

SIMPLE IRA

The Savings Incentive Match Plan for Employees

**Adoption Agreement
and Plan Document**

Donaldson, Lufkin & Jenrette Securities Corporation

SIMPLE IRA Adoption Agreement for participants in a Savings Incentive Match Plan for Employees

ACCOUNT TYPE Participant Employer Guardian Inherited Account Number - -
Account Category DLJC RR#

BROKER/DEALER OR Bank INFORMATION I hereby designate _____ as the brokerage firm or bank authorized to enter securities transactions for my SIMPLE IRA.

ACQUANTHOLDER INFORMATION (Plan Participant) Your Name _____ (First Name, Middle initial, Last Name) - -
Your Social Security Number
Sex: Male Female
Your Mailing Address _____
City _____ State _____ Zip _____
Your Telephone (_____) _____ Date of Birth _____
Month Day Year

EMPLOYER INFORMATION Employer's Name _____
 - -
Your Employer's Tax Identification Number - -
Your Employer's DLJSC SIMPLE Plan Account Number
(If maintained at DLJSC Otherwise see Employer Certification below)

UNINVESTED CASH Please be advised that idle cash in the Account, subject to certain minimums, may be invested pursuant to the current prospectus, as may be amended, available from your account representative or from Donaldson, Lufkin & Jenrette Securities Corporation (DLJSC) unless you elect otherwise by checking the box below:
 Do not invest idle cash pursuant to the current prospectus. I understand that the Custodian has no responsibility to credit interest on uninvested cash.

BENEFICIARY DESIGNATIONS MARITAL STATUS Single Married (NOTE: If you are married, spousal consent may be required. See below)
The following shall be my beneficiary or beneficiaries. If any primary beneficiary dies before me, his or her interest and the interest of his or her heirs shall terminate completely, and the percentage share of any remaining beneficiary or beneficiaries shall be increased on a prorata basis. If no primary beneficiary survives me, the contingent beneficiary or beneficiaries shall acquire the designated share of my SIMPLE IRA. If I choose not to designate a beneficiary, my estate will be the beneficiary.

PRIMARY BENEFICIARIES

Name	Sex	Relationship	Date of Birth	S.S.#	Percentage
_____	_____	_____	_____	_____	_____ %
_____	_____	_____	_____	_____	_____ %
_____	_____	_____	_____	_____	_____ %

CONTINGENT BENEFICIARIES (paid if primary beneficiaries predecease participant)

Name	Sex	Relationship	Date of Birth	S.S.#	Percentage
_____	_____	_____	_____	_____	_____ %
_____	_____	_____	_____	_____	_____ %
_____	_____	_____	_____	_____	_____ %

SPOUSAL CONSENT If you are married, reside in a community or marital property state (currently AZ, CA, ID, LA, NV, NM, TX, WA and WI) and you have named someone other than your spouse as your sole primary beneficiary, your spouse must sign this form below. If required in your state, your spouse signature must be witnessed by a Notary Public.
I am the spouse of the above named account holder. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. Due to the important tax consequences of giving up my interest in this SIMPLE IRA, I have been advised to see a tax professional. I hereby give the account holder any interest I have in the funds or property deposited in this SIMPLE IRA and consent to the beneficiary designation indicated above. I assume full responsibility for any adverse consequences that may result. No tax or legal advice was given to me by Donaldson, Lufkin & Jenrette Securities Corporation or by the brokerage firm or bank named above.

CERTIFICATION Signature of Your Spouse (Residents of Community or Marital Property States) _____ Date _____
I hereby adopt the DLJSC SIMPLE IRA. I understand the eligibility requirements for the type of deposit I am making and I do state that I am a participant in my employer's Savings Incentive Match Plan for Employees and do qualify to establish a SIMPLE IRA and make the deposit. I understand that DLJSC assumes no responsibility for any tax consequences relating to such contributions or distributions from this SIMPLE IRA. I have received a copy of the DLJSC Individual Retirement Custodial Account Plan and Disclosure Statement. I understand that the terms and conditions which apply to this SIMPLE IRA are contained in this DLJSC Individual Retirement Custodial Account Plan and Disclosure Statement. I agree to be bound by those terms and conditions. If I elect to make a rollover contribution to this account, I hereby certify that I understand the rollover rules and conditions as they pertain to this SIMPLE IRA and I have met the requirements for making a rollover. Due to the important tax consequences of rolling over funds or property I have been advised to consult with a tax professional. All information provided by me is true and correct and may be relied upon by the Custodian. I assume full responsibility for establishing this SIMPLE IRA and for rollover transactions and will not hold the Custodian liable for any adverse consequences that may result. I hereby irrevocably designate the rollover of funds or other property as a rollover contribution.

YOUR SIGNATURE _____ Date _____
(Guardian must sign for a minor)

EMPLOYER CERTIFICATION Note: This SIMPLE IRA Adoption Agreement may be used only in conjunction with IRS Form 5304-SIMPLE as modified by DLJSC, a prototype SIMPLE IRA Plan acceptable to DLJSC, or IRS Form 5305-SIMPLE provided that DLJSC is not named as the Designated Financial Institution.

