

Franklin Templeton
Coverdell Education Savings Account

FORMS,
ACCOUNT
AGREEMENT &
DISCLOSURE
STATEMENT





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Franklin Templeton Coverdell Education Savings Account

How to Get Started

After reviewing a current prospectus for each fund you're considering, complete the application. For assistance with completing the enclosed forms, please contact your financial advisor or Franklin Templeton Investments at (800) 818-4030.

- 1. Complete and return the Franklin Templeton Coverdell Education Savings Account Application.
- 2. Read the Coverdell Education Savings Account Agreement completely and retain it for your records.

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Franklin Templeton Coverdell Education Savings Account Application

You may not contribute to a Coverdell Education Savings Account (Coverdell ESA) if (i) you are single and have a modified adjusted gross income (AGI) greater than \$110,000 or (ii) you are married filing jointly and have a modified AGI greater than \$220,000. Partial contributions can be made if your modified AGI is \$95,000 to \$110,000 (single) or \$190,000 to \$220,000 (married filing jointly). The AGI limits apply to the Contributor(s).

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. If you fail to provide all requested information, it may delay or prevent us from opening an account and making your requested investment(s), and if after your account is open we are unable to verify the information you provide, we may close your account.

PLEASE NOTE: You must provide your U.S. Taxpayer Identification Number (TIN); a TIN includes SSN or ITIN. If you have never been issued a U.S. TIN and are not a U.S. citizen, in place of a U.S. TIN please send us a copy of one of the following items: a resident-alien ID card, a current passport, a current foreign government-issued ID card, or other document evidencing nationality or residence that bears a photograph. If any document offered by non-U.S. persons is unfamiliar and cannot be authenticated by reasonable means, the account will not be opened. Refer to **Section 8** for additional certification requirements applicable to the registered owner.

For assistance, please call your financial advisor or Franklin Templeton at (800) 818-4030.

1 CONTRIBUTOR INFORMATION				
First name	M.I. Last name		Daytime phone number (SSN/TIN
2 BENEFICIARY DESIGNATION				
PRIMARY EDUCATION SAVINGS ACCOUNT B	ENEFICIARY (must be under age 30 or a	Special Needs Beneficiar	у)	
First name	M.I. Last name		Date of birth (mm/dd/yyyy	SSN/TIN
Street address of residence (no P.O. Box a	address)	City		State ZIP
Mailing address (if different from above)		City		State ZIP
Daytime phone number	Evening phone number		☐ U.S. citizen or re	sident alien
If a Special Needs Beneficiary, 1 check this CONTINGENT EDUCATION SAVINGS ACCOUN	IT BENEFICIARY (should the Primary Ber	neficiary fail to reach age		
First name	M.I. Last name		Date of birth (mm/dd/yyyy	v)
Street address of residence (no P.O. Box a	address)*	City		State ZIP
Mailing address (if different from above)*		City		State ZIP
Daytime phone number	Evening phone number		☐ U.S. citizen or re	sident alien
*If same as Primary Beneficiary's address, write "s	ame."			
If a Special Needs Beneficiary, 1 check this	s box:			

1. Special Needs Beneficiary is defined in section 1.05 of the Account Agreement.

(continued

3	RESPONSIBLE INDIVIDUAL (must be t	he beneficiary's parent or	legal guardian)					
First	name M.I.	Last name		Date of birth (mm/dd	/yyyy) S:	SN/TIN		
Relat	tionship to beneficiary	Daytime phone number (Evening phone numb	er			
Stree	et address of residence (no P.O. Box address)	Ci	ty		State	ZIP		
Maili	ng address (if different from above)	Ci	ty		State	ZIP		
□ U.	S. Citizen or resident alien Nonreside	ent alien						
4	INVESTMENT INSTRUCTIONS							
fund PLEA		s \$2,000 (the child must b Contribution for tax year 2	1	or a Special Needs B Rollover from anothe	·			
□Ре	ending a transfer of funds. (Transfer Request is atta	ached.)						
FRAN	KLIN TEMPLETON FUND NAME		SHARE CL	ASS ² (check one)	ALLOCATIO	N AMOUNT	or	PERCENTAGE ³ %
			A	С	\$			%
			A	С	\$			%
			A	С	\$			%
				TOTAL:	\$			100%
5	AUTOMATIC INVESTMENT PLAN							
Begin		olease begin automatic invo (s). Please remember to mo		•				
FUND	NAME(S)	AMOUNT (\$5	0 minimum per fund)	FREQUENCY (select or		INVESTME ☐ 1st	NT DAT	E ⁴ (select one) h □ 20th
		\$		quarterly	idany	☐ 5th	☐ 15t	
		\$		☐ monthly ☐ anr ☐ quarterly	nually	☐ 1st ☐ 5th	□ 10t	
	(INFORMATION se provide your bank account information	if you have requested tra	nsfers from vour	· bank account				
	name	-	ccount number	- James accounts			_	g Account Account
PI FAS	SE NOTE: If you, the Responsible Individual	are NOT an owner of the	hank account i	dentified above all l	nank accou	int owners	s miist	sion here and

have their signatures guaranteed; and you (the Responsible Individual) must sign in Section 8 and must also have your signature guaranteed.

- 2. Class A shares will be purchased if no class of shares is selected.
- 3. If not specified, investments will be divided equally among funds listed.
- 4. If the investment falls on a weekend or holiday, the transaction will be made on the following business day.

Franklin Templeton Coverdell Education Savings Account Application (cont'd.)



