



You've Got This

 **FLORIDA
PREPAID**
COLLEGE SAVINGS PLANS

Florida 529 Savings Plan
Program Description and
Participation Agreement

Important notes to investors:

Carefully consider the investment objectives, risks, charges and expenses before investing in the Florida 529 Savings Plan. Please read this Program Description and Participation Agreement carefully.

As with any investment, it is possible to lose money by investing in this plan. The value of your Florida 529 Savings Account may fluctuate, and it is possible for the value of your account to be less than the amount you invested.

Before investing in a 529 plan, you should consider whether the state in which you or your designated Beneficiary reside or have taxable income has a 529 plan that offers favorable state income tax or other benefits that are available only if you invest in that state's 529 plan.

This information is for educational purposes only and is not intended as tax, legal or investment advice.

The Florida 529 Savings Plan is offered by the Florida Prepaid College Board. The Florida 529 Savings Plan is different from the Florida Prepaid College Plan. The Florida 529 Savings Plan is not guaranteed.

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EFFECTIVE DATE: APRIL 1, 2018

OVERVIEW

One of the most important things you can do for your children is to invest in their education. The Florida 529 Savings Program allows you to save tax-free for Qualified Higher Education Expenses, such as tuition, room and board, and computer software and equipment. In addition, you may also use funds to cover expenses for tuition at an elementary or secondary public, private, or religious school. Every dollar you save now is a dollar you and your child may not have to borrow later. Program highlights include:

Feature	Description																		
How it Works	<p>Enroll: Open an account online at any time; visit myfloridaprepaid.com. You will be saving in 15 minutes or less. You must be at least 18 years old and you must have a valid Social Security or Taxpayer Identification Number to enroll.</p> <p>Contribute: Contribute what you can, when you can, there is no minimum. Make your contributions online or by check, money order, or payroll deduction. Encourage friends and family to contribute through our online gifting portal.</p> <p>Choose Investments: There are 11 Investment Options, including our popular age-based option, designed to meet the needs of most investors.</p> <p>Withdrawal: Easily access funds online by requesting an electronic transfer or a paper check. In most cases, you can pay for tuition and fees directly from our online portal.</p>																		
Eligibility	Any U.S. citizen or resident alien with a valid Social Security or Taxpayer Identification Number may be the Beneficiary of a Florida 529 Savings Plan. There are no state residency requirements and no income restrictions.																		
Investment Options	<p>Choose a predesigned portfolio or build a portfolio from individual fund options.</p> <table border="0" data-bbox="418 1121 1497 1507"> <tr> <td data-bbox="418 1121 938 1155">Predesigned Portfolios:</td> <td data-bbox="938 1121 1497 1155">Funds Options:</td> </tr> <tr> <td data-bbox="418 1163 938 1197">Age Based/Years to Enrollment</td> <td data-bbox="938 1163 1497 1197">Money Market</td> </tr> <tr> <td data-bbox="418 1205 938 1239">Blended Equity</td> <td data-bbox="938 1205 1497 1239">Fixed Income</td> </tr> <tr> <td data-bbox="418 1247 938 1281">Balanced</td> <td data-bbox="938 1247 1497 1281">Domestic Equity Index</td> </tr> <tr> <td></td> <td data-bbox="938 1289 1497 1323">Large Cap Growth</td> </tr> <tr> <td></td> <td data-bbox="938 1331 1497 1365">Large Cap Value</td> </tr> <tr> <td></td> <td data-bbox="938 1373 1497 1407">Mid Cap</td> </tr> <tr> <td></td> <td data-bbox="938 1415 1497 1449">Small Cap</td> </tr> <tr> <td></td> <td data-bbox="938 1457 1497 1491">International (Developed Markets)</td> </tr> </table>	Predesigned Portfolios:	Funds Options:	Age Based/Years to Enrollment	Money Market	Blended Equity	Fixed Income	Balanced	Domestic Equity Index		Large Cap Growth		Large Cap Value		Mid Cap		Small Cap		International (Developed Markets)
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	Large Cap Value																		
	Mid Cap																		
	Small Cap																		
	International (Developed Markets)																		
Fees	Administration Fee: This varies by Investment Option, see Section 7 of the Terms and Conditions. There are no annual account maintenance or sales/commission fees.																		

The Florida 529 Savings Plan is not guaranteed and is subject to market conditions. Carefully consider the investment objectives, risks, charges, and expenses before investing. As with any investment, it is possible to lose money. Please read this Program Description and Participation Agreement carefully.

PROGRAM DESCRIPTION

INTRODUCTION

Section 529 of the Internal Revenue Code (Code) permits states, state agencies, and certain other groups to establish tax-advantaged plans (529 Plans) to help individuals and families save, invest, and ultimately withdraw funds to cover costs associated with education. Any earnings on money in an Account grow free from federal income tax and may be withdrawn tax-free if used to pay Qualified Higher Education Expenses (e.g., tuition, fees, room and board). Depending upon the state where you live or pay state income tax, these earnings may or may not be subject to state income tax. Contributions to your Account are not deductible for federal income tax purposes.

PROGRAM OVERSIGHT AND ADMINISTRATION

The Florida 529 Savings Program (Program) is administered by the Florida Prepaid College Board (Board), an agency of the State of Florida, authorized by Section 1009.971, Florida Statutes. The Board is administratively housed within the State Board of Administration but independently exercises the powers and duties specified in Sections 1009.97-1009.988, Florida Statutes. The Board is comprised of seven members: the Attorney General, the Chief Financial Officer, the Chancellor of the State University System of Florida, the Chancellor of the Division of Florida Colleges, or a designee appointed separately by each officer to represent them; and three members appointed by the Governor of the State of Florida, subject to confirmation by the Florida Senate. The members of the Board serve without compensation and, at a minimum, meet on a quarterly basis.

Pursuant to Florida law, the Board has the authority to adopt rules to implement and administer the Program and establish investment policies for the Program. The Board establishes a Comprehensive Investment Plan (CIP) and investment guidelines describing the goals, strategies, asset allocation, and performance benchmarks for the Program. In addition, the Board appoints an executive director responsible for day-to-day operations. An annual report is prepared at the close of the fiscal year, which includes a financial description of the Program. The CIP and Annual Report are made available online at myfloridaprepaid.com.

Mailing Address for Correspondence:

Florida Prepaid College Board
PO Box 6567
Tallahassee, FL 32314-6567

Mailing Address for Contributions:

Florida Prepaid College Board
PO Box 31483
Tampa, FL 33631-3483

The Florida 529 Savings Program is different from the Florida Prepaid College Plan, for more information about the Florida Prepaid College Plan, please visit myfloridaprepaid.com.

ABOUT INVESTING

Whether you are a first-time investor or have been investing for many years, the following guiding principles can help you on your path to saving and investing.

- Have a financial plan
- Understand your risk tolerance
- Diversify your investments
- Start saving early

The U.S. Securities and Exchange Commission provides a variety of educational materials about investing. For more information visit www.investor.gov.

HOW IT WORKS

Save for tomorrow's educational expenses, contributing what you can, when you can. Accounts can be opened in 15 minutes or less.

ENROLL

Any U.S. citizen or resident alien, 18 years or older, with a valid Social Security or Taxpayer Identification Number may enroll in the Program. There are no Florida residency requirements and no income restrictions.

You must select a student (or Beneficiary). The Beneficiary must also be a U.S. citizen or resident alien with a valid Social Security or Taxpayer Identification Number. There are no age or residency restrictions for the Beneficiary and you need not be related to the Beneficiary. In fact, you may open a Plan for yourself as the Beneficiary.

 **To Open an Account:**

1. Visit myfloridaprepaid.com
2. Select "Enroll Now"
3. Complete the Application

To complete the application, you will need to provide a name, address, Social Security Number or Taxpayer Identification Number for yourself and for the Beneficiary, and you will need to select an Investment Option(s). Investment Options are discussed in more detail later in this document.

CONTRIBUTE

Contributions may be made at any time via check, money order, cashier's check, automatic contribution, payroll deduction, or rollover from another 529 Plan. In addition, funds from a liquidated Education Savings Account (ESA), transferred pursuant to the Uniform Gift/Transfers to Minor Act (UGMA/UTMA), or redeemed from a U.S. Savings Bond may be contributed to an Account at any time.

 **Encourage friends and family to contribute through our online gifting portal.**

The Maximum Account Balance is \$418,000 per Beneficiary; this is determined by the aggregate investment for the Beneficiary in the Florida Prepaid College Program and Florida 529 Savings Program. Accounts at the maximum balance may continue to accrue earnings, but additional contributions are prohibited.

Contributions are not deductible for federal income tax purposes.