(Note: If your employer does not maintain its SIMPLE IRA Plan with DLJSC, your employer must sign below.) By signing below the employer certifies that within the time frames described in IRS Notice 97-6, the employer shall provide the employee named above with the following information: 1) The name and address of the employer; 2) the effects of withdrawals from the SIMPLE IRA; 3) the eligibility requirements for participation in the SIMPLE IRA plan; 4) the benefits provided with respect to the SIMPLE IRA plan; and 5) the time and method of making elections with respect to the SIMPLE IRA plan.

EMPLOYER SIGNATURE (if required) Signature _____ Date _____ Print Name _____

Donaldson, Lufkin & Jenrette

Securities Corporation

SIMPLE IRA

INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT

FORM 5305-SA Under Section 408(a) and 408(p) of the Internal Revenue Code

FORM (REV. DEC. 1996)

The Participant whose name appears on the original 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 Application has given the Participant the disclosure statement required under Regulations Section 1.408-6.

The Participant and the Custodian make the following agreement:

ARTICLE I

The Custodian will accept cash contributions on behalf of the Participant by the Participant's employer under the terms of a SIMPLE 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 11

The Participant's interest in the balance in the Custodial account is nonforfeitable

ARTICLE 111

1. No part of the Custodial 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 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 and silver coins and coins issued under the laws of any state.

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 Proposed Regulations Section 1.408-8, including the incidental death benefit provisions of Proposed Regulations Section 1.401(a)(9)-2, the provisions of which are herein incorporated by reference.
2. Unless otherwise elected by the time distributions are required to begin to the Participant under paragraph 3, or to the surviving spouse under paragraph 4, other than in the case of a life annuity, life expectancies shall be recalculated annually. Such election shall be irrevocable as to the Participant and the surviving spouse and shall apply to all subsequent years. The life expectancy of a nonspouse beneficiary may not be recalculated.
3. The Participant's entire interest in the Custodial account must be, or begin to be, distributed by the Participants required beginning date (April 1 following the calendar year end in which the Participant reaches age 70 1/2). 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 payment.
 - b. An annuity contract that provides equal or substantially equal monthly, quarterly, or annual payments over the life of the Participant.
 - c. An annuity contract that provides equal or substantially equal monthly, quarterly, or annual payments over the joint and last survivor lives of the Participant and his or her designated beneficiary.
 - d. Equal or substantially equal annual payments over a specified period that may not be longer than the Participants life expectancy.
 - e. Equal or substantially equal annual payments over a specified period that may not be longer than the joint life and last survivor expectancy of the Participant and his or her designated beneficiary.

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

- a. If the Participant dies on or after distribution of his or her interest has begun, distribution must continue to be made in accordance with paragraph 3.
- b. If the Participant dies before distribution of his or her interest has begun, the entire remaining interest will, at the election of the Participant or, if the Participant has not so elected, at the election of the beneficiary or beneficiaries, either:
 - (i) Be distributed by the December 31 of the year containing the fifth anniversary of the Participant's death, or
 - (ii) Be distributed in equal or substantially equal payments over the life or life expectancy of the designated beneficiary or beneficiaries starting by December 31 of the year following the year of the Participant's death. If, however, the beneficiary is the Participant's surviving spouse, then this distribution is not required to begin before December 31 of the year in which the Participant would have turned age 70 1/2.
- c. Except where distribution in the form of an annuity meeting the requirements of Section 408(b)(3) and its related regulations has irrevocably commenced, distributions are treated as having begun on the Participant's required beginning date, even though payments may actually have been made before that date.
- d. If the Participant dies before his or her entire interest has been distributed and if the beneficiary is other than the surviving spouse, no additional cash contributions or rollover contributions may be accepted in the account.

5. In the case of a distribution over life expectancy in equal or substantially equal annual payments, to determine the minimum annual payment for each year, divide the Participant's entire interest in the Custodial Account as of the close of business on December 31 of the preceding year by the life expectancy of the Participant (or the joint life and last survivor expectancy of the Participant and the Participant's designated beneficiary, or the life expectancy of the designated beneficiary, whichever applies). In the case of distributions under paragraph 3, determine the initial life expectancy (or joint life and last survivor expectancy) using the attained ages of the Participant and designated beneficiary as of their birthdays in the year the Participant reaches age 70 1/2. In the case of a distribution in accordance with paragraph 4(b)(ii), determine life expectancy using the attained age of the designated beneficiary as of the beneficiary's birthday in the year distributions are required to commence.

6. The owner of two or more individual retirement accounts may use the "alternative method" described in Notice 88-38, 1988-1 C.B. 524, to satisfy the minimum distribution requirements described above. This method permits an individual to satisfy these requirements by taking from one individual retirement account the amount required to satisfy the requirement for another.

ARTICLE V

1. The Participant agrees to provide the Custodian with information necessary for the Custodian to prepare any reports required under Section 408(i), 408(1)(2) and Regulations Section 1.408-5 and 1.408-6.
2. The Custodian agrees to submit reports to the Internal Revenue Service and the Participant as prescribed by the Internal Revenue Service.
3. The Custodian also agrees to provide the Participant's employer the summary description described in Section 408(1)(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 that are not consistent with Section 408(a) and 408(p) and related regulations will be invalid.

ARTICLE VII

This Agreement will be amended from time to time to comply with the provisions of the Code and related regulations. Other amendments may be made with the consent of the persons whose signatures appear on the Application.

