



Private College 529 PlanSM

Tomorrow's Tuition at Today's Prices—GUARANTEED

Tuition Plan Consortium, LLC
Program Sponsor

OFI Private Investments Inc.
Program Manager

PLAN DISCLOSURE STATEMENT

Dated August 16, 2010

IMPORTANT INFORMATION ABOUT YOUR PRIVACY

As an Account Owner of the Private College 529 PlanSM, you are entitled to know how we protect your personal information and how we limit its disclosure.

Information Sources

We obtain nonpublic personal information about our Account Owners and Beneficiaries from the following sources:

- Applications or other forms
- When you create a user ID and password for online account access
- Your transactions with us, our affiliates or others
- A software program on the Plan's website, often referred to as a "cookie," which indicates which parts of our site you've visited
- When you set up challenge questions to reset your password online

If you visit www.privatecollege529.com and do not log on to the secure account information areas, we do not obtain any personal information about you. When you do log on to a secure area, we do obtain your user ID and password to identify you. We also use this information to provide you with products and services you have requested and assist you in other ways.

We do not collect personal information through the Plan's website unless you willingly provide it to us, either directly by email or in those areas of the website that request information. In order to update your personal information (including your mailing address, email address and telephone number), you must first log on and visit the "My Account" section and select the "Maintenance" menu for mailing address and telephone numbers and "My profile" for email address.

If you have set your browser to warn you before accepting cookies, you will receive the warning message with each cookie. You can refuse cookies by turning them off in your browser. However, doing so may limit your access to certain sections of the Plan's website.

We use cookies to help us improve and manage the Plan's website. For example, cookies help us recognize new versus repeat visitors to the site, track the pages visited, and enable some special features on the website. This data helps us provide a better service for the Plan's website visitors.

Protection of Information

We do not disclose nonpublic personal information about current or former Account Owners and Beneficiaries to anyone, except as permitted by law.

Right of Refusal

We will not disclose your personal information to unaffiliated third parties (except as permitted by law), unless you, the person who provides the information or the person who is the subject of the information gives express written consent to such disclosure.

Internet Security and Encryption

In general, the email services provided by the Plan's website are encrypted and provide a secure and private means of communication with us. To protect your own privacy, confidential and/or personal information should only be communicated via email when you are advised that you are using a secure website.

As a security measure, we do not include personal or account information in nonsecure emails, and we advise you not to send such information to us in nonsecure emails. Instead, you may take advantage of the secure features of the Plan's website to encrypt your email correspondence. To do this, you will need to use a browser that supports Secure Sockets Layer (SSL) protocol.

We do not guarantee or warrant that any part of the Plan's website, including files available for download, are free of viruses or other harmful code. It is your responsibility to take appropriate precautions, such as use of an antivirus software package, to protect your computer hardware and software.

- All transactions are secured by SSL and 128-bit encryption. SSL is used to establish a secure connection between your PC and the Private College 529 Plan server. It transmits information in an encrypted and scrambled format
- Encryption is achieved through an electronic scrambling technology that uses a "key" to code and then decode the data. Encryption acts like the cable converter box you may have on your television set. It scrambles data with a secret code so that no one can make sense of it while it is being transmitted. When the data reaches its destination, the same software unscrambles the data
- You can exit the secure area by either closing your browser, or for added security, you can use the log out button before you close your browser

Other Security Measures

We maintain physical, electronic and procedural safeguards to protect your personal account information. Our employees and agents have access to that information only so that they may offer you products or provide services, for example, when responding to your account questions.

How You Can Help

You can also do your part to keep your account information private and to prevent unauthorized transactions. If you obtain a user ID and password for your account, do not allow it to be used by anyone else. Also, take special precautions when accessing your account on a computer used by others.

Who We Are

This joint notice describes the Privacy Policy of OFI Private Investments Inc. and OppenheimerFunds Distributor, Inc. as the Program Manager and Distributor, respectively, of the Private College 529 Plan. This notice was last updated on June 30, 2010. In the event it is updated or changed, we will post an updated notice on the Plan's website.

If you have any questions about this Privacy Policy, write to us at P.O. Box 5268, Denver, CO, 80217, email us by clicking on the "Contact Us" section of the Plan's website www.privatecollege529.com or you may speak to a customer service representative by calling us at 1 (888) 718-7878.

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Please read and retain for your records a copy of this Disclosure Statement and the accompanying Enrollment Agreement, as amended and supplemented from time to time (together, the “Disclosure Statement”), as well as the Schedule of Participating Institutions and Tuition Rates (the “Schedule”). These documents include detailed information about the Private College 529 Plan. All capitalized terms used in this Disclosure Statement are defined in the Glossary on page 21.

The information contained in this Disclosure Statement is believed to be accurate as of the date hereof and is subject to change without notice and neither delivery of this Disclosure Statement, nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Plan since the date of this document. No one other than the Tuition Plan Consortium, LLC (“TPC”) is authorized to provide information that is different from the information contained in this Disclosure Statement.

INTRODUCTION

What is the Private College 529 Plan?

The Private College 529 Plan is a prepaid tuition program designed to provide you with an opportunity to prepay undergraduate tuition for a Beneficiary at participating private colleges and universities throughout the United States. By participating in the Plan, you can pay for your Beneficiary’s tuition and certain fees today and lock in current tuition rates for your Beneficiary’s future enrollment at a Participating Institution.

The Plan is sponsored by TPC, a not-for-profit organization established for the sole purpose of operating the Plan. TPC is composed of the private colleges and universities that are Participating Institutions in the Plan.

How does the Plan work?

To participate in the Plan, you make purchases of Tuition Certificates, which can be used in the future to pay Tuition for your Beneficiary at any Participating Institution at which your Beneficiary becomes enrolled in undergraduate study. The Plan runs on a Program Year basis of July 1st through June 30th. All purchases you make to the Plan during a Program Year are applied toward the purchase of a Tuition Certificate. You may use Tuition Certificates in later years to pay Tuition for your Beneficiary. You must wait at least 36 months after the Issue Date of a Tuition Certificate to use it to pay Tuition.

The amount of Tuition that a Tuition Certificate will buy at a particular Participating Institution is based on the Tuition Rate that is in effect for that Participating Institution during the Program Year in which you purchase the Tuition Certificate. Because Tuition Rates will differ among Participating Institutions, a Tuition Certificate will pay for more or less Tuition at one school than another. In addition, because the Tuition Rates set by a Participating Institution for different Program Years will vary, a Tuition Certificate purchased in one Program Year will pay for more or less Tuition than one purchased in another Program Year.

The current Participating Institutions and Tuition Rates are listed in the Schedule, which accompanies this Disclosure Statement. You may consult the Schedule to help you determine how much Tuition you will be prepaying when you purchase a Tuition Certificate during the current Program Year.

What is the maximum purchase amount?

The maximum amount of Tuition Certificates that may be purchased for a single Beneficiary cannot exceed the cost of Tuition and Mandatory Fees for a period of five (5) years at the Participating Institution listed in the Schedule having the most expensive Tuition and Mandatory Fees. All Tuition Certificates for the same Beneficiary within the Plan will be combined for purposes of determining whether the maximum limit has been reached, even those Tuition Certificates that have a different owner. The maximum

balance may be recalculated or adjusted each year based on the specific Program Year's most expensive Participating Institution.

Where may I use my Tuition Certificates?

You may use your Tuition Certificates to pay for your Beneficiary's Tuition for undergraduate studies at any Participating Institution at which he or she becomes enrolled. Participating Institutions may join or withdraw from the Plan, but you may use a Tuition Certificate at any college or university that either (1) is a Participating Institution in the Plan when you purchase the Tuition Certificate or (2) is a Participating Institution in the Plan on any subsequent date up to and including the date on which the Tuition Certificate is used to pay Tuition.

What if I can't use my Tuition Certificates? May I get a refund?

If a Tuition Certificate is not used in full to pay Tuition for the Beneficiary, you may either change the Beneficiary of the Account to a Family Member of the current Beneficiary or request a refund. You may request a refund of a Tuition Certificate at any time beginning one year after its Issue Date. The Refund Amount will be the amount paid for the Tuition Certificate, adjusted by the net investment performance of the Program Trust, capped by a maximum return of 2% per annum and limited to a maximum loss of 2% per annum (in each case, compounded annually). Refunds may result in adverse tax consequences. See the discussion of "Refunds" on page 9 for more detailed information. ***The Refund Amount will be paid from the Program Trust only, and no other person, including the Program Manager, TPC or any Participating Institution, will be liable for any payments, including those that are greater than the total amount of the Program Trust. See the discussion of "Refunds" on page 9 for more detailed information.***

What else should I consider before purchasing a Tuition Certificate? What are the risks?

You should carefully examine the tax and other considerations outlined in this Disclosure Statement prior to purchasing a Tuition Certificate under the Plan and consult with your tax advisor. See the discussion of "Certain Tax Consequences" on page 12 for more detailed information.

You should also consider the following risks and considerations:

- Participation in the Plan may adversely affect the Beneficiary's eligibility for financial aid.
- The Refund Amount is not designed to provide a meaningful rate of return. In the event that the Beneficiary does not attend a Participating Institution, or is otherwise unable to use Tuition prepayments, the refund may not be sufficient to cover the costs of attending another institution and the Purchaser will have lost the opportunity to invest the amounts used to purchase Tuition Certificates in investments that could have yielded a higher rate of return.
- The Refund Amount will be paid from the Program Trust only, and no other person, including the Program Manager, TPC or any Participating Institution, will be liable for any payments, including those that are greater than the total amount of the Program Trust.
- Participation in the Plan does not guarantee acceptance, continued enrollment or graduation for the Beneficiary at a Participating Institution.
- A purchase of a Tuition Certificate does not qualify for the unlimited gift tax exclusion generally available for money used to pay educational expenses.
- Because a Tuition Certificate may only be used to purchase Tuition (including Mandatory Fees), it will not cover all of the costs of attending a Participating Institution.
- Tuition Certificates are not transferable and cannot be pledged or used as collateral.

See the discussion of "Additional Considerations and Risk Factors" on page 16 for more detailed information.

How else can I find out about the Plan? Information about the Plan is available on the Plan website at www.privatecollege529.com or you may speak to a customer service representative by calling us at 1 (888) 718-7878.

THE PRIVATE COLLEGE 529 PLAN

In General

Through the Private College 529 Plan, you may buy Tuition Certificates for your Beneficiaries and use them in the future to pay for Tuition at Participating Institutions at which your Beneficiaries become enrolled. Participation in the Plan will guarantee a fixed Tuition Rate at each Participating Institution for the portion of Tuition paid with Tuition Certificates, though this fixed rate will vary depending on the Program Year in which the Tuition Certificate is purchased. Each Participating Institution's Tuition Rate for a particular Program Year is set forth in the Schedule for that Program Year, as supplemented, to show Participating Institutions that join or withdraw from the Plan. The Tuition Certificates may be used at any Participating Institution as described more fully below. You do not need to identify a Participating Institution until the Tuition Certificates are used to pay for Tuition, although you may find out how much Tuition your Tuition Certificates would cover at any particular Participating Institution by designating it as a "Sample School," (described more fully below) by visiting our website at www.privatecollege529.com or by calling us at 1 (888) 718-7878.

Participating Institutions

The current Participating Institutions are listed in the Schedule, which accompanies this Disclosure Statement and which is also available at our website at www.privatecollege529.com. Participating Institutions may join or withdraw from the Plan, but you may use a Tuition Certificate at any college or university that either (1) is a Participating Institution in the Plan when you purchase the Tuition Certificate or (2) is a Participating Institution in the Plan on any subsequent date up to and including the date on which the Tuition Certificate is used to pay Tuition. Additions to the list of Participating Institutions for a particular Program Year, as well as the Schedules for subsequent Program Years will be available on our website at www.privatecollege529.com or by calling us at 1 (888) 718-7878.

How Tuition is Determined

Prior to the commencement of each Program Year, each Participating Institution will set its own Tuition Rate for the Program Year. The Tuition Rate set by the Participating Institution for a Program Year applies to Tuition Certificates purchased during that Program Year and will be the Tuition Rate that applies if the Tuition Certificate is subsequently used to pay for Tuition at that Participating Institution. By looking at the Schedule, you will be able to tell how much you need to pay in order to purchase a year of Tuition at each Participating Institution. Once set for a Program Year the Tuition Rates are locked in and cannot be changed for Tuition Certificates purchased during that Program Year.

Tuition Rate

The Tuition Rate that is set by each Participating Institution for a Program Year is the amount it charges current full-time students who enroll during that Program Year for Tuition. This amount may vary somewhat from what these students are actually billed if the Participating Institution charges them for expenses that are not eligible for prepayment under the Plan, or offers discounts or inducements on an individual basis.

Schedule of Participating Institutions and Tuition Rates

The Schedule for the current Program Year accompanies this Disclosure Statement. The Schedule will be updated in July of each Program Year. Schedules of Participating Institutions and Tuition Rates for all Program Years may be found on the Plan website at www.privatecollege529.com or you may request to

have a Schedule sent to you by calling us at 1 (888) 718-7878.