WITHDRAWAL

Easily access funds online, at any time, by requesting an electronic transfer to a bank account or a paper check to pay expenses, such as tuition, directly from the Account. There is no fee for withdrawal.

If you use the funds to pay Qualified Higher Education Expenses for the Beneficiary, your earnings on those funds is tax-free. In general, Qualified Higher Education Expenses include tuition, fees, room and board, and the cost of books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution, including undergraduate and graduate schools. Room and board expenses are subject to limitations under Section 529 of the Code. Qualified Higher Education Expenses also include expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school, up to \$10,000 (from all 529 Plans for that student, in the aggregate) during the taxable year.

If you use the funds to make a Non-Qualified Withdrawal, your earnings on those funds is subject to tax.

INVESTMENT OPTIONS

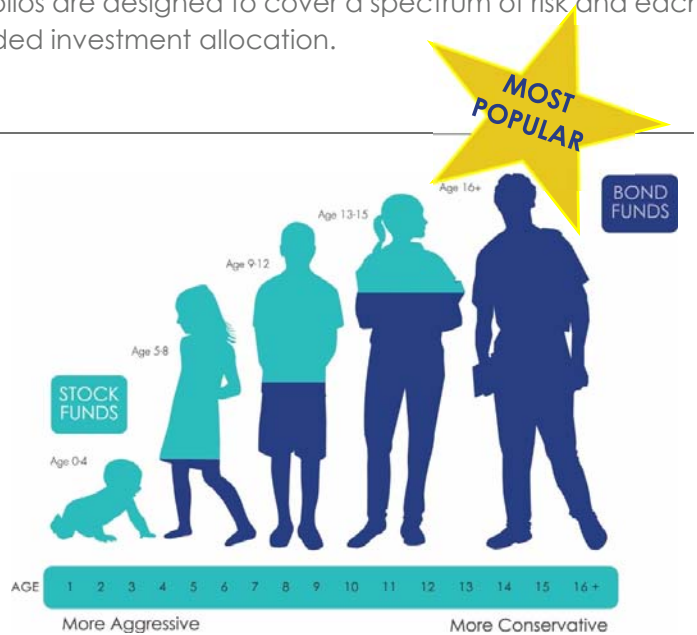
The Program offers 11 Investment Options designed to meet the needs of most investors. These include predesigned portfolio options and individual fund options from which you may build a custom portfolio. You may update how new contributions are invested at any time. For money that is already in an Account, the allocation of the Account Balance may be modified up to two times per calendar year.

PREDESIGNED PORTFOLIO OPTIONS

Many Account Owners choose one of our three diversified and professionally managed portfolios built from the individual fund options offered by the Program. The portfolios are designed to cover a spectrum of risk and each portfolio is periodically rebalanced to maintain the intended investment allocation.

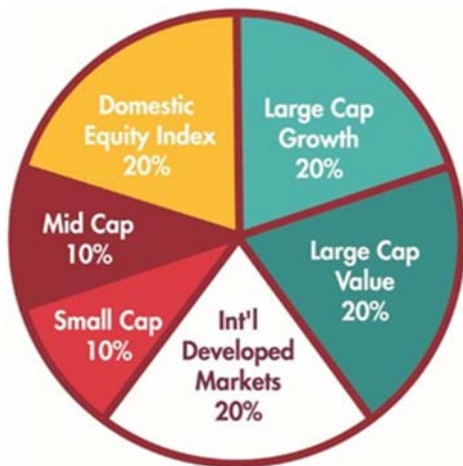
Age Based / Years to Enrollment Portfolio

This portfolio allocates contributions to the Blended Equity Fund and/or the Fixed Income Fund based on the student's age or number of years to college enrollment. The younger the student, the higher the percentage invested in stocks. This is because stocks are expected to have higher potential returns, but can also have higher risk. As the student approaches college enrollment, the percentage invested in stocks decreases and the percentage invested in the Fixed Income Fund increases. The goal of this transition is to take on less risk as the student approaches the time when funds will be drawn for education.



Blended Equity Portfolio

This portfolio is an equity-only portfolio with allocations among individual stock funds. By diversifying investments in various equity strategies, there is an ability to balance the higher risk/higher reward of certain equities with equities that are considered less volatile.



Balanced Portfolio

The Balanced Portfolio allocates funds equally between the Blended Equity Portfolio and the Fixed Income Fund. It is designed for those who seek a broadly diversified portfolio with an asset allocation that doesn't change over time.



FUND OPTIONS

Account Owners who are more comfortable with investing and understand the risk characteristics of various security types, may choose to build a custom portfolio from one of eight individual fund options. The available fund options cover a spectrum of risk. The Account Owner constructs a portfolio based on their risk tolerance and investment objectives. Unlike the portfolio options, the Account Owner is responsible for rebalancing – the allocation of funds in an Account may be modified up to two times per calendar year.



Money Market Fund

Short-term, high-quality fixed income securities rated in the highest short-term rating category by one or more nationally recognized rating service, or in comparable securities.

Fixed Income Fund

Broad exposure to the U.S. bond market. Assets are invested in fixed income securities issued, or guaranteed, by the U.S. Government, agencies, or instrumentalities, and corporate debt instruments, including asset-backed securities, rated not less than Baa3/BBB- by two or more nationally recognized rating services.

Domestic Equity Index Fund

Broad exposure to the U.S. equity market for large companies. This fund attempts to replicate the S&P 500 Index by investing in the stocks that make up the index, proportionally with index.

Large Cap Growth Fund

Broad exposure to the U.S. equity market for large companies that offer the best combination of earnings growth and valuation. Stocks selected are similar to those in the Russell 1000 Growth Index

Large Cap Value Fund

Broad exposure to the U.S. market for large companies that generally exhibit lower price/earnings, lower price/book, and higher dividend yield than average large cap stocks. Stocks selected are similar to those in the Russell 1000 Value Index.

Mid Cap Fund

Broad exposure to the U.S. equity market for mid-sized companies with market capitalization generally between \$1 billion and \$15 billion. Stocks selected are similar to those in the S&P MidCap 400 Index.

Small Cap Fund

Broad exposure to the U.S. equity market for small companies with market capitalization generally less than \$5 billion. Stocks selected are similar to those in the Russel 2000 Index.

International (Developed Markets) Fund

Exposure to the equity market in developed countries outside of the United States. Stocks selected are similar to those in the MSCI EAFE Index.

TAX, LEGAL, AND INVESTMENT CONSIDERATIONS

Please be advised that the tax, legal, and investment information set forth in this PDPA is intended to support the marketing of the Program. Individual circumstances may vary. Please consult your tax, legal, and financial advisors.

TAX CONSIDERATIONS

It is the responsibility of the recipient, or deemed recipient, to substantiate the tax treatment of any transaction. Accordingly, documents and information adequate to substantiate such tax treatment should be retained.

Federal and State Income Taxes

The earnings on an Account are deferred for federal income tax purposes until withdrawal. As long as withdrawals from the Account are used for the Beneficiary's Qualified Education Expenses, the earnings portion of the withdrawals will not be subject to federal income taxation. Contributions to the Account and earnings on the Account are exempt from State of Florida taxation.

If you, or the Beneficiary, move to another state or have taxable income in another state, and if that state has established a Qualified Tuition Program, that program may offer favorable state income tax or other benefits that are only available if you invest in that program, and may not be available to a Beneficiary in this Program.

Federal Gift, Estate, and Generation-skipping Transfer Taxes

Contributions to an Account are generally considered completed gifts to the Beneficiary for federal tax purposes and are, therefore, potentially subject to federal gift tax. Generally, if contributions to an Account, together with all other gifts to the Beneficiary from the person making the contribution, are less than the gift tax exclusions in effect under 2503(b) of the Code, no federal gift tax will be imposed on the person making the contribution.

Completed gifts by the person making the contribution will not be included in that person's gross estate for federal estate tax purposes. Under certain conditions, contributions made by a person may exceed the gift tax exclusions and may be treated as having been made ratably over a multi-year period. If the person making the contributions dies before the end of the multi-year period, the portion of the contribution allocable to the remaining years would be includable in computing the gross estate for federal estate tax purposes. Amounts in an Account at the time of death of a Beneficiary will be included in the Beneficiary's gross estate for federal estate tax purposes.

A permissible change in Beneficiary may be subject to the federal gift tax if the new Beneficiary is of a younger generation than the Beneficiary being replaced. If the new Beneficiary is two or more generations below the Beneficiary being replaced, the transfer may be subject to the generation-skipping transfer tax. Under the proposed Treasury regulations, these taxes are imposed on the prior Beneficiary.

Final regulations related to the gift and estate tax rules, as applied to 529 Plans, have not been issued. Moreover, current estate and gift tax laws may change at any time.

