



FLORIDA
529
SAVINGS PLAN

Easy. Affordable. College savings.

Program Description & Participation Agreement



Effective Date: October 1, 2013

Please note Supplemental Changes set forth inside front cover.

Florida 529 Savings Plan Supplement dated January 1, 2015 to amend the Program Description and Participation Agreement dated October 1, 2013

This Supplement describes important changes affecting the Account Owner's authority to direct investments effective January 1, 2015. Please read this Supplement in conjunction with the October 1, 2013 Program Description and Participation Agreement and keep with your Account documents.

Option to Change Existing Balance Allocation up to Twice per Calendar Year

Effective January 1, 2015, Section 529 of the Internal Revenue Code has been amended to permit an Account Owner to change the Existing Balance Allocation up to twice per calendar year. As a result, all references in the Florida 529 Savings Plan Program Description and Participation Agreement to changing the Existing Balance Allocation once per calendar year are replaced with twice per calendar year for calendar years 2015 and later. This includes, but may not be limited to, the following references: page 3, Account Changes; page 25, Paragraph 4.02(b); page 25, Paragraph 4.03; and page 32, Paragraph 12.

Florida 529 Savings Plan Supplement dated September 1, 2014 to amend the Program Description and Participation Agreement dated October 1, 2013

This Supplement describes important reductions to the Administrative Fees charged by the Florida 529 Savings Plan. Please read this Supplement in conjunction with the October 1, 2013 Program Description and Participation Agreement and keep it with your Account documents.

New Lower Florida 529 Savings Administrative Fees

Effective September 1, 2014, the Administrative Fee for many Investment Options will be reduced. The Administrative Fees for all Investment Options are as follows:

Administrative Fees					
<i>Effective September 1, 2014, the information in this table amends the Administrative Fees in Paragraph 7.01(a) and the Approximate Cost of \$10,000 Investment table in Paragraph 7.01(b) of the Terms and Conditions on page 27 of the October 1, 2013 Program Description and Participation Agreement</i>					
Portfolio Options	Administrative Fee	Approximate Cost of \$10,000 Investment			
		One Year	Three Years	Five Years	Ten Years
Age-Based / Years to Enrollment Portfolio					
Age 0 - 4 / 14+ Years To Enrollment	68	\$69	\$217	\$378	\$845
Age 5 - 8 / 10 - 13 Years To Enrollment	70	\$71	\$224	\$389	\$869
Age 9 - 12 / 6 - 9 Years To Enrollment	71	\$73	\$227	\$395	\$881
Age 13 - 15 / 3 - 5 Years To Enrollment	73	\$75	\$233	\$406	\$905
Age 16+ / 0 - 2 Years To Enrollment	75	\$77	\$240	\$416	\$928
Blended Equity Portfolio	68	\$69	\$217	\$378	\$845
Balanced Portfolio	71	\$73	\$227	\$395	\$881
Fund Options	Administrative Fee	Approximate Cost of \$10,000 Investment			
		One Year	Three Years	Five Years	Ten Years
Money Market Fund	0	\$0	\$0	\$0	\$0
Fixed Income Fund	75	\$77	\$240	\$416	\$928
Domestic Equity Index Fund	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

IMPORTANT NOTE TO INVESTORS

This Program Description and Participation Agreement (PDPA) does not constitute an offer to sell or the solicitation of an offer to buy any security other than an investment in the [Florida 529 Savings Plan](#) offered hereby, nor does it constitute an offer to sell or the solicitation to any person in any jurisdiction or under any circumstances in which it would be unlawful.

No dealer, broker, salesperson or other person has been authorized by the [Florida Prepaid College Board](#) (Board) to give any information or to make any representations other than those contained in this document and, if given or made, such other information or representations must not be relied upon as having been authorized by the Board.

No security issued by the Board has been registered with or approved by the [United States Securities and Exchange Commission](#) or any state securities commission. Further, neither the Accounts nor the PDPA are subject to oversight by the [Financial Industry Regulatory Authority](#) or the [Municipal Securities Rulemaking Board](#).

YOUR INVESTMENT IS NOT GUARANTEED

Enrolling and investing in the Florida 529 Savings Plan involves certain risks, including the loss of the entire amount of funds invested in the Florida 529 Savings Plan. Accounts are not deposits or obligations of, or are insured or guaranteed by, the state of Florida or any agency, or instrumentality thereof, the United States government, the Board, any financial institution, the Federal Deposit Insurance Corporation, the investment managers listed herein or any other agency, entity, instrumentality or person.

Statements contained in this PDPA related to past performance are provided for historical purposes only and may not be indicative of future performance. Actual results for future periods could differ significantly from past performance. Investment returns and the value of your investment will fluctuate. When your investment is withdrawn, it may be worth more or less than your contributions.

You should carefully consider the investment risk factors beginning on p. 14 of this PDPA before enrolling and investing in the Florida 529 Savings Plan.

IMPORTANT TAX INFORMATION - IRS CIRCULAR 230 DISCLOSURES

The information provided in this PDPA should not be deemed as the Board providing tax advice The tax information provided herein is solely intended for informational purposes and to support the marketing of the Florida 529 Savings Plan. The tax information herein may not be used for the purpose of avoiding the payment of taxes or penalties under the Internal Revenue Code. Carefully review the tax considerations beginning on p. 19 and consult your own tax advisor with respect to your specific situation prior to making any investment decisions in connection with the Florida 529 Savings Plan.

CHANGES AND UPDATES TO THE PDPA

This PDPA is dated October 1, 2013, and supersedes all previous PDPA's or Disclosure Statements, including any supplements or addendums and no person should rely upon those previously distributed documents. The PDPA is reviewed annually and updated as necessary. Information contained in this PDPA is believed to be accurate as of its date, but is not guaranteed by the Board and is subject to change without notice. Any changes or updates are made in accordance with Part IV Chapter 1009, Florida Statutes, as amended, and to Rule 19B-16, Florida Administrative Code (or any similar successor rule), as amended. Account Owners will be notified of any material changes to the PDPA .

The most current PDPA, investment manager information and performance data is always posted on the Board's website, www.Florida529SavingsPlan.com.

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OVERVIEW

Feature	Description	Additional Information
Goal of the Florida 529 Savings Plan	To help individuals and families plan and save for future college expenses.	
Administrator	<p>Florida Prepaid College Board (FPCB) 800.552.GRAD www.myfloridaprepaid.com</p> <p><i>Correspondence</i> PO Box 6567 Tallahassee, FL 32314-6567</p> <p><i>Contributions</i> PO Box 31483 Tampa, FL 33631-3483</p>	Program Oversight and Administration, p. 5
Account Owner Eligibility	Any U.S. citizen or resident alien with a valid Social Security or taxpayer identification number. No state residency or income restrictions. Must have a valid U.S. permanent address that is not a PO Box.	Open an Account, p. 6
Beneficiary Eligibility	Any U.S. citizen or resident alien with a valid Social Security or taxpayer identification number. No state residency, age or income restrictions.	Choose a Beneficiary, p. 6
Investment Options	<p>There are 11 investment options. One or any combination of the investment options may be selected. Investment allocations for new contributions can be changed at any time.</p> <ul style="list-style-type: none"> o Portfolio Options <ul style="list-style-type: none"> • Age Based/Years to Enrollment Portfolio • Blended Equity Portfolio • Balanced Portfolio o Fund Options <ul style="list-style-type: none"> • Money Market Fund • Fixed Income Fund • Domestic Equity Index Fund • Large Cap Growth Fund • Large Cap Value Fund • Mid Cap Fund • Small Cap Fund • International (Developed Markets) Fund 	Investment Options, p. 7
Investment Managers	Investment options are managed by a variety of professional fund managers. Each investment manager is competitively selected by FPCB based on factors such as: investment philosophy and strategy; performance history; and organizational experience and financial stability.	Investment Managers, p. 15
Contributions	Method of Payment: Check, money order, cashier's check, automatic contribution, payroll deduction or rollover. Minimum: Open an account with an automatic contribution of just \$25 per month or an initial contribution of \$250. Maximum: No more than \$418,000 per account. Accounts at the maximum balance can continue to accrue earnings, however, additional contributions are prohibited.	Terms and Conditions, Contributions, p. 26

