

SIMPLE IRA Account Application

- Complete all applicable sections and sign page two.
- **Return pages one and two only and keep a copy for your records.**
- Account transfers require the Account Transfer Form.

Account Number(s):	Advisor/Investment Professional:
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Participant Information:

Name	Date of Birth	Social Security No.	
Mailing Address	Home Telephone No.		
City	State	Zip Code	Business Telephone No.

Check One: Initial or Cont. / Rollover or Transfer / Married or Unmarried

Employer Information:

Name: _____ Contact Person: _____
Address: _____ Phone # _____

Account Information

Date of Initial Deposit: _____
Elective Deferral Amount: _____
Employer Contribution Amount: _____

Custodian Information:

Name: _____
Notice of revocation must be delivered or mailed to: _____
Contact Person's Name: _____
Address: _____

The Custodian is the:

Non-DFI (Employer must complete the enclosed Summary Description.)

Designation of Beneficiary(ies): If I die before my entire interest in the SIMPLE IRA has been distributed under Article IV of the J.P. Morgan Clearing Corp. SIMPLE Individual Retirement Account Custodial Agreement ("SIMPLE IRA Custodial Agreement"), it is my intention that the balance of the account shall be distributed to:

<input type="checkbox"/> PRIMARY BENEFICIARY <hr/> Name Percentage <hr/> Relationship Social Security No. Date of Birth <hr/> Mailing Address (no PO boxes or care of a third party) <hr/> City State Zip Code <hr/> <input type="checkbox"/> PRIMARY BENEFICIARY OR <input type="checkbox"/> CONTINGENT BENEFICIARY <hr/> Name Percentage <hr/> Relationship Social Security No. Date of Birth <hr/> Mailing Address (no PO boxes or care of a third party) <hr/> City State Zip Code	<input type="checkbox"/> PRIMARY BENEFICIARY OR <input type="checkbox"/> CONTINGENT BENEFICIARY <hr/> Name Percentage <hr/> Relationship Social Security No. Date of Birth <hr/> Mailing Address (no PO boxes or care of a third party) <hr/> City State Zip Code <hr/> <input type="checkbox"/> PRIMARY BENEFICIARY OR <input type="checkbox"/> CONTINGENT BENEFICIARY <hr/> Name Percentage <hr/> Relationship Social Security No. Date of Birth <hr/> Mailing Address (no PO boxes or care of a third party) <hr/> City State Zip Code
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I may change or revoke this designation without notice to any beneficiary by completing a Beneficiary Update Form. If there is no beneficiary designation on file with J.P. Morgan Clearing Corp., the assets remaining will be distributed in accordance with Article VIII, item 11, of the SIMPLE IRA Custodial Agreement.

Uninvested Cash: I authorize and direct J.P. Morgan Clearing Corp., together with its affiliates and subsidiaries (collectively, "JP Morgan") to automatically invest daily in the money market fund I select any uninvested cash held in the account.

Fees: Annual maintenance fee per account: \$35. Termination fee per account: \$50. (For additional information on custodial fees, please refer to Article VIII, item 5, of the SIMPLE IRA Custodial Agreement.) Fees are not prorated.

I HAVE RECEIVED AND READ THE ATTACHED SIMPLE IRA CUSTODIAL AGREEMENT AND THE ATTACHED J.P. MORGAN CLEARING CORP. SIMPLE IRA DISCLOSURE STATEMENT ("SIMPLE IRA DISCLOSURE STATEMENT"). I HEREBY APPOINT J.P. MORGAN CLEARING CORP. AS CUSTODIAN OF MY SIMPLE IRA IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE JP MORGAN SIMPLE IRA CUSTODIAL AGREEMENT (IRS FORM 5305-SA (REV. MARCH 2002), AS MODIFIED BY JP MORGAN WITH RESPECT TO ARTICLE VIII THEREOF). THE TERMS OF THE AGREEMENT AS SO MODIFIED ARE INCORPORATED HEREIN BY REFERENCE AND EXPRESSLY MADE A PART OF THIS SIMPLE IRA APPLICATION. UNLESS I ENTER INTO A WRITTEN AGREEMENT WITH JP MORGAN PROVIDING OTHERWISE, I UNDERSTAND THAT WITH RESPECT TO THE ASSETS IN MY ACCOUNT NEITHER JP MORGAN NOR ANY PERSON PROVIDING SERVICES TO MY ACCOUNT ON BEHALF OF JP MORGAN (i) HAS OR EXERCISES DISCRETIONARY AUTHORITY OR CONTROL OR (ii) IS OTHERWISE A FIDUCIARY AS DEFINED IN THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OR SECTION 4975 OF THE INTERNAL REVENUE CODE.

I UNDERSTAND THAT THE ADOPTION OF THE SIMPLE IRA HAS SIGNIFICANT FEDERAL, STATE AND LOCAL TAX CONSEQUENCES AND I HAVE BEEN ADVISED BY JP MORGAN TO CONSULT MY ATTORNEY OR OTHER TAX ADVISOR.

Under penalties of perjury, I certify that the above information (including my social security number) is correct. I hereby agree to participate in the SIMPLE IRA offered by the Custodian. I acknowledge receipt of a copy of the plan document under which this SIMPLE IRA is established, a copy of the SIMPLE IRA Custodial Agreement, and a copy of the SIMPLE IRA Disclosure Statement with respect to this SIMPLE IRA. In the event that this is a rollover contribution, the undersigned hereby irrevocably elects to treat this contribution as a rollover contribution.

I FURTHER ACKNOWLEDGE THAT ARTICLE VIII (SECTION 12, PAGE 5) OF THE SIMPLE IRA CUSTODIAL AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE.

