

Franklin Templeton SIMPLE IRA/SEP IRA Application



FRANKLIN TEMPLETON
INVESTMENTS

Franklin · Templeton · Mutual Series

COMPLETE SECTIONS 1–8. For assistance, please refer to the Application Instructions on page 1 in the *SIMPLE IRA and SEP IRA Employee's Forms Booklet*.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. If you fail to provide all requested information, it may delay or prevent us from opening an account and making your requested investment(s), and if after your account is open we are unable to verify the information you provide, we may close your account.

PLEASE NOTE: You must provide your U.S. Taxpayer Identification Number (TIN); a TIN includes SSN or ITIN. Refer to Section 8 for additional certification requirements applicable to the registered owner.

For assistance, please call your financial advisor or Franklin Templeton Retirement Services at 1-800/527-2020.

1 ACCOUNT REGISTRATION (Please print or type)

First name	M.I.	Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Street address of residence (no P.O. Box address)		City	State	ZIP
<input type="text"/>		<input type="text"/>	<input type="text"/>	<input type="text"/>
Mailing address (if different from above)		City	State	ZIP
<input type="text"/>		<input type="text"/>	<input type="text"/>	<input type="text"/>
Daytime phone number	Evening phone number			
(<input type="text"/>) <input type="text"/>	(<input type="text"/>) <input type="text"/>			

2 EMPLOYER INFORMATION

CHECK ONE: SIMPLE IRA SEP IRA SARSEP IRA¹

Name of business

Address of principal place of business

Name of employer/owner Phone number
()

3 INVESTMENT INSTRUCTIONS

Please refer to the enclosed fund listing for a complete list of investment choices. Please specify the exact fund name.

PLEASE CHECK APPLICABLE BOX(ES): Check is enclosed: \$ Investment pending: (check one) Transfer Salary Deferrals Employer Contributions

FRANKLIN TEMPLETON FUND NAME ²	SHARE CLASS ³ (check one)	PERCENTAGE ⁴
<input type="text"/>	<input type="checkbox"/> A <input type="checkbox"/> C	<input type="text"/> %
<input type="text"/>	<input type="checkbox"/> A <input type="checkbox"/> C	<input type="text"/> %
<input type="text"/>	<input type="checkbox"/> A <input type="checkbox"/> C	<input type="text"/> %
<input type="text"/>	<input type="checkbox"/> A <input type="checkbox"/> C	<input type="text"/> %
TOTAL:		<input type="text"/> 100%

1. To establish a participant SARSEP IRA, the SARSEP IRA agreement must have been adopted prior to January 1, 1997.

2. Note to Class Z Mutual Series Fund shareholders as of 10/31/96: If you choose a Class Z Mutual Series Fund as one of your Plan investments, please write "Class Z" next to the fund name, plus your existing Class Z Mutual Series Fund account number and the words "for reference only" next to it.

3. Class A shares will be purchased if no class of shares is selected.

4. If not specified, investments will be divided equally among the funds listed. Contributions must be at least \$25 per fund. Unless otherwise indicated these allocations will be used for all future contributions.

(continued)

4 TELEPHONE TRANSACTIONS

You and your financial advisor automatically have the convenience of Telephone Exchange and Redemption Privileges unless you check the boxes below. Review your prospectus for a discussion of these privileges.

I do **NOT** want Telephone Exchange Privileges.

I do **NOT** want Telephone Redemption Privileges (if you decline this privilege, the Telephone Purchase Privilege will not be available).

IF YOU DECLINE A PARTICULAR TELEPHONE PRIVILEGE, THAT PRIVILEGE WILL ALSO NOT BE AVAILABLE TO YOU ONLINE.

5 FINANCIAL ADVISOR INFORMATION (to be completed by the Advisor, if any)

Financial advisor	Name of firm			
<input type="text"/>				
Main office address	City	State	ZIP	
<input type="text"/>				
Branch address	City	State	ZIP	
<input type="text"/>				
Financial advisor number	Dealer number	Branch number	Phone number	
<input type="text"/>		<input type="text"/>	<input type="text"/>	
			()	
			Date	
			<input type="text"/>	

X
Authorized Signature, Securities Dealer

6 BENEFICIARY DESIGNATION

I designate the following as my beneficiary(ies).⁵ For each designated beneficiary, please check Primary or Contingent.⁶ If neither box is checked, the named beneficiary will be considered a Primary beneficiary. My beneficiary designation shall apply to all of my custodial account assets, including each fund account opened and maintained in this custodial account. If I am married and designate a beneficiary other than my spouse, I understand that I should consult with my legal advisor regarding any interest (community property, marital property or otherwise) my spouse has or may have in this IRA and the effect of any such interest on this designation.

First name	M.I.	Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Primary	Relationship:		Share	
<input type="checkbox"/> Contingent	<input type="text"/>		<input type="text"/> % ⁷	
Address	City	State	ZIP	
<input type="text"/>				

First name	M.I.	Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Primary	Relationship:		Share	
<input type="checkbox"/> Contingent	<input type="text"/>		<input type="text"/> % ⁷	
Address	City	State	ZIP	
<input type="text"/>				

First name	M.I.	Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Primary	Relationship:		Share	
<input type="checkbox"/> Contingent	<input type="text"/>		<input type="text"/> % ⁷	
Address	City	State	ZIP	
<input type="text"/>				

5. If designating a trust as a beneficiary, please provide a copy of the title, trustee and signature pages of the trust.

6. In the event no Primary beneficiary survives you, the Contingent beneficiary(ies) you designate shall be entitled to plan assets.

7. Benefits shall be divided equally among Primary beneficiaries (or Contingent beneficiaries), unless otherwise specified.

(continued)



Franklin Templeton SIMPLE IRA/SEP IRA Application (cont'd.)

7 REDUCED SALES CHARGES

CUMULATIVE QUANTITY DISCOUNT FOR CLASS A SHARES

I am familiar with the Cumulative Quantity Discount provision of the fund's prospectus and know that I can refer to it conveniently at www.franklintempleton.com/retail/jsp_cm/fund_perf/pub/quantity_discount.jsp. I understand that I can combine the amount of my current purchase of Class A shares with any existing holdings that the prospectus describes as "Cumulative Quantity Discount eligible shares" to determine if I can qualify for a reduced sales charge breakpoint. I also understand that if there are any existing Cumulative Quantity Discount eligible shares that I want combined with my current purchase, I must identify the account(s) in which they are held below or they will not be considered in determining if my current purchase qualifies for a reduced sales charge breakpoint.