OVERVIEW

Feature	Description	Additional Information
Multiple Accounts	Grandparents, relatives and even friends can open an account for the same Beneficiary. Combined, all accounts for the same child/beneficiary cannot exceed \$418,000. In addition, an Account Owner may hold multiple accounts for different Beneficiaries.	Open an Account, p. 6
Tax Considerations	<ul style="list-style-type: none"> • Earnings accrue free from federal income tax. • Qualified Withdrawals are federal tax exempt. • Contributions to a 529 college savings plan are not deductible for federal income tax purposes. • Earnings, withdrawals and/or contributions may be subject to state income tax, which varies by state. 	Tax and Legal Considerations, p. 19
Risk Considerations	<ul style="list-style-type: none"> • Investments are not guaranteed. • You may lose your money, including contributions, over short or long periods. • Contributions may affect eligibility of the Beneficiary or the Account Owner for financial aid benefits. • State and federal tax laws may change. • Plan fees may change. 	About Investment Risks, p. 14
Qualified Withdrawals	Funds may be withdrawn at any time to fund Beneficiary Qualified Education Expenses, including: tuition, room and board, books, supplies, fees and equipment required for enrollment or attendance at any Eligible Education Institution.	Terms and Conditions, Withdrawals, p. 28
Fees	Administrative Fee: The annual asset-based administrative fee is 3/4 of 1% (0.0075 or 75 basis points) of the Account Balance. Other: No annual account maintenance or sales/commission fees.	Terms and Conditions, Fees and Penalties, p. 27
Account Control	The Account Owner retains control over how and when the money in an account is used. Money from the Account can be withdrawn by the Account Owner at any time. Non-Qualified Withdrawals are subject to federal income tax and may incur other penalties.	Terms and Conditions, Account Rights, p. 24
Account Changes	Per federal law, the Account Owner can change the investment allocations of the Account balance once per calendar year. The Account Owner can change the Beneficiary without penalty if the new Beneficiary is a family member of the former Beneficiary.	Terms and Conditions, Account Changes, p. 27
Rollovers & Transfers	Funds can be rolled over from another 529 plan or to another 529 plan once every 12 months for the same Beneficiary. Liquidated Education Savings Accounts (ESAs), Uniform Gift/Transfers to Minor Act (UGMA/UTMA) assets and redeemed U.S. Savings Bonds can also be transferred to a 529 plan at any time.	Terms and Conditions, Contributions, p. 26
Privacy	Personal information submitted by the Account Owner and/or Beneficiary to the Florida 529 Savings Plan is confidential and exempt from Florida Public Records Law, s. 119.07(1), Florida Statutes and s. 24(a), Art. I of the State Constitution.	Tax and Legal Considerations, p. 19

PROGRAM DESCRIPTION

SECTION 1: INTRODUCTION

One of the most important things you can do for your children is to invest in their future education. The Florida 529 Savings Plan allows you to save tax-free, for Qualified Higher Education Expenses, including tuition, fees, off-campus housing, food, textbooks and even graduate school. Every dollar you save now is a dollar you and your child may not have to borrow later. Highlights of the Program include:

- You may enroll at any time. The earlier you begin, the more you'll give your savings a chance to grow.
- There are no income, age or Florida residency requirements.
- Open an Account with an automatic contribution of just \$25 per month or an initial contribution of \$250.
- Open an Account for anyone, even an adult returning to college for graduate school or professional certification.
- Unlike many other 529 plans, there are no commissions or sales fees.
- Earnings accrue free from federal income tax.
- Use your college savings at most accredited U.S. colleges and universities.
- Withdraw your money, tax-free, at any time for Qualified Higher Education Expenses.

KEY TERMS

Before you begin, it is important that you understand several terms used throughout this Program Description and Participation Agreement (PDPA). The definitions below are provided for your convenience. Please refer to the Terms and Conditions for more detailed information and a full list of definitions.

- "529 Plan" is a commonly accepted name for any plan that adheres to the Code to invest for Qualified Higher Education Expenses.
- "Account" is the savings account established under the Program. Each Account may have only one Account Owner, one Survivor and one Beneficiary.
- "Account Owner" is the person who opens an Account with the Program. References in this document to "You" mean you in your capacity as the Account Owner.
- "Beneficiary" is the person designated by the Account Owner whose Qualified Higher Education Expenses may be paid using money from the Account.
- "Board" means the Florida Prepaid College Board.
- "Code" or "Section 529" refers to Section 529 of the Internal Revenue Code of 1986, as amended, outlining IRS rules for qualified tuition programs.
- "Eligible Educational Institution" is defined by Section 529 as 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.
- "Investment Options" are the 11 options offered by the Program in which your Account may be invested.
- "Program" is the Florida College Savings Program, marketed as the Florida 529 Savings Plan. The Program is established under Section 1009.981, Florida Statutes.
- "Qualified Higher Education Expenses" include the tuition, fees, room and board, and the cost of books, supplies and equipment permitted under Section 529 at Eligible Educational Institutions.

ABOUT 529 PLANS AND THE PROGRAM

Section 529 permits states, state agencies and certain other groups to establish tax-advantaged 529 Plans to help individuals and families save, invest and ultimately withdraw funds to cover costs associated with higher education. Any earnings on money in an Account grow free from federal income tax and such earnings may be withdrawn free of such tax if used to pay Qualified Higher Education Expenses. Depending upon the state

where you live or pay state income tax, these earnings also may or may not be subject to state income tax. Contributions to your Account are not deductible for federal income tax purposes.

The Program is intended to be used only to save for Qualified Higher Education Expenses. 529 Plans are not intended to be used, nor should they be used, by any taxpayer for the purpose of evading federal or state taxes. Taxpayers may wish to seek advice from an independent tax advisor based on their own particular circumstances. See Tax and Legal Considerations, p. 19 for more information.

The Program is a 529 Plan established in 2002 by the state of Florida to provide an alternative and supplement to the Florida Prepaid College Plan and help Florida families save for all costs associated with college. The Program is different from the Florida Prepaid College Plan, including but not limited to: funds invested in the Program are not guaranteed or insured; there are no state of Florida residency requirements; and an Account can be opened for a Beneficiary of any age. **This Program Description addresses only the Florida 529 Savings Plan.** See Program Oversight and Administration, p. 5 for more information.

ABOUT INVESTING

Whether you are a first-time investor or have been investing for many years, there are some guiding principles which can help you on your path to saving and investing. The U.S. Securities and Exchange Commission's Investor.gov website provides information on these guiding principles which include the need to:

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

For more information visit: www.investor.gov/investing-basics

SECTION 2: PROGRAM OVERSIGHT AND ADMINISTRATION

The Florida Prepaid College Board, an agency of the state of Florida, authorized by Section 1009.981, Florida Statutes (F.S.) administers the Stanley G. Tate Florida Prepaid College Program and the Florida 529 Savings Plan. The Board is administratively housed within the State Board of Administration, but independently exercises the powers and duties specified in ss. 1009.97-1009.984, F.S.

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) describing the investment goals, strategies, asset allocation and performance benchmarks for the Program. The Board appoints an executive director responsible for overseeing day-to-day operations and implementing policy adopted by the Board. An annual report is prepared by the Board at the close of the fiscal year which includes a financial description of the Program and is made available to each Account Owner and Beneficiary, as well as the general public.