5 AUTOMATIC IN	VESTMENT PLAN (cont'd.)				
ALL BANK ACCOUNT OW	NERS' SIGNATURES				
		Date	1		Date
<u>X</u>			<u>x</u>		
Signature			Signature		
SIGNATURE GUARANTE	E:		SIGNATURE G	UARANTEE:	
CH SL	IPORTANT: PLEASE TAPE A VOIDED HECK OR SAVINGS ACCOUNT DEPOSIT IP IMPRINTED WITH YOUR NAME HD ADDRESS HERE.	PAY TO THE ORDER OF DOLLARS	XXXXX XXXXXX XXXXX, XX XXXXXXX	DATE	XXXXXX
6 FINANCIAL AD	VISOR INFORMATION (to be con	npleted by the	financial advisor)		
Financial Advisor name		Name of	firm		
Main office address			City	State	e ZIP
Branch address			City	State	ZIP
Advisor number		Dealer n	umber	Branch number	Advisor daytime phone number
				Date	
X Authorized Signature, S	aguritina Daglar				
_					
7 OPTIONAL SHA	AREHOLDER PRIVILEGES				
We offer two ways fo might enable you to o	r you to combine your current pu qualify for a lower sales charge wi bints." This quantity discount info Quantity Discounts."	th your curren	t purchase. You can	qualify for a lower sales cha	arge when you reach certain
☐ I am familiar with the Class A shares with a charge breakpoint. I a	or DISCOUNT FOR CLASS A SHARES commulative quantity discount provision yexisting holdings that the prospectus understand that if there are any exount(s) in which they are held below or	describes as "c disting cumulativ	umulative quantity disco ve quantity discount elig	unt eligible shares" to determin gible shares that I want combir	e if I can qualify for a reduced sales ned with my current purchase, I
Account number(s)					
Fund name(s)					

7 OPTIONAL SHAREHOLDER PRIVILEGES (cont'd.)

LETTER OF INTENT (LOI) FOR CLASS A SHARES

I intend to purchase additional shares issued by one or more Franklin Templeton funds over a 13-month period following my initial purchase in order to be eligible for a sales charge discount on my purchase of Class A shares. I agree to the terms of the Letter of Intent described in the applicable prospectus(es) and grant Franklin/Templeton Distributors, Inc. a security interest in the shares to be reserved. Although I am not obligated to do so, the aggregate amount of Franklin Templeton funds' shares I intend to purchase over the 13-month period will be in an aggregate amount at least equal to:

\$50,000 (not applicable for all funds)	□ \$100,000 □ \$250,000	□ \$500,000 □ \$1,000,000 or abo	ove
Account number(s)			
Fund name(s)			

8 RESPONSIBLE INDIVIDUAL'S SIGNATURE

BY SIGNING BELOW I CERTIFY AND AGREE THAT:

- The information contained herein is true and complete and that
 I have legal capacity and am of legal age to enter this agreement.
 You may verify this information with others, including third-party
 credit reporting agencies and databases and U.S. and/or foreign
 government agencies.
- I hereby appoint Franklin Templeton Bank & Trust as Custodian of this Education Savings Account for benefit of the above-named Beneficiary under the terms of the Education Savings Account Agreement, which I have received. I have also received, read and understand the Education Savings Account Disclosure Statement and prospectus(es) for each Franklin Templeton fund in which the account will be invested and agree to the terms therein.
- I represent that my designation as Responsible Individual was made in the sole direction of the Contributor.
- I consent to the \$15 maintenance fee for the type of custodial account opened by this application.⁵

SIGNATURE OF RESPONSIBLE INDIVIDUAL (parent or legal guardian)

- I consent to the recording of our telephone conversations when I call you regarding my shares and account(s).
- If I request transfers to or from my bank account in this application or at any time, including by telephone, electronically or otherwise, you are authorized to make those requested transfers (and to make, if necessary, adjusting transfers if any amounts are transferred in error). If my bank is not an ACH member bank, you are authorized to make those transfers by presenting drafts drawn against my bank checking account that you may sign for me on my behalf. I agree that Franklin Templeton may make additional attempts to debit/credit the account if the initial attempt fails, and if a transfer is denied by my bank for any reason, Franklin Templeton will discontinue this authorization. I understand that I can end this authorization at any time by notifying you in writing or by telephone. If I am an owner of the bank account identified on this application, I certify that my signature alone is sufficient to authorize debits from my bank account.
- You are authorized to provide any information about my account(s) to my dealer or other financial advisor.
- I will review all statements upon receipt at the address of record, and will notify you immediately if there is a discrepancy.
- I understand that my property may be transferred to the appropriate state if no activity/communication occurs in the account within the time period specified by my state's law.

I understand that mutual fund shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. Government, and that an investment in mutual fund shares involves risks, including the possible loss of principal.

(karour a. 1987. 9	autuu,
	Date
X	

SIGNATURE GUARANTEE: A signature guarantee is ONLY required if you, the Responsible Individual, are NOT an owner of the bank account identified in Section 5.

Please mail to	WEST COAST	EAST COAST	OVERNIGHT ADDRESS
	Franklin Templeton Bank & Trust, F.S.B. c/o Retirement Services P.O. Box 997153 Sacramento, CA 95899-7153	Franklin Templeton Bank & Trust, F.S.B. c/o Retirement Services P.O. Box 33033 St. Petersburg, FL 33733-8033	Franklin Templeton Bank & Trust, F.S.B. c/o Retirement Services 3344 Quality Drive Rancho Cordova, CA 95670-7313

Not FDIC Insured | May Lose Value | No Bank Guarantee

5. The maintenance fee will be \$10 if the aggregate balance of all the participant's accounts linked under the Cumulative Quantity Discount is \$50,000 or more at the time the fee is assessed.



