

NC 529 Plan

North Carolina's National College Savings Program



Enrollment and Participation Agreement for Entities

Make checks payable to: "NC 529 Plan"

The terms, conditions, risks and full description of the Program are contained in the *Program Description for North Carolina's National College Savings Program* (the "Program Description"). That document should be read in full before completing this *Enrollment and Participation Agreement for Entities* (the "Enrollment Agreement").

This form must be completed by an Authorized Representative of the entity. A separate Enrollment Agreement must be completed for each Account.

Note: This enrollment form establishes an Account for an entity; use form C420, *Enrollment and Participation Agreement*, to set up an Account as an individual Participant.

Mail to: NC 529 Plan
P.O. Box 41930
Raleigh, NC 27629-1930

Overnight or registered mail: NC 529 Plan
2917 Highwoods Blvd.
Raleigh, NC 27604

Fax to: 919-835-2304

For questions or forms, contact the Program Administrator College Foundation, Inc.
CFNC.org/NC529 800-600-3453
919-828-4904 (Raleigh)

Please print clearly in capital letters and dark ink.

1 Entity & Account

I am establishing this Account as an Authorized Representative of the entity:

A. Entity Class (Check only one.)

- Trust or Estate
- Business entity (corporation, partnership, company, or association)
- "501(c)(3) Organization" described in 501(c)(3) of the Internal Revenue Code (IRC) and exempt from taxation under section 501(a) of the IRC
- State or local government (or agency or instrumentality thereof)

B. Account Type (Check only one.)

- Entity Account (for a specified Beneficiary)
- Scholarship Account without a specified Beneficiary (only a 501(c)(3) organization or government entity may open this type of Account)

2 Participant (Entity) and Authorized Representative Information

Name of Entity

Taxpayer Identification Number

Address (line 1)

Address (line 2)

City State Zip or Postal Code Country (if not U.S.)

Name of Authorized Representative (First, Middle, Last, Suffix)

Primary Telephone Number (8:00 a.m. to 5:00 p.m.)

Alternate Telephone Number

E-mail Address



C 4 2 0 D 1 0 7 1 1

3 Beneficiary Information

A Beneficiary must be named unless the Account is a Scholarship Account, opened by a 501(c)(3) organization or government entity without a specified Beneficiary.

If the Beneficiary does not yet have a Social Security or Taxpayer Identification Number, send it to the Program Administrator as soon as it is available.

I designate the individual named below as Beneficiary of this Account.

Name of Beneficiary (First, Middle, Last, Suffix)

Check type and enter the number.

SSN

TIN

Social Security or Taxpayer Identification Number

Birth Date (month, day, year)

State of Residence

Expected Year of College Enrollment

4 Duplicate Statement Request *(Optional)*

Enter below anyone you want to receive copies of the entity's Account statements, such as a financial advisor.

This person is **not** authorized to access or make any changes to this Account.

Name (First, Middle, Last, Suffix)

Address (line 1)

Address (line 2)

City

State

Zip or Postal Code

5 Investment Options

Select one or more of the Investment Options below. Refer to the Program Description for detailed information on each Investment Option.

Use only whole numbers, not fractions, for your Contribution percentages. Your total investment must equal 100%.

Note: Contributions that accompany this form and all future Contributions to your Account will follow the instructions provided below. Designation of **future** Contributions may be changed at any time. To change either currently invested or future Contributions later, complete an *Enrollment and Participation Agreement Supplement* (Form C421).

Investment Options

Contribution Percentages

Vanguard Age-Based Options

The Program will automatically place assets into the appropriate age range and migrate them based on Beneficiary's birth date.

Select a track based on your risk tolerance:

Aggressive Track

%

Moderate Track

%

Conservative Track

%

Individual Options

Dependable Income Fund (Managed by the State Treasurer of North Carolina)

%

Federally-Insured Deposit Account (Provided by State Employees' Credit Union)

%

Vanguard Aggressive Growth Portfolio

%

Vanguard Growth Portfolio

%

Vanguard Moderate Growth Portfolio

%

Vanguard Conservative Growth Portfolio

%

Vanguard Income Portfolio

%

Vanguard Money Market Portfolio

%

Vanguard Total Stock Market Index Portfolio

%

Vanguard Total International Stock Index Portfolio

%

Vanguard Total Bond Market Index Portfolio

%

TOTAL %

6 Contribution Methods *(The minimum amount required for all Contribution methods is \$25.)*

Source of Funds *(Check and complete all that apply.)*

An entity may establish an Account and make subsequent Contributions by check, Electronic Funds Transfer, or Automatic Draft.