SECTION 3: GETTING STARTED

This section offers a brief overview of the process needed to: (1) open an Account with the Program; (2) choose a Beneficiary; (3) choose your Investment Options; (4) designate a Survivor (successor Account Owner); and (5) contribute money to an Account.

1. OPEN AN ACCOUNT

- To be an Account Owner, you must be a U.S. citizen or resident alien and have a Social Security or taxpayer identification number.
- You must provide the Program with a U.S. permanent street address that is not a post office box.
- You **do not** have to be a resident of Florida and there are no income restrictions on Account Owners.

How to Open Your Account

1. Visit www.Florida529SavingsPlan.com
2. Select "Enroll Now"
3. Complete the Application

See Terms and Conditions, Account Rights, p. 24 for more details on setting up an Account.

2. CHOOSE A BENEFICIARY

- Select your Beneficiary for the Account on your Application.
- The Beneficiary is the future student.
- A Beneficiary must be a U.S. citizen or resident alien and have a Social Security or taxpayer identification number.
- You may select only one Beneficiary per Account.
- You do not have to be related to the Beneficiary.
- You may select yourself as Beneficiary.

See Terms and Conditions, Account Rights, p. 24 for more details on Beneficiary rights.

3. CHOOSE INVESTMENT OPTIONS

You may select one or more of 11 Investment Options, categorized as follows:

- **Portfolio Options** (3 options)
Portfolio options offer age based and non-aged based portfolios with pre-structured Fund allocations. Investment allocations in the Age Based/Years to Enrollment Portfolio are automatically adjusted over time to become more conservative as the Beneficiary approaches college age. Investment allocations in the Balanced Portfolio and Blended Equity Portfolio remain static and do not change over time.
- **Fund Options** (8 options)
These are individual money market, bond and stock Funds that offer a range of additional choices for your investment portfolio.

See Investment Options, p. 7 for details about each Investment Option, including objectives, strategies, risks and performance.

4. DESIGNATE A SURVIVOR

- Designating a Survivor is optional.
- The Survivor will become the Account Owner if you pass away.
- If there is no Survivor, the Beneficiary will automatically become the Account Owner if you pass away.
- If the Beneficiary is a minor, any allowable Account changes will require a parent or legal guardian to approve.

5. CONTRIBUTE

- Contributions can be made by: check, money order, cashier's check, automatic contribution, payroll deduction or rollover.
- A minimum contribution of \$250 or establishing an automatic contribution of \$25 per month is required to open an Account.
- Anyone can contribute to an Account at any time.
- A Rollover Contribution from another 529 plan can be made to the Account.
- Liquidated Education Savings Accounts (ESAs), Uniform Gift/Transfers to Minor Act (UGMA/UTMA) assets and redeemed U.S. Savings Bonds can also be transferred to a 529 plan at any time.
- Contributions are not deductible for federal income tax purposes.
- The Maximum Account Balance is \$418,000 per accounts. Accounts at the maximum balance can continue to accrue earnings, however, additional contributions are prohibited.

See Terms and Conditions, Contributions, p. 26 for more details.

SECTION 4: INVESTMENT OPTIONS

The Florida Prepaid College Board strives to offer the best possible Investment Options to Account Owners through multiple Portfolios and Funds. The Investment Options of the Program are designed to meet the needs of most investors. Whether you are saving for your child's future or for yourself to achieve your higher education goals, there is an Investment Option for your budget and savings goals.

While many plans will offer only index funds, the Board believes that carefully selected professional investment managers add value to the Program. In addition, the Program is able to offer access to investment managers that may be unavailable to investors limited to mutual funds, which makes the investment program offered by Florida unique. The Board, along with outside investment consultant, Callan Associates, uses a strategic and competitive selection process to identify and contract with these investment managers. See Investment Managers, p. 15 for more information.

In keeping with this view, with the sole exception of the Domestic Equity Index Fund, all of the Investment Options offered by the Program are actively managed. In an active investment strategy, the investment manager relies on his or her own informed judgment and experience to decide on which securities to buy, hold or sell. In a passive investment strategy, the investment manager attempts to reproduce or match the returns of an index or market.

A total of 11 Investment Options are available and you may choose one, or any combination, for your Account. Investment Options are categorized as follows:

Portfolio Options

The Program offers three diversified, pre-designed Portfolios with investment allocations to certain underlying Fund options. The Age Based/Years to Enrollment Portfolio links the investment mix to the age of the Beneficiary or number of years before the Beneficiary is expected to attend college. The investment mix is more aggressive when the Beneficiary is younger. As the anticipated college enrollment date gets closer, the investment mix becomes more conservative. The Blended Equity Portfolio and Balanced Portfolio include allocations that remain static over time and each provide a different objective and strategy to help you save based on your short and/or long term goals.

1. Age Based/Years to Enrollment Portfolio
2. Blended Equity Portfolio
3. Balanced Portfolio

Fund Options

The Program offers eight Fund Options that include money market, bond and stock choices for your Account. Depending on your goals and preferences you may choose to invest all or some of your contributions into one or more of the following Funds.

4. Money Market Fund
5. Fixed Income Fund
6. Domestic Equity Index Fund
7. Large Cap Growth Fund
8. Large Cap Value Fund
9. Mid Cap Fund
10. Small Cap Fund
11. International (Developed Markets) Fund

Every circumstance is different. Consulting a financial planner or tax advisor before investing is recommended. Detailed descriptions of each Investment Option are available beginning below.

PORTFOLIO OPTIONS: AGE BASED/YEARS TO ENROLLMENT PORTFOLIO

Summary: The Age Based/Years to Enrollment Portfolio allocates contributions to the Blended Equity Portfolio and/or Fixed Income Fund based on the Beneficiary's age or number of years to college enrollment.

Objective: The Portfolio utilizes both active and passive investment strategies and seeks to provide an asset allocation profile that links the amount of volatility in the Portfolio directly to the investment horizon.

Strategy: The younger the Beneficiary, the higher the percentage invested in equities, because equities are expected to have higher potential returns, but can be higher in risk. As the Beneficiary approaches college enrollment, the percentage invested in equities decreases and the percentage invested in fixed income increases. The goal of this transition is to take on less risk as the Beneficiary approaches the time when the Portfolio will be drawn upon.

To achieve this, the percentage allocation to the Blended Equity Portfolio and Fixed Income Fund in the Portfolio varies based upon the number of years before the Beneficiary is expected to attend college. See Blended Equity Portfolio and Fixed Income Fund for more information.

Allocation Guidelines* for Age Based/Years to Enrollment Portfolio		
Age (years)	Blended Equity (%)	Fixed Income (%)
0-4	100	0
5-8	75	25
9-12	50	50
13-15	25	75
16 & above	0	100

* Target allocations and allowable ranges to investment Funds and/or Portfolios are established in the CIP.

Managers: Columbia Management Investment Advisers, LLC; AllianceBernstein LP; Silvant Capital Management LLC; Quantitative Management Associates, LLC (QMA); The Boston Company Asset Management, LLC; Fiduciary Management, Inc.; PanAgora Asset Management, Inc.

Risks: Active Trading Risk; Call Risk; Country/Political Risk; Currency Risk; Credit Risk; Derivatives Risk; Duration/Interest Rate Risk; Equity Market Risk; Extension Risk; Liquidity Risk; Prepayment Risk; Regulatory Risk

PORTFOLIO OPTIONS: BLENDED EQUITY PORTFOLIO

Summary: The Blended Equity Portfolio is a blended, equity-only portfolio with allocations among the Fund Options with stocks.

Objective: The Portfolio seeks to provide an opportunity for meaningful growth of capital, over a long investment horizon, in diversified equity investments.