I have reviewed the prospectus (or referred to the web address above) and believe that Cumulative Quantity Discount eligible shares are held in the following account(s) (identify by account number):

Account number(s)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Fund name(s)	<input type="text"/>	<input type="text"/>	<input type="text"/>

LETTER OF INTENT (LOI) FOR CLASS A SHARES

I intend to purchase additional Class A shares issued by one or more Franklin Templeton funds over a 13-month period following my initial purchase to be eligible for a sales charge discount. I agree to the terms of the Letter of Intent described in the applicable prospectus(es) and grant Franklin Templeton Distributors, Inc. a security interest in the shares to be reserved. Although I am not obligated to do so, the aggregate amount of Franklin Templeton funds' Class A shares I intend to purchase over the 13-month period will be at least equal to:

\$50,000⁸ \$100,000 \$250,000 \$500,000 \$1,000,000 or above

Account number(s)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Fund name(s)	<input type="text"/>	<input type="text"/>	<input type="text"/>

8 AUTHORIZING SIGNATURE

BY SIGNING BELOW I CERTIFY AND AGREE THAT:

- The information provided on this application is true, correct and complete. You may verify this information with others, including third party credit reporting agencies and databases and U.S. and/or foreign government agencies, and if you are unable to verify my information, you are authorized to close my account by redeeming shares at the then applicable net asset value.
- I hereby appoint Franklin Templeton Bank & Trust as Custodian of my IRA under the terms of Traditional IRA Custodial Account Agreement (the "Agreement"). I have received and read the Agreement and the IRA Disclosure Statement.
- I consent to a maintenance fee for the type of IRA custodial account opened by this application. A \$15 maintenance fee will apply to each account with a balance of less than \$50,000. The maintenance fee is \$10 for accounts with balances of \$50,000 and over.⁹
- I have received and read the prospectus for each fund selected in Section 3 and agree to the terms of each.
- I have full authority and am of legal age (or an emancipated minor) to buy and sell shares.
- The information in Sections 1, 4, 6 and 8 applies to any new fund into which my shares may be exchanged.
- I consent to the recording of our telephone conversations when I call you regarding my shares and account(s).
- You are authorized to provide any information about my account(s) to my dealer or other financial advisor.
- I will review all statements upon receipt at the address of record, and will notify you immediately if there is a discrepancy.

I understand that mutual fund shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. Government, and that an investment in mutual fund shares involves risks, including the possible loss of principal.

X _____ Date

Signature

8. Not applicable for all funds.

9. The maintenance fee will be \$10 if the aggregate balance of all of the participant's accounts that are linked under the Cumulative Quantity Discount is \$50,000 or more at the time the fee is assessed. Please note that the fee is assessed upon an account closing if the account is closed prior to the December fee assessment.

Please mail to	WEST COAST	EAST COAST	OVERNIGHT ADDRESS
	Franklin Templeton Bank & Trust c/o Retirement Services P.O. Box 997153 Sacramento, CA 95899-7153	Franklin Templeton Bank & Trust c/o Retirement Services P.O. Box 33033 St. Petersburg, FL 33733-8033	Franklin Templeton Bank & Trust c/o Retirement Services 3344 Quality Drive Rancho Cordova, CA 95670-7313

Not FDIC Insured | May Lose Value | No Bank Guarantee

Franklin Templeton
SIMPLE Individual Retirement Custodial Account
Under Section 408(a) and 408(b) of the Internal Revenue Code

DO NOT
FILE WITH INTERNAL
REVENUE SERVICE

Name of Custodian:
FRANKLIN TEMPLETON BANK & TRUST, F.S.B.

Address or principal place of business of Custodian:
ONE FRANKLIN PARKWAY, SAN MATEO, CA 94403-1906

NEW AGREEMENT **AMENDMENT** **TRANSFER SIMPLE IRA**

The Participant whose name appears on the custodial account agreement is establishing a Savings Incentive Match Plan for Employees of Small Employers Individual Retirement Account [(SIMPLE IRA) under Section 408(a) and 408(p) of the Internal Revenue Code] to provide for his or her retirement and for the support of his or her beneficiaries after death.

The Custodian named above has given the Participant the disclosure statement required under Regulations Section 1.408-6.

The Participant and the Custodian make the following agreement:

ARTICLE I

The Custodian will accept cash contributions made on behalf of the Participant by the Participant's employer under the terms of a SIMPLE IRA plan described in Section 408(p). In addition, the Custodian will accept transfers or rollovers from other SIMPLE IRAs of the Participant. No other contributions will be accepted by the Custodian.

ARTICLE II

The Participant's interest in the balance in the custodial account is nonforfeitable.

ARTICLE III

1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund [within the meaning of Section 408(a)(5)].

2. No part of the custodial account funds may be invested in collectibles [within the meaning of Section 408(m)] except as otherwise permitted by Section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

ARTICLE IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the participant's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with Section 408(a)(6) and the regulations there under, the provisions of which are herein incorporated by reference.

2. The participant's entire interest in the custodial account must be, or begin to be, distributed not later than the participant's required beginning

date, which is April 1 following the calendar year in which the participant reaches age 70½. By that date, the participant may elect, in a manner acceptable to the Custodian, to have the balance in the custodial account distributed in:

- (a) A single sum or
- (b) Payments over a period not longer than the life of the participant or the joint lives of the participant and his or her designated beneficiary.

3. If the participant dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:

(a) If the participant dies on or after the required beginning date and:

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

(ii) the designated beneficiary is not the participant's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the participant and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.

(iii) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the participant as determined in the year of the participant's death and reduced by 1 for each subsequent year.

(b) If the participant dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below:

(i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the participant's death. If, however, the designated beneficiary is the participant's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the participant would have reached age 70½. But, in such case, if the participant's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii)

above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.

(ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the participant's death.

4. If the participant dies before his or her entire interest has been distributed and if the designated beneficiary is not the participant's surviving spouse, no additional contributions may be accepted in the account.

5. The minimum amount that must be distributed each year, beginning with the year containing the participant's required beginning date, is known as the "required minimum distribution" and is determined as follows:

(a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the participant reaches age 70½, is the participant's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations Section 1.401(a)(9)-9. However, if the participant's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the participant's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations Section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the participant's (or, if applicable, the participant and spouse's) attained age (or ages) in the year.

(b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the participant's death [or the year the participant would have reached age 70½, if applicable under paragraph 3(b)(i)] is the account value at the close of business on December 31 of the preceding year divided by the life expectancy [in the single life table in Regulations Section 1.401(a)(9)-9] of the individual specified in such paragraphs 3(a) and 3(b)(i).

(c) The required minimum distribution for the year the participant reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

6. The owner of two or more IRAs (other than Roth IRAs) may satisfy the minimum distribution requirements described above by taking from one IRA the amount required to satisfy the requirement for another in accordance with the regulations under Section 408(a)(6).

SIMPLE Individual Retirement Custodial Account Agreement

ARTICLE V

1. The Participant agrees to provide the Custodian with all information necessary for the Custodian to prepare any reports required under Section 408(i) and 408 (l)(2) and Regulations Section 1.408-5 and 1.408-6.

2. The Custodian agrees to submit reports to the Internal Revenue Service and the Participant as prescribed by the Internal Revenue Service.

