount specified in Code section 415(c)(1)(A), as adjusted under Code section 415(d) (or such higher amount as may be permissible under applicable Treasury Department regulations). For purposes of the limitation described in the preceding sentence, Compensation does not include any amount contributed by the Employer pursuant to a salary reduction agreement and which is not included in the gross income of the Employee under Code section 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b), 408(p)(2)(A) (i), or 457. If this limit is exceeded on behalf of any Participant for a particular Plan Year, any Salary Reduction Contributions made on behalf of the Participant shall be reduced to the extent of the excess.

B. ALLOCATION FORMULA PROVIDING FOR PERMITTED DISPARITY

If the Employer so elects in the Employer's Adoption Agreement, the Employer Contributions to the SEP/IRA of each Participant shall be calculated using "permitted disparity," often referred to as the contributions being "integrated" with Social Security, in the following manner:

- 1) First the Employer will decide how much to contribute to each Participant's SEP/IRA as a uniform percentage (the "Base Percentage") of the Participant's Compensation. The Base Percentage shall not be less than 3% unless either (a) the Plan is not a "top-heavy" plan as described in Article VI or (b) the Employer has designated in the Employer's Adoption Agreement that "top-heavy" minimum contributions will be provided under another Defined Contribution Plan.
- 2) After the contribution has been allocated pursuant to paragraph 1 in this topic, an additional allocation shall be made to the SEP/IRA of each Participant, taking into consideration only that amount of such Participant's Compensation in excess of the Integration Level designated by the Employer in the Employer's Adoption Agreement for the Plan Year involved. The percentage of Compensation for any additional allocation (the "Excess Percentage") under this paragraph shall not exceed the lesser of:
 - (i) the contribution percentage used under paragraph 1; or
 - (ii) the applicable percentage determined in accordance with the table that follows:

If the Integration Level is:		The applicable percentage is:
1) Equal to the Taxable Wage Base		5.7%
More than:	But not more than:	
2) \$0	20% of the Taxable Wage Base	5.7%
3) 20% of the Taxable Wage Base	80% of the Taxable Wage Base	4.3%
4) 80% of the Taxable Wage Base	Up to the Taxable Wage Base	5.4%

For 2007, the Taxable Wage Base is \$97,500. For 2008, the Taxable Wage Base is \$102,000.

For purposes of the allocation described in the preceding chart, in no event can the amount allocated to a Participant's SEP/IRA exceed the lesser of the percentage of the Employee's Compensation specified in Code section 402(h) (2)(A) or the

amount specified in Code section 415(c)(1)(A), as adjusted under Code section 415(d) (or such higher amount as may be permissible under applicable Treasury Department regulations). For purposes of the limitation described in the preceding sentence, Compensation does not include any amount contributed by the Employer pursuant to a salary reduction agreement and which is not included in the gross income of the Employee under Code section 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b), 408(p)(2) (A)(i) or 457. If this limit is exceeded on behalf of any Participant for a particular Plan Year, any Salary Reduction Contributions made on behalf of the Participant shall be reduced to the extent of the excess. Notwithstanding the foregoing, for any calendar year this Prototype SEP benefits any Participant who benefits under another SEP or qualified plan described in Code section 401(a) maintained by the Employer that provides for permitted disparity (or imputes disparity), Employer Contributions will be allocated to each Participant's SEP IRA in an amount equal to the Excess Percentage multiplied by the Participant's total Compensation.

The cumulative permitted disparity limit for a Participant is 35 total cumulative permitted disparity years. Total cumulative permitted disparity years means the number of years credited to the Participant for allocation or accrual purposes under this Prototype SEP or any other SEP or any qualified plan described in Code section 401(a) (whether or not terminated) ever maintained by the Employer. For purposes of determining the Participant's cumulative permitted disparity limit, all years ending in the same calendar year are treated as the same year. If the Participant has not benefited under a defined benefit or target benefit plan for any year beginning on or after January 1, 1994, the Participant has no cumulative permitted disparity limit.

C. DEDUCTIBILITY OF EMPLOYER CONTRIBUTIONS

The Employer may, subject to limitations contained in the Code, deduct contributions made to the Plan in the taxable year within which the Plan Year ends. Contributions made for a particular taxable year of the Employer which are contributed by the due date of the Employer's income tax return (including extensions) are deemed made in such taxable year. The otherwise applicable deduction limitation under Code section 404(a)(3)(A) (with respect to allowable deductions for contributions made under any stock bonus or profit-sharing plan maintained by the Employer) shall be reduced by the amount of SEP contributions (other than Salary Reduction Contributions) deductible by the Employer for the taxable year involved.

D. EMPLOYER TAX CREDIT

Employers who employ 100 or fewer employees who have received at least \$5,000 of Compensation from the Employer in the preceding year and employ at least one employee who is not a Highly Compensated Employee, as defined in Code section 414(q), may claim a tax credit of 50% of the administrative and retirement-education expenses incurred for the Plan. The credit is limited to \$500 and may be claimed by the Employer for the first three years of the Plan.

ARTICLE IV: SALARY REDUCTION CONTRIBUTION OPTION

A. CONDITIONS AND RESTRICTIONS PERTAINING TO THE SALARY REDUCTION CONTRIBUTION OPTION

Employers with SEP plans which included a salary contribution option on December 31, 1996, may offer the salary reduction option to their Eligible Employees. In addition, Employees hired by those Employers after December 31, 1996, may utilize this option.

If an Employer eliminates the salary contribution option for a Plan Year or becomes ineligible to offer the salary contribution option for a Plan Year, the Employer may subsequently offer such option

to its Eligible Employees for a Plan Year in which the Employer is eligible. An Employer will become ineligible to offer the salary contribution option for a Plan Year, if the Employer and all Affiliates, in the aggregate, employed more than 25 Participants at any time during the preceding Plan Year, the Employer employs any Leased Employees at any time during the Plan Year or the Employer is a state or local government or tax-exempt organization.

If the salary contribution option is available, each Participant may, pursuant to a Salary Reduction Contribution Agreement, elect to have Compensation that is earned subsequent to making the election reduced, through either a single sum or continuing contributions, or both, by an amount not in excess of the lesser of:

- (i) the amount permitted under Code section 402(g) [as indexed for cost-of-living pursuant to Code section 402(g)] taking into account the Salary Reduction Contributions made under the Plan in addition to all other elective deferrals made under all of the plans of the Employer or an Affiliate and
- (ii) the percentage of the Participant's Compensation specified in Code section 402(h)(2)(A) for the Plan Year, and the Employer or an Affiliate will contribute these amounts as Salary Reduction Contributions to the Participant's SEP/IRA as an additional employer contribution for the Plan Year.

For purposes of the limitation described above, Compensation does not include any amount contributed by the Employer pursuant to a salary reduction agreement and which is not included in the gross income of the Employee under Code section 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b), 408(p)(2)(A)(i) or 457. The contribution limit described above may be reduced if the Employer makes Employer Contributions under the Plan for a Plan Year or non-elective contributions to any other SEP or any qualified plan for such Plan Year. If the contribution limits are exceeded, the amount you may elect to contribute to this SEP for the Plan Year will be reduced.

Notwithstanding the foregoing, if an Employee is age 50 or older by the end of the Employee's tax year and is restricted from otherwise making any further Salary Reduction Contributions under the Plan, the Employee may make additional Salary Reduction Contributions to the Plan for the Employee's 2002 through 2010 tax years or such other date specified in the Code, in accordance with, and subject to the limitations of Code section 414(v) and any guidance issued thereunder. A Participant's total Salary Reduction Contributions cannot exceed his Compensation. All retirement plans maintained by the Employer will be treated as a single plan for purposes of these additional Salary Reduction Contributions. These additional salary reduction contributions are not subject to any other contribution limit and are not taken into account in applying other contribution limits.