Strategy: The Portfolio is a blended, equity-only portfolio with an allocation that is intended to remain static over time in each of the various equity Funds. By diversifying investments in various equity strategies there is an ability to balance the high risk/high reward associated with certain equities, with equities that are considered less volatile. See each Fund for more information.

Components of Blended Equity Portfolio	Passive or Active Management	Allocation* (%)
Domestic Equity Index Fund	Passive	20
Large Cap Growth Fund	Active	20
Large Cap Value Fund	Active	20
Mid Cap Fund	Active	10
Small Cap Fund	Active	10
International (Developed Markets) Fund	Active	20

* Target allocations and allowable ranges to investment Funds and/or Portfolios are established in the CIP.

Managers: AllianceBernstein LP; Silvant Capital Management LLC; Quantitative Management Associates, LLC (QMA); The Boston Company Asset Management, LLC; Fiduciary Management, Inc.; PanAgora Asset Management, Inc.

Risks: Active Trading Risk; Country/Political Risk; Currency Risk; Equity Market Risk; Liquidity Risk; Regulatory Risk

PORTFOLIO OPTIONS: BALANCED PORTFOLIO

Summary: The Balanced Portfolio allocates contributions equally between the Blended Equity Portfolio and the Fixed Income Fund.

Objective: The Portfolio seeks to generate long-term growth, with less short-term volatility than the Blended Equity Portfolio alone.

Strategy: The Portfolio utilizes both actively and passively managed investments and is an equal combination of the Blended Equity Portfolio and the Fixed Income Fund. The Portfolio is designed for Account Owners who seek a broadly diversified portfolio with an asset allocation that is intended to remain static over time. See Fixed Income Fund and Blended Equity Portfolio for more information.

Components of Blended Equity Portfolio	Allocation (%)*
Fixed Income Fund	50
Blended Equity Portfolio	50

* Target allocations and allowable ranges to investment Funds and/or Portfolios are established in the CIP.

Managers: Columbia Management Investment Advisers, LLC; AllianceBernstein LP; Silvant Capital Management LLC; Quantitative Management Associates, LLC (QMA); The Boston Company Asset Management, LLC; Fiduciary Management, Inc.; PanAgora Asset Management, Inc.

Risks: Active Trading Risk; Call Risk; Country/Political Risk; Currency Risk; Credit Risk; Derivatives Risk; Duration/Interest Rate Risk; Equity Market Risk; Extension Risk; Liquidity Risk; Prepayment Risk; Regulatory Risk

FUND OPTIONS: MONEY MARKET FUND

Summary: The Money Market Fund invests in short-term, high-quality fixed income securities rated in the highest short-term rating category to provide competitive returns with less risk.

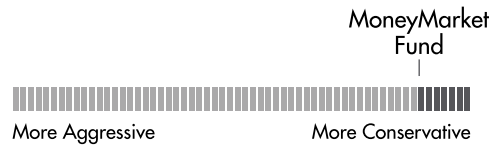
Objective: The Fund seeks to provide, in priority order, safety, liquidity and returns comparable to short term instruments with minimization of risks.

Strategy: The Fund invests exclusively in short-term, high-quality fixed income securities rated in the highest short-term rating category by one or more of the nationally recognized statistical rating organizations, or of comparable quality. The Portfolio seeks to maintain a stable net asset value of \$1.00 and a weighted average maturity of 60 days or less, with the maximum maturity of 762 days for government floating rate notes/variable rate notes and will not exceed 397 days for other securities.

Due to the low interest rate environment, the Florida Prepaid College Board approved and allowed the administrative fee (75 basis points) to be reduced for the Fund. The current administrative fee established for the Fund is approximately 10 basis points and may fluctuate.

Manager: Federated Investors, Inc.

Volatility and Risks: Active Trading Risk; Call Risk; Country/Political Risk; Currency Risk; Credit Risk; Derivatives Risk; Duration/Interest Rate Risk; Extension Risk; Liquidity Risk; Prepayment Risk; Regulatory Risk



FUND OPTIONS: FIXED INCOME FUND

Summary: The Fixed Income Fund is an actively managed bond fund including investments in U.S. Treasury and U.S. Government Agency obligations, as well as, corporate debt instruments.

Objective: The Fund primarily seeks to provide current income through investing in domestic investment grade fixed income securities, consistent with minimal fluctuation of principal.

Strategy: The Fund is primarily invested in fixed income securities issued or guaranteed by the U.S. Government, its agencies, or instrumentalities, and corporate debt instruments, including but not limited to asset-backed and mortgage-backed securities rated not less than Baa3/BBB- by two or more nationally recognized rating services. The Fund attempts to find securities that offer relative value, based on an assessment of real interest rates and the yield curve, and that have the potential for moderate price appreciation.

Manager: Columbia Management Investment Advisers, LLC

Volatility and Risks: Active Trading Risk; Call Risk; Credit Risk; Derivatives Risk; Duration/Interest Rate Risk; Extension Risk; Liquidity Risk; Prepayment Risk; Regulatory Risk



FUND OPTIONS: DOMESTIC EQUITY INDEX FUND

Summary: The Domestic Equity Index Fund invests in companies within the S&P 500 Index.

Objective: The Fund seeks to track the performance of the S&P 500 Index.

Strategy: The Fund is a passively managed U.S. equity fund that utilizes a replication construction technique. That is, the Fund attempts to replicate the S&P 500 Index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in the same proportion as its weighting in the index. The index is capitalization-weighted, with each stock weighted by its proportion of the total market value of all 500 issues. Thus, larger companies have a greater effect on the index.

Manager: AllianceBernstein LP

Volatility and Risks: Equity Market Risk; Liquidity Risk; Regulatory Risk



FUND OPTIONS: LARGE CAP GROWTH FUND

Summary: The Large Cap Growth Fund invests in large capitalization growth companies, generally valued at \$10 billion or more, that present greater-than-average earnings potential.

Objective: The Fund seeks to provide meaningful growth of capital by investing in large capitalization growth stocks.

Strategy: The Fund is an actively managed U.S. equity strategy that seeks investments in companies believed to exceed investor expectations. The Fund utilizes a consistent and disciplined investment process that is driven by bottom-up, fundamental analysis. Stocks that are included typically exhibit higher revenue and earnings growth rates, higher returns (equity, assets, cash flow), strong balance sheets and positive price momentum.

Manager: Silvant Capital Management LLC

Volatility and Risks: Active Trading Risk; Equity Market Risk; Liquidity Risk; Regulatory Risk



FUND OPTIONS: LARGE CAP VALUE FUND

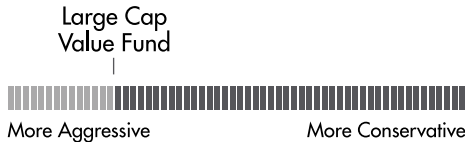
Summary: The Large Cap Value Fund invests in large capitalization value companies, generally valued at \$10 billion or more, that are considered undervalued.

Objective: The Fund seeks to provide meaningful growth of capital by investing in large capitalization value stocks.

Strategy: This Fund is an actively managed U.S. equity strategy that employs a bottom-up, quantitative approach to identify attractive, undervalued companies in order to capitalize on the pricing discrepancies that exist between high- and low-expectation stocks. This Fund seeks to capture this outperformance potential, with diversified holdings and making small active bets on a large number of stocks.

Manager: Quantitative Management Associates, LLC (QMA)

Volatility and Risks: Active Trading Risk; Equity Market Risk; Liquidity Risk; Regulatory Risk



FUND OPTIONS: MID CAP FUND

Summary: The Mid Cap Fund invests in mid-capitalization companies, generally valued between \$1 billion and \$15 billion.