Non-qualified Distribution

The earnings portion of a Non-Qualified Withdrawal is includable when determining the taxable income of the recipient (or deemed recipient) for the year in which the Non-Qualified Withdrawal is paid. This amount is also subject to the Additional Tax unless the Non-Qualified Withdrawal is due to the Beneficiary's death, disability, or receipt of a scholarship. Earnings will not be included as income for personal state income tax purposes in Florida because the State of Florida does not impose a personal income tax. If the recipient (or deemed recipient) is a

resident of a state other than Florida, that person should consult a tax advisor to determine if the Non-Qualified Withdrawal is subject to state income taxation in the state of residence.

If Account assets are used for the same expenses for which a Hope Scholarship Tax Credit or Lifetime Learning Tax Credit is claimed, the amount of Qualified Higher Education Expenses will be reduced by the amount of the expenses claimed. As a result of the reduction, the earnings portion of the withdrawal may be subject to federal and state income tax.

LEGAL CONSIDERATIONS

Proposed federal regulations issued under Section 529 of the Code provide guidance and requirements for the establishment and operation of the Program, but do not provide guidance on certain aspects of the Program. Final regulations, administrative guidance, court decisions, or changes in federal law could adversely affect tax treatment or requirements for the Program. In addition, the Florida Legislature may make changes to Florida law, which could terminate or otherwise adversely affect the Program.

Bankruptcy Law Considerations

Bankruptcy cases commenced by individuals under Title 11 of the United States Code on or after October 17, 2005, expressly exclude certain funds paid or contributed by the individual to an Account from the bankruptcy estate. However, federal bankruptcy protection is limited.

Funds paid into or out of the Program by or on behalf of the Account Owner or Beneficiary are exempt, as provided by Section 222.22, Florida Statutes, from all claims of creditors of the Account Owner or Beneficiary.

INVESTMENT CONSIDERATIONS

This PDPA is not an offer to sell nor the solicitation of an offer to buy any security other than an investment in the Program offered hereby, nor is it an offer to sell or the solicitation to any person in any jurisdiction or under any circumstances in which it would be unlawful.

No security issued by the Program has been registered with or approved by the United States Securities and Exchange Commission or any state securities commission. Further, the Accounts and this PDPA are not subject to oversight by the Financial Industry Regulatory Authority or the Municipal Securities Rulemaking Board.

No Guarantee

Enrolling and investing in the Program involves certain risks, including the loss of the entire amount of funds invested in the Program. Accounts are not deposits or obligations of, nor are they insured or guaranteed by, the State of Florida or any agency, or instrumentality thereof, the United States government, the Program, any financial institution, the Federal Deposit Insurance Corporation, the investment managers listed herein or any other agency, entity, instrumentality or person.

Participation in the Program does not guarantee sufficient funds to cover Qualified Higher Education Expenses. Furthermore, participation does not guarantee admission to, continued enrollment at, or graduation from an Eligible Educational Institution. Participation may affect financial aid eligibility.

No Investment Advice

The Board, Program staff, and contract employees are not registered investment advisors or broker/dealers, and therefore cannot offer investment advice or make recommendations with respect to enrolling in the Program or the selection of Investment Options. It is critical that you fully understand each Investment Option and the risks associated with each Investment Option.

PARTICIPATION AGREEMENT

1. This Participation Agreement, which incorporates the Terms and Conditions by reference, describes the policies and terms of the Florida 529 Savings Plan (Florida College Savings Program established under Section 1009.981, Florida Statutes; hereinafter the "Program").

2. The Account Owner has read and understands the Program Description, the Terms and Conditions, and this Participation Agreement, and consents to the policies, terms and conditions of the Program before submitting the Application.

3. The Agreement which consists of the Application, this Participation Agreement and the Terms and Conditions, as each amended from time to time by the Board to comply with Federal laws and regulations and the Florida Legislature's grant of authority under Sections 1009.971(4)(b), 1009.971(6), 1009.981 (2)(b)(1) – (11), and 1009.981(2)(d) through the rulemaking process as more fully described in Section 120.54, Florida Statutes, is the complete and exclusive statement of the agreement between the parties hereto related to the subject matter hereof, which supersedes any prior agreement, oral or written, and any other communications between the parties hereto relating to the subject matter of the Agreement. The Account Owner agrees to be bound by any amendments that the Board may make to the Participation Agreement and the Terms and Conditions. Notification of such amendments may be made via myfloridaprepaid.com.

4. The Account Owner understands and acknowledges that the Account is opened and maintained to provide for the Qualified Higher Education Expenses of the Beneficiary.

5. The Account Owner understands and acknowledges that Accounts involve investment risk, including the possible loss of principal. The Account Owner understands and acknowledges that Accounts are not deposits or obligations of, or insured or guaranteed by, the State of Florida or any agency or instrumentality thereof, the United States government, any financial institution, the Federal Deposit Insurance Corporation, or any other agency, entity, instrumentality or person. The obligation of the Program

is limited solely to those amounts deposited into the Florida Prepaid College Trust Fund on behalf of the Program. Investment Options may not be successful in meeting their respective investment objectives. Past investment results of the underlying investment managers and funds in the Investment Options offer no assurance of future returns.

6. Any factual determinations regarding Accounts will be made by the Board based on the facts and circumstances of each case.

7. Accounts shall be construed in accordance with the laws of the State of Florida and applicable federal law, including 26 U.S.C. § 529, as amended. Venue for any proceeding arising from or related to the Accounts is in Leon County, Florida. All appeals shall be to the First District Court of Appeal of Florida.

8. In the event any clause or portion of the Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, that clause or portion shall be severed from the Agreement and the remainder of the Agreement shall continue in full force and effect as if such clause or portion had never been included.

9. Except as specifically provided in the Terms and Conditions and in this Participation Agreement, the Account Owner may not assign or transfer the Agreement, nor any interest, rights, or benefits in the Agreement.

10. The Program shall require that any written documentation, request or any other actions the Board may designate from time to time, be verified under oath.

11. This Agreement is not intended to, nor does it, confer any benefit or legal rights upon any third-party beneficiary. The individual designated as the Beneficiary of an Account has no independent claim, right or access to any funds in an Account solely related to such designation. Payments directly to a Beneficiary will only be made with the Account Owner's specific written authorization for such payments.

12. Account Owners may only change Investment Options to the extent allowed by Section 529 of the Code. The Program shall provide a separate accounting for each Account.

13. If the Program determines that there has been any material misrepresentation related to the Agreement or the Account, the Account may be cancelled.

14. The Account Owner assumes all liability for any financial losses related to an Account. The Account Owner understands and acknowledges that there is no recourse against the Board's members, committee members or its employees individually, or against the State of Florida or the Program in connection with an Account. Nothing in this Agreement shall be deemed or construed as an express or implied waiver of the sovereign immunity of the State of Florida or a pledge of the full faith and credit of the State of Florida.

15. The Program shall not be liable for any losses or failure to perform its obligations under this Agreement caused, directly or indirectly, by government restrictions, exchange or market rulings, suspension of trading, acts of war, terrorism, strikes, power outages or any other conditions or occurrences beyond its control.

16. The Program cannot and will not provide legal, financial or tax advice, and nothing herein or in any other written materials shall be construed as such.

Form FPCB 2016-05, Effective February 2017 adopted by reference in Rule 19B-16.003, F.A.C.

TERMS AND CONDITIONS

SECTION 1: DEFINITIONS

1.01 "Account" means an account in the Program established pursuant to the Agreement. Each Account may have only one Account Owner, one Survivor, and one Beneficiary.

1.02 "Account Balance" means the amount remaining in an Account, including all contributions, investment earnings and losses, after deduction for any withdrawals and refunds. The Account Balance will be reduced by any applicable fees.

1.03 "Account Owner" means "benefactor" as that term is defined and used in Part IV, Chapter 1009, Florida Statutes, and is the person who is designated on the Application as the "account owner," unless the Account Owner was subsequently changed, and is the owner of record for the Account. An Account must have an Account Owner. The Account Owner may be:

(a) Any natural person who is 18 years old or older and a United States citizen, or resident alien, with a valid Social Security Number.

(b) If named as the Account Owner prior to September 1, 2013, any trust, estate, partnership, association, company or corporation with a U.S. federal taxpayer identification number. Entities will be required to furnish documentation to substantiate the legal status of the entity.

(c) A state or local government (or agency or instrumentality) or organization described in Section 501(c)(3) of the Code opening an Account to fund scholarships. A Beneficiary need not be designated for a scholarship Account opened by these entities. Entities will be required to furnish documentation to substantiate the legal status of the entity.

(d) A custodian for a minor under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act of a state in the United States ("UGMA/UTMA").