ARTICLE VIII

1. Definitions

- a. "Adoption Agreement" shall mean the Agreement or Application signed by each individual adopting the Plan and establishing an Account on behalf of that individual.
- b. "Account" shall mean the SIMPLE IRA under this Plan.
- c. "Beneficiary" shall mean the person or persons designated from time to time by a Participant or Participant's surviving spouse to receive benefits by reason of the death of the Participant or of such spouse, or the person or persons described in Article VIII, Section 5b of the Plan who would otherwise be entitled to receive such benefits.
- d. "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.
- e. "Compensation" shall mean total Compensation, including wages, salary, professional fees and other amounts received by a Participant during his or her current taxable year for personal services rendered during that year and includable in his or her gross income for Federal income tax purposes. If the Participant is self-employed, his or her Compensation shall include net earnings from self-employment in which personal services of the Participant are a material income-producing factor. Compensation also includes amount includable in gross income with respect to a divorce or separation instrument described in Section 71(b)(2)(A) of the Code.
- f. "Custodian" shall mean Donaldson, Lufkin & Jenrette Securities Corporation.
- g. "Depositor" shall mean Participant as defined herein below.
- h. "Participant" shall mean the Depositor and an individual who adopts the Plan and who makes contributions or on whose behalf contributions are made to his or her Account pursuant to the Plan.
- i. "Plan" shall mean this Donaldson, Lufkin & Jenrette Securities Corporation SIMPLE Individual Retirement Custodial Account Plan, as it may be amended from time to time, in accordance with Article VII of the Plan.
- j. *Transfer SIMPLE IRA.* The 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(1)(2) do not apply to transfer SIMPLE IRAs.

2. Notices and Change of Address

- a. Any required notice regarding this SIMPLE IRA will be considered effective when mailed by the Custodian to the last address of the intended recipient which is on the records of the Custodian. Any notice to be given to the Custodian will be effective when actually received by the Custodian. The Participant will notify the Custodian of any change of address.
- b. *Representations and Responsibilities.* The Participant represents and warrants to the Custodian that any information the Participant has given or will give to the Custodian with respect to this Agreement is complete and accurate. Further, the Participant promises that any direction given by the Participant to the Custodian, or any action taken by the Participant will be proper under this Agreement. The Custodian will not be responsible for the Participant's actions or failures to act. Likewise, the Participant shall not be responsible for the Custodian's actions or failure to act; provided however, that the Custodian's duties and responsibilities under this Agreement are limited to those specifically stated in the Agreement and no other or further duties or responsibilities shall be implied.

3. Investment of Contributions

- a. *Direction by Participant.* Each Participant shall direct the Custodian with respect to the investment of all contributions to his or her Account and the earnings thereon. Such direction shall be limited to publicly traded securities, covered call options, mutual funds, money market instruments, and other investments, to the extent that they are obtainable through and subject to the custody of the Custodian in its regular course of business. In the absence of such directions, the Custodian shall have no investment responsibility. All transactions directed by the Participant shall be subject to the rules, regulations, customs and usages of the exchange, market or clearing house where executed, and to all applicable federal and state laws and regulations, and to internal policies of the Custodian.

- b. *Delegation of Investment Responsibility.* The Participant may delegate the investment responsibility for all his or her Account to an agent or attorney in fact acceptable to the Custodian by notifying the Custodian in writing on a form acceptable to the Custodian of the delegation of such investment responsibility and the name of the person or persons to whom such responsibility is delegated. The Custodian shall follow the directions of such agent or attorney in fact and shall be under no duty to review or question any direction, action or failure to direct or act of such agent or attorney in fact. The Participant may revoke the authority of any agent or attorney in fact at any time by notifying the Custodian in writing of such revocation and the Custodian shall not be liable in any way for transactions initiated prior to receipt of such notice.

- c. *Uninvested Cash.* The Participant shall direct the Custodian as to the investment of all cash which is not currently invested in assets described in Article VIII, Section 3a of the Plan, and Participant or his or her legal representative shall direct the Custodian with respect to the investment of cash pending distribution. In the absence of such direction, the Custodian shall have no investment responsibility.

4. Withdrawals

All requests for withdrawal shall be in writing on a form provided by or acceptable to the Custodian. Any withdrawals shall be subject to all applicable tax and other laws and regulations including possible early withdrawal penalties and withholding requirements.

- a. *Required Distributions.* The Participant shall be responsible for computing the minimum required distribution in accordance with Article IV of the Plan, and for causing it to be distributed from his or her Account each year. Notwithstanding anything in Article IV to the contrary, the Custodian shall not without the consent of the Participant, distribute the value of the SIMPLE IRA where the Participant fails to choose any method of distribution by April 1st of the year following the year the Participant reaches age 70 1/2. The Custodian reserves the right to elect whether life expectancy will be recalculated, provided, however, that notice of such election be given to the Participant.