Educational Expenses Covered by the Plan

Tuition Certificates may be used to pay only for the cost of Tuition (which includes Mandatory Fees) for undergraduate studies at a Participating Institution. Mandatory Fees are determined independently by each Participating Institution, but are limited to specified fees generally required to be paid annually by all full-time students as a condition of enrollment at the Participating Institution. Tuition Certificates cannot be used to pay any optional or supplemental fees incurred by a Beneficiary. In addition, Tuition Certificates cannot be used to pay the costs of books, supplies, room or board, even if such costs are required for enrollment at the Participating Institution.

No Effect on Admissions

The fact that a prospective student is a Beneficiary of Tuition Certificates will have no effect on admission to a Participating Institution. Participating Institutions will not discriminate in their admissions process against or in favor of any prospective student because of his or her status as a Beneficiary of a Tuition Certificate.

PARTICIPATING IN THE PLAN

Eligible Purchasers

Individuals who are at least 18 years of age are eligible to purchase Tuition Certificates. In addition, a trust, estate, partnership, association, company, corporation or other entity may purchase Tuition Certificates.

The Plan is awaiting regulatory guidance from certain states regarding the Plan's status under those states' securities laws. Please check the Plan website at www.privatecollege529.com or call 1 (888) 718-7878 for current state availability.

How to Participate in the Plan

You may participate in the Plan at any time. To participate in the Plan, you must complete an Enrollment Form and submit it to the Program Manager along with your purchase at the address shown on the Enrollment Form. By submitting a signed Enrollment Form, you agree to the terms and conditions of the Plan as set forth in the Enrollment Form and the Enrollment Agreement as each may be amended or supplemented from time to time. (An Enrollment Form, Disclosure Statement and the Enrollment Agreement are all included in the Enrollment Kit) You must submit a separate Enrollment Form and enter into a separate Enrollment Agreement for each Beneficiary for whom you would like to purchase Tuition Certificates. You can also enroll online at our website www.privatecollege529.com by clicking "Enroll Now" and following the steps as indicated.

Your Enrollment Agreement and accepted Enrollment Form constitute the terms and conditions of your agreement with TPC with respect to Tuition Certificates purchased under the Plan for a particular Beneficiary. You should retain for your records a copy of this Disclosure Statement and a copy of your completed Enrollment Form, as it forms a part of the Enrollment Agreement.

Your Program Account

Upon purchasing a Tuition Certificate for a Beneficiary, the Program Manager will establish an Account for you on behalf of that Beneficiary. You will have a separate Account for each Beneficiary for whom you buy Tuition Certificates. All purchases that you make during a single Program Year with respect to

a particular Beneficiary are recorded as a single Tuition Certificate and are credited to the Account for that Beneficiary. Solely for purposes of counting certain required holding periods, the Issue Date of a Tuition Certificate is the first date during the Program Year that a purchase is made. If you make purchases in more than one Program Year with respect to a particular Beneficiary, you will be treated as having purchased multiple Tuition Certificates with respect to that Beneficiary. Physical Tuition Certificates will not be issued. Your rights and entitlements with respect to a Tuition Certificate will be based on the Tuition Rates in effect at the Participating Institutions for the Program Year in which the Tuition Certificate is purchased.

Making Purchases in the Plan

General

You may make purchases at any time during the Program Year. Purchases will be credited to your Account as of the date received by the Program Manager or its agent, provided that your documentation is complete and in good order. These purchases will lock in the Tuition Rates in effect for that Program Year.

You may make purchases by check (personal check, cashier's check, teller or bank check), automatic purchase plan or one-time electronic funds transfer. Other forms of purchase including traveler's checks and money orders will not be accepted. Checks should be made payable to "Private College 529 Plan." Purchases by check must be drawn on a banking institution located in the United States in U.S. dollars.

The current minimum amount that you may pay for Tuition Certificates for any single Beneficiary is \$500, which may be paid in installments of as little as \$25 a month over a two-year period. If you have paid less than \$500 within 2 years of opening your account, the purchases will be returned to you without interest, the Tuition Certificates you have purchased for that Beneficiary will be canceled, and you will have no further rights or obligations under the Enrollment Agreement or with respect to that Account or the Tuition Certificates for that Beneficiary under the Plan.

Rollovers

You also may make Tuition Certificate purchases by transferring amounts directly from another qualified Section 529 tuition program (a direct rollover) or using amounts distributed to you by another qualified Section 529 tuition program (an indirect rollover). Note that if you are making an indirect rollover, using amounts that you have received in a distribution from another qualified Section 529 tuition program (rather than arranging a direct transfer); you must transfer these amounts to the Plan within 60 days after you receive them to avoid U.S. federal taxation of the distribution. In general, a rollover purchase from an account in another qualified Section 529 tuition program will not be subject to federal income tax or the 10% additional tax, if such purchase is for a Beneficiary who is a Family Member of the Beneficiary of the account in the other qualified Section 529 tuition program, or if such purchase is for the same Beneficiary but no other rollover has occurred with respect to that Beneficiary within the prior 12 months. You should be aware that not all other qualified Section 529 tuition programs permit direct rollovers, and there may be state income tax consequences (and in some cases penalties) from a rollover out of another qualified Section 529 tuition program.

A contribution also may be made to a Account within the Plan from another Account within the Plan for a different Beneficiary, without imposition of federal income tax or the 10% additional tax, if (i) such contribution is made by a direct transfer (without funds being distributed out of the Plan) or within 60 days after distribution from the originating Account and (ii) the Beneficiary of the receiving Account and Tuition Certificate is a Family Member of the Beneficiary of the originating Account. (If the Beneficiary of the new Account and Tuition Certificate is the same as the Beneficiary of the Account from which a distribution is made out of the Plan, this would be treated not as a tax-free rollover but as a regular refund, potentially subject to federal income tax and the 10% additional tax, followed by a new, separate purchase, even if the new contribution is made within 60 days after distribution.) Where a direct transfer request is from an

Account that holds multiple Tuition Certificates, the monies will be drawn from the Account on a pro rata basis across each of the Eligible Tuition Certificates to fulfill the requested total transfer amount.

Rollover purchases of Tuition Certificates may also be made from a Coverdell Education Savings Account (“ESA”) or in connection with the redemption of certain qualified Series EE or Series I savings bonds. You should consult a qualified tax advisor regarding specific details and requirements associated with rollovers from Coverdell ESAs and qualified savings bonds.

Limits on Purchases

The maximum amount that may be paid by all Purchasers to purchase Tuition Certificates for any single Beneficiary is the cost of five years of full-time Tuition at the most expensive Participating Institution during the Program Year. All Tuition Certificates for the same Beneficiary within the Plan will be combined for purposes of determining whether the maximum limit has been reached, even those Tuition Certificates that have a different owner. The maximum balance may be recalculated or adjusted each year based on the specific Program Year’s most expensive Participating Institution. You can determine this amount for any Program Year by consulting the Schedule that is available on the Plan website at www.privatecollege529.com or by calling us at 1 (888) 718-7878.

UGMA/UTMA CUSTODIAL CONTRACTS

Tuition Certificates Purchased by UGMA/UTMA Custodians

A Purchaser who is the custodian of an account established or being opened under a state’s Uniform Gifts to Minors Act (UGMA)/Uniform Transfers to Minors Act (UTMA) may be able to purchase a Tuition Certificate in his or her custodial capacity, depending on the laws of that state. Tuition Certificates purchased by UGMA/UTMA custodians involve additional restrictions that do not apply to Tuition Certificates purchased by other types of Purchasers. A custodian using UGMA/UTMA funds to purchase a Tuition Certificate must submit the Rollover Form along with the Enrollment Form. TPC and the Program Manager will not be liable for any consequences related to a custodian’s improper use, transfer or characterization of custodial funds. UGMA/UTMA custodians must purchase a Tuition Certificate in their custodial capacity separate from any Tuition Certificates they may hold in their individual capacity in order to use UGMA/UTMA funds to purchase a Tuition Certificate. Because the Beneficiary of a Tuition Certificate under the UGMA/UTMA is the owner of the Tuition Certificate under UGMA/UTMA laws, any tax consequences from the use or refund of a Tuition Certificate will be imposed on the Beneficiary, and not the UGMA/UTMA custodian Purchaser (who is considered the owner of the Contract by the laws governing the Plan). Also, when the Program Manager is notified that the Beneficiary reaches the age of majority under UGMA/UTMA laws, he or she will become the sole Purchaser with complete control over the Tuition Certificates.

In general, UGMA/UTMA Custodial Tuition Certificates are subject to the following additional requirements and restrictions:

- The UGMA/UTMA custodian will be permitted to use Tuition Certificates and apply for refunds only on behalf of the Beneficiary in accordance with the rules under the applicable UGMA/UTMA and the Plan;
- The UGMA/UTMA custodian will not be able to change the Beneficiary during the term of the custodianship;
- The UGMA/UTMA custodian will not be able to change the Purchaser to anyone other than a Successor Account custodian during the term of the custodianship under UGMA/UTMA; and
- The custodian must notify the Plan when the custodianship terminates and the Beneficiary is legally entitled to take control of the Tuition Certificates. At that time the Beneficiary will

become the Purchaser and will become subject to the provisions of the Plan applicable to non-UGMA/UTMA Purchasers. Custodians or Beneficiaries will need to complete any required forms to document the termination of the custodianship.

All UGMA/UTMA Tuition Certificates are treated by the Plan as subject to the UGMA/UTMA laws. Moreover, because only checks or ACH transfers may be used to purchase a Tuition Certificate, if non-cash assets are held by an UGMA/UTMA account outside the Plan and are needed for purchases of Tuition Certificates under the Plan, the non-cash assets will have to be liquidated, resulting in potential tax consequences to the Beneficiary. Please consult a tax professional to determine whether and how to transfer assets of an existing UGMA/UTMA account, and what the implications of such a transfer may be for your specific situation.

Changing the Beneficiary of UGMA/UTMA Contracts

If a Tuition Certificate is purchased with funds from an UGMA/UTMA account, the Beneficiary of the Tuition Certificates cannot be changed, the Tuition Certificates cannot be transferred to another Purchaser (other than to another UGMA/UTMA custodian for the benefit of the same Beneficiary), and there cannot be any non-qualified withdrawals other than for the benefit of the Beneficiary.

The Beneficiary

Designating the Beneficiary

Each Account may have only one Beneficiary. You must name the Beneficiary on the Enrollment Form. Naming an individual as a Beneficiary does not in any way guarantee the Beneficiary's admission to, continued enrollment at or graduation from a Participating Institution.

Change of Beneficiary

You may change the Beneficiary of an Account at any time by completing the appropriate section of the Account Maintenance Form available on the Plan's website at www.privatecollege529.com or by calling us at 1 (888) 718-7878. The new Beneficiary must be a Family Member of the Beneficiary you are replacing. See the definition of "Family Member" in the Glossary at the back of this Disclosure Statement.

Designating Sample Schools

On your quarterly and annual statements, we will show the number of years of Tuition that can be paid with your Tuition Certificates at up to five Participating Institutions. In order for us to provide this information to you, you will be asked to name up to five Participating Institutions as "Sample Schools". We will then compute the number of years of Tuition that can be paid with all Tuition Certificates you have purchased over time for that Beneficiary at each "Sample School".

For example, if you paid \$10,000 for a Tuition Certificate and your "Sample Schools" included College A with an annual Tuition Rate of \$20,000 in the Program Year of purchase, and College B with an annual Tuition Rate of \$25,000 in the same year, your Account statements would reflect that your Tuition Certificates would buy 50% of a year's Tuition at College A and 40% of a year's Tuition at College B. If you then paid an additional \$10,000 in a later Program Year when the Tuition Rates for Colleges A and B had increased, your statements would reflect the calculations for the later prepayments at the higher rate and would give you a running total of the number of years of Tuition that you have prepaid at each school.

You may change the named "Sample Schools" as often as desired. This identification of "Sample Schools" will have no effect on a Beneficiary's chances of admission to, continued enrollment at or graduation from one of his or her "Sample Schools." Designating "Sample Schools" is simply a means by

which we can let you know how much Tuition you have prepaid at those particular Participating Institutions, and is for informational purposes only.

Tuition Certificate Ownership

Transferring Tuition Certificate Ownership

You may not sell, transfer or assign ownership of or any right or interest in, your Enrollment Agreement, Account or Tuition Certificates, except in the case of an involuntary transfer such as death. Also, you may not pledge, or use any right or interest in, your Enrollment Agreement, Account or Tuition Certificates as security for a loan or any other obligation. Any attempt to do so will be void.

Successor Tuition Certificate Ownership

In the Enrollment Form, each individual Purchaser must designate a Successor Account Owner. In the event of the individual Purchaser's death, ownership of the Tuition Certificates in the Account will automatically be transferred to the Successor Account Owner. The Successor Account Owner will then be treated as the Purchaser for all purposes, and will need to identify a new Successor Account Owner. Such designation and transfer could have legal, tax and estate planning implications. You should consult your personal legal, tax, estate planning or other adviser regarding these implications.