Dated _____, 20____
Insert date

X _____
 Participant Signature

(Typed or Printed Name)

Form 5305-SA (March 2002)

The participant named on the SIMPLE IRA Account Application is establishing a savings incentive match plan for employees of small employers individual retirement account (SIMPLE IRA) under sections 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 on the SIMPLE IRA Account Application has given the participant the disclosure statement required by Department of the Treasury 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 thereunder, 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, 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).

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 the related regulations. Other amendments may be made with the consent of the persons whose signatures appear below.

ARTICLE VIII

1. *Applicable Law.* This Custodial Agreement shall be governed by the laws of the state of New York.

2. *Annual Accounting.* The custodian shall, at least annually, provide the participant or beneficiary (in the case of death) with an accounting of such participant's account. Such accounting shall be deemed to be accepted by the participant, if the participant or beneficiary does not object in writing within 60 days after the mailing of such accounting statement.

3. *Amendment.* The participant irrevocably delegates to the custodian the right and power to amend this Custodial Agreement. Except as hereafter provided, the custodian will give the participant 30 days prior written notice of any amendment. In case of a retroactive amendment required by law, the custodian will provide written notice to the participant of the amendment within 30 days after the amendment is made, or if later, by the time that notice of the amendment is required to be given under regulations or other guidance provided by the IRS. The participant shall be deemed to have consented to any such amendment unless the participant notifies the custodian to the contrary within 30 days after notice to the participant and requests a distribution or transfer of the balance in the account.

4. *Resignation and Removal of Custodian.*

(a) The custodian may resign at any time by giving at least 30 days notice to the participant. The custodian may resign and appoint a successor trustee or custodian to serve under this agreement or under another governing instrument selected by the successor trustee or custodian by giving the participant written notice at least 30 days prior to the effective date of such resignation and appointment, which notice shall also include a copy of such other governing instrument, if applicable, and the related disclosure statement. The participant shall then have 30 days from the date of such notice to either request a complete distribution of the account balance or designate a different successor trustee or custodian. If the participant does not request distribution of the account or designate a different successor within such 30 days, the participant shall be deemed to have consented to the appointment of the successor trustee or custodian and the terms of any new governing instrument, and neither the participant nor the successor shall be required to execute any written document to complete the transfer of the account to the successor trustee or custodian. The successor trustee or custodian may rely on any information, including beneficiary designations, previously provided by the participant.

(b) The participant may at any time remove the custodian and replace the custodian with a successor trustee or custodian of the participant's choice by giving 30 days written notice to the custodian. In such event, the custodian shall then deliver the assets of the account as directed by the participant. However, the custodian may retain a portion of the assets of the SIMPLE IRA as a reserve for payment of any anticipated remaining fees and expenses, and shall pay over any remainder of this reserve to the successor trustee or custodian upon satisfaction of such fees and expenses.

5. *Custodian's Fees and Expenses.*

(a) This section of the Custodial Agreement shall be governed by the requirements of section 408(p)(7) and IRS Notice 97-6, section J, and is further explained in the accompanying SIMPLE IRA Disclosure Statement.

(b) The participant agrees to pay the custodian any and all fees specified in the custodian's current published fee schedule for establishing and maintaining this SIMPLE IRA, including any fees for distributions from, transfers from, and terminations of this SIMPLE IRA. The custodian may change its fee schedule at any time by giving the participant 30 days' prior written notice.

(c) The participant agrees to pay any expenses incurred by the custodian in the performance of its duties in connection with the account. Such expenses include, but are not limited to, administrative expenses, such as legal and accounting fees, and any taxes of any kind whatsoever that may be levied or assessed with respect to such account.

(d) All such fees, taxes, and other administrative expenses charged to the account shall be collected either from the assets in the account or from any contributions to or distributions from such account if not paid by the participant, but the participant shall be responsible for any deficiency.

(e) In the event that for any reason the custodian is not certain as to who is entitled to receive all or part of the custodial account, the custodian reserves the right to withhold any payment from the custodial account, to request a court ruling to determine the disposition of the custodial assets, and to charge the custodial account for any expenses incurred in obtaining such legal determination.

6. *Withdrawal Requests.* All requests for withdrawal shall be in writing on the form provided by the custodian. Such written notice must also contain the reason for the withdrawal and the method of distribution being requested.

7. *Age 70½ Default Provisions.*

(a) Unless the custodian (or the participant, if the custodian permits) elects otherwise, life expectancies for purposes of calculating the required minimum distribution shall not be recalculated.

(b) If the participant does not choose any of the distribution methods under Article IV, paragraph 2 of this Custodial Agreement by April 1 following the calendar year in which he/she reaches age 70½, distribution shall be made to the participant based on such participant's single life expectancy.

8. *Death Benefit Default Provisions.* Unless the custodian (or the beneficiary, if the custodian permits) elects otherwise, life expectancies for purposes of calculating the required minimum death distribution shall not be recalculated. If the participant dies before his or her required beginning date and the beneficiary does not select a method of distribution described in Article IV, paragraph 3(b) of this Custodial Agreement by December 31 following the year of death, then distributions will be made pursuant to proposed regulation 1.401(a)(9)-1.

9. *Investment Provisions.* All contributions shall be invested and reinvested by the custodian as directed by the participant (1) in a class or classes of savings accounts with the custodian, which the custodian shall designate as the class or classes of savings accounts to be offered for investment of SIMPLE IRA funds, (2) if the custodian consents in a class or classes of savings accounts in another insured institution, or (3) other investments agreed to from time to time by the custodian, including but not limited to US Series EE Savings Bonds. Pursuant to IRS Notice 97-6, Q&A J-4, if the custodian is the Designated Financial Institution (DFI) and the participant timely elects that his or her balance be transferred without cost or penalty to another SIMPLE IRA in accordance with the provisions described in the accompanying SIMPLE IRA Disclosure Statement, the custodian reserves the right to restrict the participant's choice of investment alternatives as determined by the custodian.