Franklin Templeton Coverdell Education Savings Account Transfer of Assets and/or Change of Beneficiary Request Form

Please use this form when transferring your existing Coverdell Education Savings Account (Coverdell ESA) to Franklin Templeton Bank & Trust as Custodian. You will also need to complete a Coverdell Education Savings Account Application if you have not already done so. This form may also be used to change the beneficiary on your Coverdell ESA (the beneficiary must be under age 30). Please contact your current Coverdell ESA Custodian to verify whether any other form is necessary to complete this transfer and/or redesignation of beneficiary.

1	ACCOUNT INFORMATION					
NAM	OF BENEFICIARY					
First	name M.I. Last name		Date of birth (m	m/dd/yyyy) SSN/TII	N 	
Stree	t address of residence (no P.O. Box address)	City		State Z	ZIP	
NAM	OF RESPONSIBLE INDIVIDUAL					
First	name M.I. Last name		Daytime phone (number SSN/TII	N 	
2	CURRENT COVERDELL ESA CUSTODIAN/TRUSTEE					
Curre	nt Custodian/Trustee name		Phone number			
Stree	t address	City		State Z	ZIP	
3	TRANSFER INSTRUCTIONS					
NAM	E OF MUTUAL FUND OR INVESTMENT TRANSFERRING FROM ACCOUNT	T NUMBER	☐ Balance ☐ Par	AMOUNT tial \$	or	PERCENTAGE %
			- │	tial \$		%
			Balance □ Par	tial \$		%
			☐ Balance ☐ Par	tial \$		%
NOTE	: All amounts to be transferred should be redeemed (liquidated)	except for Fra	nklin Templeton fun	d shares, which shall	be transfe	rred-in-kind.
4	INVESTMENT INSTRUCTIONS					
	se specify the exact fund name. The minimum initial investment pleton Bank & Trust (FTB&T) to invest the proceeds described			ent investments). I h	iereby instr	ruct Franklin
FRAN	KLIN TEMPLETON FUND NAME	ACC	OUNT NUMBER ¹	ALLOCATION AMO	OUNT ² or	PERCENTAGE ²
				\$		%
				\$		%
				\$		%
			T	OTAL: S		100%

continued)

^{1.} If account does not currently exist, a new application must accompany this request form.

^{2.} The minimum initial investment for each fund is \$250 (and \$50 for subsequent investments). If allocation is not specified, investment will be divided equally among funds listed.

5 BENEFICIARY REDESIGNATION	і (іт арріїсавіе)				
THE PRIMARY BENEFICIARY SHALL BE REDES	SIGNATED TO (must be under age 3	0 or a Special Needs Benef	iciary):		
First name	M.I. Last name		Date of birth (mm/dd	/yyyy) SS	N/TIN
Street address of residence (no P.O. Box ad	idress)	City		State	ZIP
					710
Mailing address (if different from above)		City		State	ZIP
Daytime phone number	Evening phone number				
()	()		☐ U.S. citizen or re	sident alien	☐ Nonresident alien
If a Special Needs Beneficiary, ³ check this	box: 🗆				
THE CONTINGENT BENEFICIARY SHALL BE RE	EDESIGNATED TO (should the Prima	ary Beneficiary fail to reach	age 30):		
First name	M.I. Last name		Date of birth (mm/dd	/yyyy) SS	N/TIN
Street address of residence (no P.O. Box ad	idress)	City		State	ZIP
Mailing address (if different from above)		City		State	ZIP
Daytime phone number	Evening phone number				
()	()		U.S. citizen or re	sident alien	☐ Nonresident alien
6 RESPONSIBLE INDIVIDUAL'S S	IGNATURE				
I am (check one) A PARENT THE authorization to: (1) transfer the amou Coverdell ESA FBO (Named Beneficiar (4) change the beneficiary of the refere SIGNATURE	int indicated above from the ry) - TRANSFER," and (3)	e referenced Coverde send check to Frank	ell ESA, (2) if applicab lin Templeton Bank 8	ole, make ch & Trust as p	eck(s) payable to "FTB&T
			D-1-		
Y			Date 		
<u> </u>					
SIGNATURE GUARANTEE: (if required by the co	urrent custodian, not required by FTB	&T)			
IF VALUE AND AUTO-1010 BURGE 1010		1.0.1.			
IF YOU HAVE ANY QUESTIONS, PLEASE CONT	AUI: ☐ Me ☐ My Financia	al Advisor		Doutimo nho	no number of Eineneial Advice
Financial Advisor name				()	ne number of Financial Adviso
				<u> </u>	

^{3.} Special Needs Beneficiary is defined in section 1.05 of the Account Agreement.

Franklin Templeton Coverdell Education Savings Account Transfer of Assets and/or Change of Beneficiary Request Form (cont'd.)



7 FRANKLIN TEMPLETON BANK & TRUST'S ACCEPTANCE

Franklin Templeton Bank & Trust (FTB&T) hereby accepts the transfer of assets as requested herein as Custodian of a Coverdell ESA for benefit of the Beneficiary corresponding to the instructions provided in Section 4. This acceptance extends only to cash and to Franklin Templeton Fund shares. Please mail the check with a copy of this request to one of the addresses listed below.

Authorized Signature—Franklin Templeton Bank & Trust: X

Michael Mee, President

Please mail to	WEST COAST	EAST COAST	OVERNIGHT ADDRESS
	Franklin Templeton Bank & Trust, F.S.B. c/o Retirement Services P.O. Box 997153 Sacramento, CA 95899-7153	Franklin Templeton Bank & Trust, F.S.B. c/o Retirement Services P.O. Box 33033 St. Petersburg, FL 33733-8033	Franklin Templeton Bank & Trust, F.S.B. c/o Retirement Services 3344 Quality Drive Rancho Cordova, CA 95670-7313

Not FDIC Insured | May Lose Value | No Bank Guarantee

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Coverdell Education Savings Account Agreement

ARTICLE I GENERAL INFORMATION

1.01 DESIGNATION UNDER CODE SECTION 530.

The Coverdell Education Savings Account ("Coverdell ESA") established hereunder shall be a custodial account within the meaning of section 530 of the Code. The Coverdell ESA is created exclusively for the purpose of paying the qualified elementary, secondary and higher education expenses [within the meaning of section 530(b)(2) of the Code] of the Beneficiary.