3. The Custodian also agrees to provide the Participant's employer the summary description described in Section 408(l)(2) unless this SIMPLE IRA is a transfer SIMPLE IRA.

ARTICLE VI

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles inconsistent with Section 408(a) and 408(p) and related regulations will be invalid.

ARTICLE VII

This Agreement will be amended as necessary to comply with the provisions of the Code and related regulations. Other amendments may be made with the consent of the persons whose signatures appear below.

ARTICLE VIII

1. The Custodian shall invest each custodial account contribution as directed by the Participant. The amount of each contribution to be invested in Franklin Templeton Funds shall be applied to the purchase of full and fractional shares issued by the Franklin Templeton Fund(s) selected by the Participant.

For purposes of this SIMPLE IRA Custodial Account Agreement only, the terms "Franklin Templeton Fund" or "Fund" shall mean either an investment company or series of an investment company (a "mutual fund") whose shares are distributed by Franklin Templeton Distributors, Inc., or a closed-end mutual fund or real estate investment trust (REIT) which is advised by an affiliate of Franklin Templeton Distributors, Inc.

2. The Participant has the sole authority and discretion to select and direct the investments in this custodial account and accepts full and sole responsibility for any investment selection that is made. Notwithstanding any other provisions of this Article, the Custodian reserves the right to refuse to follow any investment direction which the Custodian determines would violate Section 408. A designation by the Participant of an investment as a rollover contribution shall be deemed irrevocable, and such investment shall be deemed to meet the eligible rollover requirements of the Code.

3. All dividends and capital gains distributions received on shares of a Franklin Templeton Fund held in the custodial account shall be reinvested in additional shares of the same Fund unless the Participant (or Beneficiary, if applicable) affirmatively elects otherwise.

4. The Custodian shall forward to the Participant (or Beneficiary, if applicable) any notices, prospectuses, financial statements, proxies and proxy soliciting materials relating to any custodial account assets, which shall be effective if sent by mail to him at his last address of record. The Custodian shall vote only those Shares with respect to which it has received timely written directions from the Participant (or Beneficiary); provided, however, that the Custodian may without such direction vote Shares "present" to the extent that such a vote is needed to establish a quorum.

5. Any income taxes or other taxes of any kind that may be levied or assessed upon the custodial account, any administrative expenses incurred by the Custodian in the performance of its duties, including fees for legal services rendered to the Custodian, and the maintenance fees to the Custodian as set forth in paragraph 6 of this Article, shall be paid from assets of the custodial account in such manner as the Custodian may determine.

6. The Custodian shall charge a custodial account maintenance fee, in the amount specified in the Application, on a per beneficial account owner basis. This maintenance fee shall be collected from the custodial account (a) in December of each year; and (b) at the time this account is closed or at the time of any redemption request that would cause the value of assets in this account to fall below the amount of the maintenance fee (at which time this account will be closed). The beneficial account owner may elect to pay this fee separately by check only if payment is received before the fee is scheduled to be deducted from the custodial account. The Custodian shall have the right to change this maintenance fee, from time to time, upon thirty (30) days prior written notice to the beneficial account owner.

7. "Beneficiary" shall mean the person or persons (including a trust or estate) designated as such by the Participant or, following the death of the Participant, designated as such by a Beneficiary (each person making such beneficiary designations is referred to as a "Designator"). Such designation shall be (a) in writing on a form provided by the Custodian for such purpose, or in such other written format acceptable to the Custodian, (b) signed by each Designator and (c) received by the Custodian prior to the Designator's death. The Custodian may rely upon the last written designation received at the Custodian's office which shall revoke all prior designations and such designation shall apply to all custodial account assets, including each Fund Account opened and maintained in this custodial account. Unless indicated otherwise on the application or designation form, if any primary or contingent beneficiary dies before the Designator, the interest attributable to such beneficiary and to his heirs shall terminate completely and the percentage share of any remaining beneficiary(ies) shall be increased on a pro rata basis. If none of the Designator's primary beneficiaries survive him, the interest in his SIMPLE IRA shall pass to his contingent beneficiary(ies), if named. If no designated beneficiary survives the Designator or if no ascertainable beneficiary is designated, the Designator's Beneficiary shall be his spouse or,

if he has no surviving spouse, his estate. A Beneficiary (other than a minor or otherwise under a legal disability, as addressed in Section 8 of this Article) with a present interest shall have sole authority and investment discretion with respect to the portion of the custodial account to which he is entitled and accept full and sole responsibility for any investment selection that is made.

8. If upon the death of the Participant (or Beneficiary) the custodial account is payable to a person known by the Custodian to be a minor or otherwise under a legal disability, the Custodian may, in its absolute discretion, make all, or any part of the distribution to (a) a parent of such person; (b) the guardian, conservator, or other legal representative, wherever appointed, of such person; (c) a custodial account established under a Uniform Gifts to Minors, Uniform Transfers to Minors Act, or similar act; (d) any person having control or custody of such person; or (e) to such person directly.

9. The Custodian will keep records of all receipts, investments, disbursements, and other transactions for this custodial account and for each Fund Account. As soon as is practicable after the close of each calendar year, and whenever required by the Code, the Custodian shall deliver to the Participant (or Beneficiary), a written report(s) reflecting all activity in the custodial account during the prior calendar year and the fair market value of the custodial account. Upon the expiration of sixty (60) days after the Custodian has furnished such written report(s) to the Participant (or Beneficiary), the Custodian shall be released and discharged from all liability and accountability with respect to any such acts or transactions except those to which the Participant (or Beneficiary), has filed written objections with the Custodian within the sixty (60) day period after the calendar year.

10. The Participant shall have sole responsibility for determining whether any contribution, or distribution shall be permitted, including (but not limited to) the determination of the allowable amount and tax effect of any such transaction from the custodial account. The Participant shall also be responsible for reporting on his personal tax return, whenever required by the Internal Revenue Service, any transaction made to or from the custodial account.

11. The Custodian shall have the right to amend this Agreement in any manner it deems necessary or advisable in order to qualify (or maintain qualifications of) this Agreement under the applicable provisions of the Code or to maintain proper and desirable operation of this custodial account. Any such amendment shall be effected by delivery to the Participant (or Beneficiary, if applicable) of a restatement of this Agreement including any such amendment. The Participant (or Beneficiary) shall be deemed to consent to any such amendment(s) if he fails to object thereto by written notice received by the Custodian within fifteen (15) calendar days from the date of the Custodian's mailing to the Participant (or Beneficiary) a copy of such amendment(s) or restatement.

12. The Participant shall have the right to terminate this custodial account or to remove the Custodian upon thirty (30) days prior written notice to the Custodian, which notice shall include instructions regarding the final distribution or transfer of all custodial account assets. If the Participant fails to provide such distribution or transfer instructions, the Custodian may terminate this custodial account by distributing all custodial account assets (less amounts required to satisfy unpaid fees, costs, expenses and obligations) directly to the Participant.