- b. *Beneficiaries.* If the Participant dies before receiving all of the amounts in the Participant's SIMPLE IRA, payments from the Participant's SIMPLE IRA will be made to the Participant's Beneficiary(ies). The Participant may designate any person(s) as Beneficiary(ies). The Beneficiary designation can only be made on a form prescribed by the Custodian and it will only be effective when it is filed with the Custodian during the Participant's lifetime. Each Beneficiary designation filed with the Custodian by the Participant will cancel all previous ones. The consent of a Beneficiary shall not be required to revoke a Beneficiary designation. If the Participant does not designate a Beneficiary, the Participant's estate will be the Beneficiary.

- c. *Account Only Source of Benefits.* The only source of benefit for the Participant, Spouse, or Beneficiary of the Account under this SIMPLE IRA Plan shall be the SIMPLE IRA Account.

5. Transfer

- a. *Transfer.* Funds held on behalf of a Participant in another SIMPLE individual retirement account or SIMPLE individual retirement annuity, and such other transfers as tax law and related regulations may permit, may be transferred to the Custodian and held in an Account for the benefit of the Participant under the Plan. Upon the request of the Participant in writing on a form acceptable to the Custodian, the Custodian shall transfer funds held in a Participant's Account to another SIMPLE individual retirement account or SIMPLE individual retirement annuity established by or on behalf of the Participant with another approved and qualified Custodian.
- b. *Transfer on Divorce.* A Participant may transfer any portion or all of his or her interest in an Account to a former spouse under a written instrument incident to divorce or under a divorce decree, whereupon such Account, or the transferred portion of such Account shall be held for the benefit of such former spouse subject to the terms and conditions of the Plan.

6. Powers, Duties and Obligations of Custodian

- a. *No Investment Discretion.* The Custodian shall have no discretion to direct any investments of an Account, and is merely authorized to acquire and hold the particular investments specified by the Participant. The Custodian will not act as investment advisor or counselor to a Participant and will not advise a Participant or offer any opinion or judgment on any matter pertaining to the nature, value, potential value or suitability of any investment or potential investment by a Participant.
- b. *Administrative Powers.* The Custodian may hold any securities acquired hereunder in the name of the Custodian without qualification or

description or in the name of any nominee. Pursuant to the Participant's direction, the Custodian shall have the following powers and authority with respect to the administration of each account.

1. To invest and reinvest the assets of the Account without any duty to diversify and without regard to whether such investment is authorized by the laws of any jurisdiction for fiduciary investments.
 2. To exercise or sell options, conversion privileges, or rights to subscribe for additional securities and to make payments therefor.
 3. To consent to or participate in dissolutions, reorganizations, consolidations, mergers, sales, leases, mortgages, transfers or other changes affecting securities held by the Custodian.
 4. To make, execute and deliver as Custodian any and all contracts, waivers, releases or other instruments in writing necessary or proper for the exercise of any of the foregoing powers.
 5. To grant options to purchase securities held by the Custodian or to repurchase options previously granted with respect to securities held by the Custodian.
- c. *Shareholder Rights.* The Custodian shall exercise any rights of a shareholder (including voting rights) with respect to any securities held in the Account only in accordance with the instructions of the Participant pursuant to any applicable rules of the Securities and Exchange Commission and the national exchanges of which the Custodian is a member.
- d. *Records and Reports.* The Custodian shall keep accurate records of all contributions, receipts, investments, distributions, disbursements, and all other transactions of the Account. Within 120 days (or such other deadline imposed by applicable law) after the close of each calendar year (or after a distribution or transfer of a Participant's account or upon the Custodian's resignation or removal) the Custodian shall file with the Participant a written report (which may consist of copies of the Custodian's regularly issued account statements) reflecting all transactions affecting the Account for the period in question and including a statement of the assets in the Account and their fair market values. Unless the Participant files a written statement of exceptions or objections to the report with the Custodian within 60 days after mailing of the report, the Participant shall be deemed to have approved such report and the Custodian shall be released from all liability to anyone (including any Participant's spouse or Beneficiary) with respect to all matters set forth in the report. No person other than a Participant, the spouse of a Participant, or Beneficiary may require an accounting.
- e. *Right to Request Judicial Assistance.* The Custodian shall have the right at any time to apply to a court of competent jurisdiction for judicial settlement of its accounts or for determination of any questions of construction which may arise or for instructions. The only necessary party defendant to any such action shall be the Participant, but the Custodian may join any other person or persons as a party defendant. The cost, including attorney's fees, of any such proceeding shall be charged as an administrative expense under Article VIII, Section 9 of the Plan.
- f. *Scope of Custodian's Duties.* The Custodian shall only have the duties which are specifically set forth in this Plan. The Custodian shall have no duty to ascertain whether contributions or distributions comply with the Plan or the Code. The Custodian shall not make any investments or dispose of any investments held in an Account, except upon the direction of the Participant or in accordance with Article VIII Section 10d of the Plan. The Custodian shall not question any such directions of the Participant, review any securities or other property held in an Account, or make suggestions to the Participants with respect to the investment, retention or disposition of any assets held in an Account.
- g. *Scope of Custodian's Liability.* The Custodian shall not be liable for any loss of any kind which may result from any action taken by it in accordance with the directions of the Participant or his or her designated agent or attorney in fact or from any failure to act because of the absence of any such disclosure. The Custodian shall not be responsible for determining whether any contribution or rollover contribution satisfies the requirements of the Code. The Custodian shall not be liable for any taxes (or interest thereon) or penalties incurred by the Participant in connection with any Account or in connection with any contribution to or distribution from the Account. The Custodian is entitled to act upon any instrument, certificate, or form it believes is genuine and believes is signed or presented by the proper person or persons, and the Custodian need not investigate or inquire as to any statement contained in such document but may accept it as true and accurate. The Participant shall duly indemnify and hold harmless the

Custodian from any liability which may arise hereunder except liability arising from the gross negligence or willful misconduct of the Custodian.