The Employer will contribute these amounts as Salary Reduction Contributions to the Participant's SEP/IRA for the Plan Year. These contributions will be made as of the earliest date on which contributions for a Participant can be reasonably segregated from the Employer's general assets, but in no event later than 15 days after the last day of the month with respect to which the Salary Reduction Contributions are to be made.

No Salary Reduction Contributions may be made by a Participant on the basis of Compensation that the Participant received or had a right to receive before the later of the effective date of this Plan, as specified in the Employer's Adoption Agreement, and the execution by the Participant of a Salary Reduction Contribution Agreement.

- (i) The Employer's election shall not be effective for any Plan Year unless at least fifty percent (50%) of the Participants elect to have Salary Reduction Contributions contributed to the Plan.

In the event that this requirement is not satisfied as of the end

of any Plan Year, all Salary Reduction Contribution amounts contributed on behalf of Participants shall be considered "disallowed deferrals," i.e., IRA contributions that are not Plan contributions.

- (ii) Disallowed deferrals are includable in the Participant's taxable income in the calendar year which contains the earliest date that any Salary Reduction Contributions made on behalf of the Participant during the Plan Year of the disallowed deferrals would instead have been received in cash by the Participant had the Participant not elected to have Salary Reduction Contributions made on his or her behalf. Income allocable to the disallowed deferrals shall be includable in the Participant's taxable income in the year such amounts are withdrawn from the Participant's SEP/IRA.
- (iii) The Employer shall notify each affected Participant, within 2½ months following the end of the Plan Year to which the disallowed deferrals relate, of the status of such contributions, which notification shall specify:
 - (a) the amount of the disallowed deferrals,
 - (b) the calendar year in which they are includable in income, to the extent applicable, and
 - (c) to the extent applicable, that unless the Participant withdraws the disallowed deferrals (and allocable income) from the SEP/IRA by April 15 following the calendar year of notification by the Employer:
 - (i) such disallowed deferrals will be subject to the IRA contribution limitations contained in Code sections 219 and 408,
 - (ii) IRA contributions which exceed such limitations are subject to a 6% tax pursuant to Code section 4973, and
 - (iii) income allocable to a disallowed deferral, unless timely withdrawn, is subject to a 10% tax on early distributions pursuant to Code section 72(t) when withdrawn.

B. EXCESS CONTRIBUTIONS

- (i) The Deferral Percentage, in any Plan Year of each Highly Compensated Employee participating shall be adjusted so that it is not more than the product derived by multiplying the average of the Deferral Percentages for such year of Non-Highly Compensated Employees by 1.25.
- (ii) The Employer shall notify each affected Highly Compensated Employee, within 2½ months following the end of the year to which the Excess Contributions relate, of any Excess Contributions to the Highly Compensated Employee's SEP/IRA for the applicable year. Such notification shall specify:
 - (a) the amount of the Excess Contributions,
 - (b) the calendar year in which the contributions are includable in income, to the extent applicable, and
 - (c) to the extent applicable, that unless the Participant withdraws the Excess Contributions (and allocable income) from the SEP/IRA by April 15 following the calendar year of notification by the Employer:
 - (i) such Excess Contributions will be subject to the IRA contribution limitations contained in Code sections 219 and 408 for the preceding year,
 - (ii) IRA contributions which exceed such limitations are subject to a 6% tax pursuant to Code section 4973, and income allocable to an Excess Contribution, unless timely withdrawn, is subject to a 10% tax on early distributions pursuant to Code section 72(t) when withdrawn.

- (iii) For purposes of making the determination required by paragraph (B)(ii), Excess Contributions are includable in the affected Highly Compensated Employee's taxable income in the calendar year which contains the earliest date that any Salary Reduction Contributions made on behalf of the Participant during the Plan Year in which the Excess Contributions were made would instead have been received in cash by the Participant had the Participant not elected to have Salary Reduction Contributions made on his behalf. If, however, the Excess Contributions made on a Participant's behalf are less than \$100 (excluding allocable income), such Excess Contributions are includable in the affected Participant's taxable income in the calendar year that the Employer notifies the Participant of such contributions. Income allocable to the Excess Contributions shall be includable in the Participant's taxable income in the year such amounts are withdrawn from the Participant's SEP/IRA.
- (iv) An Employer which fails to timely notify an affected Participant of an Excess Contribution shall be liable for a tax equal to 10% of the amount of the Excess Contribution. An Employer which fails to notify an affected Participant prior to the end of the Plan Year following the Plan Year in which the Excess Contribution arose, shall no longer maintain a plan which satisfies the requirements of Code section 408(k)(6) and any contributions to an Employee's SEP/IRA will be subject to IRA contribution limitations contained in Code sections 219 and 408.
- (v) The Employer shall notify each Eligible Employee who elects to have Salary Reduction Contributions made on his or her behalf to the Plan that, until 2½ months after the end of a particular Plan Year, any transfer or distribution from that Employee's SEP/IRA of Plan contributions (or income on these contributions) attributable to Salary Reduction Contributions made during that Plan Year will be includable in income for purposes of Code sections 72(t) and 408(d)(1).

ARTICLE V: LIMITATIONS ON CONTRIBUTIONS

If the Employer currently maintains another Defined Contribution Plan, contributions under the Defined Contribution Plan shall first be limited to the extent necessary to satisfy the maximum contribution limitations under Code sections 415(c)(1) and 414(v).

ARTICLE VI: TOP-HEAVY PROVISIONS

A. TOP-HEAVY RULES

In any Plan Year that this Plan is a "top-heavy" plan, the provisions of this Article VI will automatically take effect and supersede any conflicting provision of the Plan.

B. TOP-HEAVY PLAN

The determination of whether the Plan is a "top-heavy" plan for any Plan Year shall be made in accordance with Code section 416(g) and the regulations thereunder, which provide that the Plan will be considered "top-heavy" if, as of the last day of the preceding Plan Year, it favors "key employees," that is, if the value of the "account balances" for certain "key employees" exceeds 60% of the value of the "account balances" for all Participants. In making the determination of "top-heavy" status, unless otherwise provided in the Employer's Adoption Agreement, a Participant's "account balance" under this Plan shall be deemed to be the sum of all Employer Contributions and Salary Reduction Contributions made on his or her behalf.

C. TOP-HEAVY BENEFITS

For any Plan Year that this Plan is a "top-heavy" plan, the Employer

will be required to make a minimum contribution for the benefit of each "non-key" employee who is a Participant in the Plan. In other words, unless otherwise provided in the Employer's Adoption Agreement, an Employer contribution for such "Top-Heavy" Plan Year will be made to the SEP/IRA of each Participant [other than a "key employee" under Code section 416(i)(1)], which shall not be less than an amount which, in combination with all other contributions (except for Salary Reduction Contributions), if any, is equal to the lesser of (a) three percent (3%) of the Participant's Compensation or (b) a percentage of Compensation equal to the percentage of Compensation at which all contributions, including Salary Reduction Contributions [other than any Salary Reduction Contributions made under Code section 414(v)], are made under the Plan for the Plan Year for the "key employee" for whom such percentage is the highest for the Plan Year. For purposes of determining whether the Plan is "top heavy," the account balance of any individual who has not performed services for the Employer during the one-year period ending on the determination date shall not be taken into account.

The Employer may provide in the Adoption Agreement that the minimum benefit requirement shall be met in another plan [including another plan that consists solely of a cash or deferred arrangement which meets the requirements of Code section 401(k)(12) and matching contributions with respect to which the requirements of Code section 401(m)(11) are met]. If so, Employer matching contributions shall be taken into account for purposes of satisfying the minimum contribution requirements of Code section 416(c)(2) and this Plan.

