

# AIM SIMPLE IRA APPLICATION



Use this form to establish an AIM SIMPLE IRA.

- For additional information, please call an AIM Client Services Representative at 800-959-4246, weekdays, 7:30 a.m. to 7 p.m. Central time.

**IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT:** Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens a new account. The following information is required with respect to each account owner: name, Social Security number, date of birth, and residential address.

If you fail to provide all the information requested, your purchase order will not be processed. All information provided is kept confidential as detailed in the AIM Privacy Policy printed on the back of your prospectus.

PLEASE USE BLUE OR BLACK INK

PLEASE PRINT CLEARLY IN BLOCK CAPITAL LETTERS

## 1 Participant Information

Participant's First Name\*

M.I.

Last Name\*

Social Security Number\*

 -  - 

Date of Birth\*

 /  / 

Month

Day

Year

Date of Hire

 /  / 

Month

Date

Year

Mailing Address\*

City

State

ZIP

 - 

Daytime Phone Number

 -  - 

Evening Phone Number

 -  - 

Street (Required if a P.O. or A.P.O. address is listed above as the mailing address)\*

City

State

ZIP

 - 

\*The USA PATRIOT Act of 2001 requires AIM to collect and verify this information. Failure to provide will result in processing delays.



**2 Employer Information**

Employer's Name

Street Address

City

State

ZIP

-

Human Resources or Benefits Contact's First Name

M.I.

Last Name

Human Resources or Benefits Contact's E-mail Address

Employer's Phone Number

-  -

AIM Plan ID, if known



### 3 List of Available Investments

Equity Funds	Share Class			
	A	B <sup>1</sup>	C	Investor <sup>2</sup>
	Fund No.			
AIM Conservative Allocation Fund.....	1600	2600	3600	—
AIM Moderately Conservative Allocation Fund ..	1603	2603	3603	—
AIM Moderate Allocation Fund.....	1601	2601	3601	—
AIM Moderate Growth Allocation Fund.....	1604	2604	3604	—
AIM Growth Allocation Fund <sup>14</sup> .....	1602	2602	3602	—
AIM Advantage Health Sciences Fund <sup>5</sup> .....	1008	2008	3008	—
AIM Aggressive Growth Fund.....	1507	2507	3507	—
AIM Asia Pacific Growth Fund.....	1531	2531	3531	—
AIM Balanced Fund <sup>12</sup> .....	1506	2506	3506	—
AIM Basic Balanced Fund <sup>12</sup> .....	1574	2574	3574	—
AIM Basic Value Fund.....	1563	2563	3563	—
AIM Blue Chip Fund.....	1515	2515	3515	215
AIM Capital Development Fund.....	1514	2514	3514	214
AIM Charter Fund.....	1510	2510	3510	—
AIM Constellation Fund.....	1502	2502	3502	—
AIM Core Stock Fund <sup>3</sup> .....	1015	2015	3015	15
AIM Dent Demographic Trends Fund.....	1538	2538	3538	—
AIM Developing Markets Fund.....	1576	2576	3576	—
AIM Diversified Dividend Fund.....	1586	2586	3586	—
AIM Dynamics Fund <sup>3</sup> .....	1020	2020	3020	20
AIM Emerging Growth Fund.....	1512	2512	3512	—
AIM Energy Fund <sup>3</sup> .....	1050	2050	3050	50
AIM European Growth Fund.....	1530	2530	3530	230
AIM European Small Company Fund <sup>13</sup> .....	1527	2527	3527	—
AIM Financial Services Fund <sup>3</sup> .....	1057	2057	3057	57
AIM Global Aggressive Growth Fund.....	1581	2581	3581	—
AIM Global Equity Fund.....	1584	2584	3584	—
AIM Global Growth Fund.....	1582	2582	3582	—
AIM Global Health Care Fund.....	1551	2551	3551	—
AIM Global Real Estate Fund.....	1621	2621	3621	—
AIM Global Value Fund.....	1513	2513	3513	—
AIM Gold & Precious Metals Fund <sup>3</sup> .....	1051	2051	3051	51
AIM Health Sciences Fund <sup>3</sup> .....	1052	2052	3052	52
AIM International Core Equity Fund <sup>3</sup> .....	1009	2009	3009	9
AIM International Small Company Fund <sup>5</sup> .....	1528	2528	3528	—
AIM International Growth Fund.....	1516	2516	3516	—
AIM Large Cap Basic Value Fund.....	1539	2539	3539	239
AIM Large Cap Growth Fund.....	1537	2537	3537	237
AIM Leisure Fund <sup>3</sup> .....	1053	2053	3053	53
AIM Libra Fund.....	1504	2504	3504	—

Equity Funds (continued)	Share Class			
	A	B <sup>1</sup>	C	Investor <sup>2</sup>
	Fund No.			
AIM Mid Cap Basic Value Fund.....	1587	2587	3587	—
AIM Mid Cap Core Equity Fund <sup>6</sup> .....	1546	2546	3546	—
AIM Mid Cap Growth Fund.....	1518	2518	3518	—
AIM Mid Cap Stock Fund <sup>3</sup> .....	1119	2119	3119	119
AIM Multi-Sector Fund <sup>3</sup> .....	1124	2124	3124	—
AIM Opportunities I Fund <sup>7</sup> .....	1534	2534	3534	—
AIM Opportunities II Fund.....	1536	2536	3536	—
AIM Opportunities III Fund.....	1519	2519	3519	—
AIM Premier Equity Fund.....	1505	2505	3505	—
AIM Real Estate Fund <sup>4</sup> .....	1525	2525	3525	225
AIM S&P 500 Index Fund <sup>3</sup> .....	—	—	—	23
AIM Select Equity Fund.....	1550	2550	3550	—
AIM Small Cap Equity Fund.....	1532	2532	3532	—
AIM Small Cap Growth Fund <sup>8</sup> .....	1564	2564	3564	—
AIM Small Company Growth Fund <sup>3</sup> .....	1060	2060	3060	60
AIM Technology Fund <sup>3</sup> .....	1055	2055	3055	55
AIM Total Return Fund <sup>3,12</sup> .....	1048	2048	3048	48
AIM Trimark Fund <sup>11</sup> .....	1597	2597	3597	—
AIM Trimark Endeavor Fund <sup>11</sup> .....	1598	2598	3598	—
AIM Trimark Small Companies Fund <sup>11</sup> .....	1599	2599	3599	—
AIM Utilities Fund <sup>3</sup> .....	1058	2058	3058	58
AIM Weingarten Fund.....	1501	2501	3501	—

Fixed-Income Funds	Share Class				
	A	B <sup>1</sup>	C	Investor <sup>2</sup>	A3
	Fund No.				
AIM Cash Reserve Shares <sup>9</sup> .....	1521	—	—	—	—
AIM High Income Municipal Bond Fund ..	1517	2517	3517	—	—
AIM High Yield Fund.....	1575	2575	3575	275	—
AIM Income Fund.....	1565	2565	3565	265	—
AIM Intermediate Government Fund.....	1560	2560	3560	260	—
AIM Limited Maturity Treasury Fund <sup>10</sup> .....	1523	—	—	—	4923
AIM Money Market Fund.....	—	2521	3521	221	—
AIM Municipal Bond Fund.....	1503	2503	3503	203	—
AIM Short Term Bond Fund.....	1524	—	3524	—	—
AIM Tax-Exempt Cash Fund.....	1522	—	—	222	—
AIM Tax-Free Intermediate Fund <sup>10</sup> .....	1520	—	—	—	4920
AIM Total Return Bond Fund.....	1588	2588	3588	—	—
Premier U.S. Government Money Portfolio <sup>3</sup> .....	—	—	—	—	44