7. Resignation or Removal of Custodian

- a. *Resignation.* The Custodian may resign as Custodian hereunder as to any Account by mailing or actually delivering written notice to the Participant 30 days prior to the resignation.

Upon its resignation the Custodian may, but shall not be required to, appoint a corporation or other institution as the successor Custodian under this Agreement. Each Participant, after the receipt of the resignation, shall have 30 days to appoint an alternative successor custodian. If no alternate is chosen, the Participant will be deemed to have accepted the Custodian's appointed successor custodian. Upon acceptance of appointment by the successor, the Custodian shall assign transfer and deliver to the successor all assets held in the Account to which such resignation or removal relates. The Custodian is authorized however, to reserve such amounts as it deems advisable to provide for the payment of expenses and fees then due or to be incurred in connection with the settlement of its account, and any balance remaining after the settlement of its account shall be paid to the successor custodian or trustee. If Custodian does not choose to appoint a successor, Participant has 30 days after receiving notification of the Custodian's resignation to appoint a qualifying successor custodian. If Participant does not appoint a successor custodian within this time period Custodian shall have the right to terminate the Custodial Account and distribute the assets directly to the Participant.

- b. *Removal.* The Participant shall substitute another custodian in place of the Custodian upon notification by the Internal Revenue Service that such substitution is required because the Custodian has failed to comply with the requirement of Treasury Regulation Section 1.408-2(e), or is not keeping such records, or making such returns, or rendering such statements as are required by that regulation.
- c. The Custodian shall not be liable for the acts or omissions of its successor.

8. Amendment and Termination of the Plan

- a. *Amendment or Termination.* The Custodian may amend or terminate this Plan at any time consistent with the provisions of applicable law without obtaining the consent of the Participant, the spouse of the Participant or Beneficiary. No amendment of the Plan, however, shall deprive any Participant, spouse of a Participant, or Beneficiary of any benefit to which he or she was entitled under the Plan from contributions made prior to the amendment unless the amendment is necessary to conform the Plan to the current or future requirements of the Employee Retirement Income Security Act of 1974, Code Section 408 and 408(p), or other applicable law, regulation or ruling, in which case the Custodian is expressly authorized to make amendments that are necessary for such purposes retroactively to the later of the effective date of the Plan or the effective date of any future legal requirements.
- b. *Distribution on Termination.* If the Plan is terminated for any reason the balance held in each Account for the benefit of a Participant, spouse of a Participant or Beneficiary shall be distributed by the Custodian to a successor custodian or trustee, in accordance with Article VIII, Section 7, of the Plan.

9. Fees, Expenses, and Indebtedness

- a. *Compensation of the Custodian.* The Custodian shall be entitled to such reasonable fees for its services hereunder as shall be agreed upon from time to time in writing between the Custodian and the Participant and to reimbursement for all reasonable expenses incurred in the management of the Account.
- b. *Payment and Deduction of Fees and Expenses.* Periodic Custodial maintenance and related fees and expenses of the Custodian shall be due and payable upon notification to the Participant for services rendered by the Custodian. The Custodian may deduct from and charge against an Account all reasonable fees, shares and expenses, when incurred, in the management of the Account which have not been timely paid by the Participant. Upon the termination or transfer of any Account appropriate fees and expenses may be charged against the Account unless paid. The Custodian may allocate such fees, charges and expenses among the separate Accounts at such time or times and in such manner as the Custodian, in its reasonable discretion, determines. Brokerage fees shall be payable in accordance with the Custodian's usual practice. Fees charged against an Account shall not be reimbursed to the Account.
- c. *Indebtedness.* The Participant shall pay any debit balance or other obligation owing to the Custodian on demand.

10. Miscellaneous

- a. *Prohibited Transactions.* Anything contained herein to the contrary notwithstanding, no Participant, spouse of a Participant or Beneficiary shall be entitled to use a Participant's Account, or any portion thereof, as security for a loan, nor shall the Custodian or any other person or institution engage in any prohibited transaction, within the meaning of Code Section 4975, with respect to any Participant's Account.
- b. *Prohibition Against Assignment of Benefits.* Except to the extent otherwise required by law, none of the benefits, payments or proceeds held in an Account on behalf of any Participant's spouse of a Participant or Beneficiary shall be subject to the claims of any creditor of such Participant, spouse or Beneficiary, nor shall any Participant, spouse or Beneficiary have any right to anticipate, sell, pledge, option, encumber or assign any of the benefits, payments or proceeds to which he or she is or may be entitled under the Plan.
- c. *Applicable Law.* The Plan is intended to qualify as an individual retirement account plan under Code Section 408. The Plan shall be governed by and interpreted under the laws of the state of New York, except to the extent such laws are superseded by applicable federal law. If any provision of the Plan is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions, and the Plan shall be construed and administered as if such provision had not been included.
- d. *Liquidation of Assets.* If the Custodian must liquidate assets in order to make distributions, transfer assets, or pay fees, expenses, or taxes assessed against a Participant's Account, and the Participant fails to instruct the Custodian as to the liquidation of such assets, assets will be liquidated in the following order to the extent held in the Account: (a) any shares of a money market fund or money market-type fund, (b) securities, (c) other assets.
- e. *Purpose of Form.* This document shall serve as a Form 5305-SA which is a model Custodial account agreement that meets the requirements of Section 408(a) and 408(p) and has been automatically approved by the IRS. A SIMPLE individual retirement account (SIMPLE IRA) is established after the form is fully executed by the individual (Participant) and accepted by the Custodian. This account must be created in the United States for the exclusive benefit of the Participant or his or her Beneficiaries.