Under Code section 416(i)(1), a "key employee" is an Employee or former Employee (and any beneficiary thereof) who, at any time during a Plan Year, was:

- (i) an officer of the Employer [if the Employee has Compensation in excess of \$150,000 for 2008 (\$145,000 for 2007) as adjusted under Code section 416(i)(1) or such other amount specified in Code section 416(i)(1)(A)(i)];
- (ii) a 5% owner of the Employer, as (defined in Code section 416(i)(1)(B)(i); or
- (iii) a 1% owner of the Employer (if the Employee has Compensation in excess of \$150,000). The determination of who is a "key employee" will be made in accordance with Code section 416(i)(1) and the applicable regulations and other guidance of general applicability issued thereunder.

ARTICLE VII: MILITARY SERVICE

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with section 414(u) of the Code.

ARTICLE VIII: AMENDMENT

Merrill Lynch reserves the right to amend this Plan and will give the Employer written notice of any amendment. If Merrill Lynch ever determines that it will no longer provide the Plan, Merrill Lynch will give the Employer written notice. The Employer may amend the Plan as applied to the Employer by changing its elections on the Adoption Agreement and will give Merrill Lynch a written notice of any such change in election.

ARTICLE IX: ELECTRONIC DELIVERY

Merrill Lynch shall provide any notice (written or otherwise) required under the Plan or the Code in a manner determined by Merrill Lynch, in its sole discretion, including electronic delivery or posting to an Internet address.



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Sponsor Name: MERRILL LYNCH PIERCE FENNER & SMITH INC
Plan Description: Prototype Salary Reduction SEP 002
FFN: 50494150000-002 Case: 200300616 EIN: 13-3180817
BPD: 00 Plan: 002 Letter Serial No: K401143b

MORGAN LEWIS & BOCKIUS LLP
VIVIAN S MCCARDELL ESQ
1701 MARKET STREET
PHILADELPHIA, PA 19103

Contact Person:
Ms. Arrington 50-00197
Telephone Number:
(202) 283-8811
In Reference To:
T:EP:RA:T2
Date: 01/28/2004

** COPY FOR AUTHORIZED REPRESENTATIVE **

Dear Applicant:

In our opinion, the amendment to the form of your Simplified Employee Pension (SEP) arrangement does not adversely affect its acceptability under section 408(k) of the Internal Revenue Code. This SEP arrangement is approved for use only in conjunction with an Individual Retirement Arrangement (IRA) which meets the requirements of Code section 408 and has received a favorable opinion letter, or a model IRA (Forms 5305 and 5305-A).

Employers who adopt this approved plan will be considered to have a retirement savings program that satisfies the requirements of Code section 408 provided that it is used in conjunction with an approved IRA. Please provide a copy of this letter to each adopting employer.

Code section 408(1) and related regulations require that employers who adopt this SEP arrangement furnish employees in writing certain information about this SEP arrangement and annual reports of savings program transactions.

Your program may have to be amended to include or revise provisions in order to comply with future changes in the law or regulations.

If you have any questions concerning IRS processing of this case, call us at the above telephone number. Please refer to the Letter Serial Number and File Folder Number shown in the heading of this letter. Please provide those adopting this plan with your phone number, and advise them to contact your office if they have any questions about the operation of this plan.

You should keep this letter as a permanent record. Please notify us if you terminate the form of this plan.

Sincerely yours,

Director,
Employee Plans Rulings & Agreements

PROTOTYPE SEP PLUS DISCLOSURE STATEMENT

Your employer's Merrill Lynch SEP Plus Prototype Simplified Employee Pension Plan ("Prototype SEP") allows for potentially significant employer contributions to provide retirement benefits through a Merrill Lynch individual retirement account ("SEP/IRA") for each participant. Your employer may also be permitted to allow you to make elective salary deferrals to your SEP/IRA for a given plan year if certain requirements are met. Through your own SEP/IRA, you have available the choice and flexibility to structure an investment program depending on your retirement goals and preferences.

The terms and conditions of your Merrill Lynch SEP/IRA and certain tax and legal considerations are described in the Merrill Lynch Individual Retirement Account Disclosure Statement ("IRA Disclosure Statement"). That statement is included in the booklet containing a copy of the Merrill Lynch Individual Retirement Account Custodial Agreement (the legal document governing your SEP/IRA). You should have received a copy of that booklet along with copies of your Prototype SEP Employer's Adoption Agreement.

This Prototype Disclosure Statement is in two parts: the main text that we believe is most descriptive of your employer's Prototype SEP plan and the text prescribed by the IRS that your employer is required to provide to you. You should read this Prototype Disclosure Statement in connection with your Prototype Employer's Adoption Agreement. It describes the eligibility rules for a SEP, the manner in which SEP contributions are calculated and limited and other important information relating to SEPs. If you still have questions concerning SEPs, you should call the Federal tax information number, or the toll free number, shown in the white pages of the local telephone directory. You may also find IRS Publication 560, *Retirement Plans for Small Business (SEP, SIMPLE and Qualified Plans)* and Publication 590, *Individual Retirement Arrangements (IRAs)* helpful.

I. SIMPLIFIED EMPLOYEE PENSION

A SEP is a written arrangement (a plan) that allows your employer to make contributions toward your retirement. Contributions are made to your SEP/IRA which is a prototype traditional individual retirement account for which the IRS has issued a favorable letter.

Your employer is not required to make SEP contributions. If a contribution is made, it must be allocated to all the eligible employees according to the Prototype SEP.

Your employer will provide you with a copy of the Prototype SEP Employer's Adoption Agreement containing participation rules and a description of how employer contributions may be made to your SEP/IRA. Your employer must also provide you with a yearly statement showing any contributions to your SEP/IRA.

All amounts contributed to your SEP/IRA by your employer belong to you even after you stop working for your employer.

II. ELIGIBILITY REQUIREMENTS FOR PARTICIPATION

Your employer must include you as a Prototype SEP participant if you meet the age and service requirements specified in the Employer's Adoption Agreement. Your employer may not require you to be older than age 21 or work either full or part time for your employer in more than 3 years of the past 5 plan years in order to participate in the Prototype SEP. At the time you become eligible to participate in the Prototype SEP, your employer or plan administrator must inform you in writing that a SEP has been adopted and state which employees may participate, how employer contributions are allocated, and who can provide you with additional information.

In the Prototype Employer's Adoption Agreement, your employer chose as the plan year either its tax year or the calendar year. The plan year is used not only for determining whether you are eligible to participate, but also for measuring your compensation on which your employer's SEP contribution is based, as described in Section IV *Employer Contributions*.

In addition, in order to participate, you must receive at least \$500 (adjusted periodically for inflation) in compensation from your employer during the plan year. (Compensation for this purpose is determined without regard to any "elective deferrals," discussed in Section V *Salary Reduction Option*, which you make under the Prototype SEP, or salary reduction contributions which you make under a "cafeteria plan" or similar arrangement).

Generally, employees who are nonresident aliens with no U.S. source income and/or covered by a collective bargaining

agreement are excluded from participation in the Prototype SEP unless your employer specifically includes them on the Employer's Adoption Agreement.

You can participate in the Prototype SEP even though you participate in another plan of your employer. However, the combined contribution limits are subject to certain limitations described in section 415 of the Internal Revenue Code of 1986, as amended (the "Code"). Also, if you work for several employers, you may be covered by the SEP of one employer and a pension or profit-sharing plan of another employer.

If your employer selects or recommends the traditional IRAs into which the SEP contributions will be deposited (or substantially influences you or other employees to choose them), your employer or plan administrator must ensure that a clear written explanation of the terms of those traditional IRAs is provided at the time each employee becomes eligible to participate. The explanation must include information about the terms of those traditional IRAs, such as the rates of return, and any restrictions on a participant's ability to "roll over," transfer, or withdraw funds from the traditional IRAs (including restrictions that allow rollovers or withdrawals but reduce earnings of the traditional IRAs or impose other penalties).