13. The Custodian shall have the right to resign as custodian under this Agreement upon thirty (30) days prior written notice to the Participant (or Beneficiary, if applicable). Unless the Participant (or Beneficiary) provides written instructions to the contrary, the Custodian shall have the right to appoint and transfer the custodial account assets (less amounts required to satisfy unpaid fees, costs, expenses, and obligations), together with copies of relevant books and records, to a successor custodian. A successor custodian shall satisfy the requirements of Section 408(a)(2). The Custodian is not liable for the acts or omissions of any successor custodian.

14. The Custodian is authorized to perform all acts necessary to carry out the terms of this Agreement and to hire an agent to perform certain of its duties hereunder, which agent may be the Transfer Agent for the Fund (if such transfer agent is other than the Custodian).

15. Distribution requests received by the Custodian in good order will be made to the Participant, his beneficiary (if appropriate), or a successor custodian, normally within five (5) business days. To be in good order, distribution requests must meet the SIMPLE IRA distribution requirements of the Custodian. The Custodian reserves the right to change these requirements at any time without prior notice to the Participant (or Beneficiary, if applicable).

16. The Custodian may transfer custodial account assets to a successor custodian named by the Participant (or Beneficiary, if applicable) in reliance on, and without any duty of investigation, receipt of a letter of acceptance signed by an individual claiming to be an authorized officer or principal of the successor custodian. The Participant (or Beneficiary) shall be responsible for satisfying the minimum distribution rule in Section 408(a)(6), if applicable, prior to such transfer. Furthermore, if a Beneficiary is requesting the transfer, such Beneficiary shall be solely responsible for ensuring that the transfer is made to a SIMPLE IRA registered in the Participant's name in order to maintain the tax-deferred status of the SIMPLE IRA.

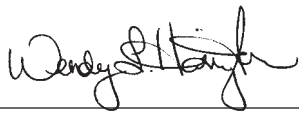
17. Distributions shall not be made as described in subsection (b) or (c) of paragraph 3 of Article IV, but only as provided in subsections (a), (d) and (e). Further, the Custodian does not assume any responsibility to make any distribution unless and until the Participant (or Beneficiary) specifies in writing on the form provided by the Custodian, and the Custodian shall not be responsible to make minimum distributions in accordance with Article IV following the Participant's attainment of age 70½ other than upon the Participant's express written instructions as herein provided.

18. The terms and conditions of this Agreement shall be applicable without regard to the community property laws of any state.

19. This Agreement shall be construed under the laws of the State of California, and shall become effective upon acceptance by the Custodian as evidenced by receipt of a confirmation statement from the Custodian.

20. **IN WITNESS WHEREOF**, the acceptance of this Agreement by the Participant is indicated by the Participant's signature in the Custodian's Application, and the Custodian, to evidence acceptance of this Agreement, has signed the Agreement as written below.

Authorized Signature
Franklin Templeton Bank & Trust, F.S.B., Custodian:

X 
Wendy L. Harrington, President & CEO

GENERAL INSTRUCTIONS

Section references are to the Internal Revenue Code unless otherwise noted.

PURPOSE OF FORM Form 5305-SA is a model custodial account agreement that meets the requirements of Sections 408(a) and 408(p) and has been pre-approved by the IRS. An Individual Retirement Account (IRA) is established after the form is fully executed by both the individual (Participant) and the Custodian. This account must be created in the United States for the exclusive benefit of the Participant or his or her beneficiaries.

Do not file Form 5305-SA with the IRS. Instead, keep it with your records.

For more information on IRAs, including the required disclosures the Custodian must give the Participant, see Publication 590, Individual Retirement Arrangements (IRAs).

DEFINITIONS

PARTICIPANT The Participant is the person who establishes the custodial account.

CUSTODIAN The Custodian must be a bank or savings and loan association, as defined in Section 408(n), or any other person who has the approval of the Internal Revenue Service to act as custodian.

TRANSFER SIMPLE IRA This SIMPLE IRA is a "transfer SIMPLE IRA" if it is not the original recipient of contributions under any SIMPLE plan. The summary description requirements of Section 408(l)(2) do not apply to transfer SIMPLE IRAs.

SPECIFIC INSTRUCTIONS

ARTICLE IV Distributions made under this Article may be made in a single sum, periodic payment or a combination of both. The distribution option should be reviewed in the year the Participant reaches age 70½ to insure that the requirements of Section 408(a)(6) have been met.

ARTICLE VIII Article VIII and any that follow it may incorporate additional provisions that are agreed upon by the Participant and the Custodian to complete the Agreement. They may include, for example: definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, the Custodian's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the grantor, etc. Use additional pages as necessary and attach them to this form.

Note: Form 5305-SA may be reproduced and reduced in size.

Franklin Templeton
Traditional Individual Retirement Custodial Account

Under Section 408(a) of the Internal Revenue Code

DO NOT
FILE WITH INTERNAL
REVENUE SERVICE

NEW AGREEMENT **AMENDMENT**

This Agreement is entered into on the date listed next to the signature(s) on the Application by and between the person(s) (each such person being hereinafter referred to separately as "Depositor") and the Custodian listed on the Application. The Custodian's principal place of business is listed on the Disclosure Statement provided to the Depositor by the Custodian as required under Regulations Section 1.408-6.

The Depositor is establishing an Individual Retirement Account (IRA) [under Section 408(a) of the Internal Revenue Code] to provide for his retirement and for the support of his beneficiaries after death. The Depositor has deposited with the Custodian the sum listed on the Application in cash.

The Depositor and the Custodian make the following agreement:

ARTICLE I

Except in the case of a rollover contribution described in Section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a Simplified Employee Pension Plan as described in Section 408(k), or a recharacterized contribution described in Section 408A(d)(6), the Custodian will accept only cash contributions up to \$3,000 per year for tax years 2003 through 2004. That contribution limit is increased to \$4,000 for tax years 2005 through 2007 and \$5,000 for 2008 and thereafter. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$3,500 per year for tax years 2003 through 2004, \$4,500 for 2005, \$5,000 for 2006 and 2007, and \$6,000 for 2008 and thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

ARTICLE II

The Depositor's interest in the balance in the custodial account is nonforfeitable.

ARTICLE III

1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund [within the meaning of Section 408(a)(5)].

2. No part of the custodial account funds may be invested in collectibles [within the meaning of Section 408(m)] except as otherwise permitted by Section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

ARTICLE IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the Depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with Section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.

2. The Depositor's entire interest in the custodial account must be, or begin to be, distributed not later than the Depositor's required beginning date, April 1 following the calendar year in which the Depositor reaches age 70½. By that date, the Depositor may elect, in a manner acceptable to the Custodian, to have the balance in the custodial account distributed in:

(a) A single sum payment or

(b) Payments over a period not longer than the life of the Depositor or the joint lives of the Depositor and his or her designated beneficiary.