Individuals may rely on regulations for Tax Reform Act of 1986 to the extent specified in those regulations.
- f. *Identifying Number.* The Depositor's social security number will serve as the identification number of his or her SIMPLE IRA. An employer identification number is required only for an SIMPLE IRA for which a return is filed to report unrelated business taxable income. An employer identification number is required for a common fund created for SIMPLE IRAs.
- g. Distributions made under Article IV may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the Depositor reaches age 70 1/2 to ensure that the requirements of Section 408(a)(6) have been met.
- h. Notwithstanding anything to the contrary above, the Custodian will be deemed to have satisfied its summary description reporting requirements under Section 408(1)(2) of the Code if either:
 1. the Custodian provides a summary description directly to the Participant, or
 2. the Custodian provide the Custodian name, address and withdrawal procedures to the Participant and the Participant's employer provides the Participant with all other required information.

DISCLOSURE STATEMENT

The Disclosure Statement provides a general description of the features of a SIMPLE Individual Retirement Account (the "Account" or the SIMPLE IRA") for which Donaldson, Lufkin & Jenrette Securities Corporation will act Custodian.

A. Right of Revocation By Participant

1. Each individual who signs the Adoption Agreement (the "Participant") shall have the right to revoke the Agreement for a period of seven days from the date it is signed by mailing or personally delivering a written notice of revocation to Donaldson, Lufkin & Jenrette Securities Corporation, Retirement Plans Dept., One Pershing Plaza, Jersey City, NJ 07399. The notice of revocation shall be deemed mailed on the date of the postmark (or if sent by certified or registered mail, the date of certification or registration) if it is deposited in the United States mail in an envelope, or other appropriate wrapper, first class postage prepaid, properly addressed. If such notice is not received within seven days after the deemed date of mailing, the notice of revocation shall not be valid.
2. If a change is made in the Disclosure Statement or the SIMPLE IRA when the Participant still has the right to revoke the Adoption Agreement, the Custodian will inform the Participant of the change, and the Participant shall be permitted to revoke the Agreement for a period of seven days from the date he or she receives notice of the change in the manner described in paragraph (1) above.
3. If the adoption agreement is revoked, the Custodian will return to the Participant his or her entire contribution to the SIMPLE IRA without penalty, service charge, administrative expenses, or any other reduction. The contribution to a SIMPLE IRA that is revoked; and the distribution from a SIMPLE IRA that is revoked, must be reported to the Internal Revenue Service.

B. Special Requirements of the Donaldson, Lufkin & Jenrette Securities Corporation Individual Retirement Custodial Account Plan

In addition to the statutory requirements described above, the Donaldson, Lufkin & Jenrette Securities Corporation, as Custodian, has the following requirements:

1. Donaldson, Lufkin & Jenrette Securities Corporation (the Custodian) will not make any investment decisions with respect to the Account. Each Participant shall direct the Custodian with respect to the investment of all contributions and earnings therefrom. Investments may be made in publicly traded securities, covered call options, mutual funds, money market instruments, and other investments which are obtainable through and subject to the custody of the Custodian and compatible with its administrative and operational requirements. The Custodian may systematically sweep uninvested cash (subject to certain required minimums) in an Account to a money market fund or other investment offered by the Custodian.
2. The Participant shall notify the Custodian in writing as to when he or she wishes to receive his or her benefits and the manner of payout pursuant to Article IV of the Donaldson, Lufkin & Jenrette Securities Corporation Individual Retirement Custodial Account Plan.
3. Donaldson, Lufkin & Jenrette Securities Corporation as Custodian, will have no responsibility to ascertain whether rollover contributions comply with the Plan or the Code.
4. The Participant shall be entitled to designate a Beneficiary to receive benefits which are payable under the SIMPLE IRA upon the Participant's death. If the Participant does not designate a Beneficiary, or, if the Beneficiary dies before the Participant, or cannot be located when the Participant dies, the benefits will be paid to the Participant's estate.

C. Requirements of a SIMPLE IRA

1. Your contribution must be in cash, unless it is a rollover contribution.
2. The only contributions which may be made to your SIMPLE IRA are employee elective deferrals and employer contributions under a qualified salary reduction arrangement which is a SIMPLE IRA plan maintained by your employer and other contribution allowed by law or regulations. Employee elective deferrals shall not exceed the lesser of \$6,000 (indexed) or 100% of your compensation for the calendar year. Your employer may make additional contributions to your SIMPLE IRA within the limits prescribed in Section 408(p). Your employer is required to provide you with information which describes the terms of your employer's SIMPLE IRA plan.
3. Your interest in your SIMPLE IRA is non forfeitable.
4. The Custodian of your SIMPLE IRA must be a bank, savings and loan association, credit union or a person approved by the Secretary of the Treasury, such as Donaldson, Lufkin & Jenrette Securities Corporation.