Objective: The Fund seeks to provide meaningful growth of capital by investing in mid-capitalization stocks.

Strategy: The Fund is an actively managed U.S. equity strategy investing where mid-cycle estimates are well above expectations. The Fund utilizes a proprietary calculation of intrinsic value that incorporates a company's economic balance sheet to invest where it finds the best intrinsic value.

Manager: The Boston Company Asset Management, LLC

Volatility and Risks: Active Trading Risk; Equity Market Risk; Liquidity Risk; Regulatory Risk



FUND OPTIONS: SMALL CAP FUND

Summary: The Small Cap Fund invests in small capitalization core companies, generally selects from companies with less than \$5 billion in market capitalization at purchase.

Objective: The Fund seeks to provide meaningful growth of capital by investing in small capitalization stocks.

Strategy: The Fund is an actively managed U.S. equity portfolio investing with a “business owner” approach. That is the Fund approaches the valuation of each potential investment as a purchase of the company or business outright. The goal is to invest in companies that have a solid business franchise, but are trading below their intrinsic value (or the price a business owner or private buyer might pay for the company). The Fund generally buys into a company when there is uncertainty and waits for the uncertainty to lift and the fundamentals to turn to realize returns.

Manager: Fiduciary Management, Inc.

Volatility and Risks: Active Trading Risk; Equity Market Risk; Liquidity Risk; Regulatory Risk



FUND OPTIONS: INTERNATIONAL (DEVELOPED MARKETS) FUND

Summary: The International (Developed Markets) Fund is an actively managed equity fund investing in stocks of international developed markets.

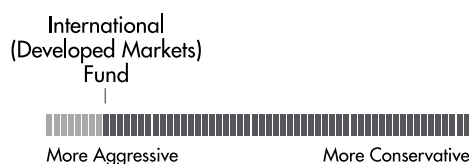
Objective: The Fund seeks to provide meaningful growth of capital by investing in the stocks of international developed markets.

Strategy: The Fund is an actively managed equity fund that uses a proprietary alpha modeling approach to invest in international developed markets. “Developed Markets” are countries that have sound, well-established economies and, are therefore, thought to offer more stable investment opportunities than developing markets. Developed markets represent stocks traded on the exchanges of Europe, Australia, New Zealand and the Far East.

The Fund believes that company stock performance is driven by different factors, and only uses the factors that are most relevant to the performance of each stock to build a unique alpha forecast model for each company in the investment universe. These forecast models are the basis for the Portfolio construction process that creates a fund with the highest expected risk-adjusted return.

Manager: PanAgora Asset Management, Inc.

Volatility and Risks: Active Trading Risk; Country/Political Risk; Currency Risk; Equity Market Risk; Liquidity Risk; Regulatory Risk



ABOUT INVESTMENT RISKS

Neither the Board nor the state of Florida has a legal obligation to ensure pay-out of any, or all, of the amount of any contribution to the Program, or guarantees that there will be any investment return, or investment return at a particular level, with respect to any funds contributed to the Program.

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. Before making a selection it is suggested that you consult your own tax, financial and legal advisors.

See Terms & Conditions, p. 26, Section 5: Risks of Investing in the Florida 529 Savings Plan for more information.

Active Trading Risk – Active trading can increase transactions costs, which can negatively impact the total return of the fund.

Call Risk – Call risk exists when the issuer of a security may redeem the security by repaying it early. Call risk normally applies to bonds during periods of falling interest rates. If a security is called and the proceeds of the sale are reinvested at a lower yield, it may negatively affect the return of the fund.

Country/Political Risk – Country/political risk exists when political changes, natural disasters, or regional financial troubles affect the value of securities issued by companies located in foreign countries.

Credit Risk – Credit risk exists when the issuer of a security is unable or unwilling to make interest and principal payments as agreed. Changes in the credit rating of the issuer of a security can also negatively impact the price of a security.

Currency Risk – Currency risk exists when the U.S. dollar value of investments declines due to declines in the value of the currency of a foreign investment.

Derivatives Risk – Derivatives risk exists when financial contracts or instruments are used to create leverage within an investment, or when these contracts or instruments do not provide the same value or liquidity as the financial asset(s) they are designed to replace.

Duration/Interest Rate Risk – Duration/interest rate risk exists when increases in prevailing interest rates result in a decrease in the valuation of fixed income securities.

Equity Market Risk – Equity market risk is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.

Extension Risk – Extension risk applies to mortgage-backed securities. This risk exists when borrowers pay off their mortgage loans later than expected, which prevents an owner of mortgage-backed securities from reinvesting principal proceeds at higher prevailing interest rates.

Liquidity Risk – Liquidity risk exists when a particular investment may be difficult to buy or sell at an advantageous price. The value of illiquid securities may be lower than the price of liquid securities, and thus may negatively impact fund values.

Prepayment Risk – Prepayment risk applies to mortgage-backed securities. This risk exists when borrowers pay off their mortgage loans faster than anticipated, which may cause an owner of mortgage-backed securities to reinvest principal proceeds at lower prevailing interest rates.

Regulatory Risk – Regulatory risk exists when potential changes in the regulation of securities markets, or of the broader economy negatively impacts the prices or liquidity of securities held in an investment fund.

INVESTMENT MANAGERS

The Board, along with outside investment consultant, Callan Associates, uses a strategic and competitive selection process to identify and contract with professional investment managers. Each investment manager is competitively selected based on numerous factors including, but not limited to, investment philosophy and strategy; performance history; and organizational experience and financial stability.

The only exceptions to the Board directly procuring a manager is with respect to Quantitative Management Associates, LLC and Federated Investors, Inc. The State Board of Administration, on behalf of and pursuant to a contract with the Board, has contracted with these professional managers.

Contracts with the Investment Managers may be terminated by the Board by giving the investment manager 30 days written notice. In the event a contract is terminated or expires, the Board is required under Florida law to obtain any replacement investment management services by means of a competitive procurement process, or, under certain circumstances, it may retain the services of an investment manager through an agreement with the State Board of Administration.

The Program carefully monitors the performance of the investment managers against selected benchmarks determined by the Board with the assistance of Callan Associates. At any time the Board reserves the right to change investment managers and/or the selected benchmark in order to offer the best possible array of choices.

The following chart lists individual investment managers and the allocations to Portfolios and/or Funds they manage. Detailed information on each investment manager is listed after the chart.

Portfolio and Fund Investment Allocations Managed					
	Age Based Portfolio	Blended Equity Portfolio	Balanced Portfolio	Fund Managed (100%)	
Investment Managers	Columbia Management Investment Advisers, LLC	X	N/A	50%	Fixed Income Fund
	Federated Investors, Inc. (Florida PRIME)	N/A	N/A	N/A	Money Market Fund
	AllianceBernstein LP	X	20%	10%	Domestic Equity Index Fund
	Silvant Capital Management LLC	X	20%	10%	Large Cap Growth Fund
	Quantitative Management Associates, LLC	X	20%	10%	Large Cap Value Fund
	The Boston Company Asset Management, LLC	X	10%	5%	Mid Cap Fund
	Fiduciary Management, Inc.	X	10%	5%	Small Cap Fund
	PanAgora Asset Management, Inc.	X	20%	10%	International (Developed Markets) Fund

*Age Based/Years to Enrollment Portfolio includes managers indicated with (X). Percentages vary by the age of the Beneficiary. See Investment Options, p. 8 for allocation information.

Columbia Management Investment Advisers, LLC

Fixed Income Fund

Backed by more than 100 years of experience, Columbia Management Investment Advisers, LLC is one of the nation's top 10 largest asset managers. At the heart of Columbia's success and, most importantly, that of its investors, are highly talented industry professionals, brought together by a unique way of working. At Columbia Management, reaching performance goals matters, and how those goals are reached matters just as much. They are committed to proprietary research and our staffed with more than 140 career track research professionals providing insight to more than 125 portfolio managers who are responsible for managing more than \$300 billion in assets for individuals and institutions.