III. CONTRIBUTIONS TO AND WITHDRAWALS FROM YOUR SEP/IRA

You or your employer must establish a Merrill Lynch SEP/IRA for you if you are eligible to participate in your employer's Prototype SEP. In addition to receiving any SEP contributions, you may use your SEP/IRA to make annual traditional IRA contributions of up to the maximum amount permitted under the Code, or 100% of compensation, whichever is less. However, the amount of annual traditional IRA contributions that you can deduct may be reduced or eliminated because, as a participant in a SEP, you are covered by an employer retirement plan. You may also transfer or roll over assets from other retirement plans as described in the IRA Disclosure Statement. Alternatively, you may find it to your advantage to make annual traditional IRA contributions, transfers or rollovers to a traditional IRA other than the SEP/IRA to which your employer contributes under the Prototype SEP.

Your employer's SEP contributions under the Prototype SEP and any salary reduction contributions made on your behalf are tax-deferred unless contributions are in excess of applicable limits. Employer contributions within these limits will not be included on your Form W-2.

If you are eligible to participate under your employer's plan for a plan year and your employer makes an employer contribution for the

year, you are entitled to have a contribution made to your SEP/IRA if you worked for the employer at any time during the year even if you are no longer working for the employer at the end of the plan year or at the time the contribution is made for that year. In that case, your employer must deposit the contribution in your SEP/IRA and send notice of the contribution to your last address shown on your employer's records.

Both employer contributions and elective deferrals, discussed in sections IV and V that follow, made under a Prototype SEP, can be made to your SEP/IRA if you are eligible to receive them, even after you attain age 70½. However, as described in the IRA Disclosure Statement, you are not permitted to make annual IRA contributions to your SEP/IRA starting in the year in which you attain age 70½. (Note, however, that distributions from your SEP/IRA must begin by April 1 following the year in which you reach 70½, whether or not you are employed and are receiving contributions.)

All contributions to your SEP/IRA are nonforfeitable, that is, the assets in a SEP/IRA belong to you and withdrawals can be made by you at any time, subject to income tax (to the extent income tax has not previously been assessed) and, possibly, to a penalty tax for distributions made prior to your attaining age 59½ (unless another penalty exception applies).

You may generally avoid the income and penalty taxes, however, by "rolling over" the withdrawn amount to a traditional IRA, to a qualified plan, a 403(b) plan, a 403(a) plan, or an eligible governmental 457 deferred compensation plan within 60 days after you receive the withdrawal. The 60-day rollover requirement may be waived by the Secretary of the IRS under certain circumstances, including casualty, disaster, or other events beyond your reasonable control. Nondeductible contributions made to your IRA and after-tax contributions previously rolled over to your traditional IRA are ineligible for rollover to a qualified retirement plan, 403(b) plan or 457 plan.

A "rollover" can be done without penalty only once in any one year period. However, there are no restrictions on the number of times that you may make "transfers" if you arrange to have these funds transferred between the trustees or the custodians so that you never have possession of the funds. You should note, however, that you may not roll over withdrawals of "excess" or "disallowed" contributions discussed in Section V Salary Reduction Option, nor may you arrange to have those amounts transferred directly to another trustee or custodian.

Remember that IRAs other than the SEP/IRA into which employer contributions and elective deferrals are made under the Prototype SEP may provide different rates of return and may have different terms concerning, among other things, transfers and withdrawals of funds from the IRA(s). Please refer to the IRA Disclosure Statement for a discussion about rules on rollovers.

IV. EMPLOYER CONTRIBUTIONS

Employer SEP contributions are discretionary, that is, your employer is not required to make an annual contribution to your SEP/IRA under a SEP plan.

If your employer chooses to make a SEP contribution for a plan year, the contribution must be based on one of two types of definite written allocation formulas, both of which are described in the following paragraphs.

A. DEFINITION OF COMPENSATION

"Compensation" generally means wages and all other payments of compensation to you by your employer included in the "Wages, tips, other compensation" box on the Internal Revenue Service Form W-2.

If you are self-employed, i.e., a partner or sole proprietor, your compensation is your reported "net earnings from self-employment," after taking into account your deductions for retirement plan contributions (including employer SEP

contributions to your SEP/IRA) and for one-half of your self-employment tax. Net earnings from self-employment will include earnings that are not generally considered net earnings from self-employment because you claimed an exemption based on religious grounds.

Whether you are an employee or a self-employed individual, your compensation is calculated by adding in any elective deferral amounts excluded from your income under the salary reduction option, or salary reductions under a cafeteria plan or a similar arrangement. Additionally, not more than \$230,000 for 2008 (\$225,000 for 2007) of your compensation is used in determining the amount of contributions to your SEP/IRA for a plan year.

B. FORMULAS

On the Employer's Adoption Agreement, the employer may choose between two allocation formulas. The simpler formula requires that the employer contribution to the SEP/IRA of each participant be a uniform percent- age of the participant's compensation.

Under the other method, employer contributions are calculated using "permitted disparity," which is often referred to as the contributions being "integrated with Social Security" since under old law the employer was permitted to take its portion of the Old-Age, Survivors and Disability Insurance portion of the social security tax into consideration in computing the uniform percentage of compensation required of employer contributions under a SEP.

If the employer elects the "integrated" allocation method, the employer chooses a "base contribution percentage" and contributes that percentage of your total compensation (not in excess of the upper compensation limit described in Section IV.A Employer Contributions) to your SEP/IRA. The employer then chooses another percentage, which is not in excess of the lesser of (a) the "base contribution percentage" or (b) the percentage determined using a table in the Plan. This second percentage is applied to your compensation, if any, in excess of the "integration level" that your employer has chosen on the Employer's Adoption Agreement up to that compensation limit. The integration level is either the Social Security taxable wage base or a specified portion of that wage base.

Employer contributions made under the Prototype SEP may not discriminate in favor of certain highly compensated employees. The simpler formula, described above, satisfies this requirement because contributions are based on a uniform relationship to the compensation of each employee maintaining a SEP/IRA. The "integrated" formula satisfies this requirement by limiting the "second percentage" (described above) to a permissible maximum percentage.

Whether the uniform percentage method or the integrated method is chosen, the employer contribution and any salary reduction contributions made to your SEP/IRA cannot exceed the lesser of 25% of your compensation or \$46,000 for 2008 (\$45,000 for 2007). For purposes of this limit, your compensation is reduced by your salary reduction contributions under the SEP and pre- tax deferrals made under any other employer arrangement. If in any plan year your employer's Prototype SEP plan is considered "top-heavy" (i.e., the aggregate contributions under the plan are heavily weighted to "key employees"), your employer may be required to make a minimum contribution under the plan of up to 3% of your compensation.

Your employer is required to inform you in writing of all employer contributions to your SEP/IRA by January 31 of the year after which the contribution is made, or within 30 days after the contribution is made, whichever is later. Your employer's contribution to your SEP/IRA must be made by the employer's federal income tax filing deadline, including any extensions, for the employer's tax year in which the plan year ends.

V. SALARY REDUCTION OPTION

The salary reduction option is a SEP feature available only to certain employers. If your employer is a qualifying employer and has maintained a salary reduction option since December 31, 1996, you will be permitted to have your compensation reduced by up to \$15,500 for your tax year beginning in 2008 and have that "elective deferral" amount deposited into your SEP/IRA by your employer. If you are age 50 or older by the end of your tax year, under certain circumstances, you may make an additional salary reduction contribution of \$5,000 for your tax year beginning in 2008.