1.02 ESTABLISHMENT OF THE COVERDELL ESA.

Any person may apply to establish a Coverdell ESA sponsored by the Custodian. By accepting such Application, the Custodian accepts custodianship of the Fund. The Coverdell ESA shall be effective as of the date custodianship is accepted by the Custodian and shall be subject to the terms and conditions of this Agreement.

1.03 IDENTITY OF THE RESPONSIBLE INDIVIDUAL.

- (a) For purposes of this Agreement, the "Responsible Individual" shall be the person who establishes the Coverdell ESA, provided that if such person is neither the parent nor legal guardian of the Beneficiary, the Responsible Individual shall be the parent or legal guardian of the Beneficiary, as specified by the person establishing the Coverdell ESA in a form and manner acceptable to the Custodian. The Responsible Individual may elect in a form and manner acceptable to the Custodian that the Beneficiary shall be substituted for the existing Responsible Individual upon the Beneficiary's attainment of the age of majority in accordance with the laws of the State governing this Agreement or at any later date before the Beneficiary's attainment of age 30.
- (b) If the Responsible Individual becomes incapacitated or dies, the Responsible Individual shall be (i) the Beneficiary, if the Beneficiary is not incapacitated and has reached the age of majority in accordance with the laws of the State governing this Agreement, (ii) if the incapacitated or deceased Responsible Individual is the Beneficiary's Parent and clause (i) does not apply, the Beneficiary's other parent, if any, or otherwise (iii) the Beneficiary's legal guardian.
- **1.04 BENEFICIARY DESIGNATIONS.** The person who establishes the Coverdell ESA shall designate a Beneficiary in a form and manner acceptable to the Custodian and may, in a form and manner acceptable to the Custodian, designate a Contingent Beneficiary to whom, if so permitted under section 530 of the Code, the Coverdell ESA shall be transferred if the Beneficiary should die before attaining age 30. At any time before the Beneficiary attains age 30, the Responsible Individual may designate a new Beneficiary in a form and manner acceptable to the Custodian, provided that any new Beneficiary shall be an eligible member of the family [within the meaning of section 529(e)(2) of the Code] of the Beneficiary. A change of Beneficiary shall revoke any Contingent Beneficiary designation previously made, unless otherwise indicated in writing

by the Responsible Individual. Notwithstanding any designation of a Contingent Beneficiary, in the case of the death or divorce of the Beneficiary, the Responsible Individual shall take any action reasonably required to effect the intent of section 530(d)(7) of the Code.

1.05 **DEFINITIONS.** For purposes of the Agreement, unless a different meaning is plainly required by the context or is expressly provided, the following words and phrases, when used in capitalized form in the Agreement, shall be defined as follows:

Article shall mean an article of this Agreement.

Beneficiary shall mean the individual for whose benefit the Coverdell ESA is maintained, as designated pursuant to Section 1.04.

Code shall mean the Internal Revenue Code of 1986, as amended from time to time.

Coverdell ESA shall mean the education savings account (within the meaning of section 530 of the Code) established by this Agreement.

Custodian shall mean Franklin Templeton Bank & Trust, which qualifies as a custodian under section 530(g) of the Code.

Financial Advisor shall mean the Financial Advisor named in the Application or in any other form and manner acceptable to the Custodian.

Fund shall mean the assets of the Coverdell ESA held by the Custodian.

Regular Contribution shall mean a contribution to the Coverdell ESA pursuant to Section 2.01.

Responsible Individual shall mean the person described in Section 1.03.

Rollover Contribution shall mean a contribution to the Coverdell ESA pursuant to Section 2.02.

Section shall mean a section of this Agreement.

Special Needs Beneficiary shall mean an individual who, because of a physical, mental or emotional condition (including learning disability) requires additional time to complete his or her education, as determined by Department of Treasury Regulations.

ARTICLE II CONTRIBUTIONS

2.01 REGULAR CONTRIBUTIONS. Subject to the limitations imposed by Article III, any person shall be permitted to make a contribution to the Coverdell ESA. A contribution pursuant to this Section 2.01 may be made anytime up to and including the tax filing deadline (not including extensions).

2.02 ROLLOVER CONTRIBUTIONS. Subject to the limitations imposed by section 530(d)(5) of the Code and Article III, any person may contribute to the Coverdell ESA some portion or all of any amount that was distributed from an education savings account (within the meaning of section 530 of the Code) established for the Beneficiary

or a member of the family [within the meaning of section 529(e)(2) of the Code] of the Beneficiary who had not attained age 30 at the time of such distribution. Such contribution, however, must be made no later than the 60th day after the date of such distribution. (The age 30 limitation does not apply to a Special Needs Beneficiary.)

ARTICLE III LIMITATIONS ON CONTRIBUTIONS

- **3.01 AGGREGATE ANNUAL LIMIT.** No Regular Contribution shall be made to the Coverdell ESA for any calendar year to the extent the contribution will cause the sum of all Regular Contributions to any Coverdell ESA for the Beneficiary to exceed the limit set forth in section 530(b)(I)(A)(iii) of the Code.
- **3.02 FORM OF CONTRIBUTION.** All Regular Contributions to the Coverdell ESA shall be made exclusively in cash. All Rollover Contributions shall be made in cash or in such other form as is acceptable to the Custodian.
- **3.03 AGE OF BENEFICIARY.** No Regular Contributions to the Coverdell ESA shall be permitted after the date on which the Beneficiary attains age 18. This age restriction does not apply to a Special Needs Beneficiary.