3. If the Depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:

(a) If the Depositor dies on or after the required beginning date and:

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

(ii) the designated beneficiary is not the Depositor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Depositor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.

(iii) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Depositor as determined in the year of the Depositor's death and reduced by 1 for each subsequent year.

(b) If the Depositor dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below:

(i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above [but not over the period in paragraph (a)(iii), even if longer], starting by the end of the calendar year following the year of the Depositor's death. If, however, the designated beneficiary is the Depositor's surviving spouse,

then this distribution is not required to begin before the end of the calendar year in which the Depositor would have reached age 70½. But, in such case, if the Depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii) above [but not over the period in paragraph (a)(iii), even if longer], over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.

(ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.

4. If the Depositor dies before his or her entire interest is distributed and if the designated beneficiary is not the Depositor's surviving spouse, no additional contributions may be accepted in the account.

5. The minimum amount that must be distributed each year, beginning with the year containing the Depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows:

(a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the Depositor reaches age 70½, is the Depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations Section 1.401(a)(9)-9. However, if the Depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint life and last survivor table in Regulations Section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the Depositor's (or, if applicable, the Depositor and spouse's) attained age (or ages) in the year.

(b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the Depositor's death [or the year the Depositor would have reached age 70½, if applicable, under paragraph 3(b)(i)] is the account value at the close of business on December 31 of the preceding year divided by the life expectancy [in the single life table in Regulations Section 1.401(a)(9)-9] of the individual specified in such paragraphs 3(a) and 3(b)(i).

(c) The required minimum distribution for the year the Depositor reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

6. The owner of two or more Traditional IRAs may satisfy the minimum distribution requirements described above by taking from one Traditional IRA the amount required to satisfy the requirement for another in accordance with the regulations under Section 408(a)(6).

Traditional Individual Retirement Custodial Account Agreement

ARTICLE V

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by Section 408(i) and Regulations Sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and Depositor the reports prescribed by the IRS.

ARTICLE VI

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles inconsistent with Section 408(a) and the related regulations will be invalid.

ARTICLE VII

This agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the persons whose signatures appear below.

ARTICLE VIII

1. The Custodian shall invest each custodial account contribution as directed by the Depositor. The amount of each contribution to be invested in Franklin Templeton Funds shall be applied to the purchase of full and fractional shares issued by the Franklin Templeton Fund(s) selected by Depositor.

For purposes of this IRA custodial account Agreement only, the terms "Franklin Templeton Fund" or "Fund" shall mean either an investment company or series of an investment company (a "mutual fund") whose shares are distributed by Franklin Templeton Distributors, Inc. or a closed-end mutual fund or real estate investment trust (REIT) which is advised by an affiliate of Franklin Templeton Distributors, Inc.

2. The Depositor has the sole authority and discretion to select and direct the investments in this custodial account and accepts full and sole responsibility for any investment selection that is made. Notwithstanding any other provisions of this Article, the Custodian reserves the right to refuse to follow any investment direction which the Custodian determines would violate Section 408. A designation by the Depositor of an investment as a rollover contribution shall be deemed irrevocable, and such investment shall be deemed to meet the eligible rollover requirements of the Code.

3. All dividends and capital gains distributions received on shares of a Franklin Templeton Fund held in the custodial account shall be reinvested in additional shares of the same Fund unless the Depositor (or Beneficiary, if applicable) affirmatively elects otherwise.

4. The Custodian shall forward to the Depositor (or Beneficiary, if applicable) any notices, prospectuses, financial statements, proxies and proxy soliciting materials relating to any custodial account assets, which shall be effective if sent by mail to him at his last address of record. The Custodian shall vote only those Shares with respect to which it has received timely written directions

from the Depositor (or Beneficiary); provided, however, that the Custodian may without such direction vote Shares "present" to the extent that such a vote is needed to establish a quorum.

5. Any income taxes or other taxes of any kind that may be levied or assessed upon the custodial account, any administrative expenses incurred by the Custodian in the performance of its duties, including fees for legal services rendered to the Custodian, and the maintenance fees to the Custodian as set forth in paragraph 6 of this Article, shall be paid from assets of the custodial account in such manner as the Custodian may determine.

6. The Custodian shall charge a custodial account maintenance fee, in the amount specified in the Application, on a per beneficial account owner basis. This maintenance fee shall be collected from the IRA custodial account (a) in December of each year; and (b) at the time this account is closed or at the time of any redemption request that would cause the value of assets in this account to fall below the amount of the maintenance fee (at which time this account will be closed). The beneficial account owner may elect to pay this fee separately by check only if payment is received before the fee is scheduled to be deducted from the custodial account. The Custodian shall have the right to change this maintenance fee, from time to time, upon thirty (30) days prior written notice to the beneficial account owner.

7. "Beneficiary" shall mean the person or persons (including a trust or estate) designated as such by the Depositor or, following the death of the Depositor, designated as such by a Beneficiary (each person making such beneficiary designations is referred to as a "Designator"). Such designation shall be (a) in writing on a form provided by the Custodian for such purpose, or in such other written format acceptable to the Custodian, (b) signed by each Designator and (c) received by the Custodian prior to the Designator's death. The Custodian may rely upon the last written designation received at the Custodian's office which shall revoke all prior designations and such designation shall apply to all custodial account assets, including each Fund Account opened and maintained in this custodial account. Unless indicated otherwise on the application or designation form, if any primary or contingent beneficiary dies before the Designator, the interest attributable to such beneficiary and to his heirs shall terminate completely and the percentage share of any remaining beneficiary(ies) shall be increased on a pro rata basis. If none of the Designator's primary beneficiaries survive him, the interest in his IRA shall pass to his contingent beneficiary(ies), if named. If no designated beneficiary survives the Designator or if no ascertainable beneficiary is designated, the Designator's Beneficiary shall be his spouse or, if he has no surviving spouse, his estate. A Beneficiary (other than a minor or otherwise under a legal disability, as addressed in Section 8 of this Article) with a present interest shall have sole authority and investment discretion with respect to the portion of the custodial account to which he is entitled and accept full and sole responsibility for any investment selection that is made.

8. If upon the death of the Depositor (or Beneficiary) the custodial account is payable to a person known by the Custodian to be a minor or otherwise under a legal disability, the Custodian may, in its absolute discretion, make all, or any part of the distribution to (a) a parent of such

person, (b) the guardian, conservator, or other legal representative, wherever appointed, of such person, (c) a custodial account established under a Uniform Gifts to Minors, Uniform Transfers to Minors Act, or similar act, (d) any person having control or custody of such person, or (e) to such person directly.