<sup>1</sup>Effective Feb. 2, 2004, Class B purchase orders are limited to \$100,000. Any purchase order for Class B shares in excess of \$100,000 will be rejected. This applies to all AIM funds that offer Class B shares except AIM Floating Rate Fund. <sup>2</sup>Investor Class shares are closed to most investors. For more information on who may continue to invest in Investor Class shares, please see the appropriate prospectus. <sup>3</sup>A I M Advisors, Inc. is the investment advisor for the fund. Prior to Nov. 25, 2003, INVESCO Funds Group, Inc. served as the investment advisor for the fund. On Oct. 15, 2004, the following fund name changes occurred: INVESCO Advantage Health Sciences Fund to AIM Advantage Health Sciences Fund, INVESCO Core Equity Fund to AIM Core Stock Fund, INVESCO Dynamics Fund to AIM Dynamics Fund, INVESCO Energy Fund to AIM Energy Fund, INVESCO Financial Services Fund to AIM Financial Services Fund, INVESCO Gold & Precious Metals Fund to AIM Gold & Precious Metals Fund, INVESCO Health Sciences Fund to AIM Health Sciences Fund, INVESCO International Core Equity Fund to AIM International Core Equity Fund, INVESCO Leisure Fund to AIM Leisure Fund, INVESCO Mid-Cap Growth Fund to AIM Mid Cap Stock Fund, INVESCO Multi-Sector Fund to AIM Multi-Sector Fund, INVESCO S&P 500 Index Fund to AIM S&P 500 Index Fund, INVESCO Small Company Growth Fund to AIM Small Company Growth Fund, INVESCO Technology Fund to AIM Technology Fund, INVESCO Total Return Fund to AIM Total Return Fund, INVESCO Utilities Fund to AIM Utilities Fund and INVESCO U.S. Government Money Fund to Premier U.S. Government Money Portfolio. <sup>4</sup>As of end of business on April 29, 2005, the fund will limit public sales of its shares to certain investors. For more information on who may continue to invest in the fund, please contact your financial advisor. <sup>5</sup>On Dec. 30, 2004, AIM International Emerging Growth Fund was renamed AIM International Small Company Fund. As of end of business on March 14, 2005, the fund has limited public sales of its shares to certain investors. For more information on who may continue to invest in the fund, please contact your financial advisor. <sup>6</sup>As of end of business on Feb. 27, 2004, the fund has limited public sales of its shares to certain investors. For more information on who may continue to invest in the fund, please contact your financial advisor. <sup>7</sup>AIM Opportunities I Fund will not accept any single purchase order in excess of \$250,000. <sup>8</sup>As of end of business on March 18, 2002, the fund has limited public sales of its shares to certain investors. For more information on who may continue to invest in the fund, please contact your financial advisor. <sup>9</sup>Special class of AIM Money Market Fund. <sup>10</sup>Class A shares closed to new investors on Oct. 30, 2002. <sup>11</sup>The fund is subadvised by AIM Trimark Investments (AIM Trimark), one of Canada's largest mutual fund companies. The fund is distributed by A I M Distributors, Inc. <sup>12</sup>Domestic equity and income fund. <sup>13</sup>As of end of business on March 28, 2005, the fund has limited public sales of its shares to certain investors. For more information on who may continue to invest in the fund, please contact your financial advisor. <sup>14</sup>On April 29, 2005, AIM Aggressive Allocation Fund was renamed AIM Growth Allocation Fund.

**FUTURE CONTRIBUTIONS**

All future contributions will be invested as indicated below. To change your future contributions, complete a Future Contribution Change Form.

**PLEASE INDICATE FUND(S) AND INVESTMENT PERCENTAGE(S). ROUND TO WHOLE PERCENTAGES. TOTAL PERCENTAGES MUST EQUAL 100%.**

**PLEASE SELECT ONLY ONE SHARE CLASS.** (If no fund is selected, Cash Reserve Shares will be purchased. If no class of shares is selected, Class A shares will be purchased.)  
 Minimum purchase is \$25 per fund for each contribution submitted.

Fund No.	Name of Fund	Percentage
1. <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	_____	<input type="text"/> <input type="text"/> <input type="text"/> %
2. <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	_____	<input type="text"/> <input type="text"/> <input type="text"/> %
3. <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	_____	<input type="text"/> <input type="text"/> <input type="text"/> %
4. <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	_____	<input type="text"/> <input type="text"/> <input type="text"/> %
5. <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	_____	<input type="text"/> <input type="text"/> <input type="text"/> %
6. <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	_____	<input type="text"/> <input type="text"/> <input type="text"/> %
7. <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	_____	<input type="text"/> <input type="text"/> <input type="text"/> %
8. <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	_____	<input type="text"/> <input type="text"/> <input type="text"/> %
		<b>Total</b> <input type="text"/> <input type="text"/> <input type="text"/> %

**4 Telephone Transactions** (These privileges will be added to your account unless you indicate otherwise.)

**TELEPHONE EXCHANGE, REALLOCATION AND FUTURE INVESTMENT ALLOCATION**

You will be given the authorization to request exchanges, reallocations and updates to your investment allocation over the phone unless indicated below.

I DO NOT authorize telephone exchange and reallocation.

The telephone exchange and reallocation option allows you to redeem shares (\$50 minimum) by telephone and apply the proceeds for purchase into another fund previously authorized as one of the the plan's investment selections. The telephone investment allocation option allows you to allocate future contribution to your account into funds chosen from a list of funds previously authorized as the plan's investment selections.

**TELEPHONE REDEMPTION**

You will be given the authorization to request redemptions over the phone unless indicated below:

I DO NOT authorize telephone redemption.

This option lets you sell shares (\$50 minimum, \$250,000 maximum) by telephone. The proceeds may be mailed to the address in section 1, or if you have completed Bank of Record information on the following page, the proceeds will be sent by Electronic Funds Transfer (EFT) to your bank account.

**BANK OF RECORD** (If this section is blank, all proceeds will be mailed to the address of record.)

John Doe  
5302 11<sup>th</sup> St.  
Anywhere, USA 12345

000

Please tape your voided check here.

VOID

\$

For deposits to your bank account, please tape a voided check  
so we may obtain bank account information. **(Please do not staple.)**

**Important: A voided check taped above is required to establish bank account information. A deposit slip is not acceptable.**

ABA Number

Bank Account #

Name(s) on Bank Account

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Redemptions may be subject to a contingent deferred sales charge, as set forth in the fund's current prospectus.

**5 Withholding Election (Distributions are subject to 10% withholding unless indicated below.)**

The distributions you receive from your IRA are subject to a 10% federal income tax withholding unless you indicate below that you elect not to have withholding apply. Withholding will only apply to the portion of your distribution that is included in your income subject to federal income tax. Thus, for example, there will be no withholding on the return of your own nondeductible contributions.

If you elect not to have withholding applied to your distributions, or if you do not have enough federal income tax withheld from your distributions, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. If you revoke this election and have federal income taxes withheld from your distributions, you should notify AIM Investment Services, Inc. by providing an IRS Form W-4P.

I do not want any federal income tax withheld from my distribution.

I want federal income tax withheld at the rate of  %.

**NOTE: Withholding is taxable and may be subject to a premature distribution penalty if you are under age 59½.**

**6 Dealer Information** (To be completed by a financial advisor.)

We hereby authorize AIM Investment Services, Inc. to act as our agent in connection with transactions authorized by this Application and agree to notify AIM Investment Services, Inc. of any purchases made under a Letter of Intent or Rights of Accumulation. If the Application includes a Telephone Exchange and/or Telephone Redemption Privilege authorization, we guarantee the signature on this application.

