

Early Withdrawal. Upon 30 days prior written notice, you may take a Qualified or Non-Qualified Distribution, in whole or in part. All principal withdrawals taken, other than in the final year, are subject to an Early Withdrawal Penalty equal to 5% of the principal amount withdrawn. In the final year of a CollegeSure CD, the Early Withdrawal Penalty is 1% of principal withdrawn. An early withdrawal will reduce earnings. The Bank retains the right to terminate a CollegeSure CD if the withdrawal of principal from the CD would result in a balance of less than \$250.

In addition to an Early Withdrawal Penalty, if the withdrawal is a Non-Qualified Distribution, you may also be subject to Federal and State tax consequences.

Fees. Neither the Bank nor any Sales Agent will charge depositors application, maintenance or other fees in connection with any CD.

Pursuant to agreements with the Bank, various banking institutions, broker/dealers and financial planners act as agents or authorized representatives in effecting sales to their customers relating to the Program, and the Bank has agreed to pay them a commission.

Depositors pay no commissions to any authorized representative in connection with purchases of CDs. The commissions are an expense of the Bank and do not affect the amount of the customer's deposit. Savers who work through brokers are in the same position as those who work directly with College Savings Bank.

Lack of Immediate Liquidity. An investment in an Account is not the equivalent of a demand deposit in a checking account. An Account Owner may seek to withdraw funds from an Account. However, a Bank check for the amount withdrawn (after reduction for possible early withdrawal penalties and tax withholdings) may be issued 30 days after the Bank receives written notice of the request for the withdrawal.

Accumulator Account and Savings Account Terms and Conditions

College Savings Bank offers the Accumulator Account as a special service to Account Owners utilizing an ACH direct deposit and/or payroll deduction. This savings account provides a convenient way to reach the minimum required for a CD. When the minimum is reached, a CD is automatically purchased.

College Savings Bank also offers a savings account as a special service to hold matured CD funds greater than \$250 when the expected withdrawal to pay Qualified Expenses is sooner than one year after the maturity date of the CD.

The Accumulator/Savings Account earns a variable interest rate equal to the Federal Funds Target Rate, the target interest rate set by the Federal Reserve Open Market Committee at which a depository institution lends its immediately available funds to another depository institution overnight. Interest begins to accrue on the Contribution Date. Your interest rate and APY may change without notice. However, CSB will send you a notice at least 30 days prior to a change in the terms that govern your Account, including a change in the index (currently Federal Funds Target Rate), or a change in the manner in which your Account earns interest.

Interest is credited and compounded quarterly on January 31, April 30 and July 31, October 31. Interest is calculated using the daily-balance method which applies a daily periodic rate to the principal in the Account each day.

Withdrawals. Withdrawals from these Accounts must be made by submitting a Distribution Authorization Form. You may call a Client Service Representative at 1.800.888.2723 to receive a Distribution Authorization Form or download the form on our website at www.collegesavings.com. Generally, withdrawal requests will be processed within 10 business days.

© 2011 College Savings Bank, a Pacific LifeCorp Company. **Member FDIC.** All rights reserved. The College Board's Independent College 500 IC 500® Index (IC 500®), published annually in July, describes the average total charge and annual rate of change for tuition, fees, room and board incurred by full-time freshman at the 500 independent four-year institutions which provide housing for at least 15% of their students, and whose aggregate charges for tuition, fees, room and board, multiplied by the number of full-time students, are the largest among all independent colleges. (It should be noted that students incur expenses at college beyond those included in the Index: transportation, books and supplies, personal care, for example).

This Index is one of several prepared by the College Board, using data collected in its Annual Survey of Colleges, which is intended to facilitate analysis and forecasting of college charges in various segments of higher education. The IC 500 Index is not necessarily representative of higher education institutions as a whole, nor of all independent institutions. A brochure describing its technical construction is available by mail upon request. All information is accurate as of March 2011.

CSBCSCD

CollegeSure® Certificate of Deposit Terms and Conditions



College
Savings Bank®

Member FDIC

Product. CollegeSure® CDs are variable rate certificates of deposit (CDs) indexed to college costs. The variable rate is subject to a maximum interest rate.

Issuer. CollegeSure CDs are issued by College Savings Bank (CSB or the Bank), a New Jersey-chartered savings bank. The Bank's deposits are insured up to applicable statutory limits by the Federal Deposit Insurance Corporation (FDIC). Each CD is governed by the statutes, rules and regulation of the State of New Jersey and the FDIC; College Savings Bank's certificate of incorporation and by-laws; the regulations, rules and practices adopted by CSB; and general savings bank practices.

