

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____
IRC Sections 354(a), 357(a), 358(a), 361(a), 361(c), 362(b), 368(a), 1032(a), 1223(1), and 1223(2)

18 Can any resulting loss be recognized? ▶ No loss can be recognized as a result of this event.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____
The above described organizational action is reportable in tax year 2016.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ Signed copy is maintained by the issuer Date ▶ _____

Paid Preparer Use Only	Print your name ▶ <u>Matthew Hinkle</u>	Preparer's signature	Title ▶ <u>Assistant Treasurer</u>	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

FCTFT - Franklin California Insured Tax-Free Income Fund

EIN: 94-6586387

FYE: 10/28/2016

Attachment to Form 8937

Attachment to Form 8937

Form 8937 Part II Line 15

Franklin California Insured Tax-Free Income Fund (Acquired Fund)				Franklin California Tax-Free Income Fund (Acquiring Fund)				Merger Ratio
Ticker	CUSIP	Class	NAV	Ticker	CUSIP	Class	NAV	
FRCIX	352519102	A	13.2236	FKTFX	352518104	A	7.64	1.73084
FRCAX	352519409	C	13.4240	FRCTX	352518203	C	7.63	1.75937
FZCAX	352519805	Advisor	13.2484	FCAVX	352518401	Advisor	7.63	1.73636

NAVs shown are as of immediately prior to the merger.

Merger Ratio is the number of Acquiring Fund shares received per on Acquired Fund share surrendered.

Effect on Basis

Each shareholder has an aggregate basis in Franklin California Tax-Free Income Fund shares received in the merger equal to the aggregate basis of that shareholder's Franklin California Insured Tax-Free Income Fund shares surrendered in the merger.

The number of Franklin California Tax-Free Income Fund shares received for each share of Franklin California Insured Tax-Free Income Fund shares given up in exchange is as follows:

- 1.73084 shares of Franklin California Tax-Free Income Fund Class A shares for one Franklin California Insured Tax-Free Income Fund class A share
- 1.75937 shares of Franklin California Tax-Free Income Fund Class C shares for one Franklin California Insured Tax-Free Income Fund class C share
- 1.73636 shares of Franklin California Tax-Free Income Fund Advisor Class shares for one Franklin California Insured Tax-Free Income Fund Advisor Class share