10. *Responsibilities.* Participant agrees that all information and instructions given to the custodian by the participant are complete and accurate and that the custodian shall not be responsible for any incomplete or inaccurate information provided by the participant or participant's beneficiary(ies). Participant agrees to be responsible for all tax consequences arising from contributions to and distributions from this custodial account and acknowledges that no tax advice has been provided by the custodian.

11. *Designation of Beneficiary.* Following the death of the participant, the balance of the participant's custodial account shall be distributed to the participant's designated beneficiary or beneficiaries, if any, in accordance with the provisions of Article IV of this SIMPLE IRA Custodial Agreement and in accordance with the custodian's administrative or operational requirements and regular business practices. A participant may designate a beneficiary or beneficiaries of the SIMPLE IRA at any time, and any such designation may be changed or revoked at any time, by written designation executed by the participant in a form and manner prescribed by or acceptable to, and filed with, the custodian. Such designation, change or revocation shall be effective only upon receipt by the custodian and only if such receipt shall be during the participant's lifetime. The latest such designation, change or revocation shall control. If there is no beneficiary designation on file with the custodian, or if the designated beneficiary has not survived the participant, the custodian shall distribute the custodial account to the survivors of the participant in the following order of preference:

- a) the participant's surviving spouse, if any,
- b) the participant's children, if any, in equal shares per stirpes, and
- c) the participant's estate.

If the participant designates more than one primary or contingent beneficiary but does not specify the percentages to which such beneficiary or beneficiaries are entitled, payment will be made to the surviving beneficiary or beneficiaries in equal shares. Unless otherwise designated by the participant in a form and manner acceptable to the custodian, if there is no primary beneficiary or beneficiaries living at the time of the participant's death, payment of the participant's account upon his or her death will be made to the surviving contingent beneficiary or beneficiaries designated by the participant. Unless otherwise specified in the participant's Designation of Beneficiary, if a designated beneficiary does not predecease the participant but dies before receiving his or her entire interest in the custodial account, his or her remaining interest in the custodial account shall be paid to the beneficiary or beneficiaries designated by the deceased beneficiary. If there is no beneficiary designation of the deceased beneficiary on file with the custodian, the custodian shall distribute the custodial account to the survivors of the deceased beneficiary in the following order of preference:

- (a) the deceased beneficiary's surviving spouse, if any, and
- (b) the deceased beneficiary's estate.

If the custodian is unable to make a distribution to a participant, a beneficiary, or other distributee because the custodian cannot ascertain such distributee's whereabouts by writing to the last known mailing address shown on the custodian's records, if any, the custodian may hold the proceeds in a non-interest-bearing account until such funds escheat by operation of law. The beneficiary or beneficiaries are responsible to ensure that distributions are made in accordance with the provisions of Article IV of this SIMPLE IRA Custodial Agreement.

12. **THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE. BY SIGNING AN ARBITRATION AGREEMENT THE PARTIES AGREE AS FOLLOWS:**

- **ALL PARTIES TO THIS AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY, EXCEPT AS PROVIDED BY THE RULES OF THE ARBITRATION FORUM IN WHICH A CLAIM IS FILED.**
- **ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.**
- **THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS.**
- **THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD.**
- **THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.**
- **THE RULES OF SOME ARBITRATION FORUMS MAY IMPOSE TIME LIMITS FOR BRINGING A CLAIM IN ARBITRATION. IN SOME CASES, A CLAIM THAT IS INELIGIBLE FOR ARBITRATION MAY BE BROUGHT IN COURT.**
- **THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT.**
- **NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PRE-DISPUTE ARBITRATION AGREEMENT AGAINST ANY PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS ACTION OR WHO IS A MEMBER OF A PUTATIVE CLASS WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS ENCOMPASSED BY THE PUTATIVE CLASS ACTION UNTIL:**
 - (i) **THE CLASS CERTIFICATION IS DENIED;**
 - (ii) **THE CLASS IS DECERTIFIED; OR**
 - (iii) **THE CUSTOMER IS EXCLUDED FROM THE CLASS BY THE COURT. SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THIS AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN.**
- **BY SIGNING THIS AGREEMENT YOU AND JP MORGAN AGREE THAT CONTROVERSIES ARISING UNDER OR RELATING TO THIS AGREEMENT OR ANY ACTIVITY BETWEEN YOU AND JP MORGAN, ITS PREDECESSORS, AND ANY OF THEIR RESPECTIVE SUCCESSORS, ASSIGNS, AND ANY OF THEIR DIRECTORS, EMPLOYEES, AND ANY OTHER CONTROL PERSONS AND ANY OF THEIR AGENTS, WHETHER**

ARISING PRIOR TO, ON OR SUBSEQUENT TO THE DATE HEREOF, SHALL BE DETERMINED BY ARBITRATION. ANY ARBITRATION UNDER THIS AGREEMENT SHALL BE HELD ONLY AT THE FACILITIES OF, BEFORE AN ARBITRATION PANEL APPOINTED BY, AND PURSUANT TO THE RULES OF THE NEW YORK STOCK EXCHANGE, INC., OR THE NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. YOU MAY ELECT ONE OF THE FOREGOING FORUMS FOR ARBITRATION, BUT IF YOU FAIL TO MAKE SUCH ELECTION BY REGISTERED MAIL OR TELEGRAM ADDRESSED TO J.P. MORGAN CLEARING CORP., 383 MADISON AVENUE, NEW YORK, NEW YORK 10179, ATTENTION: CHIEF LEGAL OFFICER (OR ANY OTHER ADDRESS OF WHICH YOU ARE ADVISED IN WRITING), BEFORE THE EXPIRATION OF TEN DAYS AFTER RECEIPT OF A WRITTEN REQUEST FROM JP MORGAN TO MAKE SUCH ELECTION, THEN JP MORGAN MAY MAKE SUCH ELECTION. THE AWARD OF THE ARBITRATORS, OR OF THE MAJORITY OF THEM, SHALL BE FINAL, AND JUDGMENT UPON THE AWARD RENDERED MAY BE ENTERED IN ANY COURT, STATE OR FEDERAL, HAVING JURISDICTION.