Name of Broker/Dealer Firm \_\_\_\_\_

AIM Dealer Number (if known)

□ □ □ □ □ □ □ □

Main Office Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

ZIP

□ □ □ □ □ □ - □ □ □ □

Financial Advisor's Name \_\_\_\_\_

Financial Advisor's Representative Number

□ □ □ □ □ □ □ □ □ □

Financial Advisor's Branch Address \_\_\_\_\_

Financial Advisor's Branch Number

□ □ □ □ □ □ □ □ □ □

City \_\_\_\_\_

State \_\_\_\_\_

ZIP

□ □ □ □ □ □ - □ □ □ □

Financial Advisor's Phone Number

□ □ □ □ - □ □ □ □ - □ □ □ □ □ □

Date

□ □ / □ □ / □ □ □ □

Month

Day

Year

Authorized Signature of Dealer \_\_\_\_\_

**7 Reduced Sales Charge**

**Rights of Accumulation** (Available for shares owned in Class A, B, C or R.) I apply for reduced sales charges based on the share balances in the following AIM accounts:

Account Number

□ □ □ □ □ □ □ □ □ □

Account Number

□ □ □ □ □ □ □ □ □ □

Account Number

□ □ □ □ □ □ □ □ □ □

Account Number

□ □ □ □ □ □ □ □ □ □

**8 Electronic Statements and Updates**

- Check here to receive your quarterly statements at the email address listed below.
- Check here to receive regulatory documents (i.e. prospectus and annual reports) at the email address listed below.
- Check here to receive your tax forms at the email address listed below.
- Check here to receive updates related to shareholder services at the email address listed below.

E-mail \_\_\_\_\_

**9 Beneficiary Information**

- I hereby designate the following primary beneficiary(ies) to receive any assets remaining in my account upon my death in equal amounts unless otherwise indicated below.
- In the event that no primary beneficiary(ies) listed below survives me, any assets remaining in my account shall be distributed to the contingent beneficiary(ies) in equal amount unless otherwise indicated below.
- If no primary beneficiary is designated or no designated beneficiary or contingent beneficiary survives me, any assets remaining in my account shall be distributed to my surviving spouse; provided, however, that if I am unmarried at the time of my death, any assets remaining in my account shall be distributed to my estate.
- This designation of beneficiary(ies) and any subsequent change in designation must be received by AIM Investment Services prior to my death in order to be effective.
- This designation revokes any prior designation.
- I retain the right to revoke this designation.

Primary  Contingent

Beneficiary's Name \_\_\_\_\_ Percentage  %

Beneficiary's Date of Birth \_\_\_\_\_ Beneficiary's Social Security Number or Tax ID \_\_\_\_\_

/  /

Month Day Year Relationship

Primary  Contingent

Beneficiary's Name \_\_\_\_\_ Percentage  %

Beneficiary's Date of Birth \_\_\_\_\_ Beneficiary's Social Security Number or Tax ID \_\_\_\_\_

/  /

Month Day Year Relationship

Primary  Contingent

Beneficiary's Name \_\_\_\_\_ Percentage  %

Beneficiary's Date of Birth \_\_\_\_\_ Beneficiary's Social Security Number or Tax ID \_\_\_\_\_

/  /

Month Day Year Relationship

Primary  Contingent

Beneficiary's Name \_\_\_\_\_ Percentage  %

Beneficiary's Date of Birth \_\_\_\_\_ Beneficiary's Social Security Number or Tax ID \_\_\_\_\_

/  /

Month Day Year Relationship

Please use a separate page if additional beneficiaries are to be designated

**10 Authorization and Signature (Required to establish account)**

I hereby establish an AIM Distributors, Inc. SIMPLE Individual Retirement Account appointing AMVESCAP National Trust Company as Custodian, pursuant to the terms of the applicable Custodial Agreement and Disclosure Statement and the Prospectus for each of the mutual funds that I have selected as investment choices. I understand and agree that the Custodian may amend the Custodial Agreement by providing me written notice of any such amendment and that the mutual funds in which I invest may and will amend their prospectuses from time to time by giving me written notice of such amendments. I consent to the custodial fees specified, and I understand that a \$10 annual maintenance fee will be deducted from my account each December or at the time of a full distribution or transfer.

**REQUEST FOR TAXPAYER IDENTIFICATION NUMBER** (Substitute Form W-9)

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am a U.S. person (including a U.S. resident alien).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification.

**SIGNATURE PROVISIONS**

I have read and understand the foregoing Application and the material included herein by reference. I certify that the information which I have provided and the information which is included within the Application and the material included herein by reference is accurate, including, but not limited to, the representations contained in the Taxpayer Identification Number section above.

**The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.**

Participant's Signature \_\_\_\_\_ Date   /   /      
 Month Day Year

**11 Mailing Instructions** Please make checks payable to: ANTC (AMVESCAP National Trust Company).

We reserve the right to reject any application or payment such as temporary, credit card or third-party checks.

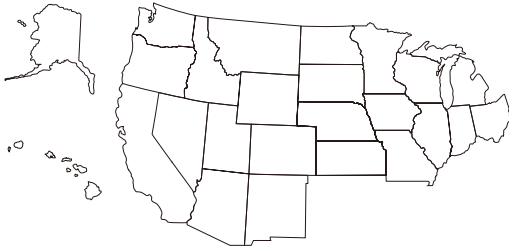
**Please send completed application to the location corresponding to the state in which you reside:**

*(Direct Mail)*  
 AIM Investment Services, Inc.  
 P.O. Box 173706  
 Denver, CO 80217-3706

*(Overnight Mail)*  
 AIM Investment Services, Inc.  
 4340 South Monaco St.  
 Denver, CO 80237

*(Direct Mail)*  
 AIM Investment Services, Inc.  
 P.O. Box 4739  
 Houston, TX 77210-4739

*(Overnight Mail)*  
 AIM Investment Services, Inc.  
 11 Greenway Plaza, Ste. 100  
 Houston, TX 77046



**AIM 24-HOUR AUTOMATED LINE 87-RETIRE-55 (877-384-7355)**

The 24-hour automated line gives you the key to 24-hour, toll-free access to the most up-to-date information about your account.

**Simply dial 87-RETIRE-55 (877-384-7355).** To use the system, please have your Social Security and PIN number handy.

Using the 24-hour automated line enables you to:

- Obtain fund prices
- Confirm your last three transactions
- Change future investment allocations
- Verify your share balance and net asset value
- Check the current fund price on any AIM fund
- Perform exchanges and reallocations
- Request a duplicate quarterly statement

The quick, convenient and comprehensive way to unlock fund facts and account activity.

**AIM Web site AIMinvestments.com**

The AIM Web site gives you 24-hour access to your mutual fund account. By using the Web site, you can obtain the most up-to-date information about your account.

- Obtain fund prices
- Confirm your account transaction history
- View a quarterly account statement
- Retrieve account forms and investor education materials
- Verify your share balance and net asset value
- Check the current fund price, yield and total return on any AIM fund
- Obtain the most recent quarter-end account balance
- Perform exchanges and reallocations
- View and change future investment allocations



# THE AIM SIMPLE IRA CUSTODIAL AGREEMENT



The Participant is establishing a savings incentive match plan for employees of small employers individual retirement account (the "Account") under sections 408(a) and 408(p) of the Internal Revenue Code of 1986, as amended (the "Code"), to provide for his or her retirement and for the support of his or her beneficiaries after death. AMVESCAP National Trust Company (the "Custodian") has given the Participant the disclosure statement required by Regulations section 1.408-6. The Participant and the Custodian make the following agreement (this "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) of the Code. 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 Account is nonforfeitable.

## ARTICLE III

1. No part of the Account may be invested in life insurance contracts, nor may the assets of the Account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).
2. No part of the Account 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 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 Participant's entire interest in the Account must be, or begin to be, distributed not later than April 1 following the calendar year in which the Participant reaches age 70½ (the Participant's "required beginning date"). By that date, the Participant may elect, in a form and manner acceptable to the Custodian, to have the balance in the 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).

## ARTICLE V

1. The Participant agrees to provide the custodian with all information necessary to prepare any reports required by sections 408(i) and 408(l)(2) and Regulations sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit to the Internal Revenue Service ("IRS") and participant the reports prescribed by the IRS.
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 sections 408(a) and 408(p) 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 any related regulations. Other amendments may be made as provided below.

## ARTICLE VIII

### 1. Contributions.

- (a) All contributions made under this Agreement, other than rollover contributions, shall be deposited in the form of cash and shall be made to the Custodian in accordance with such rules as the Custodian may establish. Any contribution so made with respect to a tax year of the Participant shall be made prior to the due date of the Participant's tax return (not including extensions) and unless otherwise indicated in writing by the Participant, be credited to the tax year in which it is received by the Custodian.