If the designated Successor Account Owner is deceased, cannot be located or refuses to assume ownership of the Tuition Certificates in the Account, the estate of the Purchaser will be considered the Successor Account Owner.

Purchasers may change the Successor Account Owner at any time by submitting the appropriate form to the Program Manager. Forms may be found on the Plan website at www.privatecollege529.com or you may request to have one sent to you by calling us at 1 (888) 718-7878.

The Program Trust

All payments that you make to the Plan will be placed in the Program Trust for the exclusive benefit of the Plan's Beneficiaries. The Program Trustee will invest and reinvest the Program Trust assets at the direction of the Program Manager subject to the investment objectives and guidelines established by the investment committee of the TPC Board of Directors, and subject to the investment committee's general supervision. Your Account will reflect the ownership of Tuition Certificates that have locked in Tuition Rates from the time of payment, until you use them to pay for Tuition or they expire or are cancelled for a refund, regardless of the actual investment performance of the Program Trust. Initially, investments will be made principally in the mutual funds managed by an affiliate of the Program Manager and certain other mutual funds. Generally, investment risk will be borne by and investment return will inure to the benefit of the Participating Institutions, except to the extent they affect your Refund Amount in the event of a refund to you. See discussion of "Refunds" on page 9.

REDEEMING TUITION CERTIFICATES

Redeeming Tuition Certificates to Pay for Tuition

When your Beneficiary enrolls at a Participating Institution, your Tuition Certificates for the Beneficiary may be redeemed to pay for the Beneficiary's Tuition at the Participating Institution, provided at least 36 months have passed since the Issue Date for the Tuition Certificate. (For a redemption, only a Tuition Certificate for which at least 36 months have passed since the Issue Date is an "Eligible Tuition Certificate".) You should contact the Program Manager at 1 (888) 718-7878 or at the Plan's website at www.privatecollege529.com to request a Refund Withdrawal Request Form and to confirm the amount of Tuition you have prepaid at that Participating Institution.

You may elect to redeem all or a portion of the Eligible Tuition Certificates in your Account for up to one academic year (within the current academic year) for a Beneficiary when paying for Tuition. If your Account has more than one Eligible Tuition Certificate for a Beneficiary and you redeem less than the full amount of those certificates, then payment by the Plan for Tuition will be taken on a pro-rata basis from the Eligible Tuition Certificates in the Account. You cannot choose to redeem a specific Eligible Tuition Certificate.

You will fill out and sign the Refund Withdrawal Request Form, specifying the amount of Tuition to be paid to the Participating Institution and you will present it to the Program Manager. The Program Manager will verify the request and notify the Participating Institution of the amount of tuition to credit the Beneficiary. You and the Beneficiary will be credited for having paid for the amount of Tuition specified in the Refund Withdrawal Request Form and you and the Beneficiary will have the right to enforce the Participating Institution's obligation to recognize the credit against Tuition represented by the Refund Withdrawal Request Form. Your Account will be appropriately adjusted to reflect the redemption. The Program Manager will direct the Program Trustee to pay the Participating Institution. The amount that the Participating Institution receives will be based on the investment performance of the Program Trust from the time that you purchased your Tuition Certificate, and not based on the amount of Tuition for which you have been credited.

No Plan Refund after Redemption

If you redeem a Tuition Certificate at a Participating Institution, the Plan has no further obligations to you or the Beneficiary with respect to the payments it makes. Accordingly, if thereafter the Beneficiary withdraws from one or more courses or for any reason fails to complete an academic term; neither you nor the Beneficiary will be entitled to a refund from the Plan, TPC, the Program Manager or the Program Trustee. You and/or the Beneficiary may be entitled to a refund from the Participating Institution where the Tuition Certificate was used, in accordance with that Participating Institution's refund policy, but you and the Beneficiary would have to resolve any such matter directly with the Participating Institution.

For a discussion of the U.S. federal income tax consequences of receiving a refund from the Participating Institution, see "Certain Tax Consequences – Refunds After Payment of Tuition" on page 14.

REFUNDS

If you cannot or do not wish to use your Tuition Certificates to pay for Tuition, then you may request a refund of all or a portion of the Tuition Certificates in your Account for a Beneficiary. (For a refund, only a Tuition Certificate for which at least 12 months have passed since the Issue Date is an "Eligible Tuition Certificate." Refunds are available on non-Eligible Tuition Certificates in the event of death of the Beneficiary.) For a refund, you are entitled to receive the Refund Amount, which is the amount paid in under the cancelled portion of the Eligible Tuition Certificate(s), adjusted by the net investment performance of the Program Trust, subject to a maximum return of 2% per annum and a maximum loss of 2% per annum (in each case, compounded annually). When the refund has been paid from the Program Trust, your Account will be appropriately adjusted to reflect the refund. *The Refund Amount will be paid from the Program Trust only, and no other person, including the Program Manager, TPC or any Participating Institution, will be liable for any purchases, including those that are greater than the amounts in the Program Trust.*

If you request a refund of only a portion of your Tuition Certificate(s), you cannot elect to cancel and/or seek a refund on a particular Tuition Certificate; rather, the value of your Tuition Certificate(s) will be reduced on a pro-rata basis to reflect the amount requested.

In most cases, if your Refund Amount is not used to pay for Qualified Higher Education Expenses of the Beneficiary of the refunded Tuition Certificate(s), the earnings portion of that amount will be subject to U.S. federal income tax and possibly a 10% additional tax. To avoid this treatment, you may elect a

direct or indirect rollover of the Refund Amount into another qualified Section 529 tuition program, either (i) for a new beneficiary who is a Family Member of the Beneficiary of the refunded Tuition Certificate or (ii) for the same Beneficiary if no other rollover has occurred with respect to that Beneficiary within the prior 12 months. In the case of an indirect rollover, where you receive the Refund Amount, you must send a like amount to the other qualified Section 529 tuition program within 60 days after you receive the refund, and you may also make a rollover contribution within 60 days to the Plan, for a new Beneficiary who is a Family Member of the Beneficiary of the refunded Tuition Certificate (as described above under “Making Purchases to the Plan—Rollovers”).

For a discussion of the U.S. federal income tax consequences of refunds and rollovers from the Program Trust, see “Certain Tax Consequences – Refunds” and “Certain Tax Consequences – Refund Transfers and Rollovers” on page 14.

Please contact the Program Manager or visit the Plan’s website for more information regarding receiving refunds.

REPORTING

Purchasers will receive the statements and reports described below. You will also be able to access Account information online at **www.privatecollege529.com** or by calling 1 (888) 718-7878.

- **Confirmation of Purchase.** After each purchase toward a Tuition Certificate, you will receive confirmation of the completed transaction that specifies the amount paid and the identity of the Beneficiary. No individual confirmations will be sent for automatic purchase plan transactions, although these will be confirmed in quarterly statements.
- **Confirmation of Redemption and Refund.** After requesting a redemption or refund, you will receive confirmation of the completed transaction that specifies the amount redeemed or refunded.
- **Quarterly Statements and Annual Statements.** You will receive periodic statements that indicate total amounts you have paid into the Plan for Tuition Certificates for a Beneficiary, adjusted for any refunds or redemptions. If you have selected at least one “Sample School”, the statements will specify the number of years or partial years of Tuition that the Tuition Certificates will purchase at schools you have designated as “Sample Schools.”
- **IRS Filings.** The Plan will report annually to the IRS, as required, the total distributions as well as the earnings portions of such distributions from the Program Trust to each recipient, and will provide a copy of the filing, or a statement with comparable information, to each recipient.
- **Other Reports.** The Plan will comply with such other reporting rules applicable to qualified Section 529 tuition programs as the IRS may determine.

Continuing Disclosure

Purchasers may receive additional information regarding the Plan and its operation, including supplements to this Disclosure Statement and any amendments to the Enrollment Agreement. Such information will be posted on the Plan’s website at www.privatecollege529.com.

TERMINATION OF THE PLAN; CANCELLATION OF CERTIFICATES BY TPC

Termination

TPC may terminate the Plan at any time. If the Plan is terminated, a termination plan will be developed and notice of the termination plan will be provided to you. Under any termination plan, you would still be able to use all outstanding Tuition Certificates to pay Tuition or obtain a refund for at least 20 years from the date of purchase. If your Tuition Certificates expire under any termination plan, you would be entitled to payment of the Refund Amount and would no longer be able to redeem the expired Tuition Certificates for payment of Tuition.

Cancellation of Tuition Certificates by TPC

30-Year Holding Limit

A Tuition Certificate will be cancelled on the 30th anniversary of its Issue Date and, in such event; you will be entitled to the Refund Amount only. If you cannot be found, the Refund Amount will be held in escrow until you claim it or until the law requires its disposition. *The Refund Amount will be paid from the Program Trust only, and no other person, including the Program Manager, TPC or any Participating Institution, will be liable for any payments, including those that are greater than the amounts in the Program Trust.*

Purchaser Misrepresentation, Fraud or Default

TPC may cancel a Tuition Certificate, an Enrollment Agreement and an Account at any time if it determines that the Purchaser made a material misrepresentation in the Enrollment Form, that the Purchaser acted fraudulently with respect to the Enrollment Agreement or that the Purchaser is in default of obligations under the Enrollment Agreement. Upon such cancellation, the Purchaser will be entitled to receive the Refund Amount less, in the discretion of TPC, any fees, costs, expenses (including attorney fees) and damages resulting from the Purchaser's misrepresentation, fraud or default.

PLAN ADMINISTRATION

The Plan Sponsor and Administrator: TPC

The Plan Sponsor is Tuition Plan Consortium, LLC, a not-for-profit Delaware limited liability company. All of the members of TPC are Participating Institutions. TPC is governed by a board of directors, at least 75% of whom are required to be employed by Participating Institutions at the time they are elected.

As Plan Sponsor, TPC is responsible for the Plan design, qualification under Section 529, oversight of the Program Trust, and administration of the Plan. TPC is authorized to appoint the trustee of the qualified trust that is required to be established under the Plan. TPC has appointed OFI Trust Company as Program Trustee to provide trust services. TPC also is authorized under the Plan documents to engage service providers to perform certain functions on its behalf and has engaged OFI Private Investments Inc. as Program Manager to provide certain services. Distribution services for the Plan are provided by OppenheimerFunds Distributor, Inc., an affiliate of the Program Manager.

The investment committee of TPC's Board of Directors sets the overall investment objectives and guidelines for the Program Trust, monitors the investment performance of the Program Trust and will report to the full Board of Directors at each scheduled meeting of the Board of Directors that follows a meeting of the investment committee.

Participating Institutions

To participate in the Plan, a college or university must be a member of TPC. All Participating Institutions must be, at all times during their membership in TPC, non-profit, accredited four-year degree-granting educational institutions authorized by law to provide a program of education beyond the high school level. Once a Participating Institution joins the Plan, it will remain a member until it withdraws from the Plan, is expelled from the Plan or the Plan is dissolved. Participating Institutions must honor

Tuition Certificates purchased before or during their participation in the Plan.

The Program Trustee: OFI Trust Company

TPC has appointed OFI Trust Company as the Program Trustee. TPC may remove OFI Trust Company as Program Trustee and hire another qualified replacement trustee at anytime and without notice to the Purchasers.

The Program Manager: OFI Private Investments Inc.

TPC has engaged OFI Private Investments Inc. as the Program Manager.

The Program Manager's responsibilities include marketing, providing individual account maintenance and other accounting functions, collecting purchases, processing redemptions and refunds, providing customer service and sales, and additional investment management and administrative services. The Program Manager may delegate certain responsibilities under its agreement with TPC. Distribution services for the Plan are provided by OppenheimerFunds Distributor, Inc., an affiliate of the Program Manager.

Management and Trustee Fees

Management and trustee fees will be paid from the Program Trust assets to TPC, the Program Manager, the Program Trustee and any Investment Managers. Certain related expenses of administering the Plan and the Program Trust also may be paid from the Program Trust. Neither Purchasers nor Beneficiaries of Tuition Certificates pay individual fees or charges with respect to their Account under the Plan.

CERTAIN TAX CONSEQUENCES

The following is a general discussion of certain U.S. federal income, estate, gift and generation-skipping transfer tax consequences for individuals participating in the Plan. TPC has received a determination letter from the IRS that the Plan qualifies under Section 529 and that the Program Trust is a qualified trust under Section 529. This discussion is based on current provisions of the Plan, the Internal Revenue Code of 1986, as amended, and the related Treasury regulations and other administrative and judicial interpretations, all as in effect or proposed on the date of this Disclosure Statement. These are subject to change, possibly with retroactive effect, or different interpretations. The current proposed Treasury regulations do not reflect the substantial changes made to Section 529 by Congress in 2001, and consequently, final Treasury regulations, when issued, may affect some of the consequences described below. This discussion is for general information only and does not address all of the tax consequences that may be relevant to specific individuals in light of their particular circumstances. This discussion does not address any U.S. state or local, or any non-U.S., tax consequences relating to participation in the Plan.