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. A SIMPLE individual retirement account (SIMPLE 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 for your records.

For more information on SIMPLE IRAs, including the required disclosures the custodian must give the participant, get IRS Publications 560 (Retirement Plans for Small Business) and 590 (Individual Retirement Arrangements).

Substitution of Another Trustee or Custodian

The Custodian shall substitute another trustee or custodian if the Custodian receives notice from the Commissioner of Internal Revenue that such substitution is required because it has failed to comply with the requirements of §1.408-2(e) of the Income Tax Regulations.

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 person who has the approval of the IRS 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 ensure that the requirements of section 408(a)(6) have been met.

I. Introduction

The Internal Revenue Service requires that individuals establishing a SIMPLE IRA be given a SIMPLE IRA Disclosure Statement to aid in the understanding of their rights and obligations. The following statement is only a general discussion of the restrictions and limitations concerning SIMPLE IRAs. Further information concerning SIMPLE IRAs may be obtained from any district office of the Internal Revenue Service. The following does not consider state or local income tax treatment of a SIMPLE IRA. Because the tax treatment of SIMPLE IRAs is complex, you should contact your own tax or legal advisor for additional information and advice on your specific situation. JP MORGAN DOES NOT ACT AS YOUR TAX, LEGAL, OR INVESTMENT ADVISOR FOR THIS SIMPLE IRA.

II. Revoking Your SIMPLE IRA—Within 7 Days

General Rule. You may revoke your IRA within seven (7) days after its establishment unless you were given this Disclosure Statement seven (7) or more days before its establishment. To revoke your IRA within the 7-day period following its establishment, you must both notify your Account Executive orally and deliver or mail written notice of revocation to J.P. Morgan Clearing Corp., IRA Department, 383 Madison Avenue, New York, New York 10179. Revocation will be deemed to have been mailed on the date postmarked (or if sent by certified or registered mail, on the date of registration or certification). Revocation entitles you to a return of the entire amount of consideration paid by you for your IRA account without adjustment for such items as sales commissions, administrative expenses or fluctuation in market value.

III. General Requirements of a SIMPLE IRA

1. All SIMPLE contributions must be made in cash, unless you are making a rollover contribution or transfer, and the custodian accepts such non-cash assets.
2. The only types of contributions permitted to be made to this 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 must be 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 SIMPLE IRA in collectibles (as described in section 408(m) of the Internal Revenue 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, specially minted U.S. gold and silver bullion coins and certain state-issued coins are permissible SIMPLE IRA investments.
8. Your interest in your SIMPLE IRA must begin to be distributed to you by April 1 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 Retirement 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 Internal Revenue Code, which includes wages, tips and other compensation from the employer subject to income tax withholding under section 3401(a) of the Code, and amounts described in section 6051(a)(8) of the Code, including elective contributions made under a SIMPLE Retirement Plan, and compensation deferred under Code section 457 plan. In the case of a self-employed individual, compensation means net earnings from self-employment determined under section 1402(a) of the Code, prior to subtracting any contributions made under the SIMPLE Plan on behalf of the individual.
10. Contributions to a SIMPLE IRA are excludable 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 non-elective 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.

IV. Eligible Employees

Under a SIMPLE Retirement Plan established by an eligible employer, all employees of the employer who received at least \$5,000 in compensation from the employer during any 2 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 in the SIMPLE Retirement Plan 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 Retirement 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.

V. Participation in Another Plan

An eligible employee may participate in an employer's SIMPLE Retirement 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) of the Internal Revenue Code, which provides an aggregate limit on the exclusion for elective deferrals for any individual. Also, an eligible employee who participates in an employer's SIMPLE Retirement Plan and an eligible deferred compensation plan described in section 457(b) of the Code is subject to the limitation described in section 457(c) of the Code. The employee is responsible for monitoring compliance with these limitations.

VI. Eligible Employers

SIMPLE Retirement 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

Retirement 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.

VII. SIMPLE Retirement Plan Contributions

A. 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 per calendar year may not exceed \$7,000 for 2002, \$8,000 for 2003, \$9,000 for 2004 and \$10,000 for 2005 and later years. After 2005, the maximum amount will be adjusted for cost-of-living increases. Such adjustments are scheduled to be in multiples of \$500. 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.

B. Employer Contributions—2 Options

1. *Matching Contributions.* Under a SIMPLE Retirement 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 may 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 2 years out of the 5-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 Retirement 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 Retirement 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. 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) of the Internal Revenue Code for the year. For 2002, this limit is \$200,000 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.

VIII. Employee Elections

During the 60-day period immediately preceding January 1 (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 Retirement Plan effective as of July 1, 2002, each eligible employee becomes eligible to make salary reduction contributions on that date and the 60-day period must begin no later than July 1 and cannot end before June 30, 2002.

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 Retirement Plan's normal election period. The employer's SIMPLE Retirement 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.

IX. 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% of compensation) or non-elective contributions as previously described.

If an eligible employee who is entitled to a contribution under the employer's SIMPLE Retirement 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.

X. Rollovers

1. *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 which the participant receives in cash or other assets distributed from one SIMPLE IRA

and redeposits 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.

2. *Rollover Distributions From a SIMPLE IRA.* A distribution from any SIMPLE IRA may be rolled over only to another SIMPLE IRA during the 2-year period the participant first participated in the employer's SIMPLE Retirement Plan. Thus, a distribution from a SIMPLE IRA during that 2-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) of the Internal Revenue Code. SIMPLE IRAs may never be rolled into an employer's plan, such as a qualified plan or section 403(b) plan. After this 2-year period, a distribution from a SIMPLE IRA may be rolled over to any IRA maintained by the individual. This 2-year period begins on the first day on which contributions made by the individual's employer are deposited in the individual's SIMPLE IRA.