9. The Custodian will keep records of all receipts, investments, disbursements, and other transactions for this custodial account and for each Fund Account. As soon as is practicable after the close of each calendar year, and whenever required by the Code, the Custodian shall deliver to the Depositor (or Beneficiary, if applicable) a written report(s) reflecting all activity in the custodial account during the prior calendar year and the fair market value of the custodial account. Upon the expiration of sixty (60) days after the Custodian has furnished such written report(s) to the Depositor (or Beneficiary), the Custodian shall be released and discharged from all liability and accountability with respect to any such acts or transactions except those to which the Depositor (or Beneficiary) has filed written objections with the Custodian within the sixty (60) day period after the calendar year.

10. The Depositor shall have sole responsibility for determining whether any contribution, conversion, or distribution shall be permitted, including (but not limited to) the determination of the allowable amount and tax effect of any such transaction to or from the custodial account. The Depositor shall also be responsible for reporting on his personal tax return, whenever required by the Internal Revenue Service, any transaction made to or from the custodial account.

11. The Custodian shall have the right to amend this Agreement in any manner it deems necessary or advisable in order to qualify (or maintain qualifications of) this Agreement under the applicable provisions of the Code or to maintain proper and desirable operation of this custodial account. Any such amendment shall be effected by delivery to the Depositor (or Beneficiary, if applicable) of a restatement of this Agreement including any such amendment. The Depositor (or Beneficiary) shall be deemed to consent to any such amendment(s) if he fails to object thereto by written notice received by the Custodian within fifteen (15) calendar days from the date of the Custodian's mailing to the Depositor (or Beneficiary) a copy of such amendment(s) or restatement.

12. The Depositor shall have the right to terminate this custodial account or to remove the Custodian upon thirty (30) days prior written notice to the Custodian, which notice shall include instructions regarding the final distribution or transfer of all custodial account assets. If the Depositor fails to provide such distribution or transfer instructions, the Custodian may terminate this custodial account by distributing all custodial account assets (less amounts required to satisfy unpaid fees, costs, expenses and obligations) directly to the Depositor.

13. The Custodian shall have the right to resign as custodian under this Agreement upon thirty (30) days prior written notice to the Depositor (or Beneficiary, if applicable). Unless the Depositor (or Beneficiary) provides written instructions to the contrary, the Custodian shall have the right to appoint and transfer the custodial account assets (less amounts required to satisfy unpaid fees, costs, expenses, and obligations), together with

copies of relevant books and records, to a successor custodian. A successor custodian shall satisfy the requirements of Section 408(a)(2). The Custodian is not liable for the acts or omissions of any successor custodian.

14. The Custodian is authorized to perform all acts necessary to carry out the terms of this Agreement and to hire an agent to perform certain of its duties hereunder, which agent may be the Transfer Agent for the Fund (if such transfer agent is other than the Custodian).

15. Distribution requests that are received by the Custodian in good order will be made to the Depositor, his beneficiary (if appropriate), or a successor custodian, normally within five (5) business days. To be in good order, distribution requests must meet the IRA distribution requirements of the Custodian. The Custodian reserves the right to change these requirements at any time without prior notice to the Depositor (or Beneficiary, if applicable).

16. The Custodian may transfer custodial account assets to a successor custodian named by the Depositor (or Beneficiary, if applicable) in reliance on, and without any duty of investigation, receipt of a letter of acceptance signed by an individual claiming to be an authorized officer or principal of the successor custodian. The Depositor (or Beneficiary) shall be responsible for satisfying the minimum distribution rule in Section 408(a)(6), if applicable, prior to such transfer. Furthermore, if a Beneficiary is requesting the transfer, such Beneficiary shall be solely responsible for ensuring that the transfer is made to an IRA registered in the Depositor's name in order to maintain the tax-deferred status of the IRA.

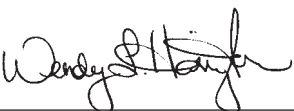
17. The Custodian does not assume any responsibility to make any distributions unless and until the Depositor (or Beneficiary, if applicable) specifies in a manner acceptable to the Custodian. Furthermore, the Custodian shall not be responsible to make minimum distributions other than upon the Depositor's or Beneficiary's, as applicable, expressed written instructions as herein provided.

18. The terms and conditions of this Agreement shall be applicable without regard to the community property laws of any state.

19. This Agreement shall be construed under the laws of the State of California, and shall become effective upon acceptance by the Custodian as evidenced by receipt of a confirmation statement from the Custodian.

20. IN WITNESS WHEREOF, the acceptance of this Agreement by the Depositor is indicated by the Depositor's signature in the Custodian's Application, and the Custodian, to evidence acceptance of this Agreement, has signed the Agreement as written below.

Authorized Signature
Franklin Templeton Bank & Trust, F.S.B., Custodian:

X 

Wendy L. Harrington, President & CEO

GENERAL INSTRUCTIONS

Section references are to the Internal Revenue Code unless otherwise noted.

PURPOSE OF FORM Form 5305-A is a model account agreement that meets the requirements of Section 408(a) and has been pre-approved by the IRS. A Traditional Individual Retirement Account (Traditional IRA) is established after the form is fully executed by both the individual (Depositor) and the Custodian and must be completed no later than the due date of the individual's income tax return for the tax year (excluding extensions). This account must be created in the United States for the exclusive benefit of the Depositor or his or her beneficiaries.

Do not file Form 5305-A with the IRS. Instead, keep it for your records. For more information on IRAs, obtain IRS Publication 590, Individual Retirement Arrangements (IRAs).

DEFINITIONS

CUSTODIAN The Custodian must be a bank or savings and loan association, as defined in Section 408(n), or any person who has the approval of the IRS to act as custodian.

DEPOSITOR The Depositor is the person who establishes the custodial account.

IDENTIFYING NUMBER The Depositor's Social Security number will serve as the identification number of his or her IRA. An employer identification number (EIN) is required only for an IRA for which a return is filed to report unrelated business taxable income. An EIN is required for a common fund created for IRAs.

TRADITIONAL IRA FOR NONWORKING SPOUSE

Form 5305-A may be used to establish the IRA custodial account for a nonworking spouse. Contributions to an IRA custodial account for a nonworking spouse must be made to a separate IRA custodial account established by the nonworking spouse.

SPECIFIC INSTRUCTIONS

ARTICLE IV Distributions made under this Article may be made in a single sum, periodic payments, or a combination of both. The distribution option should be reviewed in the year the Depositor reaches age 70½ to insure that the requirements of Section 408(a)(6) have been met.

Individual Retirement Account Disclosure Statement

The following information is provided to you in accordance with the requirements of the Internal Revenue Code (the "Code") and should be reviewed in conjunction with both the Custodial Agreement and the Application for your Individual Retirement Account ("IRA"). Your IRA is a tax-deferred custodial account, created for your exclusive benefit, and amounts held in it are generally not taxed until distributed. Your interest in your IRA is at all times nonforfeitable.