3.04 REGULAR CONTRIBUTION PHASE-OUT.

The annual limit on Regular Contributions set forth in Section 3.01 shall be reduced to the extent required by section 530(c) of the Code.

ARTICLE IV INVESTMENTS

4.01 INVESTMENT INSTRUCTIONS. The Custodian shall invest all contributions to the Coverdell ESA in accordance with the Responsible Individual's directions in the Application and in accordance with any subsequent directions given in a form and manner acceptable to the Custodian by the Responsible Individual or the Financial Advisor. If any investment instructions are unclear in the opinion of the Custodian, or if any contribution exceeds the contribution limit set forth in section 408A(c)(2)(A) of the Code and is not identified as a Rollover Contribution, the Custodian may hold or return all or a portion of the contribution invested without liability for loss of income or depreciation and without liability for interest, pending receipt of proper instructions or clarification.

4.02 INVESTMENT FUNDS. The Custodian shall invest each contribution to the Coverdell ESA as directed by the Responsible Individual or the Financial Advisor. The amount of each contribution to be invested in Franklin Templeton Funds shall be applied to the purchase of full and fractional shares issued by the Franklin Templeton Fund(s) selected by the Responsible Individual or the Financial Advisor.

4.03 LIMITATION ON INVESTMENTS. No part of the Fund shall be invested in life insurance contracts or commingled with other property except in a common trust fund or common investment fund.

4.04 REINVESTMENT OF EARNINGS. All dividends and capital gains distributions received on shares of a Franklin Templeton Fund held in the Coverdell ESA shall be reinvested in additional shares of the same Fund unless the Responsible Individual affirmatively elects otherwise.

4.05 REGISTRATION OF ASSETS. The assets of the Fund shall be registered in the name of the Custodian for the benefit of the Beneficiary. The Custodian shall deliver, or cause to be delivered, to the Responsible Individual all notices, prospectuses, financial statements, proxies and proxy solicitation materials relating to the investment funds held under the Coverdell ESA. The Custodian shall not vote any interest in any investment fund held under the Coverdell ESA except in accordance with written instructions. received from the Responsible Individual, provided that the Custodian may without written direction from the Responsible Individual vote shares "present" solely for purposes of establishing a auorum.

4.06 RESPONSIBILITY OF THE CUSTODIAN.

The Responsible Individual acknowledges that the Custodian does not undertake to render any investment advice and that the Custodian is not responsible for any loss, depreciation, or tax effect that results from the Responsible Individual's exercise of (or failure to exercise) investment control of the Fund.

ARTICLE V DISTRIBUTIONS

5.01 DISTRIBUTIONS. The Responsible Individual may elect in a form and manner acceptable to the Custodian to have all or any part of the Fund distributed to any person or entity designated by the Responsible Individual. Except to the extent otherwise required by applicable law or this Agreement, distributions from the Coverdell ESA shall be reported under the Beneficiary's Social Security number.

5.02 RETURN OF EXCESS CONTRIBUTIONS.

Upon request of the Responsible Individual in a form and manner acceptable to the Custodian, the Custodian shall pay as soon as practicable any excess contribution [within the meaning of section 4973(e) of the Code], and any net income attributable to such excess contribution, as directed by the Responsible Individual.

5.03 RESPONSIBILITY OF THE CUSTODIAN.

Except to the extent otherwise required by applicable law or this Agreement, the Custodian shall make distributions from the Coverdell ESA only at the direction of the Responsible Individual. The Custodian shall have no duty or obligation to question the Responsible Individual's authority to accept the tax consequences of any distribution on behalf of the Beneficiary. The Custodian shall have no responsibility for the tax consequences of any distribution, or the failure to elect any distribution, from the Coverdell ESA. Such responsibility shall be solely that of the Responsible Individual, Beneficiary, or distributee, as the case may be.

ARTICLE VI ADMINISTRATION

6.01 CUSTODIAN REPORTS. The Custodian shall submit to the Internal Revenue Service and to the Beneficiary reports that contain information prescribed by the Internal Revenue Service. Such reports shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as prescribed by the Internal Revenue Service. Within 30 days after the close of each calendar year, or the Custodian's resignation or removal pursuant to Section 8.01, the Custodian shall send to the Responsible Individual a written report reflecting the transactions made during such period and the market value of the Fund at the close of the period. If, within 30 days after receiving such report, the Responsible Individual does not object in writing to any specific item in such report, the accounting in such report shall be deemed final and the Custodian shall, to the extent permitted by applicable law, be forever released and discharged from all liability and accountability with respect to items set forth in or omitted from such report. Any report provided by the Custodian pursuant to this Section 6.01 shall be deemed given to the Beneficiary when mailed to the Responsible Individual at the address of the Beneficiary on record with the Custodian.

6.02 DUTIES OF THE RESPONSIBLE

INDIVIDUAL. In addition to any other duties imposed upon the Responsible Individual under this Agreement, the Responsible Individual shall have sole responsibility for determining whether any contribution to or distribution from the Coverdell ESA shall be permitted, including (but not limited to) the amount, deductibility, and tax effect of any contribution to or distribution from the Coverdell ESA. The responsibility to instruct the Custodian to make distributions pursuant to Section 5.02 and the responsibility to determine whether a distribution from the Coverdell ESA is for the purpose of paying the qualified education expenses [within the meaning of section 530(b)(2)(A) of the Code] of the Beneficiary shall rest solely with the Responsible Individual. The Responsible Individual also shall be responsible for ensuring that any Beneficiary designations hereunder comply with the requirements of Section 1.04. The Responsible Individual agrees to provide in a form and manner acceptable to the Custodian any information that may be necessary or helpful for the Custodian to fulfill its duties hereunder, including (but not limited to) the preparation of reports required by the Internal Revenue Service.