- (b) The Custodian shall have the right to receive rollover contributions as described in the Code. If any property is so transferred to it as a rollover contribution, the Custodian may, in its discretion, sell such property, and if it does so, shall reinvest the proceeds, less any expenses, fees or commissions, as provided below. The Custodian reserves the right to refuse to accept any property which is not in the form of cash. Any amounts received by the Custodian under this paragraph shall be accompanied by such records and other documents as the Custodian deems necessary to establish the nature, value and extent of the assets, and of the various interests therein.
- 2. Investment Instructions.**
- (a) All assets in the Account shall be invested in accordance with the Participant's instructions in the shares of one or more Designated Investment Companies (as defined below), as the Participant may specify from time to time. These instructions may relate to current contributions or to amounts previously contributed (including earnings thereon) or to both. In the event that the Custodian receives a contribution from the Participant with respect to which no investment direction is specifically applicable, or if any such investment direction is, in the opinion of the Custodian, unclear, the Custodian may hold such amounts uninvested or return any such contributions without liability for any loss, including any loss of income or appreciation, and without liability for interest or any tax liability incurred by Participant pending receipt of instructions or clarification. For all purposes under this Agreement, the term "Designated Investment Company" shall mean any investment company registered with and regulated by the U.S. Securities and Exchange Commission under the Investment Company Act of 1940, as amended, which is advised by subsidiaries of A I M Management Group Inc. and which is designated by A I M Distributors, Inc. (the "Sponsor"), in its sole discretion, as eligible for investment hereunder.
- (b) Upon receipt of instructions from the Participant in a form and manner acceptable to the Custodian, the Custodian may exchange or cause to be exchanged shares of a Designated Investment Company held in the Account for the shares of any other Designated Investment Company, subject to and in accordance with the terms and conditions of the current prospectuses of such Designated Investment Companies and as may be agreed upon from time to time between the Custodian and the Sponsor. All dividends and capital gains distributions received on shares of a Designated Investment Company held in the Account shall, unless received in additional shares, be reinvested in shares of the Designated Investment Company paying such dividends. If any distributions on the shares of a Designated Investment Company may be received at the election of the Participant in additional shares or in cash or other property, the Custodian shall elect to receive additional shares.
- (c) The Custodian shall deliver, or cause to be delivered to the Participant all notices, prospectuses, financial statements, proxies and proxy soliciting materials relating to Designated Investment Companies' shares. The Custodian shall not vote any of the shares held hereunder except in accordance with the written instructions of the Participant, except that the Custodian may vote present for the purpose of establishing the presence of a quorum.
- 3. Distributions.** The Custodian shall, from time to time, in accordance with instructions received from the Participant (or the beneficiary) in a form and manner acceptable to the Custodian, make distributions out of the Account in the manner and amounts specified in such instructions. All such instructions shall be deemed to constitute a certification by the Participant (or the beneficiary) that the distribution directed is one that the Participant (or the beneficiary) is permitted to receive. Notwithstanding any other provisions of this Agreement, the Custodian assumes (and shall have) no responsibility to make any distribution to the Participant (or the beneficiary) unless and until such instructions specify the occasion for such distribution, the elected manner of distribution, and any other required declaration or election. Prior to making any such distribution from the Account, the Custodian shall be furnished with any and all applications, certificates, tax waivers, signature guarantees, and other documents (including proof of any legal representative's authority) deemed necessary or advisable by the Custodian. Upon receipt of proper instructions as required above, the Custodian shall cause the assets of the Account to be distributed in cash and/or in kind, as specified in such instructions.
- 4. Transfers.** Upon direction of the Participant in a form and manner acceptable to the Custodian, the Custodian shall transfer the assets held in the Account (reduced by any applicable transfer fees) to a successor individual retirement account, or individual retirement annuity (other than an endowment contract) for the Participant's benefit.
- 5. Alienation and Assignment.** The assets held in the Account shall not be subject to alienation, assignment, garnishment, attachment, execution or levy of any kind, and any attempt to cause such benefits to be so subjected shall not be recognized, except to the extent required by law. Any pledging of assets in the Account by the Participant as security for a loan or any loan or other extension of credit from the Account to the Participant shall be prohibited.
- 6. Beneficiaries.**
- (a) The Participant shall have the right to designate (or to change), by notice to the Custodian in a form and manner acceptable to the Custodian, a beneficiary or beneficiaries (collectively referred to throughout as "beneficiary") to receive any assets remaining in the Account following the Participant's death. If no such designation is in effect at the time of the Participant's death, or if all designated beneficiaries have pre-deceased the Participant, the Participant's beneficiary shall be his or her surviving spouse; provided, however, that if the Depositor is unmarried at the time of his or her death, the Depositor's beneficiary shall be his or her estate. The last designation received by the Custodian prior to the Participant's death shall be controlling, and, whether or not it fully disposes the Account, shall revoke all such other designations previously made by the Participant and received by the Custodian.
- (b) Following the Participant's death, the beneficiary shall have all rights and privileges conferred on the Participant by this Agreement to deal with and dispose of the assets remaining in the Account, limited by any applicable provisions of the Code or the rules and regulations of the Internal Revenue Service promulgated thereunder, and shall be bound by all terms and conditions of this Agreement, as if he or she were the Participant, upon the exercise or attempted exercise of any control over the Account or the assets remaining therein.
- (c) The Custodian's sole responsibility with regard to the administration of such beneficiary designations shall be to act in accordance with the instructions of natural persons identified by name in the Participant's notice. The Custodian shall not be charged with any responsibility to administer any trust or to determine the members of any class of natural persons designated in such a notice. If the Participant submits and the Custodian accepts any notice of beneficiary designation which names a trust or a class of natural persons as beneficiaries to the Account, then the Custodian shall take instructions and certifications from the duly-appointed executor or administrator of the Participant's estate in order to determine the proper disposition of assets remaining in the Account. The Custodian and Sponsor shall be discharged from any liability arising from their administration of beneficiary designations hereunder to the extent that assets remaining in the Account following the Participant's death are paid out (i) to natural persons designated by name in the Participant's notice or (ii) to natural persons or entities identified by the duly-appointed executor or administrator of the Participant's estate as trustees of designated trusts or, for natural persons only, members of designated classes. In the event of any conflict or inconsistency between this Agreement and the notice of beneficiary designation or any instruction given pursuant to this Section 6, the terms of this Agreement shall govern.
- 7. Limitation of Liability.**
- (a) Neither the Custodian nor the Sponsor shall be responsible for the collection of contributions, the deductibility or excludability of any contribution, or the propriety of any contributions received by it under this Agreement; the selection of any shares of any Designated Investment Company; or the purpose or propriety of any distribution ordered, which matters are the sole responsibility of the Participant or the beneficiary.
- (b) Neither the Custodian nor the Sponsor shall be responsible for any losses, penalties or any other consequences to the Participant or to any other person arising out of the making of any contribution to, investment for, or distribution from the Account.
- (c) Neither the Custodian nor the Sponsor shall be liable for complying with instructions which appear to be genuine on their face, or for refusing to comply if not satisfied such instructions are genuine, and neither party assumes (and neither party shall have) any duty of further inquiry.
- 8. Account Statements.** In addition to any other required reports, the Custodian shall cause to be mailed to the Participant (or the beneficiary) periodic statements and, in respect of each tax year, a statement accounting for all transactions affecting the Account during such year and a statement showing the positions in the Account as of the end of such year. If, within sixty (60) days after the mailing of any such periodic or year-end statement, the Participant (or the beneficiary) has not given the Custodian or the Sponsor written notice of any exception or objection thereto, the accounting for all transactions reflected thereon shall be deemed to have been approved, and in such case, or upon the written approval of the Participant (or the beneficiary), the Custodian and the Sponsor shall be released, relieved and discharged with respect to all matters set forth in such statement as though the Account had been settled by judgment or decree of a court of competent jurisdiction.