5. The assets of your SIMPLE IRA cannot be commingled with other property except in a common trust fund or common investment fund.
6. No portion of your SIMPLE IRA may be invested in life insurance contracts.
7. You may not invest the assets of your SIMPLE IRA in collectibles (within the meaning of Internal Revenue Code (IRC) Section 408(m)). 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 Internal Revenue Service. Effective for investments made after December 31, 1982, specially minted United States gold and silver bullion
8. You are required to take minimum distributions from your SIMPLE IRA at certain times in accordance with proposed Treasury Regulations Section
 - a. You are required to take a minimum distribution from your SIMPLE IRA by your required beginning date, April 1 of the year following the year you attain age 70/ and by the end of each year thereafter. The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the prior year (less any required distribution taken between January 1 and April 1 of the year following the year you attain age 70 1/2) by the joint life expectancy of you and your designated Beneficiary. If you have not designated a Beneficiary for your SIMPLE IRA by your required beginning date, your single life expectancy will be used.
 - b. Your single or joint life expectancy is determined by using the IRS unisex life expectancy tables. You can find these tables in Treasury Regulation Section 1.72-9. Unless you elect not to have your life expectancy recalculated, your life expectancy (and the life expectancy of your spouse, if applicable) will be recalculated annually using your attained age as of your birthday in the year for which the minimum annual payment is being determined. The life expectancy of the designated Beneficiary (other than your spouse) will not be recalculated.

c. If you die.

- (i) on or after your required beginning date, distributions must be made to your Beneficiary or Beneficiaries at least as rapidly as they were being made to you.
- (ii) before your required beginning date, the entire amount remaining in your account will, at the election of your Beneficiary or Beneficiaries, either
 1. be distributed by the December 31, of the year containing the fifth anniversary of your death, or
 2. be distributed in equal or substantially equal payments over the life or life expectancy of your designated Beneficiary or Beneficiaries.

Your Beneficiary or Beneficiaries must elect either option (i) or (ii) by December 31 of the year following the year of your death. If no election is made, distribution will be made in accordance with (ii) if the Beneficiary is your surviving spouse, and in accordance with (i) if your Beneficiary or Beneficiaries are or include anyone other than your surviving spouse. In the case of distributions under (ii), distributions must commence by the December 31 of the year following the year of your death. If your spouse is the Beneficiary, distributions need not commence until the December 31 of the year you would have attained age 70 1/2 if later.

D. Income Tax Consequences of Establishing a SIMPLE IRA

1. SIMPLE IRA Deductibility

You may not take a deduction for the amounts contributed to your SIMPLE IRA as either employee elective deferrals or employer contributions. However, elective deferrals to a SIMPLE IRA will reduce your taxable income. Further, employer SIMPLE IRA contributions, including earnings, will not be taxable to you until you take a payout from your SIMPLE IRA.

Participation in your employer's SIMPLE IRA plan renders you an active participant for purposes of determining whether or not you can deduct contributions to a regular IRA.

Compensation generally means the income you receive for providing personal services. If you are self-employed, your Compensation is your net earnings from self-employment as reduced by any amount you are allowed as a deduction for contributions made on your behalf to a Qualified Retirement Plan for self-employed individuals (Keogh Plan).

2. Tax Deferred Earnings

The investment earnings of your SIMPLE IRA are generally not subject to Federal income tax until distributions are made (or in certain instances when distributions are deemed to be made.)

3. Rollovers

Your IRA may be rolled over to an IRA of yours, or may receive rollover contributions provided that all of the applicable rollover rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property to your IRA from any of your SIMPLE IRAs. The rollover rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover, please see a competent tax advisor.

- a. SIMPLE IRA to SIMPLE IRA Rollovers-Funds distributed from your SIMPLE IRA may be rolled over to a SIMPLE IRA of yours if the requirements of IRC Section 408(d)(3) are met. A proper SIMPLE IRA to SIMPLE IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another SIMPLE IRA to SIMPLE IRA rollover from the distributing SIMPLE IRA during the 12 months preceding the date you receive the distribution. Further, you may roll the same dollars or assets only once every 12 months.
- b. SIMPLE IRA to REGULAR IRA Rollovers-Funds may be distributed from your SIMPLE IRA and rolled to your regular IRA without penalty provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. As with SIMPLE IRA to SIMPLE IRA rollovers, the requirements of Section 408(d)(3) must be met. A proper SIMPLE IRA to regular IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another SIMPLE IRA to regular IRA or SIMPLE IRA to SIMPLE IRA rollover from the distributing SIMPLE IRA during the 12 months preceding the date you receive the distribution. Further, you may roll the same dollars or assets only once every 12 months.
- c. Written Election - At the time you make a proper rollover to a SIMPLE IRA, you must designate to the Custodian, in writing, your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.
- d. You cannot rollover to your SIMPLE IRA required minimum distributions which you receive from your SIMPLE IRA or your employer's QRP or TSA. Required minimum distributions are those which you must start taking for the year you attain age 70 1/2 or older.