6.03 CUSTODIAN FEES AND EXPENSES.

The Custodian shall be entitled to such fees for maintaining and administering the Coverdell ESA. The Custodian may change its fees hereunder at any time upon 30 days written notice to the Responsible Individual. All such fees and all other expenses incurred in maintaining the Coverdell ESA shall be charged to the Fund unless, with the consent of the Custodian, all or part of such fees and expenses are paid by the Responsible Individual

6.04 DUTIES OF THE CUSTODIAN. The parties do not intend to confer any fiduciary duties on the Custodian, and none shall be implied. The Custodian may rely conclusively upon and shall be protected in acting upon any written instruction

or any other notice, request, consent, or certificate reasonably believed by it to be genuine from the Responsible Individual or Financial Advisor, as the case may be. The Custodian shall have no obligation to verify the allowability, amount, deductibility, or tax effect of any contribution to or distribution from the Coverdell ESA and the Custodian shall be entitled to rely completely on any instructions furnished to it by the Responsible Individual or Financial Advisor and shall have no duty or obligation to question such instructions.

6.05 DELEGATION OF AUTHORITY. The Custodian may delegate to any other person or entity the authority to carry out any of the responsibilities of the Custodian hereunder, except that assets of the Fund must be registered as set forth in Section 4.05.

6.06 INDEMNIFICATION. To the extent permitted by applicable law, the Responsible Individual shall fully indemnify the Custodian and hold it harmless from any and all liability whatsoever that may arise in connection with this Agreement and matters that it contemplates, except those that arise due to the Custodian's gross negligence or willful misconduct. The Custodian shall not be obligated or expected to commence or defend any legal action or proceeding in connection with this Agreement unless agreed upon by the Custodian and the Responsible Individual and unless the Custodian is fully indemnified to the Custodian's satisfaction for so doing. This Section 6.06 shall survive the termination of the Coverdell ESA.

ARTICLE VII AMENDMENT

7.01 RIGHT TO AMEND. The Custodian reserves the right to amend this Agreement at any time in any manner that will not cause the Coverdell ESA to fail to satisfy the requirements of section 530 of the Code. Any amendment by the Custodian shall be effective upon communication, in writing, to the Responsible Individual, and the Responsible Individual shall be deemed to have consented thereto unless, within 30 days after such communication to the Responsible Individual is mailed, the Responsible Individual gives the Custodian an instruction in a form and manner acceptable to the Custodian for a total distribution of the fund pursuant to Section 5.01 or for a transfer of the Coverdell ESA to a successor custodian pursuant to Section 8.01.

ARTICLE VIII RESIGNATION OR REMOVAL OF CUSTODIAN

8.01 GENERAL. The Custodian may resign and a successor custodian may be appointed at any time upon at least 30 days prior written notice to the Responsible Individual. The Responsible Individual may remove the Custodian and appoint a successor custodian at any time upon 30 days prior written notice to the Custodian. Upon such resignation or removal, and upon receipt by the Custodian of written acceptance of its appointment by the successor custodian, which must be a bank or other person qualified to serve as a custodian under section 530(b)(1)(B) of the Code, the Custodian shall transfer the Fund to such successor custodian. The Custodian is authorized, however, to reserve such portion of the Fund as it may deem advisable for payment for all its fees, compensation,

costs and expenses, or for payment of any other liabilities constituting a charge on or against the Fund or on or against the Custodian, with any balance of such reserve remaining after the payment of all such items to be paid over to the successor custodian. If, within 30 days after the Custodian's resignation or removal, or such longer time as the Custodian may agree to, the Responsible Individual or Custodian has not appointed a successor custodian that has accepted such appointment, the Custodian shall terminate the Coverdell ESA in accordance with the provisions of Article IX.

8.02 RESPONSIBILITY OF THE CUSTODIAN.

After the Custodian has transferred the Fund (including any reserve balance) to the successor custodian pursuant to Section 8.01, the Custodian shall be relieved of all further liability with respect to this Agreement, the Coverdell ESA, and the Fund, including (but not limited to) any acts or omissions of the successor custodian.

8.03 RESPONSIBILITY OF SUCCESSOR CUSTODIAN. No successor custodian appointed pursuant to Section 8.01 shall be liable or responsible for any act or default of any predecessor custodian, nor shall any successor custodian be required to inquire into or take any notice of the prior administration of the Coverdell ESA.

ARTICLE IX TERMINATION OF THE COVERDELL ESA

9.01 TIME OF TERMINATION. The Responsible Individual may terminate the Coverdell ESA at any time upon prior written notice to the Custodian. The Custodian shall terminate the Coverdell ESA if, within the time specified in Section 8.01 after the Custodian's resignation or removal, neither the Responsible Individual nor the Custodian has appointed a successor custodian that accepted such appointment. Unless earlier terminated in accordance with the foregoing provision of this Section 9.01, the Coverdell ESA shall terminate on the earliest of (a) the date assets of the Fund have been distributed, (b) the date the Beneficiary attains age 30, except in the case of a Special Needs Beneficiary, or (c) the date of the Beneficiary's death.

9.02 OTHER TERMINATIONS. If the Coverdell ESA is terminated on account of any reason other than the death of the Beneficiary (including but not limited to on account of the Beneficiary's attaining age 30, but does not apply to a Special Needs Beneficiary), termination shall be effected by distributing the Fund upon the Responsible Individual's instruction. Such instruction shall be in a form and manner acceptable to the Custodian. If no such instruction is given in a case where no successor custodian has been appointed (or where no successor custodian has accepted appointment) in accordance with Section 8.01, termination shall be effected by distributing the Fund to the Responsible Individual for the benefit of the Beneficiary. Any distribution pursuant to this Section 9.02 shall be subject to the Custodian's right to reserve funds as provided in Section 8.01.