Federated Investors, Inc.

Money Market Fund

Since 1955, millions of investors in the United States and around the globe have relied on Federated Investors, Inc. (NYSE: FII) for world-class investment management. Federated has grown to become one of the nation's largest investment managers with \$377.3 billion in assets under management. Federated has honed its disciplined investment process over a half-century to deliver style-consistent investment products, including 137 domestic and international equity, fixed-income and money market funds, as well as a variety of separately managed accounts. Federated's diversified product line is distributed through approximately 5,500 financial intermediaries and institutions who assist investors in meeting their unique objectives.

AllianceBernstein LP

Domestic Equity Index Fund

AllianceBernstein traces its origins back more than 40 years, becoming the firm it is today when Alliance Capital acquired Sanford C. Bernstein in 2000. Alliance Capital's expertise in growth equity and corporate fixed-income investing, and its family of retail mutual funds, complemented Bernstein's expertise in value equity and tax-exempt fixed-income management, and its private-client business. This combination became a recipe for success with few precedents in the industry. AllianceBernstein is a research-driven investment firm that is global in scope and client-centered in its mission that believes research excellence is the key to better outcomes. AllianceBernstein has research capabilities with exceptional breadth, depth and focus on innovation with experience and expertise on both the buy-side and the sell-side.

Silvant Capital Management LLC

Large Cap Growth Fund

Silvant Capital Management LLC is an investment adviser registered with the Securities and Exchange Commission and headquartered in Atlanta, GA. The firm manages approximately \$2.8 billion for institutional clients and focuses on domestic growth equities. The team has an average of more than 20 years of investment experience and every team member invests alongside its clients. Silvant believes the best measures of a stock's potential return are a company's earnings quality, valuation profile, capital deployment and market behavior. Silvant believes that identifying these stock characteristics via a systematic approach, combined with in-depth fundamental analysis and disciplined risk management provides their clients with consistent, transparent and repeatable top tier investment performance.

Quantitative Management Associates, LLC

Large Cap Value Fund

Since 1975, Quantitative Management Associates, LLC (QMA) has pioneered the use of advanced analytics to enhance the investment decision-making process. QMA's investment team comprises 39 investment professionals who have worked smoothly together through a myriad of market conditions, averaging 20 years of investment experience. QMA combines discipline and seasoned judgment to create investment solutions tailored to client objectives. QMA manages more than \$95 billion in assets for portfolios such as corporate pension plans, public pension plans, endowments and foundations, multi-employer pension plans, and subadvisory accounts for other financial services companies.

The Boston Company Asset Management, LLC

Mid Cap Fund

The Boston Company Asset Management, LLC, is a global, performance-driven investment management firm committed to providing creative active equity solutions for clients. Founded in 1970, The Boston Company is part of BNY Mellon Asset Management, one of the world's leading asset management organizations, encompassing BNY Mellon's affiliated investment management firms and global distribution companies. More than 85 investment professionals manage more than \$41 billion in assets for The Boston Company. Backed by top-notch fundamental and quantitative research, the collaborative, entrepreneurial firm serves the investment needs of pension plans, endowments, sovereign institutions, intermediaries and mutual fund shareholders.

Fiduciary Management, Inc.

Small Cap Fund

Fiduciary Management, Inc. (FMI), founded in 1980, is an employee owned independent money management firm based in Milwaukee, WI. FMI's equity investing strategies apply a value discipline, with a focused approach firmly rooted in fundamental research. As of March 31, 2013, FMI manages more than \$17.5 billion in assets for domestic and international institutions, individual investors, and Registered Investment Advisors through separately managed accounts and the FMI Family of Funds.

PanAgora Asset Management, Inc.

International (Developed Markets) Fund

Founded in 1989, PanAgora (Greek for across marketplace) Asset Management is a premier provider of investment solutions spanning most major asset classes and risk ranges managing \$30.5 billion in assets. PanAgora seeks to provide investment solutions using sophisticated quantitative techniques that incorporate fundamental insights and vast amounts of market information. While PanAgora's investment strategies are highly systematic in nature, the processes deployed within these strategies are built and overseen by talented professionals with significant and diverse investment experience. Innovative research plays a central role in the investment philosophy and process, and is an essential component of PanAgora's ability to deliver attractive investment solutions.

PERFORMANCE

The following information relates to past performance. It is provided for historical purposes only and may not be indicative of future performance. Actual results for future periods could differ significantly from past performance. Your investment return and the value of your investment will fluctuate. Your investment when withdrawn may be worth more or less than your contributions.

The performance of each Investment Option will depend on the performance of the underlying investment strategies which comprise each Investment Option. The performance of the investment strategies, in turn, depends on the performance of the stock, bond and money markets in the United States and developed markets abroad included in the particular Investment Option. The value of each Investment Option will vary from day to day, reflecting changes in the value of the underlying securities within each investment strategy.

GROSS INVESTMENT RETURNS*			
<i>The information in this table summarizes the investment return for each of the Investment Options for one, three and five year periods ending June 30, 2013. The investment returns are provided as general information only and are not intended to provide investment or other advice. Past performance is no guarantee of future performance.</i>			
Portfolio Options			
Age-Based / Years to Enrollment Portfolio*	1-Year	3-Year	5-Year
Age 0 - 4/ 14+ Years To Enrollment	18.51%	16.98%	7.14%
Age 5 - 8/ 10 - 13 Years To Enrollment	13.89%	13.80%	7.48%
Age 9 - 12/ 6 - 9 Years To Enrollment	9.08%	10.62%	7.27%
Age 13 - 15/ 3 - 5 Years To Enrollment	4.49%	7.26%	6.68%
Age 16+ / 0 - 2 Years To Enrollment	-0.04%	3.94%	5.89%
Blended Equity Portfolio*	18.54%	16.99%	7.17%
Balanced Portfolio*	9.06%	10.63%	7.38%
Fund Options			
	1-Year	3-Year	5-Year
Money Market Fund*	0.25%	0.27%	0.71%
Fixed Income Fund*	-0.04%	3.93%	5.90%
Domestic Equity Index Fund**	20.54%	18.43%	7.07%
Large Cap Growth Fund**	13.91%	18.62%	7.33%
Large Cap Value Fund**	25.92%	19.29%	7.86%
Mid Cap Fund**	33.03%	21.40%	12.73%
Small Cap Fund**	17.92%	17.21%	12.53%
International (Developed Markets) Fund**	20.27%	13.33%	1.22%

*The investment returns for the Investment Options are provided as general information only and are not intended to provide investment or other advice. Past performance is no guarantee of future performance. The investment returns shown reflect the returns for the institutional portfolios comprising the Investment Options available to participants in the Florida 529 Savings Plan. The assets of the Florida 529 Savings Plan are currently managed by Silvant Capital Management LLC, Quantitative Management Associates, LLC (QMA), AllianceBernstein LP, The Boston Company Asset Management, LLC, Fiduciary Management, Inc., PanAgora Asset Management Inc., Columbia Management Investment Advisers, LLC, and Florida PRIME in accordance with the guidelines contained in the Comprehensive Investment Plan for the Florida 529 Savings Plan.

The investment returns shown in the table above were calculated by Callan Associates, Inc., 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 were calculated by the Plan's Custodian, The Northern Trust Company, and provided to Callan Associates, Inc., for computing the investment returns. The investment periods covered for the Investment Options are from July 1, 2012 through June 30, 2013, from July 1, 2010 through June 31, 2013, and from July 1, 2008 through June 30, 2013 (annualized).