For information on wire transfers, please call us at 800-600-3453.

A. Lump Sum

1. **Check or Money Order** *(Make payable to NC 529 Plan.)*

Amount (\$25 minimum) \$, .

2. **Electronic Funds Transfer (EFT)**

(To make a one-time transfer from the entity's account with a financial institution to the entity's NC 529 Account.)

Note: To set up this option, provide account information in **Section 7**.

If a Contribution is not honored by the entity's financial institution, the entity will be assessed a transaction fee.

Amount (\$25 minimum) \$, .

B. Transfer or Rollover

1. **Assets from another State's Section 529 Qualified Tuition Program.**

(Complete and send Incoming Rollover (Form C427) to that program's manager, not to the NC 529 Plan.)

2. **Coverdell Education Savings Account, a Qualified Savings Bond (Series EE or I, issued after 1989) or an existing NC 529 Plan Account.**

(Complete and return Rollover and Transfer (Form C445) to the NC 529 Plan with your enrollment form.)

C. Automatic Investment

- Automatic Draft**

(To transfer funds electronically on a regular basis from the entity's account with a financial institution to the entity's NC 529 Account.)

You may change the Contribution amount and frequency by calling 800-600-3453. It may take up to 5 days to set up an automatic draft with the entity's financial institution.

Note: To set up this option, provide account information in **Section 7**.

If a Contribution is not honored by the entity's financial institution, the entity will be assessed a transaction fee.

Amount (\$25 minimum) \$, .

Frequency

Check one and include the day(s) on which you want funds debited.

Note: Unless you select a different schedule below, your entity's financial institution account will be debited on the 20th of each month. If a debit date is scheduled for a weekend or holiday, the debit will occur on the next business day.

You must select a debit date that falls within the first 28 days of the month.

- Once a month on the day of the month

- Twice a month on the and days of the month

7 Financial Institution Information *(Required to establish EFT and/or Automatic Draft services.)*

Note: Electronic Funds Transfer or Automatic Draft options are available only from a U.S. bank, savings and loan association, or credit union that is a member of the Automated Clearing House (ACH) network.

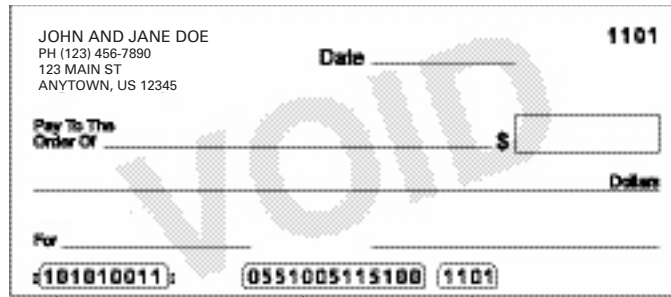
Provide account information below. During the initial enrollment process for the entity's new 529 Account, please provide information for only one financial institution. To add another or change financial institution account information, complete an *Enrollment and Participation Agreement Supplement* (Form C421), or go online to CFNC.org/NC529.

Account Type

Check one. Checking Savings

Financial Institution Name

Telephone Number



↑ Routing Number ↑ Account Number ↑ Check Number (do not enter)

Routing Number

Account Number

8 Authorization — You Must Sign Below

By signing this *Enrollment and Participation Agreement for Entities* and submitting it to College Foundation, Inc., the Program Administrator, I hereby certify that I have the authority to act on behalf of the entity establishing this Account and to bind the entity, and that all of the information contained in this *Enrollment Agreement* or that will be provided in the future is true, complete and correct. I authorize on behalf of the entity named in Section 1, College Foundation, Inc., to establish an Account based upon this completed Enrollment Agreement. I further certify that I have received and read the *Program Description for North Carolina's National College Savings Program*, and that I agree on behalf of the entity to be bound by such Program Description, which I understand may be amended from time to time, and I agree to be bound by the Agreements, Representations, and Warranties contained in **Section 9** of this *Enrollment and Participation Agreement for Entities*.

Signature of Participant

____-____-____
Date (month, day, year)

9 Agreements, Representations, and Warranties of the Participant

Please read this carefully before you sign and submit your Enrollment Agreement.

A. DEFINED TERMS. Capitalized terms appearing but not defined in this Enrollment Agreement have the meanings assigned to them in the Program Description.

B. AUTHORITY TO EXECUTE AGREEMENT. As the individual executing this Enrollment Agreement on behalf of the entity named in Section 1 that is establishing this Account, I certify that I have the authority to enter into this Enrollment Agreement and bind such entity and represent such entity in all subsequent transactions related to the Account.