9.03 RESPONSIBILITY OF THE CUSTODIAN.

Upon termination of the Coverdell ESA, this Agreement shall terminate and, except for the continued applicability of Section 6.06, shall have no further force and effect, and the Custodian shall be relieved from all further liability with respect to this Agreement, the Coverdell ESA, and the Fund.

ARTICLE X MISCELLANEOUS

10.01 CONSTRUCTION. Unless the contrary is plainly required by the context, wherever any words are used herein in the singular form, they shall be construed as though they were also used in the plural form, and vice versa; and wherever the words "herein," "hereof," "hereunder," and words of similar import are used, they shall be construed to refer to this Agreement in its entirety and not only to the portion of the Agreement in which they appear.

10.02 AUTHORITY TO USE AGENTS. The Custodian is authorized to perform all acts necessary to carry out the terms of this Agreement and to hire an agent to perform certain of its duties hereunder, which agent may be the Transfer Agent for the Fund (if such Transfer Agent is other than the Custodian).

10.03 DISTRIBUTION REQUESTS. Distribution requests that are received by the Custodian in good order will be made to the Responsible Individual, the Beneficiary (if appropriate), or a successor custodian, normally within five (5) business days. To be in good order, distribution requests must meet the Coverdell ESA distribution requirements of the Custodian. The Custodian reserves the right to change these requirements at any time without prior notice to the Responsible Individual or the Beneficiary.

10.04 RELIANCE ON SUCCESSOR CUSTODIAN.

The Custodian may transfer Coverdell ESA assets to a successor custodian named by the Depositor in reliance on, and without any duty of investigation, receipt of a letter of acceptance signed by an individual claiming to be an authorized officer or principal of the successor custodian.

10.05 NOTICES. Any notice, report, accounting, or other communication that the Custodian may give the Responsible Individual shall be deemed given when mailed to the Responsible Individual at the last known address of the Beneficiary on record with the Custodian, and any notice given to the Responsible Individual shall be deemed to be given to the Beneficiary, as well. All notices that the Responsible Individual is required to give to the Custodian, pursuant to this Agreement, shall be deemed given when received by the Custodian at its principal office.

10.06 PROHIBITION AGAINST ASSIGNMENT.

Except as provided in Sections 4.02, 5.03, 7.01, and 8.02, no interest, right, or claim in or to any portion of the Fund or any payment therefrom shall be assignable, transferable, or subject to sale, mortgage, pledge, hypothecation, commutation, anticipation, garnishment, attachment, execution or levy of any kind. The Custodian shall not recognize any attempt to do any of the foregoing, except to the extent required by law.

10.07 TITLES AND HEADINGS NOT TO CONTROL.

The titles to Articles and the headings of Sections in this Agreement are placed herein for convenience of reference only, and in the event of any conflict, the text of the Agreement, rather than such titles or headings, shall control.

10.08 SEVERABILITY. If any provision of this Agreement should be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of the Agreement, and the Agreement shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.

10.09 COMMUNITY PROPERTY. The terms and conditions of this Agreement shall be applicable without regard to the community property laws of any state.

10.10 GOVERNING LAW. This Agreement shall be construed, administered, and enforced according to federal law and, to the extent applicable, according to the law of the State of California, determined without regard to its choice of law rules, and shall become effective upon acceptance by the Custodian as evidenced by receipt of a confirmation statement from the Custodian.

10.11 ACCEPTANCE OF THE AGREEMENT.

IN WITNESS WHEREOF, the acceptance of this Agreement by the Responsible Individual is indicated by the Responsible Individual's signature in the Custodian's Application, and the Custodian, to evidence acceptance of this Agreement has signed the agreement as written below.

Authorized Signature Franklin Templeton Bank & Trust, F.S.B., Custodian:

Michael Mee, President

Coverdell Education Savings Account Disclosure Statement

The following information is provided to you in accordance with the requirements of the Internal Revenue Code (the "Code") and should be reviewed in conjunction with both the Custodial Agreement and the Application for your Coverdell Education Savings Account ("Coverdell ESA"). Your Coverdell ESA is a tax-deferred custodial account, created exclusively for the purpose of paying a child's qualified education expenses [within the meaning of section 530(b)(2) of the Code].

COVERDELL ESA CONTRIBUTIONS

Contributions. Up to \$2,000 per year in aggregate contributions may be made for the benefit of any child. Any individual may contribute up to \$2,000 to a child's Coverdell ESA if the individual's adjusted gross income (AGI) for the taxable year is no more than \$95,000 (for single individuals) or \$190,000 (for married individuals filing jointly). A partial contribution can be made if you are single and your AGI is between \$95,000 and \$110,000, or if you are married, file a joint return, and your AGI is between \$190,000 and \$220,000. For example, a single taxpayer with an AGI of \$96,500 in a taxable year could make a maximum contribution per child of \$1,800 for that year.

Deductibility of Coverdell ESA Contributions.Contributions to a Coverdell ESA are not deductible.

Timing of Contributions. Contributions for a given tax year must be made no later than the tax filing deadline (excluding extensions) for a given year. No contributions may be made on behalf of a child (the Beneficiary) who has attained age 18, except in the case of a Special Needs Beneficiary as defined by Department of Treasury regulations.

Excess Contributions. Aggregate contributions for the benefit of a particular child in excess of \$2,000 for a calendar year are treated as excess contributions. If the excess contributions (and any earnings attributable to them) are not withdrawn from the Coverdell ESA before June 1 of the following year, the excess contributions are subject to a 6% excise tax for each year the excess remains in the Coverdell ESA. Although the excess contribution withdrawn is not taxable, the earnings will be included as income for the tax year the excess was made and may be subject to a 10% premature penalty tax.