9. **Indemnification.** The Custodian shall have the right to rely upon any information furnished by the Participant (or the beneficiary). The Participant and the Participant's legal representatives or the beneficiary, as appropriate, shall always fully indemnify the Custodian, the Sponsor, the Designated Investment Companies, and each of their respective directors, officers, employees, and/or agents, and hold each of them harmless from any and all liability whatsoever which may arise in connection with the establishment and maintenance of the Account and the performance of their obligations under this Agreement (including that which arises out of their own negligence or the negligence of their agents), except that which arises due to their gross negligence, willful misconduct or lack of good faith. The Custodian shall not be obligated or expected to commence or defend any legal action or proceeding in connection with this Agreement or such matters unless agreed upon by the Custodian and the Participant or said legal representatives (or beneficiary) and unless fully indemnified for so doing to the Custodian's satisfaction.
10. **Choice of Law and Venue.** This Agreement shall be construed in accordance with the laws of the State of Georgia. All parties to this Agreement hereby waive and agree to waive the right to trial by jury in any action or proceeding instituted in respect to the establishment or maintenance of the Account. The Participant further agrees that the venue of any litigation between the Participant and the Custodian or the Sponsor with respect to the establishment or maintenance of the Account shall be in the State of Georgia.
11. **Amendments.** The Participant hereby delegates to the Sponsor the power to amend at any time and from time to time the terms and provisions of this Agreement. The Participant and Custodian hereby consent to such amendments, provided such amendments comply with all applicable provisions of the Code, the regulations thereunder and with any other governmental law, regulation or ruling. Any such amendments shall be effective as of the date specified in a written notice sent by regular mail to the address of the Participant (or the beneficiary) indicated by the Custodian's records, except that no amendment which increases the burdens of the Custodian shall take effect without the Custodian's prior written consent.
12. **Notices.**
- (a) Any notice from the Custodian to the Participant (or the beneficiary) provided for in this Agreement shall be effective if sent by regular mail to the Participant (or beneficiary) at his or her last address of record.
  - (b) The Custodian shall not be bound by any certificate, notice, order, information or other communication unless and until it shall have been received in the form and manner prescribed by the Custodian at its place of business.
13. **Custodian to Act as Agent.** The Custodian shall be an agent for the Participant to perform the duties conferred on it by the Participant. The parties do not intend to confer any fiduciary duties on the Custodian, and none shall be implied.
14. **Custodian to Employ Agents.** The Custodian may perform any of its administrative duties through such other persons or entities as may be designated by the Custodian from time to time with the prior approval of the Sponsor, except that the Designated Investment Company shares held in the Account must be registered in the name of the Custodian or its nominee. No such delegation or subsequent change herein shall be considered an amendment to this Agreement.
15. **Resignation of Custodian.** The Custodian may at any time, upon thirty (30) days' notice in writing to the Participant, assign its responsibilities under this Agreement to a successor custodian, which successor custodian shall be a "bank" as defined in section 408(n) of the Code or another person found qualified to act as a custodian of an Individual Retirement Account by the Secretary of the Treasury or his delegate.
16. **Role of the Employer.** The Participant understands, acknowledges and agrees that by participating in a SIMPLE IRA plan, his or her employer will be given (i) access to information regarding his or her SIMPLE IRA and (ii) the ability to instruct the Custodian with regard to the investment of contributions made on behalf and/or for the benefit of the Participant.
17. **Fees.**
- (a) The Custodian may charge the Participant (or the beneficiary) reasonable fees, including an annual maintenance fee, for services rendered hereunder according to standard schedules of rates which may be in effect from time to time. Initially, the fees payable to the Custodian shall be those set forth in the Account Application. Upon thirty (30) days' prior written notice, the Custodian may substitute a fee schedule differing from that schedule initially provided.
  - (b) Custodian's fees, any income including unrelated business income tax, gift, state and inheritance taxes and other taxes of any kind whatsoever, including transfer taxes incurred in connection with the investment or reinvestment of the assets of the Account, that may be levied on or incurred by the Custodian in the performance of its duties hereunder may be charged to the assets held in the Account, with the right to liquidate shares of any Designated Investment Company or any other securities for this purpose, or (at Custodian's option) may be charged directly to the Participant (or the beneficiary).

# THE AIM SIMPLE IRA DISCLOSURE STATEMENT



Under applicable federal regulations, a custodian of an individual retirement account (a "SIMPLE IRA") is required to furnish each depositor who has established or is establishing an account with a statement which discloses certain information regarding the IRA. AMVESCAP National Trust Company, the Custodian of your AIM SIMPLE IRA, is providing this Disclosure Statement to you in accordance with that requirement. This Disclosure Statement should be reviewed in conjunction with The AIM SIMPLE IRA Custodial Agreement, which governs the maintenance of your IRA (the "Custodial Agreement"). You should review each of these documents with your attorney or tax advisor. The Custodian cannot give tax advice or determine whether or not the IRA is appropriate for you.

## A. Seven-Day Right to Revoke Your IRA.

You may revoke your SIMPLE IRA within seven days after you sign the Account Application (or on the next succeeding business day if the seventh day is a Saturday, Sunday or legal holiday) by delivering proper notice to AIM Investment Services, Inc., agent for the Custodian ("AIS"). Notice of revocation must be in writing and given to: AIM Investment Services, Inc., 11 Greenway Plaza, Suite 763, P.O. Box 4739, Houston, Texas 77210-4739, Attention: Shareholder Services Department. If you revoke your SIMPLE IRA within the seven-day period, you will receive a refund of the entire amount of your contributions to the SIMPLE IRA without any adjustment for earnings or any administrative expenses. If you have any questions concerning your right of revocation, please call AIS at (800) 959-4246.

## B. Statutory Requirements.

A SIMPLE IRA is a trust or custodial account created or organized under state law for your exclusive benefit or that of your beneficiaries, as described in section 408(p) of the Internal Revenue Code of 1986, as amended (the "Code"). The AIM SIMPLE IRA is organized as a custodial account under Georgia law using the language of IRS Form 5305-SA and has the following basic attributes:

- (1) All SIMPLE contributions must be made in cash, unless you are making a rollover contribution or transfer, and the Custodian accepts such noncash assets.
- (2) The only types of contributions permitted to be made to your SIMPLE IRA are salary reduction contributions and employer contributions under the employer's SIMPLE Retirement Plan.
- (3) The Custodian of your SIMPLE IRA must be a bank, savings and loan association, credit union or a person who is approved to act in such a capacity by the Secretary of the Treasury.
- (4) No portion of your SIMPLE IRA funds may be invested in life insurance contracts.
- (5) Your interest in your SIMPLE IRA is fully vested and is nonforfeitable at all times.
- (6) The assets in your SIMPLE IRA may not be commingled with other property except in a common trust fund or common investment fund.
- (7) You may not invest the assets of your Account in collectibles (as described in Section 408(m) of the Code). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or any other tangible personal property specified by the IRS. However, if the Custodian permits, certain gold, silver and platinum coins, coins issued under state law and certain bullion are permissible SIMPLE IRA investments.
- (8) The assets in your SIMPLE IRA must begin to be distributed to you by the April 1st following the calendar year you attain the age of 70½. The methods of distribution, election deadlines and other limitations are described in detail below.
- (9) For purposes of the SIMPLE Plan rules, in the case of an individual who is not a self-employed individual, compensation means the amount described in section 6051(a)(3) of the Code, which includes wages, tips and other compensation from the employer subject to income tax withholding under section 3401(a), and amounts described in section 6051(a)(8), including elective contributions made under a SIMPLE plan, and compensation deferred under a section 457 plan. In the case of a self-employed individual, compensation means net earnings from self-employment determined under section 1402(a), prior to subtracting any contributions made under the SIMPLE Plan on behalf of the individual.
- (10) Contributions to a SIMPLE IRA are excludible from federal income tax and not subject to federal income tax withholding when made to the SIMPLE IRA. Salary reduction contributions are subject to FICA, FUTA or RRTA tax when made and must be reported on the employee's Form W-2 wage statement. Matching and nonelective employer contributions made to a SIMPLE IRA are not subject to FICA, FUTA or RRTA and are not required to be reported on Form W-2.