RIGHT TO REVOKE

You may revoke this custodial account at any time within seven (7) calendar days after it is established by mailing or delivering a written request [including your name, Social Security number, and the name(s) of your investment option(s)] for revocation to the Custodian, Franklin Templeton Bank & Trust, F.S.B., at: One Franklin Parkway, San Mateo, CA 94403-1906 [Phone: (800) 527-2020].

IRA CONTRIBUTIONS

You are eligible to make regular contributions into an IRA for a calendar year (in which you are under age 70½) if you have received compensation during that year from the performance of personal services. [Please see Table A (below) for contribution limits.] Compensation includes such items as salaries, bonuses, commissions, and, in the case of a self-employed individual, net earnings from self-employment. All taxable alimony and separate maintenance payments received by an individual under a divorce decree or a separate maintenance agreement are also treated as compensation.

Tax Year	If Under Age 50	If Age 50 or Over
2005	\$4,000	\$4,500
2006–2007	\$4,000	\$5,000
2008	\$5,000	\$6,000

The different types of IRAs and each respective contribution limit are set forth as follows:

TRADITIONAL IRA You may make a Traditional IRA contribution up to the Traditional IRA contribution limit or 100% of your compensation, whichever is less, for each tax year.

SPOUSAL IRA If you file a joint federal tax return and your spouse earns less than the Traditional IRA contribution limit, you may set up two custodial accounts—one IRA for yourself and one for your spouse ("Spousal IRA"). You can contribute the lesser of (1) the Traditional IRA contribution limit for each spouse or (2) 100% of your combined compensation between the two IRAs, so long as no more than the Traditional IRA contribution limit is contributed to either IRA. If you have reached age 70½, but your spouse is still under that age, you may still be able to contribute up to the Traditional IRA contribution limit (or 100% of your combined compensation, if less) to your spouse's IRA.

ROLLOVER IRA If you retire or change jobs, you may be eligible for a distribution from your employer's retirement plan. To avoid mandatory withholding of 20% of your distribution, and to preserve the tax-deferred status of the distribution, you can roll it over directly to a Rollover IRA. If you choose to have the distribution paid directly to you, 20% withholding will apply. You may still reinvest up to 100% of the total amount of your distribution, which is eligible for rollover treatment, by replacing the 20% that was withheld for federal taxes with other assets you may own. You generally have 60 days of receipt of your distribution to roll it over. The amount invested in a Rollover IRA will not be included in your taxable income for the year in which you received the plan distribution. Rollovers can also be made from distributions from another IRA, and may be made from each IRA only once during any 12-month period.

SEP IRA Your employer may establish a separate IRA for use as part of a Simplified Employee Pension Plan ("SEP") arrangement. Your employer may contribute to your SEP IRA up to a maximum 25% of your compensation or \$44,000, whichever is less. In addition to the SEP contributions made on your behalf by your employer, you may contribute to a Traditional IRA, although the amount you are able to deduct may be limited (see "Deductibility of IRA Contributions" below for further information).

SIMPLE IRA SIMPLE stands for "savings incentive match plan for employees" and is a plan that allows you to contribute on your own behalf through salary reduction contributions. You may defer up to \$10,000 (2005 and 2006 indexed limit) annually, and your employer will either match the first 3% that you defer, or will contribute 2% of each eligible employee's compensation. In two of every five years, your employer may elect to match less than the first 3% you defer, but cannot match less than 1%. [Please see Table B (below) for contribution limits.] All SIMPLE contributions are made to your IRA, and are subject to the rules which govern IRA distributions (see *IRA Distributions*), except that distributions taken within two years of participating in a SIMPLE are subject to a 25% penalty tax, unless an exception applies. Only employers who have 100 eligible employees or fewer and do not maintain other retirement plans may sponsor a SIMPLE.

Tax Year	If Under Age 50	If Age 50 or Over
2005	\$10,000	\$12,000
2006	\$10,000	\$12,500
2007–2010	Indexed for inflation	Indexed for inflation

SARSEP IRA Your employer may allow you to contribute on your own behalf to the SEP Plan through a salary reduction SEP ("SARSEP") arrangement. This will enable you to reduce your annual compensation up to a maximum of 25% of your compensation (adjusted for deferrals) or

\$15,000 (2006 indexed limit), whichever is less. [Please see Table C (below) for contribution limits.] If your employer maintains both a SARSEP and a regular SEP, the annual combined contribution limit is still 25% of your compensation (adjusted for deferrals) or \$44,000, whichever is less. Only employers with 25 or fewer eligible employees may establish a SARSEP arrangement, and at least 50% of those eligible must participate. No new SARSEP plans may be established after December 31, 1996. Existing SARSEP plans may be maintained with the previously mentioned conditions and employees hired after December 31, 1996 may still participate in previously existing SARSEPs.

Tax Year	If Under Age 50	If Age 50 or Over
2005	\$14,000	\$18,000
2006	\$15,000	\$20,000
2007–2010	Indexed for inflation	Indexed for inflation

EXCESS CONTRIBUTIONS

Contributions which exceed the allowable maximum limits per year are considered excess contributions. A nondeductible penalty tax of 6% of the excess amount contributed will be incurred for each year in which the excess remains in your IRA. If you make a contribution [or your employer makes a SEP (including SARSEP) contribution on your behalf] which is not eligible to be deducted for a tax year, the 6% penalty may be avoided by withdrawing the excess contribution and its earnings by your tax filing deadline, including extensions, for that year. Although the excess contribution withdrawn is not taxable, the earnings will be included as income for the tax year the excess was made and may be subject to a 10% premature penalty tax if you are under age 59½.

After your tax filing deadline, only IRA contributions in excess of the "lesser of 100% of compensation or the Traditional IRA contribution limit" may be withdrawn. Provided that the total IRA contribution you made for the year did not exceed the Traditional IRA contribution limit, the amount of any excess contribution withdrawn will not be considered a premature distribution nor (except in the case of a salary reduction contribution) be taxed as ordinary income.

TIME OF CONTRIBUTION

Contributions to your IRA may be made any time up to and including the due date for filing your tax return for the year (not including extensions). Employer contributions to a SEP IRA may be made up by the employer's tax filing deadline including extensions.

DEDUCTIBILITY OF IRA CONTRIBUTIONS

The deductibility of your IRA contributions will depend upon whether you are an “active participant.” An “active participant” is one who is, at any time during the year, covered by a “retirement plan” of an employer or union under which employer or employee contributions are made, or one is eligible to earn retirement credits, regardless of vested status. For these purposes, “retirement plans” includes profit sharing plans, government plans (other than a 457 plan), tax sheltered annuity arrangements or 403(b) custodial accounts, SEP IRAs, 401(k), SIMPLE, and defined benefit plans. Active participation in a retirement plan for a given year is generally indicated on one’s Form W-2.