C. CERTAIN AGREEMENTS, REPRESENTATIONS AND WARRANTIES. I, the Authorized Representative acting on behalf of the entity named in Section 1, hereby represent and warrant to the Program Administrator that the entity is duly organized, validly existing and in good standing in the state under which the entity is established, and that the entity has the full legal right, power, and authority to enter into this Enrollment Agreement. I, as the Authorized Representative establishing this Account on behalf of such entity, agree as follows:

1. Program Description. I have received, read and understand the *Program Description for North Carolina's National College Savings Program* as currently in effect, and as may be amended from time to time (the "Program Description"). In making a decision to open an Account and enter into this Enrollment Agreement, I have not relied on any representations or other information, whether oral or written, other than as set forth in the Program Description and this Enrollment Agreement. I agree to be bound by the terms and conditions set forth in the Program Description.

2. Full Authority and Legal Capacity. I have full authority and legal capacity to purchase investment units to open an Account in North Carolina's National College Savings Program.

3. Limit on Contributions. As the Authorized Representative, I certify that the entity intends that this Account fund the Qualified Higher Education Expenses of the Beneficiary of the Account or a future Beneficiary if this is a Scholarship Account, that each Contribution to the Account will be for that purpose, and that I will not make any Contribution to the Account if, to the best of my knowledge, the total value of the Account combined with the total value of all other accounts established for the Beneficiary in other qualified tuition programs under Section 529 of the Internal Revenue Code exceeds the amount necessary to provide for the Qualified Higher Education Expenses of the Beneficiary.

4. Risks. As the Authorized Representative, I recognize that the investment of the Account involves risks, including the risk of loss of this investment, as described in the Program Description. I understand that the returns on Contributions are not guaranteed by the State of North Carolina, the Authority, the Program Administrator, or any other governmental authority, or by any current or successor investment manager or Metropolitan Life Insurance Company ("MetLife") or any of their affiliates, directors, officers or employees. Notwithstanding the foregoing, (i) contributions and interest thereon allocated to the Federally-Insured Deposit Account are guaranteed by SECUR and insured by the National Credit Union Administration ("NCUA"), which is backed by the full faith and credit of the United States Government; and (ii) MetLife has made certain guarantees under its funding agreements to College Foundation, Inc, as agent for the Authority. As the Authorized Representative of the entity named in Section 1, I further recognize that MetLife's guarantees are not made to the entity, Participant, Beneficiary, to me individually, or any other person. I understand the value of this Account may fluctuate depending on market conditions and the performance of the Investment Options selected and that the entity could lose money by investing in the Program.

5. Electronic Funds Transfers and Automatic Drafts. As the Authorized Representative, I certify that I have the authority to and hereby authorize the Authority, the Program Administrator, and its or their service providers, to initiate debit and/or credit entries against the entity's designated account in accordance with my instructions designated in the Enrollment Agreement or any future instructions against the entity's account designated in this Enrollment Agreement or later designated. I authorize the bank to accept any such debits or credits to the entity's designated account. I understand that my authorization for any such credit or debit must comply with applicable law, and I agree to hold harmless the Authority and Program Administrator for any credits or debits related to the entity's Account that result in any losses, damage, liability, cost, or expenses. This authorization will remain in effect until I notify the Program Administrator in writing of its termination and until the Program Administrator has reasonable time to act on that termination. I further agree that the balance in the entity's designated account, as indicated in this Enrollment Agreement, will be maintained at a level sufficient to satisfy each debit transaction, and I understand that if the balance is insufficient, the Program Administrator may assess a fee in accordance with this Enrollment Agreement and the Program Description.

6. Transfers and Rollovers.

a. Transfers from an Existing UGMA/UTMA Custodial Account. If the entity is funding this Account through a transfer of assets from an existing Uniform Gifts to Minors Act/ Uniform Transfers to Minors Act (UGMA/UTMA) custodial account, I recognize that there may be certain adverse tax consequences. I understand that the entity will not be able to change the Beneficiary of the Account or authorize any Withdrawals from the Account unless the Withdrawal is for a use permitted under the law governing the UGMA/UTMA custodial account and any relevant terms and conditions for the UGMA/UTMA custodial account. I further understand that any additional Contributions made to the UGMA/UTMA Account established by this Enrollment Agreement will be subject to the terms and conditions of the UGMA/UTMA custodial account and the state law that governs the UGMA/UTMA custodial account.