This salary reduction contribution, like all other SEP contributions, will be excluded from your gross income for federal income tax purposes, but, unlike other SEP contributions, is considered wages subject to Social Security taxes paid by you and your employer and federal unemployment tax paid by your employer.

A. METHOD OF MAKING SALARY REDUCTION CONTRIBUTIONS

You may elect to have elective deferrals made under the SEP through single-sum or continuing contributions, or both, pursuant to a salary reduction contribution agreement with your employer.

You may have your compensation reduced by a specified percentage or an amount per pay period, or for a specified pay period or periods, as designated in writing.

You may base elective deferrals on cash bonuses you would otherwise receive during the year.

Deferrals cannot be made by you based on compensation you received, or had a right to receive, before execution of a salary reduction agreement between you and your employer.

You may change, stop or resume your deferrals in accordance with procedures established by your employer or plan administrator.

B. LIMITATION OF AMOUNTS OF SALARY REDUCTION

If the salary reduction option is available to you, you will be permitted to defer up to the lesser of 25% of your current year compensation (reduced by your pre-tax deferrals under the SEP and any other employer arrangement) or \$15,500 for your tax year beginning in 2008. (The \$15,500 limit will be adjusted periodically for inflation.) The deferred amounts are then deposited by your employer in your SEP/IRA. The \$15,500 amount is an overall limit that applies each tax year to all of your salary deferrals under all salary reduction SEPs, SIMPLE IRA plans under section 408(p), section 403(b) salary reduction arrangements, and cash or deferred arrangements under section 401(k) whether or not they are plans of your employer maintaining the SEP plan.

Notwithstanding the foregoing, if you are age 50 or older by the end of your tax year and you are restricted from otherwise making any further salary reduction contributions under the Prototype SEP, you may make an additional "catch-up" salary reduction contribution of \$5,000 for each of your tax years beginning in 2008. For each of your tax years, the \$5,000 additional salary reduction contribution will be increased periodically by the Internal Revenue Service to reflect cost of living adjustments under the Code.

However, your total salary reduction contributions may not exceed your compensation. The total "catch-up" contributions that you may make to all eligible plans maintained by all employers and exclude from income for a year cannot be more than the "catch-up" limit for that year (and for that type of plan). All retirement plans maintained by your employer are treated as a single plan for purposes of the limit on these additional contributions.

These additional salary reduction contributions are not subject to any other contribution limit and are not taken into account in applying other contribution limits.

You are responsible for determining whether you have exceeded the limits and taking the required corrective action. (Your

employers sponsoring those arrangements separately identify your salary reductions for those arrangements on your Form W-2 for the year of the salary reduction.)

Note: The salary reduction contributions, when added to your employer's contribution, cannot exceed the lesser of 25% of your compensation or \$46,000 for 2008 (\$45,000 for 2007) on an annual basis. For purposes of the limitation described in the preceding sentence, compensation does not include any amounts contributed by your employer pursuant to a salary reduction agreement and which is not included in your gross income under the Prototype SEP or any other employer arrangement. If these limits are exceeded for a plan year, your elective deferrals for that plan year must be reduced to the extent of the excess amount and that excess amount, plus all earnings attributable thereto, must be returned to you no later than April 15 following the year of deferral to avoid incurring the 6% excise tax on excess IRA contributions. (Any income returned after April 15 will be subject to the 10% tax on early distributions unless an exception to the 10% penalty applies; for example, you are over age 59½.) The returned elective deferrals are included on your income tax return in the year of the deferral. Income earned on the excess deferrals is includable in your income in the year withdrawn.

These amounts may not be transferred or rolled over tax-free to another IRA or eligible retirement plan. Any excise tax or penalty is reported on IRS Form 5329. Also see IRS Publication 590 for a discussion of exceptions to the age 59½ rule.

There is an additional limitation on the elective deferrals of "highly compensated employees" (i.e., certain owners of the employer and employees having compensation in excess of certain prescribed amounts). The "deferral percentage" (the percentage of compensation that may be deferred) of a highly compensated employee is limited under a formulation which takes into account the average deferral percentages of other eligible employees. Your employer will notify you if you are affected by that limitation.

If you are a highly compensated employee who has made excess deferrals under the deferral percentage limitation, your employer must notify you within 2½ months following the end of the plan year to which the excess SEP contributions relate. If you have excess deferrals that do not have to be withdrawn (because you had unused catch-up deferrals), the following rules on including the deferrals in income, withdrawing the deferrals and penalties do not apply to these excess deferrals. Your employer's notice will specify the amount of your excess SEP contributions, the calendar year in which your excess SEP contributions are includable in income, and that if you do not withdraw your excess SEP contributions by April 15 following the year of notification by your employer, they will be considered excess IRA contributions and subject to the 6% excise tax on excess IRA contributions reportable on IRS Form 5329.

Excess SEP contributions are includable in your gross income on the earliest dates any elective deferrals made on your behalf during the plan year would have been received by you had you originally elected to receive the amounts in cash. However, if the excess SEP contributions (not including allocable income) total less than \$100, then the excess contributions are includable in your gross income in the year of notification. Income allocable to the excess SEP contributions is includable in the year withdrawn from your SEP/IRA. If you do not withdraw the income allocable to the excess SEP contributions by April 15 following the calendar year of notification by your employer, the income may be subject to a 10% penalty tax on early distributions if you are not age 59½ when you withdraw it.

The penalty tax is reported on IRS Form 5329. See also IRS Publication 590.

If you have both excess elective deferrals and excess SEP contributions, the amount of the excess elective deferrals that you withdraw by April 15 will reduce any excess SEP contributions that must be withdrawn for the corresponding calendar year.

Please refer to the IRA Disclosure Statement for more information concerning excess IRA contributions.

You may not withdraw or transfer from your SEP/IRA contributions (or income on these contributions) attributable to elective deferrals made during the plan year until 2½ months after the end of the plan year or, if sooner, when your employer notifies you that the deferral percentage limitation test (described above) has been completed for that year. In general, any transfer or distribution made before this time will be includable in your gross income and may also be subject to a 10% penalty tax for early withdrawal. You may, however, remove excess elective deferrals from your SEP/IRA before this time, but you may not roll over or transfer these amounts to another IRA.

C. DISALLOWED DEFERRALS

Even if your employer is eligible to offer the salary reduction option for a plan year, the option may not be effective for the plan year if less than 50% of the employees eligible to participate elect to make elective deferrals for the plan year. If this requirement is not satisfied as of the end of a plan year, all of the elective deferrals made by participants for the year are considered “disallowed deferrals,” that is, IRA contributions that are not SEP/IRA contributions.

If there are disallowed deferrals, your employer must within 2½ months after the end of the plan year to which the disallowed deferrals relate, notify you that the elective deferrals are no longer considered SEP/IRA contributions. The notice will state specifically:

- 1) the amount of the disallowed deferrals;
- 2) that the disallowed deferrals are includable in your gross income for the calendar year in which the amounts deferred would have been received by you in cash had you not made an election to defer and that the income allocable to such disallowed deferrals is includable in the year withdrawn from the IRA; and
- 3) that you must withdraw the disallowed deferrals (and allocable income) from your SEP/IRA by April 15 following the calendar year of notification by your employer.

Those disallowed deferrals not withdrawn by the April 15 time period will be subject to the IRA contributions limitations and then may be considered an excess contribution to your IRA. Disallowed deferrals may be subject to the 6% excise tax on excess IRA contributions, and any income allocable to a disallowed deferral when withdrawn may be subject to the 10% penalty tax on early distributions. You report both the excise and penalty taxes on IRS Form 5329.