**These returns are composite returns submitted by the managers to Callan Associates and do not represent actual or experienced returns by investors in the Florida 529 Savings Plan.

Under no circumstances is the information contained herein to be used or considered as an offer to sell or a solicitation of an offer to buy a particular investment. To obtain actual net investment returns, visit <http://www.myfloridaprepaid.com/florida-529-savings-plan/investment-performance.aspx>

SECTION 5: TAX AND LEGAL CONSIDERATIONS

Please be advised that the tax, bankruptcy and legal information set forth in this PDPA is intended to support the marketing of the Florida 529 Savings Plan, the Program. The information herein may not be used for the purpose of avoiding the payment of taxes or penalties under the Internal Revenue Code. Please consult your own tax adviser with respect to your specific situation prior to making any investment decisions, Account change, withdrawal, or transaction in connection with the Program. In addition, you should consult with your own legal advisors concerning the applicability of these laws to your individual circumstances.

TAX CONSIDERATIONS

Documentation for IRS: In the event of an IRS inquiry, it is the recipient's (Account Owner's or Beneficiary's) or deemed recipient's (Beneficiary's) responsibility to substantiate the federal tax treatment of any request or 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 Higher 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 of your Account reside in another state or have taxable income in another state, it is important for you to note that if that state has established a qualified tuition plan, that state's program may offer favorable state income tax benefits or other benefits that are only available if you invest in that state's program, and that are not available to you or the Beneficiary if you invest 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 an Account Owner makes contributions to an Account for a Beneficiary, and the contributions, together with all other gifts to the Beneficiary by the person making the contributions, are less than \$14,000 per year (or \$28,000 for a married individual who elects to split gifts with his or her spouse), no federal gift tax will be imposed on the individual making the contribution for gifts to the Beneficiary during that year. In such case, the filing of a federal gift tax return will not be required unless the individual elected to split gifts with his or her spouse. If a person's contributions to a Beneficiary in a single year exceed \$14,000, the person making the contributions may elect to treat up to \$70,000 of the contributions (or \$140,000 in the case of an electing married couple) as having been made ratably over a five-year period. Such an election is made by filing a federal gift tax return. For 2013, each contributor has a \$5,250,000 lifetime exclusion that may be applied to gifts greater than the annual exclusions amounts referenced above (or \$10,500,000 in the case of an electing married couple). Although the IRS requires gift tax returns to be filed for gifts greater than the annual exclusion amount, no gift tax will be due until the lifetime exemptions have been used.

Amounts in an Account that were considered completed gifts by the person making the contribution will not be included in such person's gross estate for federal estate tax purposes. However, if that person elected to treat the gifts as having been made over a five-year period and dies before the end of the five-year period, the portion of the contribution allocable to the remaining years in the five-year period (not including the year in which the person making the contribution died) would be includable in computing said person's gross estate for federal estate tax purposes. Amounts in an Account at the death of a Beneficiary will be included in the Beneficiary's gross estate for federal estate tax purposes.

A permissible change in the Beneficiary of an Account or a permissible transfer to an Account for another Beneficiary will potentially be subject to the federal gift tax if the new Beneficiary is of a younger generation than the Beneficiary being replaced. In addition, 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. Under present law, the generation-skipping transfer tax for 2013 has a \$5,250,000 exemption. Account Owners should consult their own tax advisors for guidance when considering a change of Beneficiary or a transfer to another Account, and should evaluate the potential gift tax and generation-skipping transfer tax implications to an existing Beneficiary when considering such a change. In addition, Account Owners and newly designated Account Owners should consult their tax advisors regarding the potential applicability of gift tax or generation-skipping transfer tax as a result of the transfer of ownership of an Account to a new Account Owner.

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.

Changing the Account Owner: A change in Account Owner may have tax consequences. You should review the consequences of any change of Account Owner with your tax advisor before executing any request to make the change.

Changing the Beneficiary: If there is a change of Beneficiary and the new Beneficiary is a "Member of the Family" of the previous Beneficiary, the change or transfer usually is a non-taxable event and will not be subject to the Additional Tax.

A "Member of the Family" for these purposes is a person related to the Beneficiary as follows: (1) a child, or a descendant of a child; (2) a brother, sister, stepbrother or stepsister; (3) the father or mother, or an ancestor of either; (4) a stepfather or stepmother; (5) a son or daughter of a brother or sister; (6) a brother or sister of the father or mother; (7) a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law; (8) the spouse of any of the foregoing individuals, including the Beneficiary; or (9) a first cousin of the Beneficiary. For this definition, the term "child" means an individual who is (1) a son, daughter, stepson, or stepdaughter, or (2) an eligible foster child (i.e., an individual who is placed with an individual by an authorized placement agency or by judgment, decree, or the order of any court of competent jurisdiction). Further, for purposes of this definition, a legally adopted individual of an individual, or an individual who is lawfully placed with an individual for legal adopted, is treated as a child of such individual by blood, and a "brother" or "sister" includes a blood related half sibling.

Qualified Withdrawals: The earnings portion of withdrawals from an Account will not be includable in the federal taxable income of the recipient (or deemed recipient) of the withdrawals as long as the withdrawals are used for the Beneficiary's Qualified Higher Education Expenses.

Hope Scholarship or Lifetime Learning Credits: The use of a Hope Scholarship tax credit or Lifetime Learning tax credit by a qualifying Account Owner and Beneficiary will not affect participation in or benefits from an Account, so long as the Account assets are not used for the same expenses for which the credit was claimed. However, if the Account assets are used for the same expenses for which the tax credit was claimed, the amount of the Beneficiary's Qualified Higher Education Expenses will be reduced by the amount of those expenses. As a result of the reduction, the earnings portion of the Account withdrawal for those expenses may be subject to federal and state income tax (but not the Additional Tax).

Non-Qualified Withdrawal: The earnings portion of Non-Qualified Withdrawals is includable in determining the federal taxable income of the recipient (or deemed recipient) for the year in which the Non-Qualified Withdrawal is paid. The portion of such withdrawal that is attributable to earnings will not be included in income for state personal 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, then such person should consult their tax advisor to determine if the portion of such withdrawal that is attributable to earnings is subject to state income taxation in such person's state of residence.

Also, the Additional Tax payable through the federal income tax return of the Non-Qualified Withdrawal recipient (or deemed recipient) to the United States Treasury will generally apply to the earnings portion of any Non-Qualified Withdrawal. However, any Non-Qualified Withdrawal due to the Beneficiary's death (when paid to the Beneficiary's estate), disability or receipt of a scholarship (but only to the extent of the amount of the scholarship), will not be subject to the Additional Tax on the earnings portion of the Non-Qualified Withdrawal.

Refunds of Payments of Qualified Higher Education Expenses: If an Eligible Educational Institution refunds to a Beneficiary any portion of an amount withdrawn from the Account that the institution receives under the Program for the payment of Qualified Higher Education Expenses, the refund must be treated as a Non-Qualified Withdrawal for purposes of federal income tax, unless the amount of the refund is allocated to other Qualified Higher Education Expenses of the Beneficiary or the refund was made due to the death or disability of, or scholarship award to, the Beneficiary.

BANKRUPTCY LAW CONSIDERATIONS

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

Federal Bankruptcy Law: Bankruptcy cases commenced by individuals under Title 11 of the United States Code on or after October 17, 2005 expressly exclude from such individual's bankruptcy estate (and therefore, will not be available for distribution to the individual's creditors), certain funds paid or contributed by such individual to an Account. The bankruptcy protection for these types of Accounts, however, is limited. To be protected, the Beneficiary of the Account must be a child, stepchild, grandchild, or step-grandchild of such individual during the taxable year in which such contribution was made and the funds must have been contributed at least 365 days prior to the individual's bankruptcy filing. This bankruptcy protection also imposes a cap on the amount of funds that may be excluded from such individual's bankruptcy estate. Effective April 1, 2013, the maximum amount entitled to this bankruptcy exclusion is \$6,225 for payments or contributions made by such individual to the Account for the Beneficiary during the period between 365 and 720 days prior to the bankruptcy filing. Contributions made by such individual to the Account for the Beneficiary more than 720 days prior to the individual's bankruptcy filing should not be a part of the bankruptcy estate provided that the aggregate amount contributed by such individual to the Account for the Beneficiary does not exceed the Maximum Account Balance Limit on Contributions at the time of the bankruptcy filing.