This summary is not exhaustive, and you should not construe it as providing individual tax advice for any particular person or circumstances (including any owner or Beneficiary). In addition, there can be no assurance that the IRS will accept the conclusions in this Disclosure Statement, or, if challenged by the IRS, that these conclusions would be sustained in court. The applicable tax rules are complex, and their application to any particular person may vary according to facts and circumstances specific to that person. This discussion is not intended to be used, and it cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed under the Code. This discussion was written to support the promotion or marketing of the Plan. You should consult a qualified independent tax advisor regarding the application of the law (including U.S. federal, state, local and non-U.S. tax consequences) to your particular circumstances.

Each Section 529 tuition program has its own eligibility requirements and tax benefits. You should

determine the interaction between these plans if you intend to use more than one, since there may be limitations. Generally, you are not permitted to use the same educational expense for computing benefits from more than one such plan.

Purchasing Tuition Certificates

Purchase of Tuition Certificates

Purchases made to purchase Tuition Certificates are not deductible for U.S. federal income tax purposes.

Rollovers

You may make Tuition Certificate purchases by transferring amounts directly from another qualified Section 529 tuition program (a direct rollover) or using amounts distributed to you by another qualified Section 529 tuition program (an indirect rollover). Note that if you are making an indirect rollover, using amounts that you have received in a distribution from another qualified Section 529 tuition program (rather than arranging a direct transfer); you must transfer these amounts to the Plan within 60 days after you receive them to avoid U.S. federal taxation of the distribution. In general, a rollover purchase from an account in another qualified Section 529 tuition program will not be subject to federal income tax or the 10% additional tax, if such purchase is for a Beneficiary who is a Family Member of the beneficiary of the account in the other qualified Section 529 tuition program, or if such purchase is for the same beneficiary but no other rollover has occurred with respect to that beneficiary within the prior 12 months. You should be aware that not all other qualified Section 529 tuition programs permit direct rollovers, and there may be state income tax consequences (and in some cases penalties) from a rollover out of another qualified Section 529 tuition program.

A contribution also may be made to an Account within the Plan from another Account within the Plan for a different Beneficiary, without imposition of federal income tax or the 10% additional tax, if (i) such contribution is made by a direct transfer (without funds being distributed out of the Plan) or within 60 days after distribution from the originating Account and (ii) the Beneficiary of the receiving Account and Tuition Certificate is a Family Member of the Beneficiary of the originating Account. (If the Beneficiary of the new Account and Tuition Certificate is the same as the Beneficiary of the Account from which a distribution is made out of the Plan, this would be treated not as a tax-free rollover but as a regular refund, potentially subject to federal income tax and the 10% additional tax, followed by a new, separate purchase, even if the new contribution is made within 60 days after distribution.) Where a direct transfer request is from an Account that holds multiple Tuition Certificates, the monies will be drawn from the Account on a pro rata basis across each of the Eligible Tuition Certificates to fulfill the requested total transfer amount.

Rollover purchases of Tuition Certificates may also be made from a Coverdell ESA or in connection with the redemption of certain qualified Series EE or Series I savings bonds.

Holding and Redeeming Tuition Certificates

Neither the Purchaser nor the Beneficiary will be subject to U.S. federal income tax on any undistributed earnings of the Program Trust with respect to an Account. Further, with one exception described below, neither the Purchaser nor the Beneficiary will be subject to U.S. federal income tax upon redeeming Tuition Certificates to pay Tuition for the Beneficiary, presuming the expenses paid by the redemption are Qualified Higher Education Expenses of the Beneficiary.

The one exception to the tax-free treatment of redemptions arises if and to the extent that the expenses covered by the redemption are used as the basis for claiming a HOPE Scholarship Credit or Lifetime Learning Credit. To the extent this exception applies, the expenses will not be considered Qualified Higher Education Expenses, and the earnings portion of the redemption covering such expenses will be subject to federal income tax, but not the 10% additional tax.

Refunds

If you request a refund from the Plan, the Refund Amount received from the Program Trust is treated in part as a distribution of your tax basis in the Tuition Certificates and in part as a distribution of any earnings on such purchases. If your Account has more than one Eligible Tuition Certificate for a Beneficiary, and the requested refund is less than the full amount of those certificates, then the amount of the refund will be taken on a pro-rata basis of the Tuition Certificates in your Account. You cannot choose to have the refund paid from a specific Tuition Certificate.

Distributions of your tax basis in a Tuition Certificate are not subject to U.S. federal income taxes when distributed. Distributions of any earnings from the Program Trust, that are used to pay Qualified Higher Education Expenses for the Beneficiary will not be subject to U.S. federal income taxes or the 10% additional tax described below. The IRS may require that Qualified Higher Education Expenses be paid in the same taxable year as a distribution from the Plan in order to treat such distribution as not subject to U.S. federal income taxes or the 10% additional taxes.

For purposes of determining the tax consequences of refunds, the tax basis of a Tuition Certificate purchased through a rollover from another qualified Section 529 tuition program, from an ESA, or from the proceeds of qualified U.S. savings bonds will not include the earnings rolled over from the other program (although the full amount rolled over will be applied toward the purchase of a Tuition Certificate). In addition, for tax purposes, the Plan must consider the entire amount of any such rollover to consist of earnings, unless certain required documentation is provided to the Plan, showing the tax basis and earnings portions of the rollover contribution.

Distributions that are treated as distributions of earnings on a Tuition Certificate and are not used for Qualified Higher Education Expenses of the Beneficiary are subject to U.S. federal income taxes. A distribution of earnings is also subject to a 10% additional tax, unless the distribution is used to pay Qualified Higher Education Expenses for the Beneficiary or the distribution is (i) made on account of the Beneficiary's death (and paid to the Beneficiary's estate) or the Beneficiary's disability (as defined in Section 72(m)(7) of the Code), (ii) made on account of the Beneficiary's receipt of a scholarship (in an amount equal to or greater than the amount of the refund), (iii) made on account of the Beneficiary's attendance at a U.S. military academy (in an amount equal to or less than the costs of advanced education as defined by applicable federal law), or (iv) used to pay for expenses that would have been Qualified Higher Education Expenses but for being used as the basis for claiming a HOPE Scholarship Credit or Lifetime Learning Credit.

You should retain invoices or other adequate documents to substantiate that a distribution from the Program Trust is used for Qualified Higher Education Expenses or is otherwise not subject to federal income tax and/or the 10% additional tax.

Refunds after Payment of Tuition

If a Tuition Certificate is tendered to the Program Manager in payment of Tuition at a Participating Institution and the Beneficiary or the Purchaser then receives a refund from the Participating Institution with respect to such Tuition, the earnings portion of the refund, if any, will be includible in the income of the recipient for U.S. federal income tax purposes, unless the refund is used to pay Qualified Higher Education Expenses. The earnings portion of the refund will also be subject to the 10% additional tax, unless the refund is used to pay Qualified Higher Education Expenses or falls within one of the exceptions described above.

Refund Transfers and Rollovers

You may elect a direct or indirect rollover of the Refund Amount into another qualified Section 529 tuition program, without imposition of federal income tax or the 10% additional tax, either (i) for a new beneficiary who is a Family Member of the Beneficiary of the refunded Tuition Certificate or (ii) for the

same Beneficiary if no other rollover has occurred with respect to that Beneficiary within the prior 12 months. In the case of an indirect rollover, where you receive the Refund Amount, you must send a like amount to the other qualified Section 529 tuition program within 60 days after you receive the refund, and you may also make a rollover contribution within 60 days to the Plan, for a new Beneficiary who is a Family Member of the Beneficiary of the refunded Tuition Certificate (as described above under "Making Purchases to the Plan—Rollovers").

Coordination with other Tax Incentives for Education

As described above, a number of education tax benefits are available in addition to participation in qualified Section 529 tuition programs, including Coverdell ESAs and the HOPE Scholarship and Lifetime Learning credits. The tax laws provide a number of special rules intended to coordinate these plans and avoid duplication of benefits. Any contributor or purchaser who intends to utilize more than one of these tax benefits should consult a qualified tax advisor for advice on how these special rules may apply to specific taxpayers and circumstances.

Gift, Estate and Generation-Skipping Transfer Taxes

Please note that current federal law repeals the federal estate tax for decedents dying in 2010, as well as the federal generation-skipping transfer tax for certain transfers occurring in 2010. However, the U.S. federal gift tax remains in effect for 2010, and the federal estate tax and generation-skipping transfer tax will be reinstated in 2011 under current federal law. Any contributor or purchaser should consult a qualified tax advisor for advice on how these rules may apply to specific taxpayers and circumstances.

Annual Exclusion

A purchase of a Tuition Certificate for a named Beneficiary other than yourself is considered for U.S. federal gift tax purposes to be a completed gift of a present interest by you to the Beneficiary at the time of the purchase. As such, the purchase is eligible for the annual gift tax exclusion (\$13,000 per donor for each Beneficiary) and for the annual generation-skipping transfer tax exclusion (also \$13,000 per donor for each Beneficiary), and will not be subject to gift tax or generation-skipping transfer tax to the extent of those exclusions (taking into account all other gifts by the Purchaser to the Beneficiary in a given calendar year). If the Purchaser is married, his or her spouse may elect to split the gifts made to purchase a Tuition Certificate for a Beneficiary, thereby doubling (to \$26,000 for each Beneficiary) the amount of the annual gift tax and generation-skipping transfer tax exclusions which may be available to offset any gift tax and generation-skipping transfer tax consequences of the purchases.

Purchases in Excess of Annual Exclusion

If the purchase of a Tuition Certificate for a Beneficiary exceeds the annual gift tax exclusion in a particular year, the Purchaser may elect to have the amount of the gift prorated over a five-year period. Consequently, assuming the full annual gift tax exclusions are available to the Purchaser with respect to the Beneficiary during the five-year period, a Purchaser could make purchases in a given year in an amount up to five times the amount of the annual exclusion (i.e., \$65,000), or twice that amount (i.e., \$130,000) if gift-splitting with the Purchaser's spouse is in effect for the relevant years, and treat one-fifth of that amount (i.e., \$13,000 or, if gift-splitting is elected, \$26,000) as a gift in the year of the purchase of the Tuition Certificates and in each of the four following calendar years without incurring U.S. federal gift tax or generation-skipping transfer tax consequences.

Changing the Beneficiary

A change of the Beneficiary of a Tuition Certificate is not treated as a taxable gift for U.S. federal tax purposes as long as the new Beneficiary is assigned to the same generation as the previous Beneficiary under U.S. federal tax law (e.g., substituting one child of the Purchaser for another). If the new Beneficiary is assigned to a younger generation than the previous Beneficiary (e.g., the substitution of a grandchild of

the Purchaser for a child of the Purchaser), the change in designation is treated as a taxable gift by the previous Beneficiary to the new Beneficiary; under currently proposed regulations, the gift is subject to the availability of the annual exclusion, including the five-year averaging rule above, to offset any gift tax and generation-skipping transfer consequences of such gift.

Non-Qualification for Gift Tax Exclusion for Educational Expenses

A purchase of a Tuition Certificate does not qualify for the unlimited gift tax exclusion generally available for money used to pay educational expenses.

Estate Tax Consequences

In general, an interest in the Plan is not includable in any person's estate for U.S. federal estate tax purposes. However, under the current proposed regulations, the value of Tuition Certificates for a Beneficiary will be includable in that Beneficiary's gross estate for U.S. federal estate tax purposes upon the death of the Beneficiary. In addition, if the purchase of a Tuition Certificate exceeds the amount of the annual gift tax exclusion and is prorated by the Purchaser over five calendar years for gift tax purposes, the death of the Purchaser before the first day of the fifth calendar year will cause the portion of the payments allocable to calendar years following the Purchaser's death to be includable in his or her estate for U.S. federal estate tax purposes.

U.S. State and Local Tax Treatment

The U.S. state and local tax consequences of participation in the Plan may vary from the U.S. federal tax consequences. Please consult your own tax advisor regarding the U.S. state and local income, estate, gift and other tax consequences of participation in the Plan on your personal situation.

Tax Reports

Distributions from the Plan must be reported for U.S. federal income and state tax purposes, in accordance with the reporting rules applicable to qualified Section 529 tuition programs. Reports made to the IRS, the Purchasers and other persons will provide information with respect to distributions and such other matters as the IRS may require and will be filed with the IRS and furnished to the Purchasers, the Beneficiaries and other persons at such times and in such manner as the IRS may determine.

ADDITIONAL CONSIDERATIONS AND RISK FACTORS

Before purchasing a Tuition Certificate, you should carefully examine the following considerations and risk factors.

Academic Considerations

No Guarantee of Admission, Enrollment or Graduation

Purchase of a Tuition Certificate does not guarantee that a Beneficiary will be accepted for admission to any Participating Institution or otherwise augment admission opportunities. Participating Institutions will not discriminate in favor of or against prospective applicants because of their status as Beneficiaries of Tuition Certificates.