- (11) A SIMPLE IRA must be established by or on behalf of an employee prior to the first date by which a contribution is required to be deposited into the SIMPLE IRA.

## C. Eligible Employees.

Under a SIMPLE Plan established by an eligible employer, all employees of the employer who received at least \$5,000 in compensation from the employer during any two preceding calendar years, whether or not consecutive, and who are reasonably expected to receive at least \$5,000 in compensation during the calendar year, must be eligible to participate for the calendar year. An employer may impose less restrictive eligibility requirements, such as eliminating or reducing the prior year compensation requirements, the current year compensation requirement, or both, under its SIMPLE Plan.

An employer, at its option, may exclude from eligibility: employees who are included in a unit of employees covered by an agreement that the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and one or more employers, if there is evidence that retirement benefits were the subject of good faith bargaining between such employee representatives and such employer or employers; in the case of a trust established or maintained pursuant to an agreement that the Secretary of Labor finds to be a collective bargaining agreement between air pilots represented in accordance with Title II of the Railway Labor Act and one or more employees, all employees not covered by that agreement; and employees who are nonresident aliens and who received no earned income from the employer that constitutes income from sources within the United States.

## D. Participation in Another Plan.

An eligible employee may participate in an employer's SIMPLE Plan, even if he or she also participates in a plan of a different employer for the same year. However, the employee's salary reduction contributions are subject to the limitation of section 402(g), which provides an aggregate limit on the exclusion for elective deferrals for any individual. The employee is responsible for monitoring compliance with this limitation.

## E. Eligible Employers.

SIMPLE plans may be established by employers (including tax-exempt employers and governmental entities) that had no more than 100 employees who earned \$5,000 or more in compensation during the preceding calendar year. For purposes of the 100-employee limitation, all employees employed at any time during the calendar year are taken into account, regardless of whether they are eligible to participate in the SIMPLE plan. This means that otherwise excludible employees (i.e., certain union employees, nonresident aliens with no U.S.-source income, and those employees who have not met the plan's minimum eligibility requirements) must be taken into account.

## F. SIMPLE Plan Contributions.

**Elective Deferrals (Salary Reduction Contributions).** A salary reduction contribution is a contribution made pursuant to an employee's election to have an amount contributed to his or her SIMPLE IRA, rather than have the amount paid directly to the employee in cash. An eligible employee must be permitted to elect to have salary reduction contributions made at the level specified by the employee, expressed as a percentage of compensation for the year or as a specific dollar amount. The maximum salary reduction contribution for a calendar year may not exceed the Annual Dollar Limit applicable to such calendar year. For individuals who have not attained age 50 by the last day of the calendar year for which a contribution is made, the Annual Dollar Limit is \$10,000 for 2005. For later calendar years, the Annual Dollar Limit will be indexed to inflation. For individuals who have attained age 50 by the last day of the calendar year for which a contribution is made, the Annual Dollar Limit includes a Catch-Up Contribution. The maximum Catch-Up Contribution is \$2000 for 2005. For later calendar years, the maximum Catch-Up Contribution will be indexed to inflation. Salary reduction contributions may not begin until the eligible employee completes a form provided by the employer designed to permit the employee to elect the salary reduction percentage or specific dollar amount. An employer may not place any restrictions on the amount of an employee's salary reduction contributions (e.g., by limiting the contribution percentage), except to the extent needed to comply with the annual limit.

For each of the 2002 through 2006 tax years, you may be eligible for a federal income tax credit in an amount equal to a percentage of your annual "Eligible Retirement Plan Contributions." The percentage varies from 10% to 50% depending upon your tax filing status and annual adjusted gross income ("AGI"). Joint filers with AGI over \$50,000, heads of household with AGI over



\$37,500 and all other filers with AGI over \$25,000 are not eligible for the tax credit. For this purpose, your Eligible Retirement Plan Contributions include all elective deferral contributions under a 401(k) plan, a 403(b) plan, a government deferred compensation plan under section 457, a SIMPLE IRA, or a SEP IRA, all contributions to a Traditional or Roth IRA and all voluntary after-tax contributions to a qualified plan. The Annual Dollar Limits, Catch-Up Contributions and tax credit described above are subject to the sunset provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") and, as such, will expire on December 31, 2010, at which time the applicable provisions under the law prior to EGTRRA will be restored, unless Congress provides otherwise.

#### **Employer Contributions: Two Options**

**1. Matching Contributions.** Under a SIMPLE plan, an employer is generally required to make a contribution on behalf of each eligible employee in an amount equal to the employee's salary reduction contributions, up to a limit of 3% of the employee's compensation for the entire calendar year.

The 3% limit on matching contributions is permitted to be reduced for a calendar year at the election of the employer, but only if: the limit is not reduced below 1%; the limit is not reduced for more than two years out of the five-year period that ends with and includes the year for which the election is effective; and employees are notified of the reduced limit within a reasonable period of time before the 60-day election period during which employees can enter into salary reduction agreements as described below. In determining whether the limit was reduced below 3% for a year, any year before the first year in which an employer (or a predecessor employer) maintains a SIMPLE plan will be treated as a year for which the limit was 3%. If an employer chooses to make nonelective contributions for a year in lieu of matching contributions, that year also will be treated as a year for which the limit was 3%.

**2. Nonelective Contributions.** Under a SIMPLE plan, an employer may make nonelective contributions in lieu of matching contributions. These nonelective contributions must be equal to 2% of each eligible employee's compensation for the entire calendar year, regardless of whether the employee elects to make salary reduction contributions for the calendar year. The employer may, but is not required to, limit nonelective contributions to eligible employees who have at least \$5,000 (or some lower amount selected by the employer) of compensation for the year. For purposes of this 2% nonelective contribution only, the compensation taken into account must be limited to the amount of compensation under section 401(a)(17) for the year. For 2005, this limit is \$210,000 and will be adjusted in accordance with the cost of living. An employer may substitute the 2% nonelective contribution for the matching contribution for a year only if eligible employees are notified within a reasonable period of time before the 60-day election period during which employees can enter into salary reduction agreements that a 2% nonelective contribution will be made instead of a matching contribution.

#### **G. Employee Elections.**

During the 60-day period immediately preceding January 1st of a calendar year (i.e., November 2 to December 31 of the preceding calendar year), an eligible employee must be given the right to enter into a salary reduction agreement for the calendar year, or to modify a prior agreement (including reducing the amount subject to this agreement to \$0). However, for the year in which the employee becomes eligible to make salary reduction contributions, the period during which the employee may enter into a salary reduction agreement or modify a prior agreement is a 60-day period that includes either the date the employee becomes eligible or the day before that date. For example, if an employer establishes a SIMPLE plan effective as of July 1, each eligible employee becomes eligible to make salary reduction contributions on that date, and the 60-day period can begin as early as May 2 (and end on June 30) or as late as July 1 (and end on August 29).

During these 60-day periods, employees have the right to modify their salary reduction agreements without restrictions. In addition, for the year in which an employee becomes eligible to make salary reduction contributions, the employee must be able to commence these contributions as soon as the employee becomes eligible, regardless of whether the 60-day period has ended. An employer may, but is not required to, provide additional opportunities or longer periods for permitting eligible employees to enter into salary reduction agreements or to modify prior agreements.

An employee must be given the right to terminate a salary reduction agreement for a calendar year at any time during the year even if this is outside a SIMPLE plan's normal election period. The employer's SIMPLE plan may, however, provide that an employee who terminates a salary reduction agreement at any time other than the normal election period is not eligible to resume participation until the beginning of the next calendar year.

#### **H. Employer Administrative And Notification Requirements.**

An employer must notify each employee, immediately before the employee's 60-day election period, of the employee's opportunity to enter into a salary reduction agreement or to modify a prior agreement. If applicable, this notification must disclose an employee's ability to select the financial institution that will serve as the trustee or custodian of the employee's SIMPLE IRA. Such notification must also include the Summary Description required under section 408(l)(2)(B). Such notification must also include whether the employer will be making either matching contributions (including the employer's election to reduce the matching contribution below 3%) or nonelective contributions as previously described.