3. *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 SIMPLE IRA to SIMPLE IRA rollover during a 12-consecutive-month period measured from the date you received a distribution from a SIMPLE IRA which was rolled over to another SIMPLE IRA. (See IRS Publication 590 for more information.)
- The same property you receive in a distribution from a SIMPLE IRA must be the same property you roll over into the second SIMPLE IRA. For example, if you receive a distribution from a SIMPLE IRA of property, such as stocks, that same stock must be rolled over into the second SIMPLE 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 SIMPLE IRA in order to make a rollover contribution into another SIMPLE IRA, nor are you required to roll over the entire amount you received from the first SIMPLE IRA.
- If you are age 70½ or older and wish to roll over to another SIMPLE 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.

XI. Transfer of Your SIMPLE IRA

You may generally direct the transfer of the funds in your SIMPLE IRA from one SIMPLE IRA trustee or custodian to another. These are sometimes referred to as trustee-to-trustee transfers. This type of transfer is not a rollover since none of the assets are distributed to you and, therefore, it is not subject to the rules governing rollovers. For instance, more than one such transfer can be made during any calendar year. Since you do not receive any of your SIMPLE IRA funds, you do not have to report trustee-to-trustee transfers on your federal income tax return. You may also transfer assets from your SIMPLE IRA to a tax-qualified individual retirement annuity (other than an endowment contract).

XII. Excess Deferrals

Excess elective deferrals (amounts in excess of the \$7,000 SIMPLE elective deferral limit for 2002) 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 15, the excess elective deferrals will be subject to the IRA contribution limitations of sections 219 and 408 of the Internal Revenue 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 2 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.

XIII. Distributions

(a) *In General.* You may request that all or part of your SIMPLE IRA funds be paid to you at any time. Any amount paid to you or your beneficiaries is called a distribution. In general, distributions must be included as ordinary income in your gross income on your tax return in the year you receive them.

Distributions from a SIMPLE IRA are not eligible for either capital gains treatment or the special averaging treatment available for certain lump-sum distributions from employer qualified plans.

(b) *Distributions Before Age 59½.* Your SIMPLE IRA is intended to be used as a savings program for your retirement. To discourage distributions before you reach age 59½, the tax law imposes a penalty tax for such distributions. The additional penalty tax is 10% of the amount withdrawn (25% if withdrawn prior to age 59½ and within the first two years of participation). This penalty tax does not apply (i) to distributions rolled over to another SIMPLE IRA, (ii) to a distribution payable as a result of your death or permanent disability, (iii) to a distribution that does not exceed the amount of your deductible medical expenses for the year, (iv) to a distribution made after you receive unemployment compensation for 12 consecutive weeks and that you use to pay medical insurance premiums, (v) to distributions paid in substantially equal periodic payments made over your (and your beneficiaries') life expectancy(ies) or life(ves), (vi) to distributions used to pay for qualified higher education expenses, or (vii) to a distribution of up to \$10,000 for first-time homebuyers.

A distribution of any excess contribution made during a taxable year is not subject to the additional income tax to the extent that such contribution exceeds the amount of the allowable deduction, if: (1) the excess is distributed to you on or before the due date for filing your federal income tax return, including extensions, (2) no income tax deduction has been allowed for the excess contribution, and (3) the distribution includes any net income attributable to the excess contribution.

If the time for filing your federal income tax return, including extensions, has passed, an individual can still withdraw any excess contribution without incurring the 10% additional income tax and without being required to include the excess contribution in his or her gross income, provided that the total contributions for the tax year do not exceed the annual maximum limit for that year and no deduction was allowed for the excess contribution. Under these circumstances, the individual would not have to withdraw any earnings attributable to the excess contribution. The individual, however, would be liable for the payment of a 6% nondeductible cumulative penalty tax on excess contributions until the excess is withdrawn or eliminated.

(c) *Distributions After Age 59½.* You may receive distributions from your SIMPLE IRA between the ages of 59½ and 70½ in such amounts as you choose. However, by the end of the tax year in which you reach age 70½, you must begin to withdraw funds from your SIMPLE IRA (although the distribution for the year in which you reach 70½ can be postponed until the next April 1). You may take distributions in cash over your life and the life of a designated beneficiary, or over a period that is not longer than your life expectancy or your life expectancy combined with that of your designated beneficiary. The Internal Revenue Code provides for a 50% penalty tax on any required amount not distributed after age 70½. In certain cases, however, the Internal Revenue Service may waive the application of the penalty tax.

(d) *Distributions After Death.* If the individual establishing the SIMPLE IRA dies after distribution of the SIMPLE IRA has commenced but before it is completed, the amount remaining in the SIMPLE IRA generally must be distributed at least as rapidly as under the method of distribution in effect prior to death.

In the event that distributions have not commenced to the individual establishing the SIMPLE IRA and the individual dies (or, in certain cases, if distribution has started and death occurs prior to April 1 of the year after the individual attained 70½), the entire amount of the SIMPLE IRA must be distributed within five years after the death of the individual. There are three exceptions:

(1) The five-year rule does not apply if: (a) any portion of the individual's interest is payable to (or for the benefit of) a designated beneficiary, (b) the portion of the individual's interest to which the beneficiary is entitled will be distributed over the life of the beneficiary (or over a period not extending beyond the life expectancy of the beneficiary), and (c) the distributions commence no later than one year after the date of the individual's death.

(2) The five-year rule does not apply if: (a) the portion of the individual's interest to which the surviving spouse is entitled will be distributed over the life of the surviving spouse (or over a period not extending beyond the life expectancy of the surviving spouse), and (b) the distributions commence no later than the later of the date on which the individual would have attained age 70½ or one year after the individual's death.