Once a Beneficiary has enrolled at a Participating Institution, there can be no guarantee that he or she will be permitted to continue to attend or will graduate or receive a degree from the Participating Institution.

Financial Aid Considerations

The treatment of Tuition Certificates may have a material adverse effect on the Beneficiary's eligibility to receive assistance under various federal, state, and institutional financial aid programs. For federal financial aid purposes beginning July 1, 2009, Tuition Certificates for a student will be considered (i) assets of a student's parent, if the student is a dependent student and the owner of the Tuition Certificates is the parent or the student, or (ii) assets of the student, if the student is the owner of the Tuition Certificates and not a dependent student. For purposes of financial aid programs offered by states and educational institutions, the treatment of Tuition Certificates may follow or differ from the treatment described above for federal financial aid purposes. Account Owners and Beneficiaries are advised to consult a financial aid professional and/or the state or educational institution offering a particular financial aid program, to determine how Tuition Certificates may affect eligibility for financial aid.

Covered Costs

Tuition Certificates may be used only to pay for Tuition (which includes Mandatory Fees) at Participating Institutions. Each year, Participating Institutions will report their respective Tuition rates to the Plan. At the current time, Mandatory Fees cannot include charges for books, supplies, room or board, even if a Participating Institution requires all students to pay such charges in order to enroll.

A Participating Institution may elect to exclude certain charges from Mandatory Fees that are covered by a Tuition Certificate even if the Plan would have allowed them to be covered. In addition, participation in the Plan in no way affects or limits the amount of charges a Participating Institution may require of students in excess of Mandatory Fees. A Beneficiary must independently arrange for payment of any fees and costs not covered by Tuition Certificates.

Purchase Considerations

No Interest in Investment Returns

Proceeds from the sale of Tuition Certificates will be placed in the Program Trust and invested in accordance with TPC's investment objectives and guidelines.

The purchase of a Tuition Certificate is the prepayment, on behalf of the Beneficiary, of future educational services, and should not be viewed as an investment. In the event of a refund, the Purchaser will receive only the amount paid for a Tuition Certificate, adjusted by the net investment performance of the Program Trust, subject to a maximum return of 2% per annum and a maximum loss of 2% per annum (in each case, compounded annually). *The Refund Amount will be paid from the Program Trust only, and no other person, including the Program Manager, TPC or any Participating Institution, will be liable for any payments, including those that are greater than the amounts in the Program Trust.*

The Purchaser has no right to or interest in any investment returns on the purchase price of Tuition Certificates beyond such limits. Generally, investment returns or losses will accrue to the account of the Participating Institution upon enrollment.

No Ability to Direct Investments

Investment decisions concerning Program Trust assets will be made by the TPC Investment Committee. Purchasers and Beneficiaries have no ability, either directly or indirectly, to control, direct or influence investment decisions made by the investment committee.

Refunds Limited to Assets of Program Trust

The Program Trust is the sole source of refunds under the Plan. There can be no assurance that there will be sufficient funds in the Program Trust to satisfy all refund requests under all circumstances.

Non-Transferability

Purchasers may not assign or transfer any interest in Tuition Certificates, except involuntary transfers such as those that result from death. Purchasers may designate a Successor Account Owner in the event of their death. An attempted voluntary assignment or transfer of such an interest will be void.

No Pledging of Tuition Certificate as Security

Tuition Certificates may not be pledged by Purchasers or Beneficiaries as collateral for any purpose, including loans. Any attempt to make any such pledge will be void.

Limited Liquidity

The purchase of a Tuition Certificate should be viewed as a commitment to the future education of the Beneficiary.

Once a Tuition Certificate has been purchased, the Purchaser may not obtain a refund without suffering adverse tax consequences except in limited circumstances. Moreover, unless the Beneficiary dies, a Purchaser may not request a refund from the Plan for one full year from the Issue Date of the Tuition Certificate.

Withdrawal of a Participating Institution

Participating Institutions may withdraw from the Plan at any time. If a Participating Institution withdraws, it has no obligation to honor Tuition Certificates purchased *after* it has withdrawn, although institutions that have withdrawn from the Plan continue to be obligated to accept Tuition Certificates purchased at any time prior to their withdrawal from the Plan. If a Beneficiary attends a withdrawn Participating Institution, the Beneficiary will not be able to use Tuition Certificates at that Participating Institution if they were purchased following the withdrawal.

Partial Redemption or Refund

If your Account has more than one Eligible Tuition Certificate for a Beneficiary and you redeem, or request a refund of, less than the full amount of those certificates, the amount of the redemption or refund will be taken on a pro-rata basis of the Eligible Tuition Certificate(s) held in the Account. Because you cannot choose to redeem, or have a refund paid from a particular Eligible Tuition Certificate, redemption proceeds may come from a particular Eligible Tuition Certificate that would be more valuable if held and later redeemed to pay for Tuition in the future.

Rate of Return

Tuition Certificates are valuable primarily because of the educational services they can purchase. The portion of Tuition at a Participating Institution for a particular year that may be paid through redemption of a Tuition Certificate remains constant, regardless of external rates of inflation or deflation. Tuition Certificates do not reflect any minimum or specific rate of return on amounts paid for their purchase, except to a limited extent in case of refund. It is possible that, if you invested the funds on your own instead of using those amounts to purchase Tuition Certificates, you could earn a return that would exceed the value of the prepaid Tuition covered by a Tuition Certificate.

Consequences of Not Attending a Participating Institution

In the event that the Beneficiary does not attend a Participating Institution (e.g., the Beneficiary enrolls at an educational institution that is not a Participating Institution), or is otherwise unable to use Tuition Certificates, the Purchaser may request a refund. As noted above, the Refund Amount does not provide a meaningful rate of return and may not be sufficient to cover the costs of attending another

institution. Further, the Purchaser will have lost the opportunity to invest the prepaid amounts in investments that could have yielded a higher rate of return.

Termination Risk

The Plan may be terminated at any time by TPC. If the Plan is terminated, a termination plan will be developed, and all outstanding Tuition Certificates will remain useable for payment of Tuition or refund for at least 20 years from the date of purchase.

Changes in Terms

The Plan has been designed based on laws, rules and regulations currently in effect as of the date of this Disclosure Statement. Key terms may be affected by future changes in such laws, rules and regulations. In addition, the Enrollment Agreement may be amended by TPC as necessary in order to keep the Plan qualified under Section 529 or as TPC may otherwise determine is advisable or necessary in the administration of the Plan. Purchasers will be informed of such changes and will have the option to refuse such changes by canceling their Tuition Certificates and receiving the Refund Amount.

Medicaid Eligibility

A purchaser or Beneficiary of Tuition Certificates may seek eligibility for Medicaid, and the impact of a Tuition Certificate in the name of the purchaser or on behalf of the Beneficiary is not clear. There can be no assurance that Tuition Certificates will not be treated as “countable resources” in determining the financial eligibility of a purchaser or Beneficiary for Medicaid. In addition, Tuition Certificate refunds or redemptions may delay or otherwise affect Medicaid payments or eligibility for a purchaser or Beneficiary. Purchasers and Beneficiaries should consult with a qualified attorney or other advisor to determine the impact of Tuition Certificates on Medicaid payments and the timing of Medicaid payments.

Creditor Protection

Federal bankruptcy law provides certain creditor protection for Tuition Certificates and other assets in qualified Section 529 tuition programs in federal bankruptcy proceedings. Generally, your Tuition Certificates will be protected for federal bankruptcy purposes if (i) the Beneficiary is your child, stepchild, grandchild, or step grandchild (including a child, stepchild, grandchild, or step grandchild through adoption or foster care), (ii) the purchase amounts do not exceed the Plan’s maximum limits, and (iii) the purchases are made more than 365 days before the federal bankruptcy filing. However, purchases made for the same Beneficiary more than 365 days but less than 720 days before the federal bankruptcy filing are only protected up to \$5,850.

State laws may also provide creditor protections with respect to Tuition Certificates. You should consult a qualified attorney for advice on how federal and state bankruptcy and debtor/creditor laws may apply to your Tuition Certificates. Neither TPC nor the Program Manager makes any representations or warranties regarding creditor protections or their applicability to Tuition Certificates.

Securities Law Considerations

Tuition Certificates will not be registered under the Securities Act of 1933, the Investment Company Act of 1940 or any state or local securities laws. The Plan has received a no-action letter from the Securities and Exchange Commission staff to the effect that it would not recommend enforcement action if Tuition Certificates, as described in the no-action letter, are not registered under the Securities Act or the Investment Company Act. The Plan received similar relief from a substantial majority of state securities commissions. However, there can be no guarantee that Tuition Certificates will not be treated as securities under federal, state or local securities laws in the future.

Changes in Underlying Law

It is possible that future changes in federal or state laws or positions taken by the Securities and

Exchange Commission or the IRS could adversely affect the benefits of a Tuition Certificate including retroactive application of any such changes.

Tax Considerations

For a discussion of certain U.S. federal income, estate, gift and generation-skipping transfer tax consequences of participating in the Plan, please see “Certain Tax Consequences” above.

OBTAINING ADDITIONAL INFORMATION

You may reach a customer service representative to answer your questions or request an Enrollment Form by calling us at 1 (888) 718-7878 or feel free to visit the Plan website at www.privatecollege529.com.

GLOSSARY

The following terms have the meanings set forth below as used in this Disclosure Statement. These definitions, as with the rest of this Disclosure Statement, are subject to the terms of the Enrollment Form, Enrollment Agreement and other Plan documents.

Account

Account means the account that is established under the Plan to record your purchases, redemptions and refunds of Tuition Certificates under the Plan.

Beneficiary

The Beneficiary is the person named by the Purchaser in the Enrollment Form (or in an Account Maintenance Form) to be the recipient of the benefits provided by Tuition Certificates purchased under the Plan.

Code

The Internal Revenue Code of 1986, as amended, together with the Treasury regulations, pronouncements and publications there under.

EGTRRA

EGTRRA means the Economic Growth and Tax Relief Reconciliation Act of 2001, as amended, and the Treasury regulations, pronouncements and publications there under.

Eligible Tuition Certificate

For a redemption, a Tuition Certificate for which at least 36 months have passed since the Issue Date. For a refund, a Tuition Certificate for which at least 12 months have passed since the Issue Date.

Enrollment Agreement

The Enrollment Agreement, as it may be amended, is the agreement between you and TPC, as it may be amended, which sets forth the terms and conditions of the Plan with respect to Tuition Certificates that you purchase under the Plan. It includes your accepted Enrollment Form. The Enrollment Agreement accompanies this Disclosure Statement.

Enrollment Form

The Enrollment Form is the application, to be completed by the Purchaser and submitted to the Program Manager along with purchase, to participate in the Plan and purchase Tuition Certificates. Upon its acceptance, the Enrollment Form forms a part of the Enrollment Agreement. The Enrollment Form accompanies this Disclosure Statement.

Enrollment Kit

The Enrollment Kit includes the Disclosure Statement, the Enrollment Agreement and the current Schedule of Participating Institutions and Tuition Rates.

Family Member

A Family Member is a “member of the family” of the Beneficiary, within the meaning of Section 529. Under Section 529, a “member of the family” of a Beneficiary is a person related to that Beneficiary as follows: (i) a son or daughter, or a descendant of either; (ii) a stepson or stepdaughter; (iii) a brother, sister, stepbrother or stepsister; (iv) the father or mother, or an ancestor of either; (v) a stepfather or stepmother; (vi) a son or daughter of a brother or sister; (vii) a brother or sister of the father or mother; (viii) a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law; (ix) the spouse of the Beneficiary or of any of the other foregoing individuals; or (x) a first cousin of the Beneficiary. For this purpose, a child includes a legally adopted child and a brother or sister includes a half-brother or half-sister.

IRS

The IRS is the United States Internal Revenue Service.

Issue Date

The Issue Date means, with respect to a Tuition Certificate, the first date during a Program Year that a purchase of a Tuition Certificate is made.

Mandatory Fees

Mandatory Fees are amounts that the Plan is permitted by Section 529 to pay for fees that are required to be paid by all full-time undergraduate students attending the Participating Institution as a condition of enrollment. Mandatory Fees do not include the cost of books, supplies, room or board, even if these are required by the Participating Institution, nor does it cover those fees or costs that a particular Participating Institution specifically excludes from coverage.

OFI Private Investments Inc.

OFI Private Investments Inc., a subsidiary of OppenheimerFunds, Inc., is the current Program Manager of the Plan.

Participating Institution

A Participating Institution is an educational institution that both participates in the Plan and is a member of TPC.

Pension Protection Act of 2006 (the “2006 Tax Act”)

An act which made permanent the benefits of the 2001 Tax Act that is applicable to qualified tuition programs.

Plan

The Plan is the Private College 529 Plan described in this Disclosure Statement.

Program Manager

The Program Manager is the person or entity that TPC engages to provide administrative and other services for the Plan. The current Program Manager is OFI Private Investments Inc.

Program Trust

The Program Trust is the Section 529 qualified trust established by TPC to hold and maintain the assets of the Plan.