If an eligible employee who is entitled to a contribution under the employer's SIMPLE plan is unwilling or unable to establish a SIMPLE IRA with any financial institution prior to the date on which the contribution is required to be made to the SIMPLE IRA of the employee, the employer may execute the necessary SIMPLE IRA documents on the employee's behalf with a financial institution selected by the employer.

The employer must deliver the salary reduction contributions to the financial institution maintaining the SIMPLE IRA as of the earliest date on which the contributions can reasonably be segregated from the employer's general assets, but no later than the close of the 30-day period following the last day of the month in which amounts would otherwise have been payable to the employee in cash.

Matching and nonelective employer contributions must be made to the financial institution maintaining the SIMPLE IRA no later than the due date for filing the employer's income tax return, including extensions, for the taxable year that includes the last day of the calendar year for which the contributions are made.

#### **I. Rollovers.**

**Rollover Contributions from Another SIMPLE IRA.** A rollover contribution to this SIMPLE IRA is only permitted from another SIMPLE IRA. A rollover contribution from another SIMPLE IRA is any amount the participant receives from one SIMPLE IRA and redeposits some or all of it into this SIMPLE IRA. The participant is not required to roll over the entire amount received from the first SIMPLE IRA. However, any amount you do not roll over will be taxed at ordinary income tax rates for federal income tax purposes and may also be subject to an additional tax if the distribution is a premature distribution described below.

**Rollover Distributions from a SIMPLE IRA.** A distribution from any SIMPLE IRA may be rolled over only to another SIMPLE IRA during the two-year period the participant first participated in the employer's SIMPLE plan. Thus, a distribution from a SIMPLE IRA during that two-year period qualifies as a rollover contribution (and is not includible in gross income of the participant) only if the distribution is paid into another SIMPLE IRA and satisfies the other requirements that apply to all IRA rollovers under section 408(d)(3). After this two-year period, a distribution from a SIMPLE IRA may be rolled over to any IRA maintained by the individual or, subject to EGTRRA's sunset provisions, to an employer's qualified retirement or 403(b) plan, or to a state or local government deferred compensation plan under section 457. This two-year period begins on the first day on which contributions made by the individual's employer are deposited in the individual's SIMPLE IRA.

##### **Special Rules that Apply to Rollovers.**

- The rollover must be completed no later than the 60th day after the day the distribution was received by you.
- You may have only one rollover during a 12-consecutive-month period measured from the date you received a distribution of an IRA which was rolled over to another IRA. (See IRS Publication 590 for more information.)
- The same property you receive in a distribution must be the same property you roll over into the second IRA. For example, if you receive a distribution from an IRA of property, such as stocks, that same stock must be rolled over into the second IRA.
- You are required to make an irrevocable election indicating that this transaction will be treated as a rollover contribution.
- You are not required to receive a complete distribution from your IRA in order to make a rollover contribution into another IRA, nor are you required to roll over the entire amount you received from the first IRA.
- If you inherit an IRA due to the death of the participant, you may not roll this IRA into your own IRA unless you are the spouse of the decedent.
- If you are age 70½ or older and wish to roll over to another IRA, you must first satisfy the minimum distribution requirement for that year and then the rollover of the remaining amount may be made.
- Rollover contributions to a SIMPLE IRA may not be made from a qualified plan, 403(b) plan, or any other IRA that is not a SIMPLE IRA.

## J. Excess Deferrals.

Excess elective deferrals (amounts in excess of the SIMPLE elective deferral Annual Dollar Limit) are includible in your gross income in the calendar year of deferral. Income on the excess elective deferrals is includible in your income in the year of withdrawal from the SIMPLE IRA. You should withdraw excess elective deferrals and any allocable income from your SIMPLE 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 SIMPLE IRA.

If you fail to withdraw excess elective deferrals, and any allocable income, by the following April 15th, 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 6% excise tax for each year they remain in your SIMPLE IRA. Income on excess elective deferrals is includible 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 (or 25% if withdrawn within the first two years of participation) on early distributions. The rules for determining and allocating income attributable to excess elective deferrals and other excess SIMPLE contributions are the same as those governing regular IRA excess contributions. The trustee or custodian of your SIMPLE IRA will inform you of the income allocable to such excess amounts.

## K. Distributions.

In general, all distributions from a SIMPLE IRA are subject to federal income tax by the payee or distributee, whichever the case may be. When you start withdrawing from your SIMPLE IRA, you may take the distributions in regular payments, random withdrawals or in a single-sum payment. Generally, all amounts distributed to you from your SIMPLE IRA are included in your gross income in the taxable year in which they are received. However, if you have made nondeductible contributions to any regular IRA as permitted under section 408(o) of the Code, the nontaxable portion of the distribution, if any, will be a percentage based upon the ratio of your unrecovered nondeductible contributions to the aggregate of all IRA balances, including SEP, SIMPLE and rollover contributions, as of the end of the year in which you take the distribution, plus distributions from the account during the year. All taxable distributions from your SIMPLE IRA are taxed at ordinary income tax rates for federal income tax purposes and are not eligible for either capital gains treatment or 5/10 year averaging. An employer may not require an employee to retain any portion of the contribution in the SIMPLE IRA or otherwise impose any withdrawal restrictions.

**Premature Distributions.** In general, if you are under age 59½ and receive a distribution from your SIMPLE IRA account, a 10% additional income tax will apply to the taxable portion of the distribution, unless the distribution is received (i) due to the death of the participant; (ii) due to the total and permanent disability of the participant; (iii) to pay medical expenses which exceed 7.5% of the participant's adjusted gross income; (iv) to pay medical insurance premiums during a period of the participant's unemployment; (v) to pay higher education expenses; (vi) to pay expenses related to a first-time home purchase (subject to a \$10,000 lifetime limit); or (vii) in a series of substantially equal periodic payments over the life expectancy of the participant or the joint life expectancy of the participant and his designated beneficiary. If you request a distribution in the form of a series of substantially equal payments, and you modify the payments before five years have elapsed and before attaining age 59½, the 10% additional income tax will apply retroactively to the year payments began through the year of such modification. In addition, if you request a distribution from your SIMPLE IRA within your first two years of participation in the SIMPLE plan and none of the exceptions listed above applies to the distribution, the normal 10% additional income tax referred to earlier is increased to 25%.

**Age 70½ Required Minimum Distributions.** You must begin receiving distributions from your SIMPLE IRA when you reach age 70½. The first distribution is required by April 1 of the year following the year in which you attain age 70½. Thereafter, distributions are required on or before December 31 of each calendar year. Additionally, after your death, distributions must be made to your beneficiaries in required minimum amounts.

Until December 31, 2002, the amount required to be distributed to you upon attainment of age 70½ and for each year thereafter, or to your beneficiaries following your death, may be determined, alternatively: (a) under rules proposed by the Internal Revenue Service in 1987; (b) under rules proposed by the Internal Revenue Service in 2001; or (c) under final rules issued by the Internal Revenue Service in 2002. Effective January 1, 2003, the amount required to be distributed must be determined under the final rules issued by the Internal Revenue Service in 2002.

Under the 1987 proposed rules, the amount required to be distributed to you is determined by dividing your IRA balance as of the prior December 31st by a life expectancy factor obtained from tables published by the Internal Revenue Service. The life expectancy factor varies depending upon (i) whether you elect to calculate required minimum distributions over your life expectancy or the joint life expectancy of you and a Designated Beneficiary, and (ii) whether you elect to recalculate your life expectancy each year or the joint life expectancy of you and your spouse. (You may not elect to recalculate the life expectancy of a non-spouse Designated Beneficiary). For this purpose, a Designated Beneficiary is, generally, an individual designated by you as a beneficiary before the earlier of (i) the date of your death or (ii) April 1 of the calendar year following the calendar year in which you attain age 70½. (In some circumstances, a trust may also be a Designated Beneficiary.) If required minimum distributions began before your death, distributions must continue to be made to your beneficiaries at least as rapidly as under the method used by you prior to your death. If required minimum distributions had not commenced before your death, distributions must be made to your beneficiaries by December 31st of the calendar year containing the fifth anniversary of your death. However, if your beneficiary is a Designated Beneficiary, distributions may be made at least annually over a period not to exceed the Designated Beneficiary's life expectancy. If your Designated Beneficiary is your spouse, distributions may be postponed until the December 31st immediately following the calendar year in which you would have attained age 70½.