COVERDELL ESA DISTRIBUTIONS

Tax-free Distributions. In general, distributions from a Coverdell ESA to pay for qualified education expenses of the Beneficiary are tax free to the Beneficiary.

Qualified Education Expenses. Qualified education expenses means (1) qualified higher education expenses and (2) qualified elementary and secondary education expenses. Qualified higher education expenses include tuition, fees, books, supplies, and equipment required for the enrollment or attendance of the Beneficiary at an eligible education institution. It also includes amounts contributed to a qualified tuition program as well as room and board expenses charged to a Beneficiary if living in housing owned or operated by an eligible educational institution for any academic period during which the Beneficiary is at least a half-time student. Qualified elementary and secondary education expenses include expenses for (a) tuition, fees, academic tutoring, special needs services in the case of a Special Needs Beneficiary, books, supplies, and other equipment which are incurred in connection with the enrollment or attendance of the Beneficiary at an eligible educational institution; (b) room and board, uniforms, transportation, and supplementary items or services (including extended day programs) which are required or provided at an eligible education institution in connection with such enrollment or attendance; and (c) expenses for the purchase of any computer technology or equipment (as defined in Code section 170(e)(6)(F)(i)) or Internet access and related services, if such technology, equipment, or services are to be used by the Beneficiary and the Beneficiary's family during any of the years the Beneficiary is in school, provided that such expenses for computer software designed for sports, games, or hobbies is predominantly educational in nature. An eligible educational institution is generally any college, university, or post-secondary vocational school. It also includes any public, private, or religious school which provides elementary or secondary education (kindergarten through grade 12) as determined under state law.

Taxable Distributions. Where amounts withdrawn exceed the Beneficiary's qualified education expenses, a portion of the distribution (that which represents a pro-rata share of the earnings in the account) will be taxable to the Beneficiary and may also be subject to a possible 10% early withdrawal penalty.

Exceptions to 10% Early Withdrawal Penalty. If you are taking a distribution from the Coverdell ESA that is subject to the 10% early withdrawal penalty tax, the following circumstances are the exceptions to this penalty tax: (i) death of the Beneficiary, (ii) permanent disability of the Beneficiary, (iii) distributions "rolled over" within 60 days of receipt, or (iv) timely removal of an excess contribution.

Coordination of Hope Scholarship Credit and Lifetime Learning Credit. The Hope Scholarship Credit and Lifetime Learning Credit may be claimed for a Beneficiary's expenses in a taxable year in which the Beneficiary takes a tax-free withdrawal from a Coverdell ESA, as long as the credit and withdrawal are used for different education expenses.

Coordination with Qualified Tuition Programs.
Contributions can be made to an education savings account or to a qualified tuition program for the same Beneficiary in the same tax year as long as the amounts are used for different educational purposes. If distributions from a Coverdell ESA and qualified tuition programs exceed the Beneficiary's qualified education expenses for the year (after reduction by amounts used in claiming the Hope or Lifetime Learning Credits), the Beneficiary is required to allocate the expenses between the distributions to determine the amount includible in income.

Coordination of Code Section 135 Exclusion and Code Section 162 Deduction. An Exclusion of U.S. Savings Bond redemption proceeds (under Code Section 135) or a business expense deduction (under Code Section 162) may not be claimed for a Beneficiary's qualified education expenses in a taxable year, to the extent they are taken into account for a tax-free distribution from a Coverdell ESA.

Rollovers and Changes of Beneficiary. Distributions from a Coverdell ESA may be rolled over into another Coverdell ESA for the benefit of the same Beneficiary or certain members of the Beneficiary's family (i.e., a change of beneficiary) within 60 days of receipt of the distribution. Eligible family members include the Beneficiary's children, grandchildren and stepchildren, siblings and their children (including half brothers, half sisters, stepbrothers or stepsisters) parents and grandparents, stepparents, spouses of all of the aforementioned members, and brothers or sisters of the beneficiary's father or mother. A change of beneficiary may also be accomplished through a transfer of the assets to a Coverdell ESA established for benefit of the respective Beneficiary's family member.

TERMINATION OF THE COVERDELL ESA

The Coverdell ESA will terminate on the earliest of (a) the date assets of the Fund have been distributed, (b) the date the Beneficiary attains age 30, except in the case of a Special Needs Beneficiary, or (c) the date of the Beneficiary's death. In the case of (b) and (c), the assets of the Coverdell ESA must be distributed no later than 30 days following the event. The assets will be deemed distributed from the Coverdell ESA at the end of the 30-day period even if distribution instructions have not been received.

DUTIES OF THE RESPONSIBLE INDIVIDUAL

The Responsible Individual, as named on the Application, is responsible for determining the allowability of any contribution to or distribution from the Coverdell ESA. The responsibility for the tax consequences of any distribution, or the failure to correct an excess contribution or elect any distribution, from the Coverdell ESA will be solely that of the Responsible Individual, Beneficiary, or distributee, as the case may be. The Responsible Individual is also responsible for ensuring that any beneficiary designation changes comply with the requirements as set forth in the Agreement.

IRS REPORTINGS AND APPROVAL

The Custodian will report contributions to and distributions from the Coverdell ESA as prescribed by the Internal Revenue Service. The Coverdell Education Savings Account Agreement has not been approved by the Internal Revenue Service. Amendments to the Agreement and this Disclosure Statement will be mailed to the Responsible Individual. Additional information regarding the Coverdell Education Savings Account is available in IRS Publication 970, Tax Benefits for Education, available from any District Office of the Internal Revenue Service; or by calling the Internal Revenue Service Tax Forms Distribution Center toll-free, (800) 829-3676; or by visiting the IRS website at www.irs.gov.

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