RISKS RELATED TO CHANGES IN LAW

The proposed federal tax regulations that have been issued under Section 529 of the Internal Revenue 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 or other administrative guidance or court decisions might be issued that could adversely impact the federal tax consequences or requirements with respect to the Program or contributions to, or withdrawals from, Accounts. Congress also could amend Section 529 of the Internal Revenue Code or other federal law in a manner that would materially change or eliminate the federal tax treatment described in this Program Description and Participation Agreement. Such changes in federal law could materially affect the state tax treatment of Account contributions, earnings and distributions.

The Florida State Legislature also could make changes to Florida's tax law which could materially affect the State of Florida tax treatment of the Program or changes to the Statute which could terminate or otherwise adversely affect the Program.

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. 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 “Code” means the Internal Revenue Code of 1986, as amended.

1.11 “Death, Disability, or Scholarship Withdrawal” means a withdrawal from the Account due to the death, disability, or scholarship receipt of the Beneficiary.

1.12 “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. Institution of higher education must qualify under Section 529 of the Code as an Eligible Educational Institution.

1.13 “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.

1.14 “Future Contribution Allocation” means the allocation of future contributions to each Investment Option.

1.15 "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 1009.973, Florida Statutes. The Board retains the authority to close or not offer one or any of the Investment Options at any time.

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

1.17 "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.

1.18 "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.

1.19 "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 must be received by the Board prior to processing.

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

1.21 "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.

1.22 "Qualified Higher Education Expenses" means the tuition, fees, room and board, and the cost of books, supplies and equipment permitted under Section 529 of the Code and 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.

1.23 "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.

1.24 "Qualified Withdrawal" means a withdrawal from the Account that is used to pay the Qualified Higher Education Expenses of the Beneficiary.

1.25 "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.

1.26 "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.

1.27 "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.

1.28 "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, along with the Application Fee and an initial contribution to the Program that meets the requirements of Section 2.02 Minimum Contribution. Florida residency is not required. The Application may be completed online at www.MyFloridaPrepaid.com.

2.02 Minimum Contribution.

The minimum initial contribution to an Account is \$250. The minimum initial contribution may also be met through a series of payroll deduction or automatic withdrawal contributions of \$25 per month for a minimum total of \$250.

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 and authorizations by the Account Owner 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 or authorization.

(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 acceptable 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 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 and authorizations by the Survivor 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 or authorization.

(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.

3.05 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 or legal guardian 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 and authorizations by the Beneficiary 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 or authorization.

(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 to once per calendar year or upon a change of Beneficiary.

(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.

The Existing Balance Allocation may be changed only to the extent allowed by Section 529 of the Code, which currently limits the ability of the Account Owner to change the Existing Balance Allocation to once per calendar year or upon a change of Beneficiary. The Account Owner may reallocate the Existing Balance Allocation by submitting a request signed by the Account Owner, indicating the Investment Option changes or the new allocation percentages to the Board and allowing at least seven days after receipt by the Board for the allocation change to be executed.

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. Recently, Qualified Higher Education Expenses have grown more rapidly than increases in the general cost of living; and future inflation is uncertain. 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 1-800-552-GRAD (4723) and following the prompts.

(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 and third party checks may not exceed \$10,000, unless the third party is distributing funds from an UGMA/UTMA account or for the purposes of a Rollover Contribution to the Program.

(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 within seven days 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 signed by the Account Owner indicating the new allocation percentages for each selected Investment Option to the Board and allowing at least seven days after receipt by the Board for the allocation change to be effective.

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 day the contribution is processed. Contributions processed after the close of trading on the New York Stock Exchange, or on a day other than a business day, will be credited at the NAV of the appropriate Investment Option determined on the next business day.

(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). The current Administrative Fee for all Investment Options, except the Money Market Portfolio, is 75 basis points (bps), which is 0.0075 or $\frac{3}{4}$ of 1%, of the Account Balance. The current Administrative Fee for the Money Market Portfolio is 10 basis points (bps), which is 0.0010 or $\frac{1}{10}$ of 1% of the Account Balance.

(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				
Administration Fee	One Year	Three Years	Five Years	Ten Years
75 bps (0.0075 or 0.75%)	\$77	\$240	\$416	\$928
10 bps (0.0010 or 0.10%)	\$10	\$32	\$56	\$128

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 Application Fee.

A nonrefundable application fee of up to \$50 per Account may be collected at the time an Application is submitted.

7.03 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.

7.04 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.

7.05 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 or legal guardian 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 signed by the Account Owner.

(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 change/removal of survivor request including the notarized signature of the Account Owner.

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 evidence 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.

(d) Withdrawals are processed within 30 days of receipt by the Board of a request signed by the Account Owner.

9.02 Requesting a Withdrawal.

(a) The Account Owner may request a withdrawal by submitting a request signed by the Account Owner.

(b) The Account Owner may direct the withdrawal to be made payable to the Account Owner, Beneficiary, or Eligible Educational Institution. The Account Owner also may direct Rollover Withdrawals.

9.03 Source of Withdrawal.

(a) A withdrawal request received by the Board will be deducted from the Account at the NAV of the applicable Investment Options determined on the day the withdrawal is processed. Withdrawals processed after the close of trading on the New York Stock Exchange, or on a day other than a business day, will be deducted at the NAV of the appropriate Investment Options determined on the next business day.

(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) Within 30 days of receipt of the Notarized Request, the Board will issue a refund to the Account Owner for the Account Balance at time of termination.

(c) A voluntarily terminated Account may be reactivated at any time by making a contribution to the Account sufficient to satisfy 2.02 Minimum Contributions.

10.02 Involuntary Termination.

(a) The Board will involuntarily terminate the Account if, within 120 days from time of enrollment, the Account Owner fails to provide the Board with: (1) all information required to complete the Application; or (2) the Minimum Contribution pursuant to 2.02. The Board will notify the Account Owner in writing of any information that is required to complete the Application.

(b) The Board will involuntarily terminate the Account if the Account Balance is less than \$250 on the first day of any calendar month that is more than 24 months following the date on which the Board received the Application to the Program.

(c) Within 30 days of receipt of the Notarized Request, the Board will issue a refund to the Account Owner for the Account Balance at time of involuntary termination.

(d) An involuntarily terminated Account may be reactivated at any time by making a contribution to the Account sufficient to satisfy 2.02 Minimum Contributions.

10.03 Account Expiration.

(a) The Board will involuntarily terminate the Account if no contributions 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) Within 30 days of receipt of the Notarized Request, the Board will issue a refund to the Account Owner for the Account Balance at time of involuntary termination, if any, less the penalty authorized in 7.04 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 a 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 a 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 Board reserves the right to make changes or enhancements to the Program at any time. 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.

(b) 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.

(c) 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.

(d) 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.

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, 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 Board may 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 once per calendar year or when the Beneficiary is changed. 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. The Account Owner will receive a refund of the current Account Balance minus any applicable penalty and fees.
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.



**FLORIDA
529
SAVINGS PLAN**

Easy. Affordable. College savings.

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.

Effective Date: October 1, 2013
Please note Supplemental Changes set forth inside front cover.

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