b. Rollovers and Other Transfers. Unless I return the *Transfer/Rollover Form* with this Agreement, as the Authorized Representative of the entity named in Section 1, I certify that no part of the initial Contribution that the entity makes to this Account established pursuant to this Enrollment Agreement consists of proceeds derived from a Rollover of amounts from another qualified tuition program. I further certify that no part of the initial Contribution or any subsequent Contributions will be made with funds from a transfer of proceeds from a Coverdell Education Savings Account or a qualified U.S. Savings Bond (Series EE or Series I, issued after 1989). I further certify that if any part of a future Contribution consists of a Rollover from a qualified tuition program, the entity will so inform the Program Administrator and agree to provide documentation as requested by the Program Administrator regarding the earnings associated with the other qualified tuition program. I recognize that if the entity fails to provide acceptable documentation, the Program Administrator will treat such Contributions entirely as earnings as required by applicable rules, regulation, or guidance from the Internal Revenue Service.

7. Account Changes. If I use telephone services or other electronic means for Account changes, (a) I recognize that I may use the services only to update or change certain information contained in the Enrollment Agreement, as explained in the Program Description; (b) I authorize the Program Administrator and its agents to act on my instructions and I agree that the entity will hold harmless the Program Administrator and its agents for any loss, damage, liability, cost, or expenses including reasonable attorney's fees resulting from such instructions reasonably believed to be genuine; and (c) I understand that the Program Administrator or its agents will employ reasonable procedures such as requesting personal information to verify that the caller or user of electronic means is the Authorized Representative. In addition, telephone calls may be recorded as documentation, and I consent to such recording.

8. Taxes. As the Authorized Representative, I understand that tax consequences may result from certain transactions with this Account, including but not limited to certain Rollovers, Non-Qualified Withdrawals or Withdrawals on account of the Beneficiary's death, Permanent Disability, or receipt of Scholarship, may result in regular federal and/or state income taxes or an additional 10% federal income tax on earnings. Please refer to the Program Description for details.

9. Fees and Charges. I understand that my Account and certain transactions to or from my Account are subject to the fees and charges set forth in the Program Description. I understand further that these fees and charges may change in the future. I agree that the payment of the administrative fees, asset-based charges, and any other fees set forth in the Program Description are an unconditional obligation of mine and the Account and shall be payable on my behalf by the Program Administrator from Contributions or transfers of funds to my Account or from assets in my Account as provided in the Program Description.

10. Finality of Decisions and Interpretations. All decisions and interpretations by the Authority and the Program Administrator in connection with the operation of the Program shall be final and binding on each Participant, Beneficiary and any other person affected thereby.

11. Indemnity. As the Authorized Representative, I understand that the establishment of this Account is based on the agreements, representations and warranties set forth in this Enrollment Agreement. The entity will indemnify and hold harmless the Authority, the Program Administrator, each investment manager, any successor investment manager or MetLife, and any of their affiliates, directors, officers, employees or agents, from and against any 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 by me herein or otherwise with respect to this Account, and any breach by me of any of the agreements, representations or warranties contained in this Enrollment Agreement. The entity will hold harmless the Program Administrator and its agents for any loss, cost or expenses resulting from instructions reasonably believed to be genuine. This provision, and all of the agreements, representations or warranties will survive termination of this Enrollment Agreement.

12. Use of Tax Identification Numbers. As the Authorized Representative, I understand that the Program Administrator may collect and use the Social Security Numbers or Taxpayer Identification Numbers provided in this Enrollment Agreement for certain federal and state tax reporting requirements and for verifying identity for Account access by telephone or other electronic means, and I consent to such use.

13. Effectiveness of Enrollment Agreement. This Enrollment Agreement will become effective upon the opening of the Account by the Program Administrator.

14. Amendment and Termination. At any time, and from time to time, the Authority and the Program Administrator may amend this Enrollment Agreement or the Program Description, or may suspend or terminate the Program.

15. Governing Law. The Program and this Enrollment Agreement are governed by North Carolina law, and the entity submits to the exclusive jurisdiction of courts in North Carolina for all legal proceedings arising out of or relating to the Program or this Enrollment Agreement.

16. Change of Authorized Representative. I understand that I, or another individual, with the authority to act on behalf of the entity, must notify the Program Administrator in the event that the Authorized Representative named in Section 1 changes and the subsequent Authorized Representative will be bound by the terms and conditions of this Agreement.

17. Binding Nature, Third-Party Beneficiaries. This agreement will survive my death and will be binding on my personal representatives, heirs, successors, and assigns. The Program Administrator is a third-party beneficiary of my agreements, representations, and warranties in this Enrollment Agreement.