(3) Where both the participant and surviving spouse die prior to commencement of payments, distributions must be made within five years of the spouse's death, subject to the exception for payments to a designated beneficiary which meet the requirements of the first exception above.

(e) *Withholding on Distributions.* Distributions from your SIMPLE IRA are subject to the rules governing withholding of federal income taxes. As custodian, J.P. Morgan Clearing Corp. is required to withhold income taxes at the rate of 10% from the taxable distributions, unless you elect not to have these rules apply. J.P. Morgan Clearing Corp. will provide you with written notice and appropriate forms so that you may elect whether or not to have the withholding rules apply to your distributions. If you elect not to have tax withheld from your distributions, or if you do not have enough federal income tax withheld from your distributions, you may be responsible for payment of estimated taxes. You also may incur estimated tax penalties if your withholding and estimated tax payments are not sufficient.

(f) *Continuation of SIMPLE IRA by Spouse.* If upon your death your beneficiary is your surviving spouse, he or she may elect to treat the account as his or her own SIMPLE IRA, subject to the regular SIMPLE IRA distribution rules.

XIV. Summary Description Requirements

In general, the custodian of any SIMPLE IRA must annually provide to the employer maintaining the SIMPLE Retirement Plan a Summary Description early enough to allow the employer to meet its notification obligations. If the custodian of this SIMPLE IRA is a Non-DFI, the Summary Description will be provided directly to the employee by the custodian. The employee agrees to have the employer complete certain information contained on the Summary Description with respect to the employer's SIMPLE plan provisions. A sample Summary Description for a Non-DFI is located on page 12. The custodian of a "transfer SIMPLE IRA" is not required to provide this Summary Description. A SIMPLE IRA is a "transfer SIMPLE IRA" if it is not a SIMPLE IRA to which the employer has made contributions under the SIMPLE Plan.

XV. Procedures for Withdrawals

All distributions from this SIMPLE IRA must be requested in writing on a form provided to the participant by the custodian. After the withdrawal form has been completed and executed by the recipient, the form must be either hand-delivered to the custodian during normal business hours or mailed to the custodian by first class mail, certified or registered mail prepaid through the U.S. Postal Service, or through any means of an expedited delivery service. After receipt of a properly executed withdrawal form, the custodian will process the distribution as soon as administratively feasible.

XVI. Estate Taxes

Distributions under a SIMPLE IRA to your beneficiary do not qualify for exemption from federal estate taxes. However, amounts payable to your spouse as beneficiary of your IRA may be deductible for estate tax purposes.

XVII. Using Your SIMPLE IRA as Security for a Loan

If you pledge all or a portion of the assets of your SIMPLE IRA as security for a loan, that part of the SIMPLE IRA assets pledged will be treated as a distribution and taxed accordingly.

XVIII. Prohibited Transactions

A SIMPLE IRA can lose its exemption from federal income tax if the individual establishing the SIMPLE IRA or the beneficiary engages in so-called "prohibited transactions." Prohibited transactions include any direct or indirect:

- (a) Sale, exchange or lease of any property between the SIMPLE IRA and a disqualified person;
- (b) Lending of money or any other extension of credit between the SIMPLE IRA and a disqualified person;
- (c) Furnishing of goods, services or facilities between the SIMPLE IRA and a disqualified person;
- (d) Transfer to or use for the benefit of a disqualified person of the income or assets of the SIMPLE IRA;
- (e) Act by a disqualified person who is a fiduciary whereby he or she deals with the income or assets of the SIMPLE IRA in his or her own interest or for his or her own account; and
- (f) Receipt of any consideration for the personal account of any disqualified person who is a fiduciary dealing with the SIMPLE IRA in connection with a transaction involving the income or assets of the SIMPLE IRA.

In general, the term "disqualified person" includes the individual establishing the SIMPLE IRA, any designated beneficiary of the SIMPLE IRA, and any person who is a fiduciary or who provides services to the SIMPLE IRA.

XIX. SIMPLE IRA Disqualification Penalties

If the SIMPLE IRA loses its tax exemption, the fair market value of the SIMPLE IRA's assets must be included in your gross income for the taxable year in which the loss of exemption occurs. An additional income tax of 10% of the amount included in gross income as a result of such loss of exemption may be imposed if the SIMPLE IRA is disqualified before you attain age 59½.

XX. Investments

Restrictions exist on the type of investments and transactions permissible for SIMPLE IRA funds. By law, no SIMPLE IRA may invest in life insurance contracts or certain collectibles. The following investments and transactions are also not permitted in a SIMPLE IRA, unless otherwise approved by the JP Morgan Compliance Department:

- Margin trades,
- Commodities trades,
- Options other than covered equity call writing and protective/married put buying,
- Purchase of foreign securities which would require J.P. Morgan Clearing Corp. to hold physical foreign certificates,
- Real estate, and
- Outside dividend reinvestment plans.

SIMPLE IRA funds will not be held uninvested for a period that is longer than reasonably necessary to effect the investment which you direct. SIMPLE IRA property will not be commingled with other property and will be clearly identified as yours. J.P. MORGAN CLEARING CORP. (OR ANY AFFILIATE) DOES NOT GUARANTEE OR PROJECT ANY INCREASE IN THE VALUE OF YOUR SIMPLE IRA.

Any transaction between the SIMPLE IRA owner and his or her SIMPLE IRA is a prohibited transaction which will result in the entire SIMPLE IRA becoming taxable. Any pledge of SIMPLE IRA assets for the benefit of an SIMPLE IRA owner will result in a deemed distribution of the portion of the SIMPLE IRA so pledged. Many other transactions require prohibited transaction exemptions. You should consult your tax advisor or attorney before engaging in transactions other than the purchase and sale of publicly traded securities.