Program Trustee

The Program Trustee is the person or entity that TPC engages as trustee of the Program Trust. The current Program Trustee is OFI Trust Company, a New York chartered, limited purpose trust company.

Program Year

The first Program Year is the period beginning September 3, 2003, and ending on June 30, 2004; and each subsequent Program Year is the 12-month period beginning on July 1 and ending on the following June 30.

Purchaser

The Purchaser is the person whose Enrollment Form is accepted and who purchases a Tuition Certificate by making Tuition prepayments to the Plan, or, in the event of the Purchaser's death, the Successor Account Owner, or in certain cases, the estate of the Purchaser.

Qualified Higher Education Expenses

Qualified Higher Education Expenses include tuition, fees, books, supplies, and equipment required for the enrollment and attendance of the Beneficiary at an eligible educational institution and, under certain circumstances, room and board expenses. Qualified Higher Education Expenses also include necessary expenses of a Beneficiary who is a special needs beneficiary in connection with the Beneficiary's enrollment or attendance at an eligible institution. For this purpose, an eligible educational institution generally includes accredited postsecondary educational institutions offering credit toward a bachelor's degree, an associate degree, a graduate-level degree or professional degree, or another recognized postsecondary credential. Qualified Higher Education Expenses also include expenses for the purchase of certain computer technology or equipment or Internet access and related services, if such technology, equipment or services are to be used primarily by the Beneficiary while enrolled at an Eligible Institution of Higher Education and are paid or incurred in 2009 or 2010. (However, expenses for computer technology and equipment do not include expenses for computer software designed for sports, games, or hobbies, unless the software is predominantly educational in use.)

Refund Amount

The Refund Amount is the amount refunded to a Purchaser upon cancellation or expiration of a Tuition Certificate. A refund of a Tuition Certificate may occur at any time beginning one year after its Issue Date. The Refund Amount will be the amount paid for the Tuition Certificate, adjusted by the net investment performance of the Program Trust, capped by a maximum return of 2% per annum and limited to a maximum loss of 2% per annum (in each case, compounded annually).

Sample Schools

Up to five Sample Schools can be chosen from the list of Participating Institutions and it is to be used for informational purposes only. The list of Sample Schools is available to Purchasers as a way to show how much Tuition has been prepaid at those particular Participating Institutions. The identification of Sample Schools will have no effect on a Beneficiary's chances of admission to, continued enrollment at or graduation from one of his or her "Sample Schools."

Section 529

Section 529 of the Code.

Successor Account Owner

The Successor Account Owner is the person designated by the Purchaser on the Enrollment Form to succeed to ownership of the Tuition Certificates upon the Purchaser's death, in accordance with the terms and provisions of the Enrollment Agreement.

TPC

Tuition Plan Consortium, LLC, a not-for-profit Delaware limited liability company, is the Sponsor and Administrator of the Plan.

Tuition

Tuition is the amount of tuition and Mandatory Fees required to be paid by undergraduate students for full-time attendance at a Participating Institution.

Tuition Certificate

A Tuition Certificate represents the amount of Tuition prepaid by a Purchaser in a given Program Year. All purchases that you make to the Plan for a single Beneficiary during a single Program Year will be aggregated and recorded as the purchase of a single Tuition Certificate under an Account.

Tuition Rate

The Tuition Rate for any Participating Institution is the amount, as determined each Program Year by that Participating Institution, that will be charged to Beneficiaries who enroll at the Participating Institution and redeem Tuition Certificates purchased during that Program Year to pay for Tuition.

Website

www.privatecollege529.com

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Participation in Private College 529 Plan does not influence or guarantee admission to any college or university.

The information contained herein is subject to change without notice. This material is provided for general and educational purposes only, and is not intended to provide legal, tax or investment advice, or for use to avoid penalties that may be imposed under U.S. federal tax laws. Contact your attorney or other advisor regarding your specific legal, investment or tax situation.

Private College 529 Plan is established and maintained by Tuition Plan Consortium, LLC. OFI Private Investments Inc., a subsidiary of OppenheimerFunds, Inc., is the program manager. Participation in the Plan does not guarantee admission to any college or university, nor does it affect the admissions process. Tuition Certificates are not insured or guaranteed by the FDIC, TPC, any governmental agency or OFI Private Investments Inc. or its affiliates.

Purchasers should carefully consider the risks associated with purchases and refunds of Tuition Certificates. The Disclosure Booklet, including the Enrollment Agreement, contains this and other information about the Plan, and may be obtained by visiting **privatecollege529.com** or calling **1.888.718.7878**. Purchasers should read these documents carefully before purchasing a Tuition Certificate.

“Private College 529 Plan” is a service mark (registration pending) of Tuition Plan Consortium, LLC (TPC).

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Private College 529 PlanSM

Tomorrow's Tuition at Today's Prices—GUARANTEED

ENROLLMENT AGREEMENT
OF
TUITION PLAN CONSORTIUM, LLC
(for Tuition Certificates Issued in
Program Years Beginning on and after July 1, 2010)

Dated as of August 16, 2010

**ENROLLMENT AGREEMENT
OF
TUITION PLAN CONSORTIUM, LLC
(FOR TUITION CERTIFICATES ISSUED IN
PROGRAM YEARS BEGINNING ON AND AFTER JULY 1, 2010)**

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**ENROLLMENT AGREEMENT
OF
TUITION PLAN CONSORTIUM, LLC**

(Terms and Conditions of Purchaser Enrollment in Prepaid Tuition Plan)

Section 1. Introduction

This ENROLLMENT AGREEMENT incorporates the Disclosure Statement and Schedule of Participating Institutions and Tuition Rates and, together with your Enrollment Form (the "Contract"), upon acceptance by the Administrator in accordance with Section 2.01, constitutes a legally binding contract for the purchase of a Tuition Certificate providing Annual Tuition Benefits. The Contract is between you and Tuition Plan Consortium, LLC, the administrator of the Program (the "Administrator") on behalf of the Participating Institutions. Capitalized terms used in this Enrollment Agreement are defined herein or in the Definition Section at the end of this Enrollment Agreement. The Contract may from time to time be amended by the Administrator through Program regulations or revisions in other documents relating to the Contract, and those amendments shall be incorporated automatically into the Contract, and copies of any such amendments will be sent to you.

BY SUBMITTING AN ENROLLMENT FORM, YOU AS PURCHASER, AND YOU, AS OWNER, AGREE TO BE SUBJECT TO THE TERMS AND CONDITIONS OF THIS ENROLLMENT AGREEMENT AND REPRESENT THAT THE INFORMATION PROVIDED IS TRUE AND CORRECT. BY ACCEPTING AN ENROLLMENT FORM, THE ADMINISTRATOR AGREES TO THE TERMS AND CONDITIONS OF THIS ENROLLMENT AGREEMENT WITH RESPECT TO THE PROGRAM.

This Enrollment Agreement sets forth the rights, responsibilities, and duties that you and the Administrator each have under the Program regarding the money that you pay to purchase a Tuition Certificate for Annual Tuition Benefits.

Section 2. Prepaid Tuition Contract

2.01 Purchasing a Tuition Certificate. In order to apply to purchase a Tuition Certificate, you must submit a properly completed and signed Enrollment Form to the Administrator. If your Enrollment Form is in good order and accepted by the Administrator you will receive a confirmation confirming your purchase of a Tuition Certificate. If your Enrollment Form is not accepted by the Administrator, you will be notified of the deficiency.

2.02 Returned Items. A fee may be assessed for any purchases returned for non-sufficient funds. The Administrator reserves the right to collect, electronically or in any other manner, any check returned for "Non-Sufficient Funds" or "Uncollected Funds."

2.03 Issuance of Tuition Certificate for Program Year. One Contract will be entered for all purchases made by you for a single Beneficiary during each Program Year, and, one Tuition Certificate will be issued under the Contract in the face amount of the total purchases made by you for the Beneficiary under the Contract during such Program Year. In the event that payments toward the purchase of Tuition Certificates are less than \$500 within 2 years of opening your account, the purchase amount will be returned to you without interest and your Contract will be terminated.

2.04 Method of Purchase. All purchases must be made by check (personal check, cashier's check, teller or bank check), automatic purchase plan or one-time electronic funds transfer. Other forms of purchase including traveler's checks and money orders will not be accepted. Purchases by check must be drawn on a banking institution located in the United States in U.S. dollars.

2.05 Purchase by Rollover from Another Section 529 Plan. Purchases for Tuition Certificates may be made by crediting amounts rolled over from another Section 529 Plan. In such event

the amount received by the Administrator as a rollover distribution from another Section 529 Plan shall be treated in the Program Year of receipt as a lump sum payment toward the purchase of a Tuition Certificate having the same Beneficiary as under such other Section 529 Plan or an Eligible Substitute Beneficiary. Rollovers from other Section 529 Plans and other types of rollovers are discussed in more detail in the Plan Disclosure Statement.

2.06 Deposit of Certificate Purchase Price Payments. The Administrator shall, upon receipt, promptly deposit into the Program Trust all Certificate Purchase Price Payments. All such purchase amounts held by the Administrator shall be held for the benefit of the Beneficiary and directly deposited into the Program Trust.

Section 3. Annual Tuition Benefits

3.01 Tuition Certificates; Book-Entry Form. The Annual Tuition Benefits you have purchased are evidenced by Tuition Certificates. One Tuition Certificate will be issued to a Purchaser for an identified Beneficiary for each Program Year. The right to a refund under a Tuition Certificate belongs to the Owner of the Tuition Certificate, regardless of the source of funds used to purchase or make payments on the Tuition Certificate. The right to use the Tuition Certificate for Annual Tuition Benefits belongs to the Beneficiary subject to the Owner's consent to the use of such Tuition Certificate. The existence of a Tuition Certificate does not create a right to, or interest in, any portion or share of Program assets or earnings including any such assets or earnings held in the Program Trust. Tuition Certificates will be maintained in book-entry form by the Administrator and you will receive evidence of the Certificates owned by you in the form of statements sent to you by the Administrator pursuant to Section 3.03.

3.02 Annual Tuition Benefits. A Beneficiary will be entitled to Tuition Credit, in any Qualifying Period, in an amount equal to all or a Designated Portion of the Annual Tuition Benefits Balance evidenced by a Tuition Certificate. Annual Tuition Benefits may be applied only after admission and enrollment of the Beneficiary at a Participating Institution that was a Current Participating Institution (as defined in the Tuition Plan Agreement) in the Program Year of issuance of the Tuition Certificate or in any subsequent Program Year. The Administrator shall make available information identifying the Current Participating Institutions related to Tuition Certificates issued in each Program Year. To receive Tuition Credit, the Owner must notify the Administrator and specify the Designated Portion of the Annual Tuition Benefits Balance to be used at the specified Participating Institution. Upon receipt of such notice, the Administrator will notify the selected Participating Institution of the amount of Annual Tuition Benefits that shall be applied for the Beneficiary at the Participating Institution.

3.03 Statements. A Contract Owner will receive from the Administrator a quarterly statement (in electronic or written form) showing the Issue Date of and any activity on a Tuition Certificate. Such activity may include the payments, refunds, and remaining Annual Tuition Benefits.

3.04 Fees and Costs not Covered by Annual Tuition Benefit. Any fees and costs payable by students at a Participating Institution **other** than Mandatory Fees are not covered by the Annual Tuition Benefit. The Beneficiary is responsible for payment of any such additional fees and costs. Nothing in the Contract will affect or limit the amount of tuition or fees charged by a Participating Institution that is not paid for by application of a Tuition Certificate. See Annex A.

3.05 Annual Tuition Benefits Available Only in a Qualifying Period. Annual Tuition Benefits under a Tuition Certificate may be applied for Tuition Credit only in a Qualifying Period.

3.06 No Additional Promises or Guarantees.

(a) Nothing in the Contract will be construed as a promise or guarantee by the Administrator, the Participating Institutions, or any other Person associated with the program that a Beneficiary has any rights other than those expressly specified in the Contract or that a Beneficiary will be:

- (i) admitted to any Participating Institution,
- (ii) admitted to a particular Participating Institution,
- (iii) allowed to continue to attend a Participating Institution after having been admitted, or
- (iv) graduated from a Participating Institution.

(b) Nothing in this Contract will be construed as a promise or guarantee by the Administrator, the Participating Institutions, or any other Person associated with the Program:

- (i) that a particular Participating Institution will be in existence at the time a Beneficiary is prepared to matriculate, or
- (ii) regarding the treatment of a Tuition Certificate for financial aid purposes.

Section 4. Contract Termination and Refunds

4.01 Partial or Complete Refund of Tuition Certificate by Request from Owner. At any time after the first anniversary of the Issue Date of a Tuition Certificate, an Owner for any reason may request partial withdrawal or complete termination of a Tuition Certificate by delivering to the Administrator a properly completed qualified or non-qualified request form specified by the Administrator. The foregoing notwithstanding, an Owner may request complete termination of a Tuition Certificate at any time in the event of the death of the Beneficiary thereon. In such event, you as Owner will be entitled to receive a direct payment of the Refund Value of the redeemed portion of the Tuition Certificate surrendered in accordance with the provisions of Section 4.03. A properly completed request for total surrender of a Tuition Certificate shall completely terminate the Contract for the outstanding Tuition Certificate.