VI. TAX CREDIT

You may be eligible for a nonrefundable tax credit of up to 50% of the first \$2,000 of “qualified retirement savings contributions,” provided your adjusted gross income is within specified limits. “Qualified retirement savings contributions” include, for example, contributions to an IRA, elective deferrals to a qualified retirement plan, a SIMPLE IRA plan or SAR SEP plan, elective deferrals under an eligible deferred compensation plan maintained by a State or local government, and voluntary employee contributions to a qualified retirement plan. The amount of the tax credit is calculated by multiplying the first \$2,000 of your “qualified retirement savings contributions” by the applicable percentage, which is determined in accordance with the AIG table.

For purposes of calculating the tax credit, your “qualified retirement savings contributions” may be reduced by certain distributions from certain retirement plans and IRAs made in the same tax year, the two preceding tax years and the period after the tax year and before the due date for filing your return for the tax year. Distributions received by your spouse are treated

as distributions to you for purposes of reducing your “qualified retirement contributions” if you file a joint return for the tax year in which your spouse received the contribution. If you believe that you may be eligible for the tax credit, contact your tax adviser.

VII. MILITARY SERVICE

If you are reemployed after a period of military service that is protected under the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”), you will be permitted to make additional elective deferrals, if your Employer’s Prototype SEP offers a salary reduction contribution option, up to the maximum amount you would have been permitted to contribute during your period of military service, if you had actually been employed by the employer during the period. You are also entitled to any employer contributions made for any plan year during your period of military service, if you would have been eligible to receive such contribution.

You have a period equal to the lesser of five years from the date of your reemployment, or three times the period of your military service to make the additional elective deferrals. Your compensation for purposes of the “make-up” contributions is the amount you would have otherwise received from the employer during the period of your military service, or if it is not reasonably certain what that compensation would be, your average compensation from the employer during the 12 month period immediately before your military service began.

VIII. FEES FOR YOUR SEP/IRA

A custodial fee is charged each year on your SEP/IRA, but will be waived for the time that your SEP/IRA is enrolled in a Merrill Lynch investment advisory program. In addition, investment in certain assets will result in additional fees. Please refer to your IRA Disclosure Statement for further information.

IX. AMENDMENTS TO THE PROTOTYPE SEP PLAN

Merrill Lynch will inform your employer of any amendments to the Prototype SEP Plan or if it has decided to terminate the SEP Plus Program. Within 30 days of the effective date of an amendment to the Prototype SEP Plan, your employer is required to provide you with a copy of the amendment and an explanation of its effects.

X. EXCESS CONTRIBUTIONS

Contributions exceeding the yearly limitations may be withdrawn without penalty by the due date (plus extensions) for filing your tax return (normally April 15), but are includable in your gross income. Excess contributions left in your SEP/IRA after that time may have adverse tax consequences. Withdrawals of those contributions may be taxed as premature withdrawals. For more information about excess contributions that are salary reduction contributions, refer to Section V *Salary Reduction Option*.

XI. FINANCIAL INSTITUTION WHERE IRA IS ESTABLISHED TO PROVIDE INFORMATION

The financial institution must provide you with a disclosure statement that contains the following items of information in plain nontechnical language:

1. The law that relates to your IRA.
2. The tax consequences of various options concerning your IRA.
3. Participation eligibility rules, and rules on the deductibility of retirement savings.
4. Situations and procedures for revoking your IRA, including the name, address, and telephone number of the person designated to receive notice of revocation. (This information must be clearly displayed at the beginning of the disclosure statement.)

5. A discussion of the penalties that may be assessed because of prohibited activities concerning your IRA.
6. Financial disclosure that provides the following information:
 - (a) Projects value growth rates of your IRA under various contribution and retirement schedules, or describes the method of determining annual earnings and charges that may be assessed.
 - (b) Describes whether, and for when, the growth projections guaranteed, or a statement of the earnings rate and the terms on which the projections are based.
 - (c) States the sales commission for each year expressed as a percentage of \$1,000.

In addition, the financial institution is required to provide you with a financial statement each year. You may want to keep these statements to evaluate your IRA's investment performance.

NOTICE TO EMPLOYEES

The following information explains what a Simplified Employee Pension plan (“SEP”) is, how contributions are made, and how to treat these contributions for tax purposes. For more specific information, refer to the SEP agreement itself and the accompanying “Notice to Adopting Employer.”

I. SIMPLIFIED EMPLOYEE PENSION-DEFINED

A SEP is a retirement income arrangement. In this “elective” SEP, you may choose to defer compensation to your own Individual Retirement Account or Annuity (“IRA”). You may base these “elective deferrals” either on a salary reduction arrangement or on bonuses that, at your election, may be contributed to an IRA or received in cash. This type of elective SEP is available only to an employer with 25 or fewer eligible employees.

Your employer must provide you with a copy of the SEP agreement containing eligibility requirements and a description of the basis upon which contributions may be made.

All amounts contributed to your IRA belong to you, even after you quit working for your employer.

II. ELECTIVE DEFERRALS MAY BE DISALLOWED

You are not required to make elective deferrals to this SEP/IRA. However, if more than half of your employer’s eligible employees choose not to make elective deferrals in a particular year, then no employee may participate in your employer’s elective SEP for that year. If you make elective deferrals during a year in which this happens, then your deferrals for that year will be “disallowed,” and the deferrals will be considered ordinary IRA contributions (which may be excess IRA contributions) rather than SEP/IRA contributions.

“Disallowed deferrals” and allocable income may be withdrawn, without penalty, until April 15 following the calendar year in which you are notified of the “disallowed deferrals.” Amounts left in the IRA after that date will be subject to the same penalties discussed in Section VII *Excess Elective Deferrals* applicable to excess SEP contributions.

III. ELECTIVE DEFERRALS — ANNUAL LIMITATION

The maximum amount that you may defer to this SEP for any tax year is limited to the lesser of 25% of compensation (determined without including the SEP/IRA contribution) or a dollar limit under section 402(g) of the Internal Revenue Code that effective January 1, 2008 is \$15,500. (The \$15,500 limit will be increased periodically by the IRS to reflect the cost of living.)

The 25% limit may be reduced if your employer also maintains a SEP to which non-elective contributions are made for a plan year, or any qualified plan to which contributions are made for such plan year. In that case, total contributions on your behalf to all such SEPs and qualified plans may not exceed the lesser of \$46,000 or 25% of your compensation on an annual basis for 2008. (The lesser of \$45,000 or 25% of your compensation for 2007.) If these limits are exceeded, the amount you may elect to contribute to this SEP for the year will be correspondingly reduced.

The dollar limit under section 402(g) of the Internal Revenue Code is an overall limit on the maximum amount that you may defer in each calendar year to all elective SEPs, SIMPLE IRA plans under section 408(p) of the Internal Revenue Code, 403(b) salary reduction arrangements, and cash or deferred arrangements under section 401(k) of the Internal Revenue Code, regardless of how many employers you may have worked for during the year.

Notwithstanding the foregoing, if you are age 50 or older by the end of your tax year and you are restricted from otherwise making any further salary deferrals under the Prototype SEP Plan, you may defer an additional amount under section 414(v) of the Code. However, your total salary deferrals may not exceed your compensation. If you are eligible for this “catch up”

contribution, you may elect to defer an additional \$5,000 for your tax year beginning in 2007. The \$5,000 additional deferral will be increased periodically by the Internal Revenue Service to reflect cost of living adjustments under the Code.

The total “catch-up” contributions that you may make to all eligible plans maintained by all employers and exclude from income for a year cannot be more than the “catch-up” limit for that year (and for that type of plan). All retirement plans maintained by your employer will be treated as a single plan for purposes of the “catch-up” contribution limit.

These additional salary reduction contributions are not subject to any other contribution limit and are not taken into account in applying other contribution limits. They are also not subject to nondiscrimination rules as long as all eligible participants are allowed to make them.