1.04 "Additional Tax" means the same as that term is defined in Section 529 of the Code, which applies a 10% additional tax to any Non-Qualified Withdrawal. Residents of states other than Florida may have a state income tax which applies an additional tax to any Non-Qualified Withdrawal.

1.05 "Administration Fee" means the maintenance fee, as expressed in basis points, and is automatically deducted from the Account Balance on a daily basis.

1.06 "Agreement" means the complete and exclusive statement of agreement between the Account Owner and the Board related to the Program and the Account. The Agreement consists of the Application, Terms and Conditions, and Participation Agreement, each as amended from time to time by the Board to comply with Federal laws and regulations and the Florida Legislature's grant of authority under Sections 1009.971(4)(b), 1009.971(6), 1009.981(2)(b)(1) – (11), and 1009.981(2)(d) through the rulemaking process as more fully described in Section 120.54, Florida Statutes. The Agreement supersedes any prior agreement, oral or written, and any other communications between the parties concerning the Program and Account.

1.07 "Application" means the form used by the Board to collect the information specified in Rule 19B-16.002, Florida Administrative Code to open an Account in the Program.

1.08 "Beneficiary" means "designated beneficiary" as that term is defined and used in both Part IV, Chapter 1009, Florida Statutes, and Section 529 of the Code and is the person designated on the Application as the "beneficiary," unless the Account Owner subsequently changed the Beneficiary. The Beneficiary must be a United States citizen, or a resident alien, with a valid Social Security Number. An Account must have a Beneficiary, unless the Participation Agreement and the Terms and Conditions provide otherwise. Other Account Owners may open separate Accounts for the same Beneficiary.

1.09 "Board" means the Florida Prepaid College Board.

1.10 "Business Day" means a day other than a Saturday, Sunday or state holiday. Contributions may not be invested or withdrawals may not be withdrawn if the New York Stock Exchange is closed.

1.11 "Code" means the Internal Revenue Code of 1986, as amended.

1.12 "Death, Disability, or Scholarship Withdrawal" means a withdrawal from the Account due to the

death, disability, or scholarship receipt of the Beneficiary.

1.13 "Eligible Educational Institution" means an accredited, postsecondary educational institution offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree or another recognized postsecondary degree, including certain proprietary institutions and postsecondary vocational schools and certain institutions in foreign countries, provided such institution must be eligible to participate in U.S. Department of Education student aid programs. Institutions of higher education must qualify under Section 529 of the Code as an Eligible Educational Institution.

1.14 "Existing Balance Allocation" means the current allocation of the Account Balance to each Investment Option. The Existing Balance Allocation may fluctuate as a result of, but not limited to, relative performance of selected Investment Options and the Future Contribution Allocation selected.

1.15 "Future Contribution Allocation" means the allocation of future contributions to each Investment Option.

1.16 "Gardiner Scholarship Program Account" means a scholarship account established pursuant to Section 1002.385, Florida Statutes.

1.17 "Investment Options" means the Investment Options described in the Comprehensive Investment Plan for the Program adopted by the Board and approved by the State Board of Administration, pursuant to Section 1009.973, Florida Statutes. The Board retains the authority to close or not offer one or any of the Investment Options at any time.

1.18 "Maximum Account Balance" means the limit on the total value of all Accounts and Florida Prepaid College Plans for the Beneficiary.

1.19 "NAV" means the net asset value per Trust Unit and is calculated at the time when trading closes on the New York Stock Exchange by dividing the value of each respective Investment Option's assets less its liabilities including, without limitation, the Administration Fee, by the number of outstanding Trust Units of that Investment Option.

1.20 "Non-Qualified Withdrawal" means a withdrawal or refund from the Account other than a Qualified Withdrawal, a Death, Disability or Scholarship Withdrawal or a Rollover Withdrawal. The earnings portion of the withdrawal is subject to state and federal income taxes and the Additional Tax.

1.21 "Notarized Request" means an authorization requiring the notarized signature of the Account Owner and, for Accounts established on or after February 1, 2009 and for Accounts where the Account Owner and Survivor irrevocably elected to have the Account subject to such requirements, the notarized signature of the Survivor. The original document properly notarized must be received by the Board prior to processing.

1.22 "Parent" means the same as that term is defined in Section 1000.21(5), Florida Statutes. In general, Parent refers to either or both parents, any guardian or person in a parental relationship or exercising supervisory authority in place of the parent.

1.23 "Program" means the Florida College Savings Program which is established under Section 1009.981, Florida Statutes, and marketed as the Florida 529 Savings Plan.

1.24 "Program Description" means the document published periodically by the Board which contains information, as updated from time to time, about the Program, Investment Options, and risks for the Account Owner to consider before enrollment and during the duration of the Agreement.

1.25 "Qualified Higher Education Expenses" means the same as that term is defined under Section 529 of the Code. In general, this includes tuition, fees, room and board, and the cost of books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution, including undergraduate and graduate schools. Room and board expenses are subject to limitations under Section 529 of the Code.

1.26 "Qualified Tuition Program" means the Program established by the State of Florida under which an Account Owner may make contributions to an account which is established for the purpose of meeting the Qualified Higher Education Expenses of the Beneficiary of the Account and meets the other requirements of Section 529 of the Code.

1.27 “Qualified Withdrawal” means a withdrawal from the Account that is used to pay the Qualified Higher Education Expenses of the Beneficiary.

1.28 “Request” means an authorization or request form completed either online at www.myfloridaprepaid.com or as a written request which identifies the Account and is signed by the Account Owner the Survivor, and/or the Beneficiary.

1.29 “Rollover Contribution” means the withdrawal from another Qualified Tuition Program, a Coverdell Education Savings Account or a Series EE Savings Bond for the purpose of contributing to the Program, as authorized by Section 529 of the Code. The two conditions for this withdrawal not being treated as a Non-Qualified Withdrawal are: **(1)** the funds are transferred to the Program within 60 days of such distribution; and **(2)** the transfer occurs at least 12 months from the date of a previous transfer to any Qualified Tuition Program for the benefit of the Beneficiary.

1.30 “Rollover Withdrawal” means a withdrawal from the Account for the purpose of contribution to another Qualified Tuition Program, as authorized by Section 529 of the Code. The two conditions for this withdrawal not being treated as a Non-Qualified Withdrawal are: **(1)** the funds are transferred to another Qualified Tuition Program within 60 days of such distribution; and **(2)** the transfer occurs at least 12 months from the date of a Rollover Contribution to the Program for the benefit of the Beneficiary.

1.31 “Survivor” means the person who is designated on the Application as the “survivor,” unless the Survivor was subsequently changed or was designated after the submission of the Application. The Survivor must be 18 years old or older and a United States citizen, or resident alien, with a valid Social Security Number. The designation of a Survivor on, or subsequent to, the Application is optional.

1.32 “Trade Date” means the Business Day on which a NAV is applied to process a contribution or withdrawal transaction for the Account. If a contribution or withdrawal is requested after the close of trading on the New York Stock Exchange, or on a day other than a Business Day, the NAV for the next Business Day is applied to the transaction.

1.33 “Trust Units” means the share of assets held by the Program for an Account Owner with respect to a particular Investment Option.

SECTION 2: PARTICIPATION IN THE PROGRAM

2.01 Enrollment in Program.

Any person or entity eligible to be an Account Owner may apply for participation in the Program by submitting an Application to the Program. Florida residency is not required.

The Application may be completed online at www.MyFloridaPrepaid.com.

SECTION 3: ACCOUNT RIGHTS

3.01 Rights of Account Owners.

(a) The Account Owner is the owner of the Account Balance.

(b) For an Account opened on or after February 1, 2009: **(1)** the Account Owner, together with the Survivor, must authorize changes in the Beneficiary, Account Owner and Survivor; voluntary terminations; and refund requests associated with an involuntarily terminated Account; **(2)** the Account Owner may, without the consent or authorization of the Survivor, make all other Account changes, withdrawals and requests; and **(3)** the Account Owner and Survivor each will enjoy a right of survivorship for each other.

(c) For an Account opened prior to February 1, 2009: **(1)** the Account Owner may, without the consent or authorization of the Survivor, make all Account changes, withdrawals, requests, terminations and refund requests; **(2)** the Account Owner and Survivor together may irrevocably elect to change the Account Owner's rights to be the same as those in **(b)** by submitting a request containing the notarized signatures of the Account Owner and Survivor; and **(3)** the Account Owner and Survivor each will enjoy a right of survivorship for each other.

(d) All Requests must include all necessary information required by the Board in order to process that Request or authorization. The Board may request additional information, documentation or authorization before processing any Request.

(e) The Account Owner may obtain and update information regarding the Account. All official notices from the Program will be directed only to the Account Owner.