If you are single and not an active participant (as defined above), your IRA contributions are fully deductible (up to 100% of your compensation or the Traditional IRA contribution limit, whichever is less). You are also entitled to the same if you are married and neither you nor your spouse is an active participant.

If your combined Adjusted Gross Income (“AGI”) is in excess of \$160,000, your spouse’s active participation in a retirement plan automatically makes you an active participant for purposes of determining deductibility of your IRA contribution. Also, if your combined AGI is between \$150,000 and \$160,000, and you are not an active participant, you can make a partially deductible IRA contribution. If your combined AGI is less than \$150,000, your spouse’s active participation in a retirement plan will have no effect on whether you are considered an active participant. If you and your spouse file separate tax returns (and you live apart for the entire year), your spouse’s active participation in a retirement plan will not affect the deductibility of your IRA contribution.

If you are an active participant, you must look at your Adjusted Gross Income (“AGI”) for the year (if you filed a joint tax return with your spouse, use your combined AGI) to determine your deductible IRA contribution. Your tax return will show you how to calculate your AGI for this purpose. If you are at or below a certain AGI level, called the Threshold Level, you are treated as if you were not an active participant and can deduct your entire IRA contribution (up to 100% of your compensation or the Traditional IRA contribution limit, whichever is less).

For 2006, if you are single, your Threshold Level is \$50,000. The Threshold Level if you are married and file a joint tax return is \$75,000, and if you are married but file a separate tax return, the threshold level is \$0.

If your AGI is less than \$10,000 above your Threshold Level, you are still entitled to a partial IRA deduction. To determine this amount, subtract your AGI from \$60,000 (if you are single) or \$85,000 (if you file a joint return) and multiply the result by .20. This is your deductible amount. If your deductible amount is not a multiple of \$10, round up to the next highest \$10. If your deductible amount is between \$1 and \$199, you are still entitled to deduct \$200. If all or any part of your IRA contribution is nondeductible, you must indicate this amount on your tax return by completing IRS Form 8606.

IRA DISTRIBUTIONS

Distributions from your IRA are taxed at ordinary income tax rates. However, if you have made non-deductible contributions to your IRA, a portion of each distribution you receive will be considered a partial return of those contributions and will not be taxed. Use IRS Form 8606 to compute the nontaxable portion of your IRA distribution. Distributions from your IRA do not qualify for capital gains treatment, nor do they qualify for the 10-year forward averaging tax treatment that is available to certain qualified plan distributions. When you are ready to take a distribution, please contact Franklin Templeton Bank & Trust to obtain current information regarding distribution procedures and any forms you may require.

PREMATURE DISTRIBUTIONS A distribution you receive prior to reaching age 59½ is subject to a 10% federal tax penalty, in addition to ordinary income tax. There is no 10% tax penalty for distributions made because of: (i) death, permanent disability, distributions “rolled over” within 60 days of receipt or timely removal of an excess contribution, (ii) distributions in the form of substantially equal periodic payments (not less frequently than annually) over your life expectancy (or the joint life expectancies of you and your beneficiary) made in accordance with Section 72(t) of the Code, (iii) deductible medical expenses, (iv) medical insurance payments for recipients of unemployment compensation for at least 12 consecutive weeks, (v) higher education expenses for you, your spouse, your child or grandchild, (vi) expenses related to the purchase of your first principal residence in two years (\$10,000 lifetime cap), or (vii) a direct payment to the government to satisfy a federal tax levy.

MINIMUM DISTRIBUTION REQUIREMENTS

You must begin distributions from your IRA by April 1 following the calendar year you reach age 70½. The assets in your IRA at that time may be distributed in a single payment, or in substantially equal monthly, quarterly, or annual payments over a uniform distribution period that is determined by using a single table and your actual age attained in the distribution year regardless of whether or not you have named a beneficiary. An exception applies if your spouse is your sole beneficiary for the entire year and is more than 10 years younger than you are. In that case, your distributions must be made over a period not longer than the joint life expectancy of you and your spouse. (The IRS provides a Uniform Lifetime Table, available in Publication 590, for this purpose.) Subsequent distributions must be made by December 31 of each calendar year, starting with the calendar year containing your required beginning date.

ON TRANSFERS AND ROLLOVERS Should you transfer or roll over assets in your custodial account to another custodian or trustee, the minimum distribution rules, if applicable, for such amounts must be met prior to the transfer or rollover.

AT DEATH Should you die after minimum distributions have begun, the remaining balance of the custodial account must generally be distributed to your beneficiary over a period that does not exceed his life expectancy. Generally, if you die before distributions have commenced, the entire fund must be distributed within 5 years after your death. However, the five-year rule does not apply

if distributions begin by December 31 of the year after your death and are made to your beneficiary over his life expectancy. If your spouse is your beneficiary, distributions are not required until the time you would have attained age 70½.

INHERITED IRAS If your beneficiary is your surviving spouse, he may elect to treat your entire interest in the IRA as his own IRA, subject to the Traditional IRA distribution requirements.

UNDER-DISTRIBUTION PENALTY If you reach age 70½ and the amount distributed to you or your beneficiary in any year is less than the amount required to be distributed, you or your beneficiary will be subject to a federal excise tax equal to 50% of any such deficiency.

FEDERAL ESTATE AND GIFT TAXES

Amounts payable to your spouse as beneficiary of your IRA may qualify for the estate tax marital deduction. An election under an IRA to have a distribution payable to your beneficiary on your death will not be treated as a gift subject to federal gift tax as long as you are able to change your beneficiary.

PROHIBITED TRANSACTIONS AND LOANS

If you or your beneficiary engage in a “prohibited transaction” as described in the Code, which includes borrowing from your IRA or pledging your IRA as security for a loan, your IRA will lose its tax exemption. In that event, you will be taxed on the full market value of the assets in the custodial account on the first day of the year in which the prohibited transaction occurred, and you will also be subject to a 10% penalty tax if you are under age 59½ and not permanently disabled.

FILING WITH THE IRS

Contributions to your IRA must be reported on your tax return (Form 1040 or 1040A, and Form 8606 for nondeductible IRA contributions) for the taxable year contributed. You (or your beneficiary) must also file Form 5329 if you (or your beneficiary) are subject to any of the federal penalty taxes due to excess contributions, premature distributions, excess distributions, or under-distributions.

IRS APPROVAL

The form of your Individual Retirement Account has been approved by the Internal Revenue Service. The approval is a determination only as to the form and does not represent a determination of the merits of the custodial account. Further information concerning IRAs can be obtained from any district office of the Internal Revenue Service. In particular, please obtain a copy of IRS Publication 590, Individual Retirement Arrangements (IRAs).

The significant changes to retirement plans contained in EGTRRA pertain only to federal tax law. As of this printing, New Jersey and Pennsylvania have not yet passed legislation to conform their income tax laws with the provisions of the Act, including the increases in benefit and contribution limits. To determine whether your state has adopted conforming laws, you should consult with your tax or financial advisor.