Under the 2001 proposed rules, the amount required to be distributed to you is determined by dividing your IRA balance as of the prior December 31st by a life expectancy factor determined from (i) a uniform table published by the Internal Revenue Service or, (ii) if your spouse is your Designated Beneficiary and your spouse is 10 years younger than you, an alternative table based upon the recalculated joint life expectancy of you and your spouse. Under the 2001 proposed rules, there is no recalculation election and no need to designate a beneficiary before April 1 of the year following the year in which you attain age 70½. If required minimum distributions began before your death, then (i) your IRA must be distributed over your remaining life expectancy at your death if you do not have a Designated Beneficiary, (ii) your IRA must be distributed over your Designated Beneficiary's non-recalculated life expectancy at your death if you have a non-spouse Designated Beneficiary, or (iii) your IRA must be distributed over your spouse's recalculated life expectancy at your death if your spouse is your Designated Beneficiary. If required minimum distributions had not commenced before your death, the rules described above under the 1987 proposed rules apply. For purposes of the 2001 proposed rules, your Designated Beneficiary is determined on the December 31st of the year following the year of your death. As a result, you can name or change your Designated Beneficiary at any time prior to your death. Your Designated Beneficiaries can change following your death if there is a distribution to or disclaimer by a Designated Beneficiary following your death.

The 2002 final rules are generally the same as the 2001 proposed rules except that: (i) if required minimum distributions began before your death and you have a non-spouse Designated Beneficiary, your IRA must be distributed over the longer of your remaining life expectancy at death or your Designated Beneficiary's remaining life expectancy at your death; and (ii) your Designated Beneficiary is determined on September 30th of the year following the year of your death.

You should consult your attorney or tax advisor regarding the minimum required distributions from your IRA.

**Prohibited Transactions.** If you or your beneficiary engage in a prohibited transaction (as defined under section 4975) with the assets in your SIMPLE IRA, it will lose its tax exemption and you must include the value of your SIMPLE IRA in your gross income for that taxable year. If you pledge any portion of your SIMPLE IRA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year.

**Income Tax Withholding.** All withdrawals from your SIMPLE IRA (except a direct transfer) are subject to federal income tax withholding. You may, however, elect not to have withholding apply to your SIMPLE IRA distribution in most cases. If withholding does apply to your distribution, it is at the rate of 10% of the amount of the distribution.

**Transfers Defined.** A direct transfer is a payment from this SIMPLE IRA directly to another trustee or custodian of a SIMPLE IRA (or, after the two-year period no longer applies, to the trustee or custodian of any IRA). Transfers do not constitute a distribution since you are never in receipt of the funds. The monies are transferred directly to the new trustee or custodian. If you should transfer all or a portion of your SIMPLE IRA to your former spouse's IRA under a divorce decree (or under a written instrument incident to divorce) or separation instrument, you will not be deemed to have made a taxable distribution, but merely a transfer. The portion so transferred will be treated at the time of the transfer as the IRA of your spouse or former spouse. If your spouse is the beneficiary of your SIMPLE IRA, in the event of your death, your spouse may "assume" your SIMPLE IRA. The assumed IRA is then treated as your surviving spouse's IRA.

#### **L. Summary Description Requirements.**

In general, the Custodian of any SIMPLE IRA must annually provide to the employer maintaining the SIMPLE plan a Summary Description early enough to allow the employer to meet its notification obligations. In some circumstances, the Summary Description will be provided directly to the employee by the Custodian.

#### **M. Investment of Your IRA.**

Under the terms of the Custodial Agreement, your contributions will be invested by the Custodian in full and fractional shares of the investment company or companies that you select. As provided in the Custodial Agreement, you may only invest your SIMPLE IRA funds in shares of investment companies which are managed or advised by subsidiaries of AIM Management Group Inc. You will be provided with a list of the investment companies from which you may choose to invest. Subject to the foregoing and to any additional restrictions described in the Custodial Agreement, you have complete control over the investment of your SIMPLE IRA assets. The Custodian will not provide any form of investment advice or make investment recommendations of any type, so you will make all investment decisions. When you make a decision on how you wish to invest assets held in your SIMPLE IRA, you should provide the Custodian with specific instructions, detailing your investment decision so that the Custodian can effectuate such investments as provided in your Custodial Agreement. If you fail to direct the Custodian as to the investment of all or any portion of your SIMPLE IRA assets, the Custodian shall invest such assets in AIM Money Market Fund Cash Reserve Shares. All dividends and capital gain distributions received on shares of an investment company held in your SIMPLE IRA will be reinvested in shares of that investment company. Detailed information about the shares of the mutual fund(s) you select must be furnished to you in the form of prospectuses governed by rules of the U.S. Securities and Exchange Commission.

#### **N. Financial Disclosure.**

Because the value of assets held in your IRA is subject to market fluctuation, the value of your SIMPLE IRA can neither be guaranteed nor projected. There is no assurance of growth in the value of your SIMPLE IRA or guarantee of investment results. You will, however, be provided with periodic statements of your SIMPLE IRA, including current market values of investments.

Certain fees will be charged by the Custodian in connection with your SIMPLE IRA. Such fees are disclosed on the Account Application. Upon thirty days' prior written notice, the Custodian may substitute a new fee schedule. Any fees or other expenses incurred in connection with your SIMPLE IRA will be deducted from your SIMPLE IRA (with liquidation of Fund Shares, if necessary), or at the Custodian's option, such fees or expenses may be billed to you directly. Potential investors should obtain a copy of the current prospectus relating to each mutual fund selected for investment prior to making an investment. Also, copies of the statement of additional information relating to such fund(s) will be provided upon your request to AIM Investment Services, Inc.

#### **O. Procedures For Withdrawals.**

All distributions from this SIMPLE IRA must be requested in a form and manner acceptable to the Custodian. After receipt of proper distribution instructions, the Custodian will process the distribution as soon as administratively feasible.

#### **P. Federal Estate And Gift Taxes.**

Generally, there is no specific exclusion for SIMPLE IRAs under the estate tax rules. Therefore, in the event of your death, your SIMPLE IRA balance will be includible in your gross estate for federal estate tax purposes. However, if your surviving spouse is the beneficiary of your SIMPLE IRA, the amount in your SIMPLE IRA may qualify for the marital deduction available under Section 2056 of the Internal Revenue Code. A transfer of property for federal gift tax purposes does not include an amount which a beneficiary receives from a SIMPLE IRA plan.

#### **Q. Penalties.**

If you are under age 59½ and receive a premature distribution from your SIMPLE IRA, an additional 10% (or 25% for certain SIMPLE IRA distributions) income tax may apply to the taxable amount of the distribution. If you make an excess deferral to your SIMPLE IRA and it is not corrected on a timely basis, an excise tax of 6% is imposed on the excess amount. This tax will apply each year to any part or all of the excess which remains in your account. If you are age 70½ or over or if you should die, and the appropriate required minimum distributions are not made from your SIMPLE IRA, an additional tax of 50% is imposed upon the difference between what should have been distributed and what was actually distributed.

#### **R. IRS Approval as to Form.**

The Custodial Agreement has been approved by the Internal Revenue Service as to form only. This is not an endorsement of the plan in operation or of the investments offered.

#### **S. Amendments.**

The Custodian or Sponsor of your SIMPLE IRA may amend the Custodial Agreement at any time. The Custodian or Sponsor will comply with the amendment procedures set forth in the Custodial Agreement.

#### **T. Additional Information.**

You may obtain further information on IRAs and SIMPLE IRAs from your District Office of the Internal Revenue Service. In particular you may wish to obtain IRS Publication 590 (Individual Retirement Arrangements (IRAs)).