3.02 Account Owners Acting in a Custodial Capacity.

(a) The rights of an Account Owner are limited where the Account Owner acts in a custodial capacity pursuant to a court order appointing a guardian or pursuant to the Beneficiary's right of survivorship while the Beneficiary is under 18 years of age.

(b) The Account Owner may not: (1) change the Account Owner without providing documentation to the Board indicating authority to do so; (2) change the Beneficiary; or (3) designate a Survivor.

(c) Withdrawals may be made payable only to the Beneficiary or an Eligible Educational Institution on behalf of the Beneficiary.

(d) The Account Owner may not voluntarily terminate, or request a refund from, the Account. A Rollover Withdrawal may be made for the benefit of the Beneficiary.

3.03 UGMA/UTMA Funds in an Account.

(a) The rights of an Account Owner acting in a custodial capacity for a minor under UGMA/UTMA are limited by the applicable UGMA/UTMA laws and by the Program with respect to those funds. The Account Owner solely is responsible for ensuring compliance with all UGMA/UTMA requirements.

(b) All contributions received for an Account are deemed non-UGMA/UTMA contributions unless the Account Owner advises the Board in writing that a contribution is an UGMA/UTMA contribution.

(c) The Account Owner may change the Account Owner only to a successor custodian or the Beneficiary, without providing a court order directing the change. Once the Beneficiary is named the Account Owner, the Account will be treated as a non-UGMA/UTMA Account.

(d) The Account Owner may not: (1) change the Beneficiary; or (2) designate a Survivor.

(e) Withdrawals may be made payable only to the Beneficiary or an Eligible Educational Institution on behalf of the Beneficiary.

(f) The Account Owner may not voluntarily terminate, or request a refund from, the Account. A Rollover Withdrawal may be made for the benefit of the Beneficiary.

3.04 Gardiner Scholarship Program Account Funds in an Account.

(a) Contributions from, or traceable to, a Gardiner Scholarship Program Account are subject to the rights and restrictions contained in the Agreement and Section 1002.385, Florida Statutes.

(b) The Account Owner may not change the Beneficiary while the Account contains Gardiner Scholarship Program Account funds.

(c) Private funds will be used before Gardiner Scholarship Program Account funds.

(d) Gardiner Scholarship Program Account funds will not be made payable to the Account Owner except as: (1) a Qualified Withdrawal or (2) a Scholarship Withdrawal.

(e) Pursuant to Section 1002.385, Florida Statutes, Gardiner Scholarship Program Account funds may be removed from an Account and returned to the State of Florida.

3.05 Rights of Survivors.

(a) For an Account opened on or after February 1, 2009: (1) the Account Owner, together with the Survivor, must authorize changes in the Beneficiary, Account Owner and Survivor; voluntary terminations; and refund requests associated with an involuntarily terminated Account; (2) the consent or authorization of the Survivor is not required for the Account Owner to make all other Account changes, withdrawals and requests; and (3) the Account Owner and Survivor each will enjoy a right of survivorship for each other.

(b) For an Account opened prior to February 1, 2009: (1) the consent or authorization of the Survivor is not required for the Account Owner to execute Account changes, withdrawals, requests, terminations and refund requests; (2) the Account Owner and Survivor together may irrevocably elect to change the

Survivor's rights to be the same as those in (a) by submitting a request containing the notarized signatures of the Account Owner and Survivor; and (3) the Account Owner and Survivor each will enjoy a right of survivorship for each other.

(c) The right of survivorship is not effective whenever: (1) the Account Owner is acting in a custodial capacity pursuant to Section 3.02 Account Owners Acting in a Custodial Capacity; or (2) the Account Balance is designated as UGMA/UTMA funds pursuant to Section 3.03 UGMA/UTMA Funds in an Account.

(d) All Requests must include all necessary information required by the Board in order to process that request or authorization. The Board may request additional information, documentation, or authorization before processing any Request.

(e) The Survivor may obtain information regarding the Account and update the Survivor's Account information.

(f) Refunds and withdrawals will not be made payable to the Survivor.

3.06 Rights of Beneficiaries.

(a) For an Account opened on or after May 29, 2013, the Beneficiary will enjoy a right of survivorship for the Account Owner, which is subordinate only to an effective right of survivorship by the Survivor. If, and for as long as, the Beneficiary is a minor, the exercise of the right of survivorship requires a Parent of the Beneficiary to be the Account Owner acting in a custodial capacity pursuant to Section 3.02 Account Owners Acting in a Custodial Capacity.

(b) For an Account opened prior to May 29, 2013, the Beneficiary does not enjoy a right of survivorship. The Account may be irrevocably changed such that the Beneficiary's rights are the same as those for Beneficiaries of Accounts opened on or after May 29, 2013, by submitting a Notarized Request.

(c) All Requests must include all necessary information required by the Board in order to process that request or authorization. The Board may request additional information, documentation, or authorization before processing Request.

(d) The Beneficiary may obtain information regarding the Account and update the Beneficiary's Account information.

SECTION 4: INVESTMENT OPTIONS

4.01 Comprehensive Investment Plan.

(a) The Florida 529 Savings Plan Comprehensive Investment Plan, which is authorized under Section 1009.973, Florida Statutes, specifies the Investment Options and investment policies of the Program. The Account Balance is invested in accordance with the Comprehensive Investment Plan.

(b) The Program Description provides descriptions and performance data for each available Investment Option.

(c) The Comprehensive Investment Plan provides the allowable ranges of each Investment Option subject to rebalancing. Periodically, the Board will review and rebalance Investment Options in accordance with the allowable ranges.

(d) The Board may change the Comprehensive Investment Plan at any time, subject to the approval of the State Board of Administration.

4.02 Authority to Direct Investments.

(a) The Account Owner may not direct the investment of any contribution or the Account Balance into an investment other than the Investment Options then available under the Program.

(b) Section 529 of the Code currently limits the ability of the Account Owner to change the Existing Balance Allocation.

(c) Neither the Beneficiary nor Survivor may direct the investment of any contributions or the Account Balance.

4.03 Changing Investment Options for Account Balance.

(a) The Existing Balance Allocation may be changed only to the extent allowed by Section 529 of the Code. The Code currently limits changes to the Existing Balance Allocation to two times per calendar year.

(b) The Account Owner may reallocate the Existing Balance Allocation by submitting a Request, indicating

the Investment Option changes or the new allocation percentages to the Board.

4.04 No Investment Advice.

(a) Neither the Board, the Program, nor employees thereof are registered investment advisors or broker/dealers. Accordingly, they cannot offer investment advice or make recommendations with respect to enrolling in the Program or the selection of Investment Options, and they do not assume any responsibility for investment performance.

(b) The Account Owner acknowledges and agrees that he or she has not been advised by the State of Florida, the Board or any employee, agent, independent contractor, or affiliate or any vendor, contractor, investment advisor, investment consultant, or investment manager of the State of Florida or the Board to invest, or to refrain from investing, in the Program or a particular Investment Option.

SECTION 5: RISKS OF INVESTING IN THE FLORIDA 529 SAVINGS PLAN

5.01 No Guarantee of Attendance.

Participation in the Program does not guarantee admission to, continued enrollment at, or graduation from an Eligible Educational Institution of any Beneficiary.

5.02 No Guarantee of Adequate Funds to Pay Education Expenses.

Participation in the Program does not guarantee that sufficient funds will be available to cover all Qualified Higher Education Expenses for any Beneficiary, even if the Account reached the Maximum Account Balance. Increases in future Qualified Higher Education Expenses are uncertain and may exceed increases in the general cost of living. Increases in Qualified Higher Education Expenses could exceed the rate of return under any or all of the Investment Options over the same period.

5.03 Not a Direct Investment in Mutual Funds or Registered Securities.

(a) None of the Investment Options is a mutual fund.

(b) Investment Options are not registered with the U.S. Securities and Exchange Commission or any state.

5.04 Limited Liquidity.

Investment in the Program involves the risk of reduced liquidity for the investment. Once an Account for a Beneficiary is opened, the circumstances under which funds may be withdrawn from the Account without the imposition of tax liability and the Additional Tax are limited.

5.05 Potential Impact on Financial Aid and Medicaid Eligibility.

(a) The eligibility of the Beneficiary for financial aid will depend upon the circumstances of the Beneficiary's family at the time the Beneficiary enrolls in an Eligible Educational Institution, as well as on the policies of the governmental agencies, school, or private organizations to which the Beneficiary and/or the Beneficiary's family applies for financial assistance. Because saving for college will increase the financial resources available to the Beneficiary, it most likely will have some effect on the Beneficiary's eligibility. However, because these policies vary at different institutions and can change over time, the Board cannot say with certainty how the federal financial aid program, or the school the Beneficiary applies to, will treat an Account.