4.02 Termination by the Administrator. The Administrator may terminate your rights or interest in a Contract (including any related Tuition Certificate) upon its determination that you have made material misrepresentations in the Enrollment Form, or have acted fraudulently with respect to the Program. In the event that your Contract is terminated pursuant to this Section 4.02 you shall receive Refund Value less, in the discretion of the Administrator, any fees, costs, expenses (including reasonable attorney fees) and damages resulting either directly or indirectly from such misrepresentation or fraud. The Administrator's determination of any such fees, costs, expenses and damages shall be conclusive, provided however that any such charges shall be reasonable in amount and a written notice itemizing such charges shall be provided to you.

4.03 Timing and Payment of Tuition Certificate Refunds.

(a) If the Administrator receives from any Owner a properly completed Refund Withdrawal Request Form, the Administrator shall direct the Trustee of the Program to make payment of the Refund Value or Designated Portion thereof within ten (10) business days following the Administrator's receipt thereof. Payments of Refund Value will be made payable to the order of the Owner of record with the Administrator of the Tuition Certificate in accordance with the terms of the Contract. In no event shall the Administrator, a Participating Institution, or any Person other than the Program Trust be responsible or otherwise be deemed or construed to be liable in any way to any Person, including but not limited to the Purchaser, Owner, or any Beneficiary, for any payment of any Refund Value provided that nothing in this Section 4.03(a) shall be deemed to relieve a Participating Institution of its obligation to refund unapplied tuition pursuant to Section 4.03(b); and

(b) If Annual Tuition Benefits under a Tuition Certificate have been applied for Tuition Credit by a Beneficiary and thereafter such Beneficiary withdraws from one or more courses, or for any reason fails to complete an academic term for which such Annual Tuition Benefits have been applied, the Beneficiary will be entitled to a refund only from the Participating Institution at which the Beneficiary was enrolled in accordance with the established tuition refund policy of such institution in effect on the date the Administrator receives the Refund Withdrawal Request Form, and no refund shall be payable by the Administrator, the Program Trust, or any Person other than the Participating Institution.

(c) Notwithstanding that pursuant to the Tuition Plan Agreement and the Consortium Agreement (as defined in the Tuition Plan Agreement) of the Administrator a successor company must be organized to act as administrator of the Program in the event the Administrator is dissolved at a time when there are Tuition Certificates outstanding, in the event that at the time an Owner desires to submit a properly completed Refund Withdrawal Request Form in connection with a claim for Refund Value the Administrator has been dissolved and no successor administrator has been formed, the Owner may submit a properly completed Refund Withdrawal Request Form directly to the Trustee of the Program Trust and the Trustee shall make payment of the Refund Value or Designated Portion thereof within ten (10) business days following the Trustee's receipt thereof. Any such payments of Refund Value will be made payable to the order of the Owner of record with the Administrator of the Tuition Certificate in accordance with the terms of the Contract.

Section 5. Change of Beneficiary

5.01 Change of Beneficiary. In completing your Enrollment Form you have identified a Beneficiary for the Annual Tuition Benefits purchased by you. You may change the Beneficiary on a Tuition Certificate to an Eligible Substitute Beneficiary who shall become the new Beneficiary under such Tuition Certificate, by completing, executing, and delivering to the Administrator the forms specified by the Administrator." The forms will identify and verify the eligible status of the individual who is to be substituted as the Beneficiary.

If all of the foregoing conditions are satisfied, the Eligible Substituted Beneficiary will become the Beneficiary of the Tuition Certificate, and all references in the Contract to the Beneficiary will be deemed to refer to the Eligible Substitute Beneficiary for all purposes. It is your responsibility to notify the Administrator of any change of your address or the identity of Beneficiary.

5.02 Voluntary or Involuntary Assignment. You may not transfer or assign your ownership interest in the Contract or Tuition Certificate or any Annual Tuition Benefits available under the Tuition Certificate or any right or interest therein. Any purported assignment in violation of this provision will be void and without effect. Your right or interest, or any portion thereof, in the Contract, Tuition Certificate or Annual Tuition Benefits may not be used as security for a loan or any other obligation. All rights and interests in the Contract, Tuition Certificate or Annual Tuition Benefits shall belong only to the persons identified upon the Administrator's books and records as the Purchaser, Owner, or Beneficiary with respect thereto.

5.03 Rollover to Another Section 529 Plan. An Owner may request the Administrator to distribute the Refund Value of any Tuition Certificate directly to another prepaid tuition plan or college savings plan qualifying under Section 529 as a rollover. Any rollover shall be made upon satisfaction of all requirements and conditions as the Administrator may reasonably impose for purposes of administrative convenience or compliance with legal requirements. Rollovers to other Section 529 Plans and other types of rollovers are discussed in more detail in the Plan Disclosure Statement.

Section 6. Expiration of Rights.

All rights under the Contract, Tuition Certificate and the Annual Tuition Benefits of a Purchaser, Owner, Beneficiary, or any other party claiming under or through such persons shall expire and cease to exist at the first to occur of the following:

- (a) such time as all Annual Tuition Benefits purchased under the Tuition Certificate have been used or refunded; or
- (b) thirty (30) years have elapsed from the Issue Date.

At least one (1) year prior to the expiration date, the Administrator will send a notice of the expiration date to the Owner of record at the time, at the Owner's most current address on file with the Administrator, provided, however, this one (1) year notice requirement will not be applicable with respect to a Tuition Certificate issued more than nineteen (19) years prior to the date of a Program termination described under Section 7.03(c) of this Agreement which shall be controlled by Section 7.03(c). Upon expiration of a Tuition Certificate, the Administrator will send a notice of expiration to the last known address of the Owner. Upon expiration of a Tuition Certificate, any Refund Value in an expired Contract, Tuition Certificate or Annual Tuition Benefit shall be held in escrow without further gain in value whether by interest or otherwise, for the benefit of a lawful claimant thereto until such time such amounts are claimed by written notice to the Administrator from the Owner or until a disposition thereof is required under statutory escheat provisions or other laws of the State of New York.

Section 7. Miscellaneous Provisions

7.01 Notices, Changes, and Choices. All notices, changes, and selections made by you under the Contract must be submitted electronically or in writing, signed by you and received by the Administrator at the address designated in the Enrollment Form or such other address of which you are subsequently notified. The Administrator may act upon such notices, changes or selections without verifying the authenticity or validity thereof. If such a notice, change, or selection is in a form acceptable to the Administrator, it will be treated as effective as of the date received by the Administrator. It is your responsibility to notify the Administrator of any change of your address.

7.02 Successor Account Owner. Upon your death, all of your rights and obligations under the Contract as Owner shall belong to the person designated by you in the Enrollment Form as the Successor Account Owner. Thereafter, the Successor Account Owner shall become the Owner of the Tuition Certificate. You may change the designation of Successor Account Owner from time to time by submitting such a change to the Administrator on a form specified by the Administrator. Prior to your death, a designated Successor Account Owner shall have no rights under the Contract. At the time a Successor Account Owner acquires the rights of an Owner, the Successor Account Owner shall designate a new Successor Account Owner, such that at all times there shall be both an Owner and a Successor Account Owner of every outstanding Contract and Tuition Certificate. If a designated Successor Account Owner at the time of death of an Owner is deceased, cannot be located through reasonable means, or is unwilling to execute a counterpart of the Contract (or other form specified by the Administrator) evidencing its agreement to become the new Owner, the Successor Account Owner shall be deemed to be the Owner's estate.

7.03 Understandings of Agreement. It is understood and acknowledged by the parties that:

- (a) In consideration for the Annual Tuition Benefits you have purchased, all purchases made by you under the Contract are irrevocable and non-refundable except as expressly provided under the Contract. Your rights in the Program are limited to the Annual Tuition Benefits purchased, and you shall not be entitled to anything else with respect to such Annual Tuition Benefits except for any refund amounts that may become payable to you in accordance with the terms of the Contract. Notwithstanding anything to the contrary contained herein, pursuant to Section 10.02 of the Tuition Plan Agreement, you have certain rights against a Participating Institution for failure to accept a valid and outstanding Tuition Certificate in

accordance with Sections 3.05 and 4.02 or failure to tender a rightfully requested refund of unapplied tuition pursuant to Section 4.03 of the Tuition Plan Agreement.

(b) The Contract entitles you, on the terms and conditions set forth herein, to obtain credit against the cost of future educational services for your Beneficiary and/or rights to a refund payment in cash equal to the Refund Value of the Tuition Certificate to which the Contract applies. These benefits may have a value at the time of receipt which may be more or less than the original amount paid for the Tuition Certificate. Neither the Contract nor the Tuition Certificate constitutes a debt, loan, or similar type fixed-sum obligation owing to any party.

(c) In the event the Administrator determines that the Program cannot continue to operate upon a sound financial basis, the Administrator may, subject to the provisions of this Section 7.03(c), discontinue operation of the Program. In that event, the Administrator will develop an appropriate termination plan setting forth the date on which the Program, subject to the provisions of this Section 7.03(c), will terminate (the "Administrative Termination Date") and providing for the fulfillment of or payment on Program obligations under outstanding Contracts, taking into consideration the resources then available under the Program Trust for Program obligations; provided that under any such termination plan, Participating Institutions will continue to be obligated to accept and honor outstanding Tuition Certificates in payment for educational services, with respect to each Tuition Certificate, until the later to occur of: (x) twenty (20) years from the Issue Date of the applicable Tuition Certificate, (y) the twenty second (22nd) birthday of the Beneficiary of such Tuition Certificate on the Administrative Termination Date, or (z) one (1) year from the Administrative Termination Date. In no event shall the Administrative Termination Date be a date prior to the date on which the Board adopted a resolution to terminate the Program pursuant to this Section 7.03(c). If the Program is discontinued as described in this Section 7.03(c):

(i) the Administrator will send a notice of the new expiration date for each Tuition Certificate to the Owner of record, at the Owner's most current address on file with the Administrator which notice shall set forth the Refund Value for the Tuition Certificate and the procedures to be used by the Administrator in the case of a redemption pursuant to this Section 7.03(c);

(ii) the termination plan may provide that each Tuition Certificate issued more than twenty (20) years prior to the Administrative Termination Date be redeemed at its Refund Value as set forth in the notice of Program Termination; provided, however, that no Tuition Certificate shall be redeemed for its Refund Value if such Tuition Certificate is "currently in use." For purposes of this paragraph "currently in use" means a Tuition Certificate having a Beneficiary who is enrolled at a Participating Institution on the Administrative Termination Date (or becomes enrolled at a Participating Institution within one year following the Administrative Termination Date) and which is utilized within five (5) consecutive Program Years following the Administrative Termination Date provided, however, that for purposes of this Section 7.03(c) the term "Beneficiary" shall mean only the Beneficiary named on such Tuition Certificate on the Administrative Termination Date;

(iii) notwithstanding anything to the contrary contained herein, no Tuition Certificate will be honored after the expiration of its Qualifying Period as set forth in Section 3.05 of this Enrollment Agreement.

In the event of the discontinuance of the Program, no claim shall be made under any Contract against the Administrator, a Participating Institution, the Program Trust or any other Person for any obligations other than as set forth herein by the termination plan developed by the Administrator in conformity with this Section 7.03(c).

7.04 Grievances. An Owner or Beneficiary must first seek relief from the procedures and policies of the Administrator by filing a petition with the Administrator on a form specified by the Administrator. If the Purchaser, Owner or Beneficiary disagrees with the decision of the Administrator, the claim or dispute shall be resolved through binding arbitration in, at the discretion of the Owner or Beneficiary as the case may be,

- (i) the state of New York,
- (ii) the state of residence of the Owner, or
- (iii) the state of residence of the Beneficiary, in accordance with the rules of the American Arbitration Association. Judgment may be entered on the arbitrator's award in any court having jurisdiction, and the parties irrevocably consent to the jurisdiction of the courts of, and irrevocably waive any objection venue in, the jurisdiction chosen pursuant to this Section 7.04 for that purpose. The arbitrator(s) may grant injunctive relief (including specific performance) or other relief as appropriate under the circumstances.

7.05 Investment. No Purchaser, Owner or Beneficiary may direct, directly or indirectly, the investment of any contributions to the Program, Program assets held in the Program Trust, or any funds thereof or earnings thereon.

7.06 Interpretation. This Contract shall be interpreted under and governed by the laws of New York. This Contract shall be deemed to have been entered into in, and become effective upon acceptance by the Administrator in, the State of New York.

7.07 Section Headings. All section headings used in the Contract are for reference purposes only and shall not be construed as having any meaning.

7.08 Severability. In the event that any clause or portion of the Contract is found to be invalid or unenforceable by a court of competent jurisdiction, that clause or portion shall be severed from the Contract and the remainder of the Contract shall remain in full force and effect.