If you are a highly compensated employee, there may be a further limit on the amount that you may contribute to a SEP/IRA for a particular year. This limit is calculated by your employer and is known as the “deferral percentage limitation.” This deferral percentage limitation is based on a mathematical formula that limits the percentage of pay that highly compensated employees may elect to defer to a SEP/IRA. As discussed in the following Section VIII, *Excess SEP Contributions*, your employer will notify each highly compensated employee who has exceeded the deferral percentage limitation.

IV. ELECTIVE DEFERRALS — TAX TREATMENT

The amount that you may elect to contribute to your SEP/IRA is excludable from gross income, subject to the limitations discussed in the preceding section, and is not includable as taxable wages on Form W-2. However, these amounts are subject to FICA/FUTA taxes.

V. ADDITIONAL TOP-HEAVY CONTRIBUTIONS

If you are not a “key employee,” your employer must make an additional contribution to your SEP/IRA for a year in which the SEP is considered “top-heavy.” (Your employer will be able to tell you whether you are a key employee.) This additional contribution will not exceed 3% of your compensation. It may be less if your employer has already made a contribution to your account, and for certain other reasons.

VI. ELECTIVE DEFERRALS — EXCESS AMOUNTS CONTRIBUTED

There are three different situations in which impermissible excess amounts arise under the SEP/IRA.

The first way is when “excess elective deferrals” (i.e., amounts in excess of the section 402(g) and 414(v) limits) are made. You are responsible for calculating whether you have exceeded the section 402(g) and 414(v) limits in the calendar year. For your 2008 tax year, the section 402(g) limit for contributions made to an elective SEP is \$15,500 and the section 414(v) limit for additional deferrals permitted for participants age 50 or older before the end of the tax year is \$5,000.

The second way is when “excess SEP contributions” (i.e., amounts in excess of the deferral percentage limitation referred to above) are made by highly compensated employees. The employer is responsible for determining whether such an employee has made excess contributions.

The third way is when more than half of an employer’s eligible employees choose not to make elective deferrals for a plan year.

In that case, any elective deferrals made by any employees for that year are considered “disallowed deferrals,” as discussed on the previous page. Your employer is also responsible for determining whether deferrals must be disallowed on this basis.

Excess elective deferrals are calculated on the basis of the calendar year. Excess SEP contributions and disallowed deferrals, however, are calculated on the basis of the SEP plan year, which may or may not be a calendar year.

VII. EXCESS ELECTIVE DEFERRALS — HOW TO AVOID ADVERSE TAX CONSEQUENCES

Excess elective deferrals are includable in your gross income in the calendar year of deferral. Income on the excess elective deferrals is includable in the year of withdrawal from the IRA. You should withdraw excess elective deferrals under this SEP, and any allocable income, from your SEP/IRA by April 15 following the year to which the deferrals relate. These amounts may not be transferred or rolled over tax-free to another SEP/IRA.

If you fail to withdraw excess elective deferrals, and any allocable income, by April 15, the excess elective deferrals will be subject to the IRA contribution limitations of sections 219 and 408 of the Code and thus may be considered an excess contribution to your IRA. Such excess deferrals may be subject to a six percent excise tax for each year they remain in the SEP/IRA. The excise tax is reported on IRS Form 5329.

Income on excess elective deferrals is includable in your gross income in the year you withdraw it from your IRA and must be withdrawn by April 15 following the calendar year to which the deferrals relate. Income withdrawn from the IRA after that date may be subject to a 10% tax on early distributions if you are not 59½. Report the tax on IRS Form 5329. Also see IRS Publication 590 for a discussion of exceptions to the age 59½ rule.

If you have both excess elective deferrals and excess SEP contributions (as described in the following section), the amount of excess elective deferrals that you withdraw by April 15 will reduce any excess SEP contributions that must be withdrawn for the corresponding plan year.

VIII. EXCESS SEP CONTRIBUTIONS — HOW TO AVOID ADVERSE TAX CONSEQUENCES

If you are a “highly compensated employee,” your employer is responsible for notifying you if you have made any excess SEP contributions for a particular plan year. This notification should tell you the amount of the excess SEP contributions, the calendar year in which you must include these contributions in income, and that the contributions may be subject to penalties if you do not withdraw them from your IRA within the applicable time period.

Your employer should notify you of the excess SEP contributions within 2½ months of the end of the plan year. Generally you must include the excess SEP contributions in income for the calendar year in which the original deferrals were made. This may require you to file an amended individual income tax return. However, an excess SEP contribution of less than \$100 (not including earnings) is includable in the calendar year of notification. Income on these excess contributions is includable in your gross income when you withdraw it from your IRA.

You are responsible for withdrawing these excess SEP contributions (and earnings) from your IRA. You may withdraw these amounts, without penalty, until April 15 following the calendar year in which you were notified by your employer of the excess SEP contributions.

If you fail to withdraw the excess SEP contributions by April 15 following the calendar year of notification, the excess SEP contributions will be subject to the IRA contribution limitations

of sections 219 and 408 of the Code and thus may be considered an excess contribution to your IRA. Thus, such excess SEP contributions may be subject to a 6% excise tax for each year they remain in your IRA. The excise tax is reported on IRS Form 5329.

If you do not withdraw the income on these excess SEP contributions by April 15 following the calendar year of notification by your employer, the income may be subject to a 10% tax on early distributions if you are not 59½ when you withdraw it. The penalty tax is reportable on IRS Form 5329.

IX. INCOME ALLOCABLE TO EXCESS AMOUNTS

The rules for determining and allocating income to excess elective deferrals, excess SEP contributions, and disallowed deferrals are the same as those governing regular IRA contributions. The trustee or custodian of your SEP/IRA will inform you of the income allocable to excess amounts.

X. AVAILABILITY OF IRA CONTRIBUTION DEDUCTION TO SEP PARTICIPANTS

In addition to any SEP amounts, you may make regular contributions of the lesser of the maximum amount permitted under section 219 of the Code or 100% of compensation to a traditional IRA. However, the amount that you may deduct is subject to various limitations. See IRS Form 8606. Also, see Internal Revenue Service Publication 590, *Individual Retirement Arrangements (IRAs)*, for more specific information.

XI. SEP/IRA AMOUNTS — ROLLOVER OR TRANSFER TO ANOTHER IRA

You may not withdraw or transfer from your SEP/IRA any SEP contributions (or income on these contributions) attributable to elective deferrals made during the plan year until 2½ months after the end of the plan year or, if sooner, when your employer notifies you that the deferral percentage limitation test (described in Section VII Excess Elective Deferrals) has been completed for that year. In general, any transfer or distribution made before this time will be includable in your gross income and may also be subject to a 10% penalty tax for early withdrawal. Report this tax on IRS Form 5329. You may, however, remove excess elective deferrals from your SEP/IRA before this time, but you may not roll over or transfer these amounts to another IRA.

After the restriction described in the preceding paragraph no longer applies, and with respect to contributions for a previous plan year, you may withdraw, or receive, funds from your SEP/IRA, and no more than 60 days later, place such funds in another IRA, SEP/IRA qualified plan, a 403(b) plan, a 403(a) plan, or an eligible governmental 457 deferred compensation plan. This 60-day rollover requirement may be waived by the Secretary of the IRS under certain circumstances, including casualty, disaster, or other events beyond your reasonable control. Nondeductible contributions made to your IRA and after-tax contributions previously rolled over to your traditional IRA are ineligible for rollover to a qualified retirement plan, 403(b) plan, 403(a) plan or 457(b) plan. This is called a “rollover” and may not be done without penalty more frequently than at one-year intervals. However, there are no restrictions on the number of times that you may make “transfers” if you arrange to have such funds transferred between the trustees so that you never have possession of the funds.