(b) Ownership of an Account could have an impact on eligibility for Medicaid. Although the results may vary from state to state, assets in an Account may be considered available assets for determining Medicaid eligibility.

SECTION 6: CONTRIBUTIONS

6.01 Making a Contribution.

(a) A contribution to the Account may be made at any time.

(b) A contribution or authorization for recurring automatic contributions may be made through the Board's website (www.MyFloridaPrepaid.com).

(c) A contribution may be made by calling customer service at 1-800-552-GRAD (4723).

(d) Contributions may be made by check, Money Order, cashier's checks, automatic contribution plan, or payroll deduction.

(e) Checks must be in U.S. dollars and should be made payable to the Florida 529 Savings Plan.

(f) Traveler's checks are not permitted.

(g) Contributions by credit card or other means of credit are not permitted.

6.02 Rollover Contributions Accepted.

(a) The Program accepts Rollover Contributions to the extent allowed by Section 529 of the Code.

(b) Direct Rollover Contributions involve the transfer of money directly to the Program.

(c) Indirect Rollover Contributions involve the withdrawal of money before transferring the money to the Program.

(d) Until the Program receives documentation indicating the portion of the Rollover Contribution attributable to earnings, the entire amount of the Rollover Contribution will be treated as earnings, which would be subject to taxation in the case of a Non-Qualified Withdrawal.

6.03 Investment Allocations for Contributions.

(a) Contributions will be credited to the Account and invested in accordance with the allocation percentages indicated on the Application, unless the Account Owner subsequently changed how future contributions would be allocated.

(b) The Future Contribution Allocation may be changed at any time. The Account Owner may change the Future Contribution Allocation by submitting a Request indicating the new allocation percentages for each selected Investment Option to the Board.

6.04 Purchasing Trust Units.

(a) A contribution received by the Board will be credited at the NAV of the applicable Investment Option determined on the Trade Date.

(b) The contribution will cause the purchase of Trust Units for each Investment Options in accordance with the allocation percentages indicated on the Application or, if the Account Owner subsequently changed the allocation, by the Future Contribution Allocation applicable at time of processing.

(c) The number of Trust Units purchased will be determined by dividing the contribution for a specified Investment Option by the NAV of that Investment Option as described in (a).

6.05 NAV Valuation.

Individual securities held by an Investment Option are valued using market quotations or independent pricing services. If market quotations or independent pricing services are not readily available, or if events that have a significant effect on the value of an investment occur between the time when its price is determined and the time a portfolio's NAV per share is calculated, a security's "fair value," as determined in good faith, may be used.

6.06 Maximum Account Balance.

(a) The Board periodically reviews the Maximum Account Balance and publishes the amount on the Board's website (www.MyFloridaPrepaid.com).

(b) The Maximum Account Balance may be lower than other Qualified Tuition Programs and lower than previously published amounts for the Program.

(c) Contributions will be rejected and returned to the extent the amount of the contribution would cause the total balance of the Account(s) plus the redemption value of any Florida Prepaid College Plan(s) for the Beneficiary to exceed the Maximum Account Balance. However, Accounts that have reached the Maximum Account Balance may continue to accrue earnings.

SECTION 7: FEES AND PENALTIES

7.01 Administration Fee.

(a) The Board periodically reviews the Administration Fee and publishes the amount on the Board's website (www.MyFloridaPrepaid.com).

(b) The following table compares the approximate costs of investing in the Florida 529 Savings Plan over different periods of time at the specified rates. The example illustrates the hypothetical expenses an Account Owner may incur over various periods if \$10,000 is invested in an Account with a 5% annually compounded rate of return. All units are redeemed at the end of the period shown for Qualified Higher Education Expenses (the results do not take into

account any Nonqualified Withdrawals subject to state or federal income taxes, or any penalties).

Approximate Cost of \$10,000 Investment				
Fee (bps)	1-Yr	3-Yr	5-Yr	10-Yr
Age Based Portfolio: Age 0-4/14+ Yrs To Enroll				
68	\$69	\$217	\$378	\$845
Age Based Portfolio: Age 5-8/10-13 Yrs To Enroll				
70	\$71	\$224	\$389	\$869
Age Based Portfolio: Age 9-12/6-9 Yrs To Enroll				
71	\$73	\$227	\$395	\$881
Age Based Portfolio: Age 13-15/3-5 Yrs To Enroll				
73	\$75	\$233	\$406	\$905
Age Based Portfolio: Age 16+/0-2 Yrs To Enroll				
75	\$77	\$240	\$416	\$928
Blended Equity Portfolio				
68	\$69	\$217	\$378	\$845
Balanced Portfolio				
71	\$73	\$227	\$395	\$881
Money Market Fund				
0	\$0	\$0	\$0	\$0
Fixed Income Fund				
75	\$77	\$240	\$416	\$928
Domestic Equity				
39	\$40	\$125	\$219	\$492
Large Cap Growth Fund				
75	\$77	\$240	\$416	\$928
Large Cap Value Fund				
75	\$77	\$240	\$416	\$928
Mid Cap Fund				
75	\$77	\$240	\$416	\$928
Small Cap Fund				
75	\$77	\$240	\$416	\$928
International (Developed Markets) Fund				
75	\$77	\$240	\$416	\$928

These examples do not represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

7.02 Insufficient Funds Fee.

If a contribution to the Account is returned due to insufficient funds, a \$20 fee will be deducted from the Account Balance.

7.03 Termination Penalty Due to Misrepresentation.

A penalty of up to \$250 or 100 percent of the Account Balance, whichever is less, will be assessed if the Account is terminated pursuant to 10.04.

7.04 Fee Changes.

The Board may add, remove, increase, or decrease the Administration Fee or other fees charged, which could have a material effect on the Account Owner's investment in the Program and the Account Balance.

SECTION 8: ACCOUNT CHANGES

8.01 Change of Beneficiary.

(a) The Beneficiary of an Account may be changed by submitting a Notarized Request.

(b) If the substitute Beneficiary is a "member of the family" of the Beneficiary, as defined by Section 529 of the Code, the change is usually a non-taxable event and will not be subject to the Additional Tax.

(c) The Account Owner may request to change the Existing Balance Allocation and/or the Future Contribution Allocation in conjunction with the change of Beneficiary request.

(d) The change of Beneficiary request will not be processed to the extent that it will cause the substitute Beneficiary to exceed the Maximum Account Balance.

8.02 Change of Account Owner.

(a) The Account Owner of an Account may be changed by submitting a Notarized Request.

(b) To effectuate a change in Account ownership after the death of the Account Owner, the Survivor will be required to submit to the Board a copy of the death certificate or other proof of death that is acceptable to the Board and a Request including the notarized signature of the Survivor.

(c) If the rights of the Beneficiary allow and either no Survivor was designated or the Survivor predeceased the Account Owner, then the Beneficiary may effectuate a change in ownership of the Account after the death of the Account Owner. The Beneficiary will be required to submit to the Board certified copies of the death certificate or other legally recognized proof

of death of the Account Owner and, if applicable, of the Survivor that is acceptable to the Board and a change of ownership Request including the notarized signature of the Beneficiary or, if applicable, the Parent acting in a custodial capacity pursuant to 3.02.

(d) To effectuate a change in ownership of the Account after the death of the Account Owner where no rights of survivorship exist, the Board will accept: (1) a court order; (2) a notarized, written request from the personal representative of the Account Owner's estate, a copy of the death certificate of the Account Owner and letters of administration issued to the personal representative; or (3) other documentation acceptable to the Board to effectuate the requested change.

8.03 Designation or Change of Survivor.

(a) If a Survivor has not been designated on an Account, the Account Owner may designate a Survivor by submitting to the Board a Request.

(b) The Survivor of an Account may be changed by submitting to the Board a Notarized Request. The Survivor may not be changed by will or codicil.

(c) To effectuate a change in Survivor due to the death of the Survivor, if the Account was established on or after February 1, 2009 or if the Account Owner and Survivor had elected to have the Account subject to the requirements applicable to Accounts established on or after February 1, 2009, the Account Owner will be required to submit to the Board a certified copy of the death certificate or other legally recognized proof of death that is acceptable to the Board and a Notarized Request.

SECTION 9: WITHDRAWALS

9.01 General.

(a) The Account Owner may direct a withdrawal from the Account at any time.

(b) Withdrawals may be classified into four categories: Qualified Withdrawals; Death, Disability or Scholarship Withdrawals; Rollover Withdrawals; and Non-Qualified Withdrawals. It is the Account Owner's and Beneficiary's responsibility, as applicable, to obtain and retain documents related to the withdrawal to substantiate the withdrawal classification to the Internal Revenue Service.

(c) The withdrawal classification affects the tax treatment of the earnings portion of a withdrawal. Residents of states other than Florida may have state income tax liabilities in addition to any federal income tax or Additional Tax liabilities.