J.P. Morgan Clearing Corp. may prohibit any investment or transaction which J.P. Morgan Clearing Corp. deems not to be compatible with its administrative or operational requirements or regular business practices.

XXI. Fees and Commissions

J.P. Morgan Clearing Corp. currently charges an annual custodial maintenance fee. This fee will be charged against the SIMPLE IRA unless you choose to pay the fee directly to J.P. Morgan Clearing Corp. upon receipt of your annual bill. This fee may be changed from time to time by the custodian on at least 90 days' prior written notice to the participant. Brokerage commissions attributable to the acquisition or disposition of SIMPLE IRA assets will be charged to the SIMPLE IRA. Dividends, interest or other income will be credited to the SIMPLE IRA and invested as you direct. Finally, a termination fee will be charged when your SIMPLE IRA is closed. Upon account termination, applicable fees will be automatically charged against your SIMPLE IRA at that time. Specific fee details are provided in the JP Morgan SIMPLE IRA Application.

XXII. Other Information

As custodian, J.P. Morgan Clearing Corp. will determine annually the fair market value of the assets in your SIMPLE IRA and send you a written notice of such valuation. Form 5329 (Return for Individual Retirement Savings Arrangement) must be filed with your federal income tax return only if you owe any of the SIMPLE IRA penalty taxes.

The form of the J.P. Morgan Clearing Corp. SIMPLE IRA Custodial Agreement is the model governmental Form 5305-SA approved as to form by the Internal Revenue Service for use as a SIMPLE IRA. This approval is a determination only as to the form of the SIMPLE IRA Custodial Agreement and does not represent a determination of the merits of the SIMPLE IRA or the SIMPLE IRA investments. JP Morgan does not provide legal or tax advice. Please consult with your own attorney or tax advisor. Additional information about SIMPLE IRAs may be obtained from any District Office of the Internal Revenue Service. In particular, ask for Publications 560 and 590.

XXIII. Miscellaneous

1. The terms and conditions of this SIMPLE IRA shall be applicable without regard to the community property laws of any state.
2. All contributions to the SIMPLE IRA shall be deemed to take place in the State of New York.
3. This agreement shall be construed, administered and enforced according to the laws of the State of New York except to the extent preempted by federal law.
4. At the time of the creation of this SIMPLE IRA or subsequent thereto, at the sole discretion of the custodian, the participant and the custodian may add any provision that is not inconsistent with the applicable requirements of state law and the Internal Revenue Code.

Note: This is a sample form and needs to be completed for your records only.

SUMMARY DESCRIPTION

PLAN INFORMATION

1. Employer Information
Name of Employer
Address of Employer

2. Trustee/Custodian Information
Name of Trustee/Custodian
Address of Trustee/Custodian

ELIGIBILITY REQUIREMENTS

3. All employees of the employer shall be eligible to participate under the Plan except:
- a. Employees included in a unit of employees covered under a collective bargaining agreement described in section 2.02(a) of the Plan.
 - b. Nonresident alien employees who did not receive US source income described in section 2.02(b) of the Plan.
 - c. Employees who are not reasonably expected to earn \$ _____ (not to equal or exceed \$5,000) during the plan year for which the contribution is being made.
 - d. There are no eligibility requirements. All employees are eligible to participate upon the later of the plan's effective date or the employee's date of hire.
4. Each eligible employee will be eligible to become a participant after having worked for the employer during any _____ prior years (not to exceed 2) and received at least \$ _____ in compensation (not to exceed \$5,000), during each of such prior years.

WRITTEN ALLOCATION FORMULA

5. The employer has agreed to provide contributions for the _____ plan year as follows (make only one choice):
- a. Matching Contribution—The amount of the participant's elective deferral not in excess of 3% of such participant's compensation, not to exceed \$10,500 in each of 2007 and 2008. After 2008, the maximum amount may be adjusted for cost-of-living increases.
 - b. Matching Contribution—The amount of the participant's elective deferral not in excess of _____% (not less than 1% nor more than 3%) of each participant's compensation (not to exceed \$10,500 in each of 2007 and 2008). After 2008, the maximum amount may be adjusted for cost-of-living increases.
 - c. Nonelective Employer Contribution—2% of each participant's compensation, who receives at least \$5,000, or _____, if lesser, in compensation from the employer for the plan year. No more than \$225,000 in compensation for 2007 and \$230,000 in compensation for 2008 can be taken into account in determining the nonelective contribution for each eligible employee. After 2008, the maximum compensation that can be taken into account in determining the nonelective contribution limit may be adjusted for cost-of-living increases.

ADDITIONAL INFORMATION

The employer has designated _____ (insert name and title) to provide additional information to participants about the employer's SIMPLE IRA Plan.

GENERAL DISCLOSURE INFORMATION

The following information explains what a Savings Incentive Match Plan for Employees ("SIMPLE") is, how contributions are made, and how to treat these contributions for tax purposes. For more specific information, refer to the employer's SIMPLE IRA Plan document itself. For a calendar year, you may make or modify a salary reduction election during the 60 day period immediately preceding January 1 of that year. However, for the year in which you first become eligible to make salary reduction contributions, the period during which you may make or modify the election is a 60 day period that includes either the date you become eligible or the day before. If indicated in the Adoption Agreement, you may have additional opportunities during a calendar year to make or modify your salary reduction election.

I. SIMPLE IRA Plan and SIMPLE IRA Defined

A SIMPLE IRA Plan is a retirement income arrangement established by your employer. Under this SIMPLE IRA Plan, you may choose to defer compensation to your own SIMPLE individual retirement account or annuity ("SIMPLE IRA"). You may base these "elective deferrals" on a salary reduction basis that, at your election, may be contributed to a SIMPLE IRA or received in cash. This type of plan is available only to an employer with 100 or fewer employees who earned at least \$5,000 during the prior calendar year.