7.09 Entire Agreement. The Contract, together with your rights as a designated third party beneficiary under the Tuition Plan Agreement pursuant to Section 10.02 thereof, and any notice of amendments or changes to the Contract which have been sent to the Owner, is the entire and exclusive statement of the agreement between the parties, and supersedes any and all prior agreements, oral or written, and any communications between the parties relating to the Program or the Contract. You are also an intended third party beneficiary under an agreement between the Administrator and the colleges and universities participating in this prepaid tuition Program regarding a commitment of each such participating educational institution to provide appropriate tuition credit for Tuition Certificates properly tendered. Your rights as an intended third party beneficiary under Section 10.02 of the Tuition Plan Agreement are limited to the ability to bring an action in arbitration to compel a Participating Institution:

- (i) to provide Tuition Credit upon tender of a Tuition Certificate in accordance with Sections 3.05 and 4.02 of the Plan Agreement, or
- (ii) to provide a refund pursuant to Section 4.03 of the Plan Agreement upon the withdrawal by the Beneficiary after receipt by the Participating Institution of the applicable Tuition Certificate Proceeds.

7.10 Amendments. The Administrator may from time to time unilaterally amend the Contract or Tuition Certificate for changes the Administrator deems necessary or reasonable for the operation of the Program, including but not limited to changes in its administrative procedures, transaction fees, and other administrative methods and procedures. Any such change shall apply to all Contracts and Tuition Certificates outstanding as of the time of such amendment. If a Purchaser or Owner chooses not to be

bound by any such amendment, it may elect to cancel the Contract and receive the Refund Value for any Tuition Certificates issued under the Contract in accordance with the terms hereof.

7.11 Force Majeure. The Administrator shall not be deemed to be in violation of the Contract if it is prevented from performing any of its obligations hereunder due to acts or conditions beyond its control such as strikes, failure of public transportation, governmental regulation superimposed after the fact, civil or military authority, acts of war or other hostilities, acts of public enemy or terrorism, accidents, fires, explosions, epidemics, or acts of God, including, without limitation, earthquakes, floods, winds, storms, or other disasters. In such an event, the intervening cause must not be through the fault of the Administrator and the Administrator is obligated to promptly perform in accordance with the terms of the Contract after the intervening cause ceases.

7.12 Tax Withholding and Reporting. Notwithstanding any other provision of the Agreement, the Administrator shall comply with any tax withholding and reporting requirements imposed by any governmental law or regulation with respect to amounts payable to any party under the Program and shall remit amounts withheld to, and file required forms with, applicable taxing authorities. Any withheld amounts shall be deducted from payments otherwise due under the Program. The Administrator shall determine the amount of any required tax withholding. In the event of any claim over withholding by the Administrator, relief shall be limited to an action against the applicable taxing authority for recovery of the excess amount. If an amount required to be withheld was not withheld from an actual payment, the Administrator may reduce subsequent payments by the amount of such required withholding. Each Purchaser, Owner or Beneficiary to which a purchase under the Program is to be made shall furnish to the Administrator upon request any forms or information necessary or convenient to enable the Administrator to perform its duties under this Subsection.

Section 8. Definitions

For purposes of the Contract, the following terms shall have the meaning set forth below:

"Administrator" means Tuition Plan Consortium, LLC or any successor entity designated as administrator of the Program.

"Administrative Termination Date" as defined in Section 7.03(c).

"Annual Education Units" means, for each Participating Institution -

- (i) one-fourth of the minimum amount of Education Units required for an undergraduate degree at such Participating Institution, plus
- (ii) any additional Education Units available to full-time students generally at such Participating Institution during an academic year without further tuition charges.

"Annual Tuition" means, for each Participating Institution the dollar amount of undergraduate tuition charges and Mandatory Fees required to purchase Annual Education Units at such Participating Institution.

"Annual Tuition Benefit" each Annual Tuition Benefit, for each Participating Institution, equals a number of Education Units at such Participating Institution equal to the Annual Education Units at such Participating Institution. The amount of Annual Tuition Benefit represented by a Tuition Certificate at a particular Participating Institution in a particular Program Year shall be determined pursuant to the following formula:

ATB = CPP/AT where

ATB is the Annual Tuition Benefit;

CPP is the Certificate Purchase Price;

AT is the Annual Tuition in effect at that Participating Institution when the Tuition Certificate was issued.

"Annual Tuition Benefit Balance" means, as of any date during the effective term of a Tuition Certificate, the amount of remaining unused Annual Tuition Benefits under such Tuition Certificate.

"Beneficiary" means an individual, living at the time of his or her designation, who meets all eligibility requirements required by the Program and who is designated by the Purchaser on the Enrollment Form to be the recipient of the Annual Tuition Benefits without regard to whether such individual is enrolled at a Participating Institution."

"Board" means the Board of Directors of Tuition Plan Consortium, LLC.

"Certificate Purchase Price" means the dollar amount of monies paid or credited under a Contract for the purchase of a Tuition Certificate, provided however, that immediately after any Annual Tuition Benefit represented by a Tuition Certificate is redeemed for Education Units or a partial withdrawal of a Tuition Certificate has occurred, for purposes of determining the Annual Tuition Benefit Balance remaining and any Refund Value based thereon for that Tuition Certificate, the Certificate Purchase Price of that Tuition Certificate shall be reduced by the Designated Portion multiplied by the Certificate Purchase Price existing immediately prior to such application.

"Contract" means the Enrollment Agreement and a signed Enrollment Form which has been accepted by the Administrator pursuant to Section 2.01 pursuant to which Participating Institutions are to provide Annual Tuition Benefits to a Beneficiary under the terms and conditions set forth therein.

"Designated Portion" means a fraction, expressed as a percentage, equal to the amount of Annual Tuition Benefit that an Owner or Beneficiary designates under a particular Tuition Certificate for application at the Participating Institution on a particular Tuition Payment Date, divided by the balance of Annual Tuition Benefit then represented by such Tuition Certificate (taking into account all Annual Tuition Benefit that has previously been designated for use under such Tuition Certificate). In the event of a partial surrender of a Tuition Certificate pursuant to Section 4.01, "Designated Portion" means a fraction, expressed as a percentage, equal to the amount of the Refund Value surrendered divided by the total remaining Refund Value then represented by such Tuition Certificate.

"Education Units" means credit hours, academic units or their equivalent at a Participating Institution.

"Eligible Substitute Beneficiary" means any person with respect to any Tuition Certificate who is a member of the family of such Tuition Certificate's Beneficiary as defined in Section 529(e)(2) of the Internal Revenue Code of 1986, as amended or a successor provision.

"Enrollment Agreement" means this Enrollment Agreement for the Program as the same may be amended from time to time. Together with the Purchaser's Enrollment Form, the Enrollment Agreement forms the Contract under the Program.

"Enrollment Form" means the Prepaid Tuition Program Enrollment Form, or a duplicate of the form, completed and signed by the Purchaser and submitted to the Administrator to purchase Annual Tuition Benefits.

"Investment Return Percentage" means the percentage determined by the Administrator as the net investment return, including both realized and unrealized investment gain or loss and any gain or loss attributable to a forfeiture with respect to a given Tuition Certificate as a result of the application of the

upper and lower "collars" in the calculation of Refund Value, after payment of Program expenses, including but not limited to all federal, state and local taxes and the Program Manager's Fees, for a Program Year.

"Issue Date" The Issue Date means, with respect to a Tuition Certificate, the first date during a Program Year that a purchase of a Tuition Certificate is made. The Issue Date of a Tuition Certificate, as determined by the Administrator, shall be final and binding absent manifest error.

"Mandatory Fees" means those amounts required to be paid as a condition of enrollment of all undergraduate students attending the Participating Institution in which the Beneficiary enrolls; however, the term "Mandatory Fees" as used herein does not include charges for books, supplies, room or board, even if the Participating Institution to be attended by the Beneficiary requires all students to pay such charges and provided further that a Participating Institution may elect, by providing notice prior to May 1 of the next Program Year to the Administrator, to exclude certain fees from coverage under a Tuition Certificate for the next Program Year.

"Owner" means an individual at least 18 years of age, a corporation or other entity designated as the Owner in the Contract.

"Participating Institution" means a Qualifying Educational Institution which has joined the Program by entering into the Tuition Plan Agreement with the Administrator.

"Person" means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability, joint venture, estate, trust, association, organization, labor union, or other entity or governmental body.

"Program" means the Prepaid Tuition Program as described in the Tuition Plan Agreement. The Program is authorized under the terms and provisions of that agreement and is administered by the Administrator on behalf of the Participating Institutions.

"Program Manager" means the person or entity the Administrator engages to provide administrative and investment management for the Program.

"Program Year" means the period from July 1 to June 30 of each 12-month period during which any Tuition Certificate issued under the Program is outstanding. The Program Year of a Tuition Certificate for purposes of determining Annual Tuition Benefits shall be the Program Year in which the Tuition Certificate was issued.

"Program Trust" means the trust established pursuant to the Tuition Plan Agreement.

"Purchaser" means an individual at least 18 years of age, a corporation or other entity making purchases in accordance with the Contract. In the event the Contract is initiated by an employer on behalf of a Beneficiary selected by an employee, that employee shall be the Purchaser and Owner for purposes of the Contract.

"Qualifying Educational Institution" means a non-profit educational organization which

- (i) qualifies as an "eligible educational institution" within the meaning of Internal Revenue Code Section 529(e) (5) or any successor provision,
- (ii) is an operating educational organization described in Section 481 of the Higher Education Act of 1965 (20 USC 1088),
- (iii) has a faculty and student body,

(iv) is described within Section 170(b)(1)(A)(ii) of the Internal Revenue Code that is also a tax exempt public charity within Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code or any successor provision, and

(v) has received a determination of exempt status letter from the Internal Revenue Service.

"Qualifying Period" means, with respect to any given Tuition Certificate, that period which (a) begins thirty six (36) months after the Tuition Certificate Issue Date, and (b) ends on the 30th anniversary of such Tuition Certificate Issue Date.

"Refund Value" means with respect to a Tuition Certificate an amount determined by starting with the applicable Certificate Purchase Price and annually compounding its value for all Program Years the Tuition Certificate was outstanding (but prorated for any period of less than a full program year) by the actual Investment Return Percentage for all Program Years the Tuition Certificate was outstanding, provided that in no event shall such refund amount be:

(i) greater than an amount determined by annually compounding the Certificate Purchase Price for all Program Years the Tuition Certificate was outstanding (but pro rated for any period of less than a full program year) by an assumed annual positive two percent (2%) Investment Return Percentage, or

(ii) less than an amount determined by annually compounding the Certificate Purchase Price for all Program Years the Tuition Certificate was outstanding (but pro rated for any period of less than a full program year) by an assumed annual negative two percent (2%) Investment Return Percentage.

(iii) the Refund Value of a Tuition Certificate shall be determined without regard to the Issue Date.

In the event the Refund Value calculated using the actual Investment Return Percentage is greater than the amount determined pursuant to subsection (i) above, the Refund Value shall be deemed to be the amount calculated under subsection (i) above. In the event the Refund Value calculated using the actual Investment Return Percentage is less than the amount determined pursuant to subsection (ii) above, the Refund Value shall be deemed to be the amount calculated under subsection (ii) above.

"Section 529 Plan" means a prepaid tuition or college savings program established and maintained in compliance with and qualifying under the provision of Section 529 of the Internal Revenue Code of 1986, as amended.

"Successor Account Owner" means the person designated by the Owner to succeed to ownership of a Tuition Certificate upon the death of an Owner, in accordance with the terms and provisions of the Contract.

"Tuition Certificate" means a certificate or other evidence of certificate ownership evidencing the aggregate rights to benefits under the Program accumulated by the Owner in a Program Year.

"Tuition Credit" means, for each Participating Institution, the amount of Annual Tuition Benefit that may be applied against the cost of Annual Tuition at such Participating Institution for a Beneficiary under a Tuition Certificate. "Tuition Credit" shall only be applicable against Annual Tuition for an academic year which commences in the same calendar year in which the Tuition Credit is applied.

"Tuition Plan Agreement" means the agreement between the Participating Institutions and the Administrator, as it may be amended from time to time, which establishes the prepaid tuition plan.

**ANNEX A
TO
ENROLLMENT AGREEMENT**

Owner (A) purchases a Tuition Certificate in the face amount of \$7,500. College X is a Participating Institution in the Program. At the time of purchase of A's Tuition Certificate, current tuition and mandatory fees at College X are \$10,000. Accordingly, the Tuition Certificate could be used to provide a credit for 75% ($\$7,500/10,000$) of the cost of an Annual Tuition Benefit (annual tuition and mandatory fees at College X). The Tuition Certificate is held by A for 10 years. The Beneficiary (B) under that Tuition Certificate then is admitted and enrolls in College X. At the time of enrollment, current tuition and mandatory fees at College X for one academic year are \$30,000. If the entire Tuition Certificate is applied in payment of tuition and mandatory fees at the time of enrollment at College X, B will receive a tuition credit for 75% of the cost of tuition and mandatory fees for one academic year at College X.