E. Limitations and Restrictions

1. A deduction is not allowed for rollover or transfer contributions.
2. The \$100,000 Federal estate tax exclusion previously available has been repealed for decedents dying after 12/31/84. No exclusion will be allowed for decedents dying after that date. Transfer of your SIMPLE IRA assets to a named Beneficiary made during your life and at your request or because of your failure to instruct otherwise, may be subject to Federal gift tax under IRC Section 2501 if made after October 22, 1986.
3. Capital gains treatment and favorable ten year forward averaging tax authorized by IRC Section 402 do not apply to SIMPLE IRA distributions.
4. Any withdrawal from your SIMPLE IRA, except a direct transfer, is subject to Federal income tax withholding. You may, however, elect not to have withholding apply to your SIMPLE IRA withdrawal. If withholding is applied to your withdrawal, not less than 10% of the amount withdrawn must be withheld.
5. If you or your Beneficiary engage in a prohibited transaction with your SIMPLE IRA, as described in IRC Section 4975, it will lose its tax exemption and you must include the value of your account in your gross income for that taxable year.
6. 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.

F. Federal Tax Penalties

1. If you are under age 59 1/2 and receive a SIMPLE IRA distribution, an additional tax of 10% will apply, unless made on account of death; disability; a qualifying rollover; a direct transfer; the timely withdrawal of an excess contribution or if the distribution is part of a series of substantially equal periodic payments (at least annual payments) made over your life expectancy or joint life expectancy of you and your Beneficiary. This additional tax will apply only to the portion of a distribution which is includable in your income. Beginning January 1, 1997, payments made to pay medical expenses which exceed 7.5 percent of your adjusted gross income and distributions to pay for insurance by an individual who has separated from employment and who has received unemployment compensation under a federal or state program for at least 12 weeks are also exempt from the 10 percent tax. This additional tax will apply only to the portion of a

distribution which is includable in your income. If less than two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer, the early distribution penalty shall be increased from 10% to 25%.

2. One of the requirements listed above is that you are required to take a minimum distribution by April 1 of the year following the year you attain age 70 1/2 and the end of each year thereafter and that your designated Beneficiary(ies) is required to take certain minimum distributions after your death. An additional tax of 50% is imposed upon any excess of the minimum required to be distributed over the amount actually distributed. This tax is referred to as an excess accumulation penalty tax.
3. You will be taxed an additional 15% of any amount received and included in income during a calendar year from QRPs, TSAs, SIMPLE IRAs and IRAs which exceeds \$112,500 (or the current excess distribution limit of IRC Section 4980A). Certain exceptions may apply. If you receive an excess distribution as described above, you should see your tax advisor to determine if these exceptions apply to you. This tax is referred to as an excess distribution penalty tax. However, this penalty is suspended for payments received during 1997, 1998 and 1999 as a result of the Small Business Job Protection Act of 1996.
4. Your estate will have to pay additional Federal estate tax if you die with an excess retirement accumulation. The increased estate tax will be equal to 15% of the excess retirement accumulation. An excess retirement accumulation exists if, at the time of your death, the value of all of your interests in QRPs, TSAs, SIMPLE IRAs and IRAs exceeds the present value of an annuity with annual payments of \$112,500 (or the current excess distribution limitation of IRC Section 4980A) payable over your life expectancy immediately before your death. This tax is referred to as an excess retirement accumulation tax.
5. You must file Form 5329 with the Internal Revenue Service when any additional or excise taxes are due.

G. Other

1. The Agreement used to establish this SIMPLE IRA has been approved by the Internal Revenue Service. The Internal Revenue Service approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.
2. You may obtain further information on SIMPLE IRAs from your District Office of the Internal Revenue Service. In particular, you may wish to obtain IRS Publication 590 (Individual Retirement Arrangements).

H. Additional Financial Information

1. **Custodial Fees**

If not accompanied by this Disclosure Statement and SIMPLE Individual Retirement Custodial Account Plan, a schedule of fees is available from the Custodian or from the financial institution which has introduced your account to the Custodian. The Custodian will notify all SIMPLE IRA Participants prior to changing the fee schedule. The Participant may receive an invoice for the custodial maintenance and other related fees which are due and payable upon receipt. Unless timely paid by the Participant, fees will be automatically charged against the Account, or as directed in writing by the Participant, charged against another account over which the Participant has investment authority.
2. **Brokerage Commissions**

Commissions shall be as charged by the financial institution which has introduced your Account to the Custodian.
3. **Other Expenses**

Any taxes of any kind which may be imposed with respect to the SIMPLE IRA and any reasonable expenses incurred by the Custodian in the management of a Participant's Account under the SIMPLE IRA together with any fees referred to above, shall be paid by the Participant, or if not timely paid, will be charged against his or her Account, or as directed in writing by the Participant, charged against another account over which the Participant has investment authority.
4. **Earnings**

The earnings of each separate Account shall be allocated only to that Account.
5. **Growth in Value**

Growth in value of a Participant's Account will depend entirely on the investment decisions made by the Participant and is neither guaranteed nor projected.