You may not, however, roll over or transfer excess elective deferrals, excess SEP contributions, or disallowed deferrals from your SEP/IRA to another IRA or other eligible plan. These excess amounts may be reduced only by a distribution to you.

XII. FILING REQUIREMENTS

You do not need to file any additional forms with the IRS because of participation in the SEP.

XIII. EMPLOYER TO PROVIDE INFORMATION ON SEP/IRAS AND THE SEP AGREEMENT

Your employer must provide you with a copy of the executed SEP agreement, this Notice to Employees, the form you should use to defer amounts to the SEP, the notice of excess SEP contributions or disallowed deferrals (if applicable) and a statement for each taxable year showing any contribution to your SEP/IRA. Your employer must also notify you, if you are a highly compensated employee, when the deferral percentage limitation test has been completed for a plan year.

XIV. FINANCIAL INSTITUTION WHERE IRA IS ESTABLISHED TO PROVIDE INFORMATION

The financial institution where your IRA is established must provide you with a disclosure statement that contains the following items of information in plain nontechnical language:

1. The statutory requirements that relate to the IRA;
2. The tax consequences that follow the exercise of various options and what those options are;
3. Participation eligibility rules, and rules on the deductibility and nondeductibility of retirement savings;
4. The circumstances and procedures under which you may revoke the IRA, including the name, address, and telephone number of the person designated to receive notice of revocation (this explanation must be prominently displayed at the beginning of the disclosure statement);

5. Explanations of when penalties may be assessed against you because of specified prohibited or penalized activities concerning the IRA; and
6. Financial disclosure information which:
 - (a) Either projects value growth rates of the IRA under various contribution and retirement schedules, or describes the method of computing and allocating annual earnings and charges which may be assessed;
 - (b) Describes whether, and for what period, the growth projections for the plan are guaranteed, or provides a statement of earnings rate and terms on which these projections are based; and
 - (c) States the sales commission to be charged in each year expressed as a percentage of \$1,000.

See Internal Revenue Service Publication 590, *Individual Retirement Arrangements* (IRAs), which is available at most IRS offices, for a more complete explanation of the disclosure requirements.

In addition to the disclosure statement, the financial institution is required to provide you with a financial statement each year. It may be necessary to retain and refer to statements for more than one year in order to evaluate the investment performance of your IRA and in order that you will know how to report IRA distributions for tax purposes

PROTOTYPE SEP PLUS EMPLOYER'S ADOPTION AGREEMENT

Please type or print. Retain this agreement for your records.

Purpose

By completing and signing this Employer's Adoption Agreement, the Employer amends an existing SEP Plan as set forth in the Merrill Lynch, Pierce, Fenner & Smith Incorporated Prototype Simplified Employee Pension Plan and this Employer's Adoption Agreement.

I. EMPLOYER INFORMATION

Name of Employer

Business Address

City/State/Zip Code

Employer's tax year for federal income tax purposes (check one):

- Calendar year; or
- Fiscal year ending on the last day of _____ (indicate applicable month).

For purposes of this Plan, the Plan Year is (check one):

- The calendar year; or
- The employer's tax year.

II. ELIGIBILITY TO PARTICIPATE

A. Eligibility.

Subject to the minimum compensation rule described in the Prototype SEP, all Employees of all Employers are eligible to participate in the Plan, except that certain union employees and nonresident aliens (as further defined in the Prototype SEP) are automatically excluded unless the appropriate box is checked below (choose one or more, if applicable):

- Employees subject to collective bargaining (union employees) are included.
- Non-resident alien employees with no U.S. source income are included.

B. Age and service requirements.

1. Age (check one):

- No minimum age requirement
- The Employee must be at least age _____ (not greater than 21).

2. Service (check one):

- No service requirement
- The Employee must have worked for the Employer in at least _____ (not more than three) of the immediately preceding five Plan Years.

III. CALCULATION OF EMPLOYER'S CONTRIBUTIONS

(Check one:)

- Employer Contributions to the SEP/IRA of Participants shall be a uniform percentage of Participants' Compensation.
- Employer Contributions to the SEP/IRAs of Participants shall be calculated using "permitted disparity" (commonly referred to as "Social Security integration") in the manner described in the section entitled "Allocation Formula Providing for Permitted Disparity" in the Prototype SEP. The "Integration Level" shall be (check one):
 - The Taxable Wage Base
 - % of the Taxable Wage Base (See section entitled "Allocation Formula Providing for Permitted Disparity" in the Prototype SEP.)

IV. SALARY REDUCTION OPTION

Only Employers maintaining a SEP with a salary reduction contribution option on December 31, 1996 may offer the salary reduction contribution option to their Employees under this Prototype SEP Plan.

These Employers may choose to eliminate or restore the salary reduction contribution option from their Prototype SEP Plan by checking the appropriate box below (check one):

- A Participant may elect Salary Reduction Contributions under the Plan.
- A participant may not elect salary reduction contributions under the plan.

V. TOP-HEAVY PROVISIONS

A. Top-Heavy contributions

Minimum allocations will be provided under the Plan only in the Plan Years in which the Plan is top-heavy, as defined in Code section 416(g) unless one of the boxes below is checked. (Complete part B if no box is checked below.)

(Check one:)

- The Plan will automatically satisfy the top-heavy requirements under Code section 416 each Plan Year since the Employer Contributions to the SEP/IRAs of each Participant will be at least equal to 3% of the Participants' Compensation. (Skip part B.)
- Minimum allocations will be provided under the following Defined Contribution Plan. (Skip part B.)

B. Top-Heavy determinations

The determination of top-heavy status with respect to benefits under the Plan will be made on the basis of aggregate contributions as provided in the Prototype SEP unless the box below is checked.

- The determination of top-heavy status with respect to benefits under the Plan will be made on the basis of the aggregate value of the SEP/IRAs of Participants.

V. EFFECTIVE DATE

The Plan provisions reflected in this Prototype SEP Plus Employer's Adoption Agreement are effective as of (Enter effective date in the space provided) _____

VI. PLAN ADMINISTRATION

The Employer shall be the plan administrator.

Name of individual that employees may contact for more information about the Plan:

Name Telephone

By signing below, the Employer acknowledges receipt of, and represents that it has read and understood the Merrill Lynch SEP Plus Prototype Simplified Employee Pension Plan and the Merrill Lynch Prototype Disclosure Statement. The Employer understands that it may not use this form if the Employer is a member of an "affiliated service group," a controlled group of corporations, or trades or businesses under common control, unless all employees of such groups, trades or businesses are treated as employees of the Employer for purposes of participation in this Plan. The Employer agrees to make contributions in accordance with this Employer's Adoption Agreement only to a SEP/IRA maintained with Merrill Lynch, Pierce, Fenner & Smith Incorporated by or on behalf of each eligible employee. The Employer understands that each such SEP/IRA shall be governed by the terms of the Merrill Lynch Individual Retirement Account Custodial Agreement and that custodial fees, commissions and other expenses may be charged with respect to each such account.

Employer's Signature Date

Title (if other than sole proprietor)

A copy of the completed Prototype SEP Plus Employer's Adoption Agreement should be given to each Eligible Employee.

The Merrill Lynch SEP Plus Prototype Simplified Employee Pension Plan is sponsored by:

- Merrill Lynch, Pierce, Fenner & Smith Incorporated
- Retirement Plan Services
- 1400 American Blvd., MSC 0403
- Pennington, New Jersey 08534-4128



L-06-17

Merrill Lynch Wealth Management makes available products and services offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S) and other subsidiaries of Bank of America Corporation. MLPF&S is a registered broker-dealer, Member SIPC and a wholly owned subsidiary of Bank of America Corporation.

© 2017 Bank of America Corporation. All rights reserved. | BRO-05-17-0794 | 306503PM-0617 | 06/2017

15527