A SIMPLE IRA is a separate IRA that you establish with an eligible financial institution for the purpose of receiving contributions under this SIMPLE IRA Plan. Your employer must provide you with a copy of the SIMPLE IRA Plan agreement containing eligibility requirements and a description of the basis upon which contributions may be made. All amounts contributed to your SIMPLE IRA belong to you, even after you quit working for your employer.

II. Elective Deferrals—Not Required

You are not required to make elective deferrals under this SIMPLE IRA Plan. However, if the employer is matching your elective deferrals, no employer contribution will be made on your behalf unless you elect to defer under the plan.

III. Elective Deferrals—Annual Limitation

The maximum amount that you may defer under this SIMPLE IRA Plan for any calendar year is limited to the lesser of the percentage of your compensation that you indicate in the Deferral Form or, for each of 2007 and 2008, \$10,500. After 2008, this maximum amount may be adjusted for cost-of-living increases. Beginning with the year in which you attain age 50, you may make a "catch-up contribution," which is \$2,500 for each of 2007

and 2008. After 2008, the catch-up contribution limit may be adjusted for cost-of-living increases. If you work for other employers (unrelated to this employer) who also maintain a salary deferral plan, there is an overall limit on the maximum amount that you may defer in each calendar year to all elective SEPs, cash or deferred arrangements under section 401(k) of the Code, other SIMPLE plans and 403(b) plans regardless of how many employers you may have worked for during the year. This limitation is referred to as the section 402(g) limit. The section 402(g) limit on elective deferrals is \$15,500 for each of 2007 and 2008 and is indexed according to the cost of living.

IV. Elective Deferrals—Tax Treatment

The amount that you may elect to contribute to your SIMPLE IRA is excludible from gross income, subject to the limitations discussed above, and is not includible as taxable wages on Form W-2. However, these amounts are subject to FICA taxes.

V. Elective Deferrals

When "excess elective deferrals" (i.e., amounts in excess of the SIMPLE elective deferral limit, which will be indexed according to the cost of living or the section 402(g) limit) are made, you are responsible for calculating whether you have exceeded these limits in the calendar year. For each of 2007 and 2008, the section 402(g) limit for contributions made to all elective deferral plans is \$15,500.

Excess elective deferrals 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.

VI. Income Allocable to Excess Amounts

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.

VII. Availability of Regular IRA Contribution Deduction

In addition to any SIMPLE contribution, you may contribute to a separate IRA the lesser of \$3,000 or 100% of compensation as a regular IRA contribution. However, the amount that you may deduct is subject to various limitations since you will be considered an "active participant" in an employer-sponsored plan. See Pub. 590, "Individual Retirement Arrangements," for more specific information.

VIII. SIMPLE IRA Amounts—Rollover or Transfer to Another IRA

You may not roll over or transfer from your SIMPLE IRA any SIMPLE contributions (or income on these contributions) made during the plan year to another IRA (other than a SIMPLE IRA) or to an employer plan until the 2 years following the date you first participated in the SIMPLE IRA Plan. Also, any distribution made before this time will be includible in your gross income and may also be subject to a 25% additional income tax for early withdrawal. You may, however, remove excess elective deferrals and income allocable to such excess amounts from your SIMPLE IRA before this time, but you may not roll over or transfer these amounts to another IRA.

If the Adoption Agreement indicates that all initial SIMPLE contributions will be made to a single designated trustee or custodian, you may transfer your SIMPLE IRA without cost or penalty to another SIMPLE IRA (if within the 2-year period) or thereafter to any other IRA.

After the 2-year restriction no longer applies, you may withdraw, or receive, funds from your SIMPLE IRA, and no more than 60 days later, place such funds in another IRA or SIMPLE IRA, qualified plan, tax-sheltered annuity, or 457(b) deferred compensation plan. This is called a "rollover." You may roll over funds from one plan to another once in a 12-month period without penalty. However, there are no restrictions on the number of times that you may make "transfers" if you arrange to have such funds transferred between the trustees/custodians so that you never have possession of the funds. You may not, however, roll over or transfer excess elective deferrals and income allocable to such excess amounts from your SIMPLE IRA to another IRA. These excess amounts may be reduced only by a distribution to you.

IX. Filing Requirements

You do not need to file any additional forms with the IRS because of your participation in your employer's SIMPLE IRA Plan.

X. Employer to Provide Information on SIMPLE IRAs and the SIMPLE Agreement

Your employer must provide you with a copy of the executed SIMPLE agreement, this Summary Description, the form you should use to elect to defer amounts to your SIMPLE IRA, and a statement for each taxable year showing any contribution to your SIMPLE IRA.

XI. Financial Institution Where SIMPLE IRA is Established to Provide Information

The financial institution must provide you with a disclosure statement that contains the following information in plain non technical language.

1. The statutory requirements that relate to the SIMPLE IRA;
2. The tax consequences that follow the exercise of various options and what those options are;
3. Participation eligibility rules and rules on the deductibility and non deductibility of retirement savings;
4. The circumstances and procedures under which you may revoke the SIMPLE IRA, including the name, address, and telephone number of the person designated to receive notice of revocation (this explanation must be prominently displayed at the beginning of the disclosure statement);
5. Explanations of when penalties may be assessed against you because of specified prohibited or penalized activities concerning the SIMPLE IRA; and
6. Financial disclosure information which:
 - a) Either projects value, earnings, growth, or rates of return of the SIMPLE IRA under various contribution and retirement schedules, or describes the method of computing and allocating annual earnings and charges which may be assessed;
 - b) Describes whether, and for what period, the growth projections for the plan are guaranteed or a statement of the earnings rate and the terms on which these projections are based; and
 - c) States the sales commission to be charged in each year expressed as a percentage of \$1,000.

See Publication 590, "Individual Retirement Arrangements," which is available at most IRS offices, for a more complete explanation of the disclosure requirements.

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