9.02 Directing a Withdrawal.

The Account Owner may direct a withdrawal payable to the Account Owner, Beneficiary, or Eligible Educational Institution by submitting a Request. The Account Owner also may direct Rollover Withdrawals.

9.03 Source of Withdrawal.

(a) A withdrawal is deducted from the Account at the NAV of the applicable Investment Options determined on the Trade Date.

(b) The withdrawal will cause the sale of Trust Units from each Investment Option in proportion to the market values represented by each Investment Option in the Account prior to the withdrawal.

(c) The number of Trust Units sold will be determined by dividing the withdrawal for a specified Investment Option by the NAV of that Investment Option as described in (a).

SECTION 10: TERMINATION AND REFUNDS

10.01 Voluntary Termination.

(a) The Account may be voluntarily terminated at any time by submitting a Notarized Request.

(b) Upon receipt of the Notarized Request, the Board will process a full withdrawal of the Account and issue a refund to the Account Owner.

(c) A voluntarily terminated Account may be reactivated at any time by making a contribution to the Account.

10.02 Involuntary Termination.

(a) The Board will involuntarily terminate the Account by processing a full withdrawal if, within 120 days from time of enrollment, the Account Owner fails to provide the Board with all information required to complete the Application. The Board will attempt to notify the Account Owner of any information that is required to complete the Application.

(b) Upon receipt of the Notarized Request, the Board will issue a refund to the Account Owner.

(c) An involuntarily terminated Account may be reactivated at any time by making a contribution to the Account.

10.03 Account Expiration.

(a) The Board will involuntarily terminate the Account if no contributions to or withdrawals from the Account have been made for a continuous period of 25 calendar years.

(b) Time expended by a Beneficiary as an active duty member of any of the armed services of the United States shall be added to this period, upon receipt of sufficient documentation by the Board.

(c) The Board may, but is not obligated to, consider requests from the Account Owner or Beneficiary to extend this period before the involuntary termination.

(d) After notice to the Account Owner at least six months prior to involuntary termination, the Account Balance shall be declared unclaimed and abandoned property. The Board shall retain any moneys from an Account terminated under this subsection.

10.04 Termination Due to Misrepresentation.

(a) The Board may terminate an Account if a material misrepresentation is made in the Application or in any communication from the Account Owner or Beneficiary to the Board regarding the Account. A material misrepresentation includes, but is not limited to, providing an invalid Social Security Number or taxpayer identification number, providing false certification that a person is a "member of the family" of the Beneficiary, or falsely certifying that a person is a citizen or resident alien of the United States.

(b) Upon receipt of the Notarized Request, the Board will issue a refund to the Account Owner, if any, less the penalty authorized in 7.03 and any other outstanding fees.

10.05 Refund Classification.

Generally, refunds are considered Non-Qualified Withdrawals and, therefore, subject to state and federal taxes and the Additional Tax.

10.06 Unclaimed Refunds.

Any unclaimed refunds for terminated Accounts and any unclaimed Account Balances shall escheat to the Florida Prepaid College Trust Fund seven years after the date the Account was terminated or such amounts became unclaimed, respectively.

SECTION 11: REPORTING

11.01 Account Statements.

(a) The Board maintains separate records for each Account and will provide to the Account Owner quarterly statements indicating, for the period and calendar year, the: (1) contributions to, withdrawals from, and changes between each Investment Option in the Account; (2) ending value of the Account; and (3) investment performance of each Investment Option.

(b) Quarterly statements will not be provided to the Account Owner for any quarter where: (1) there have been no contributions or withdrawals; and (2) the beginning and ending Account Balance is \$0.

(c) The Account Owner is responsible for reviewing each quarterly statement and for verifying the information contained on each quarterly statement. If the Account Owner fails to notify the Board in writing of any error on the quarterly statement within 60 days after the last day of the period to which the quarterly statement relates, the information pertaining to the Account contained on the quarterly statement is deemed to be correct, the Account Owner will be considered to have approved the information contained on the quarterly statement and its inclusion on subsequent quarterly statements, and to have released the Board from all liability for any error contained on the quarterly statement.

11.02 Tax Treatment, Withholding and Reporting.

(a) The application and impact of tax law vary widely based upon the specific facts involved. The Account Owner and Beneficiary are strongly encouraged to consult a qualified tax advisor regarding the tax consequences of contributing money to, or withdrawing money from, an Account.

(b) Under proposed federal tax regulations, withdrawals from Accounts are not subject to back-up

withholding. Accordingly, the Board does not withhold any portion of a withdrawal or refund for tax purposes.

(c) The Board will issue IRS Form 1099-Q to the Beneficiary for the calendar year in which a withdrawal is made payable to the Beneficiary or an Eligible Educational Institution.

(d) The Board will issue IRS Form 1099-Q to the Account Owner for the calendar year in which a withdrawal or refund is made payable to the Account Owner or a Rollover Distribution is made.

SECTION 12: OTHER INFORMATION ABOUT ACCOUNT

12.01 Not an Obligation of the State.

The Agreement is only a debt or obligation of the Program, and is not otherwise a debt or obligation of the State of Florida.

12.02 Actual Receipt by Board Required.

All requests and authorizations are effective only upon actual receipt by the Board and after a reasonable processing time.

12.03 Privacy and Account Confidentiality.

(a) Information that identifies the Account Owner or Beneficiary of any Account is confidential and exempt from Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution.

(b) The Board may authorize the release of such information to a Florida College System institution, college, or university in which a Beneficiary may enroll or is enrolled.

12.04 Accounts Not Registered Under the Securities Laws.

(a) Neither the Accounts under, nor the Participation Agreement to be executed in connection with, the Program will be registered under the Securities Act of 1933, as amended, or with the securities regulatory authority of any state.

(b) To the extent that registration of the Accounts or Participation Agreement is required, or registration of the Board or its officers and employees is required in order to offer or sell the Accounts or Participation Agreement, and the Accounts or Participation Agreement are offered and sold without the proper

registration(s): (1) the Board could be required to cease and desist operating the Program and to terminate the Program; (2) monetary penalties could be imposed; or (3) both.

12.05 Necessity of Qualification.

(a) The Program is intended to be a Qualified Tuition Program. The Board may make changes to the Program and the Participation Agreement at any time if it is determined that such changes are necessary for the continuation of the federal income tax treatment provided by Section 529 of the Code or any similar successor legislation.

(b) The Account Owner agrees to be bound by any such changes.

12.06 Statute and Rules.

(a) The Account and the Participation Agreement are subject to future changes to the Program, Part IV Chapter 1009, Florida Statutes, as amended, and to Rule 19B-16, Florida Administrative Code (or any similar successor rule), as amended.

(b) All transactions and changes of the Account are subject to such rules and policies as the Board may adopt in accordance with federal law and Florida law.

(c) All references in the Participation Agreement to the Florida Statutes include any similar successor statutes.

(d) The Account Owner agrees to be bound by any such changes, policies, rules, and statutes.

12.07 Program Changes and Termination.

(a) The Program is required to comply with Section 529 of the Code and the regulations and the administrative guidance issued thereunder, as well as Section 1009.981, Florida Statutes, and related sections and the related regulations and administrative guidance thereunder. In the operations of the Program, the Board shall have authority to interpret and administer the Program in a manner which complies with the Statutes and the guidance thereunder.

(b) The Board reserves the right to make changes or enhancements to the Program at any time to comply with Federal laws and regulations and the Florida Legislature's grant of authority under Sections 1009.971(4)(b), 1009.971(6), 1009.981 (2)(b)(1) – (11),

and 1009.981(2)(d) through the rulemaking process as more fully described in Section 120.54, Florida Statutes. Account Owners who have established Accounts prior to the time an enhancement is made available, may be precluded by federal tax law from participating in such enhancement.

(c) Although the Board currently has no plans to do so, the Board may: (1) discontinue the Program, (2) refuse to accept additional contributions to existing Accounts, or (3) refuse to accept Applications for new Accounts.

(d) The Program shall continue indefinitely until its existence is terminated by law, if ever. If the Program is terminated, the Account Balance shall be returned to Account Owners to the extent financially feasible. Any unclaimed Account funds shall be treated as abandoned property and shall revert to the State of Florida in accordance with Florida law.

(e) The State of Florida or the Board may determine that the Program is not financially feasible and may discontinue it after adequate provision is made for the return of the Account Balance to the Account Owner. There is a possibility, due to poor performance of the Investment Options selected by the Account Owner, that the Account Balance may be zero or significantly lower than the amount of funds contributed to the Account. Termination of the Program may result in a Non-Qualified Withdrawal by Account Owners for which tax and penalties may be assessed.

12.08 State Pledge.

The State of Florida pledges to the Account Owners and Beneficiaries of the Program that the State of Florida will not limit or alter the rights under Section 1009.981, Florida Statutes, which are vested in the Program until such obligations are met and discharged. However, Section 1009.981(9), Florida Statutes, does not preclude such limitation if adequate provision is made by law for the protection of the Account Owner and Beneficiary pursuant to the obligations of the Board, and if the State of Florida or the Board determines that the Program is not financially feasible, the State of Florida or the Board may discontinue the Program. If the Program is discontinued, the Board shall refund to Account Owners their Account Balance.

12.09 Disputes.

Any controversy or claim arising out of or relating to the Participation Agreement, or the breach, termination or validity thereof, shall be resolved in an administrative proceeding conducted pursuant to the provisions of Chapter 120, Florida Statutes.

12.10 Indemnification.

(a) Neither the Board nor the Program will indemnify any Account Owner, Survivor or Beneficiary against losses or other claims caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, terrorism, strikes, changes in federal or state law (including tax law) or other conditions beyond their control.

(b) The establishment of the Account will be based upon the Account Owner's agreements, representations and warranties set forth in the Participation Agreement and the Application. The Account Owner agrees to indemnify and hold harmless the Board, any vendors, contractors, investment advisors, investment consultants or investment managers selected by the Board, and any agents, representatives, or successors of any of the foregoing, from and against any and all loss, damage, liability or expense, including reasonable attorney's fees, that any of them may incur by reason of, or in connection with, any misstatement or misrepresentation made by the Account Owner herein or otherwise with respect to the Account, and any breach by the Account Owner of any of the agreements, representations or warranties contained in the Participation Agreement or the Application.

(c) All of the Account Owner's acknowledgements, agreements, representations and warranties shall survive the termination of the Participation Agreement.

12.11 Improper Action by Account Owner Acting in Custodial Capacity.

Neither the Board nor the Program will be liable for any consequence related to an action taken by an Account Owner acting in a custodial capacity which is an improper use, transfer, or characterization of custodial funds.

12.12 Binding Nature; Third-Party Beneficiaries.

The Participation Agreement shall survive the death of the Account Owner (or sale, liquidation, bankruptcy or receivership in the case of an Account Owner that is an entity) and shall be binding upon the Account Owner's personal representatives, legal representatives, heirs, successors and assigns.

12.13 Headings.

The heading of each section, paragraph and provision in the Terms and Conditions shall not be deemed to modify or qualify any of the rights or obligations set forth in each such section, paragraph and provision.

Form FPCB 2016-06, Effective February 2017, adopted by reference in Rule 19B-16.003, F.A.C.

APPENDIX A – PROGRAM PARTNERS

The Florida Prepaid College Board uses a strategic and competitive selection process to identify and contract with professional service providers to support the Florida 529 Savings Program. The following chart lists key Program partners by service area:

Florida 529 Savings Program Partners	
Service	Service Provider
Auditor	Carr, Riggs & Ingram, LLC
Custody Bank	The Northern Trust Company
Investment Consultant	Callan Associates, Inc.
Investment Managers	
Domestic Equity Index Fund	Alliance Bernstein, LP
Mid Cap Fund	The Boston Company Asset Management, LLC
Large Cap Growth Fund	BMO Global Asset Management
Fixed Income Fund	Columbia Threadneedle Investment
Money Market Fund	Federated Investors, Inc. (FloridaPRIME)
Small Cap Fund	Fiduciary Management, Inc.
International (Developed Markets) Fund	PanAgora Asset Management, Inc.
Large Cap Value Fund	Quantitative Management Associates, LLC
Records Administrator	Intuition College Savings Solutions, LLC

APPENDIX B – INVESTMENT OPTION RISK

You should carefully consider investment risk factors, including the following primary risks by investment type, before enrolling and investing in the Program. Predesigned portfolio options are generally subject to the proportional risk of their underlying fund components.

Primary Investment Risk by Fund Option								
Risk Consideration	Money Market	Fixed Income	Domestic Equity Index	Large Cap Growth	Large Cap Value	Mid Cap	Small Cap	International
Investment Style Risks								
Active Management Risk When investing to outperform a benchmark, security selection may result in relative underperformance. Traditionally, active styles have higher fees than passive.	●	●		●	●	●	●	●
Passive Management Risk When replicating a benchmark, the performance of selected securities may not match the index. Generally, excess returns are expected to be less than active styles.			●					

Security Type Risks

Fixed Income Risks

Fixed income investments are generally considered less risky than equities. Primary risk considerations include: **interest rate risk**, declining security price due to rising interest rates; **credit risk**, failure of a bond issuer to pay interest/principal timely; **call risk**, redemption by a bond issuer prior to maturity due to falling interest rates causing reinvestment at a lower rate; **extension risk** for mortgage backed securities, loan payoff later than expected preventing reinvestment at higher interest rates; and **prepayment risk** for mortgage backed securities, loan payoff faster than expected causing reinvestment at lower interest rates.

Equity Risks:

Equity investments are subject to **stock market risk**, a decline in stock prices. Markets generally move in cycles, with periods of rising and periods of falling prices.

International Equity Risks:

In addition to stock market risk, primary international equity risks include: **country/political risk**, world events (such as political changes, natural disasters, or financial troubles) causing decline in price; and **currency risk**, declining stock value due to declining currency value.

Investment risks addressed herein are not intended to cover all risks associated with investment in the Program.

APPENDIX C – INVESTMENT PERFORMANCE

The performance of each Investment Option will vary from day to day based on the performance of the underlying stock, bond, and/or money market securities. The following table represents past performance for each Investment Option adjusted to reflect the Investment Administration Fee.

Annualized Investment Returns (Net of Fees) for the Period Ending February 28, 2018					
Portfolio Options	1-Year	3-Year	5-Year	Inception.	Inception
Age Based / Years to Enrollment Portfolio					
Age 0-4 / 14+ Years To Enrollment	16.11%	8.45%	12.33%	8.46%	12/31/02
Age 5-8 / 10-13 Years To Enrollment	12.13%	6.83%	9.73%	7.43%	12/31/02
Age 9-12 / 6-9 Years To Enrollment	8.10%	4.97%	6.98%	6.30%	12/31/02
Age 13-15 / 3-5 Years To Enrollment	4.26%	3.01%	4.19%	5.00%	12/31/02
Age 16+ / 0-2 Years To Enrollment	0.26%	1.10%	1.43%	3.58%	12/31/02
Blended Equity Portfolio	16.11%	8.45%	12.33%	8.31%	12/31/02
Balanced Portfolio	8.10%	4.97%	6.98%	6.33%	12/31/02
Fund Options	1-Year	3-Year	5-Year	Inception	Inception
Money Market Fund	1.31%	0.79%	0.51%	1.28%	12/31/02
Fixed Income Fund	0.26%	1.10%	1.43%	3.61%	5/29/13
Domestic Equity Index Fund	16.54%	10.62%	-	13.00%	5/29/13
Large Cap Growth Fund	25.74%	9.69%	-	14.32%	5/29/13
Large Cap Value Fund	10.36%	8.53%	-	10.66%	5/29/13
Mid Cap Fund	7.96%	5.31%	-	10.00%	5/29/13
Small Cap Fund	11.30%	7.84%	-	11.73%	5/29/13
International Fund (Developed Markets)	18.81%	6.78%	-	8.04%	5/29/13

The investment returns above represent composite returns for institutional portfolios comprising the Investment Options available to participants in the Florida 529 Savings Program. The figures are calculated by the Board's investment consultant by computing the percentage change in the trust unit value of each Investment Option. The unit values for the Investment Options are calculated by the Board's custodian.

Investment returns are provided as general information only and are not intended as investment or other advice. This information shall not be considered an offer to sell or solicitation to buy a particular investment. Past performance is no guarantee of future performance.

To obtain current investment returns, please visit myfloridaprepaid.com/529-savings-plan/performance.



Carefully consider the investment objectives, risks, charges and expenses before investing in the Florida 529 Savings Plan. Please read this Program Description and Participation Agreement carefully.

As with any investment, it is possible to lose money by investing in this plan. The value of your Florida 529 Savings Account may fluctuate, and it is possible for the value of your account to be less than the amount you invested.

Before investing in a 529 plan, you should consider whether the state in which you or your designated Beneficiary reside or have taxable income has a 529 plan that offers favorable state income tax or other benefits that are available only if you invest in that state's 529 plan.

This information is for educational purposes only and is not intended as tax, legal or investment advice.

The Florida 529 Savings Plan is offered by the Florida Prepaid College Board. The Florida 529 Savings Plan is different from the Florida Prepaid College Plan. The Florida 529 Savings Plan is not guaranteed.