FDIC Insurance. Your principal and accrued interest on a CD will, for FDIC deposit insurance purposes, be added to any other deposit accounts you hold at College Savings Bank in the same right and capacity and will be insured by the FDIC up to \$250,000 in the aggregate. For this purpose, all Accounts with the same Account Owner will be deemed to be held in the same right and capacity and will be combined for purposes of this \$250,000 limitation. FDIC deposit insurance is backed by the full faith and credit of the U.S. Government. Separate deposit insurance for Accounts with the same Account Owner and Beneficiary may also be available in certain limited circumstances.

Minimum Deposit Amounts. The minimum initial contribution is \$250. Subsequent contributions are also \$250. Additional contributions may not be made to existing CDs but may be made into an existing Account to purchase new CDs offered by College Savings Bank.

If you do not intend to contribute \$250 at one time, you may contribute \$25 per month through direct deposits from your bank or brokerage account, or \$25 per pay period using payroll deduction. Direct deposit contributions or payroll deductions are held in an Accumulator Account until the balance of your Account reaches \$250. Once the funds reach the \$250 level, they are used to purchase a CollegeSure CD.

Maturities Available. 1 to 22 years. The maturity date of each CollegeSure CD is July 31 of the year in which it matures.

Interest Rate. CollegeSure CDs pay interest each year they remain outstanding at a variable interest rate equal to the prior July 31 college inflation rate, as measured by the College Board's Independent College 500® Index (IC 500®) change less an issue margin determined at the Contribution Date. The variable interest rate will be subject to a maximum rate (or cap) which is also determined at the Contribution Date. The interest rate will be reset on July 31 each year based on the change in the IC 500 and subject to the interest rate cap.

The current issue margin and interest rate cap are published online at www.collegesavings.com. Account Owners will receive the published issue margin and interest rate cap on the Contribution Date, except for online deposits where the Account Owner will lock in the issue margin and interest rate cap applicable at the time of the day when the online application and funding are complete. If you prefer to mail in a check to fund the CD, the account will be opened at the issue margin and interest rate cap for the term selected on the Contribution Date.

Annual Percentage Yield (APY). The APY of each CollegeSure CD is the lesser of the prior July 31 college inflation rate as measured by the IC 500 change less an issue margin, or the maximum interest rate determined by the CD's interest rate cap. The issue margin and the interest rate cap are both determined at the time of the CD's issuance. The APY can be zero percent.

Contribution Date: Contributions are credited to your Account as follows:

- Contributions by check received before 2:00 p.m. Eastern time are credited on the same Business Day. Contributions by check received after 2:00 p.m. Eastern time are credited the next Business Day.
- Contributions by E-Check and credit card are credited on the next Business Day.
- Contributions by ACH or wire transfer are credited on the Business Day the Bank receives the funds.

Accrual, Crediting and Compounding. Interest begins to accrue on the Contribution Date. Interest on each CollegeSure CD is compounded and credited on July 31 immediately following the contribution date and annually each July 31 thereafter. No interest will be earned after the maturity date unless the CD is renewed for another term.

Frequency of Change. The interest rate on each CollegeSure CD resets July 31 each year based upon the change in the rate of college inflation as measured by the IC 500 change.

Options at Maturity. CSB will provide written notification at least 60 days before the Maturity Date. You must provide written instructions at least 30 days prior to the Maturity Date if you would like the proceeds upon maturity of the CollegeSure CD to be invested other than in accordance with the Default Actions described in this document. If you provide instructions in good order, funds will be disbursed from your Account no later than the first Business Day following the Maturity Date.

If CSB does not receive instructions at maturity, it will take one of the following Default Actions:

- If the Beneficiary will be 17 years of age or younger by December 31 of the year in which the CD matures, the Bank will transfer the matured funds to a new 1-year CollegeSure CD issued under the then current terms and conditions for issuing 1-year CollegeSure CDs;
- If the Beneficiary will be 18 years of age or older by December 31 of the year in which the CD matures, the Bank will hold the matured funds in a Savings Account until you provide distribution or other investment instructions.

Alternatively, you may choose one of the following alternative options at maturity:

- Reinvest the matured funds to another CollegeSure CD under the then current terms and conditions;
- Transfer the matured funds to an InvestorSure CD;
- Transfer the matured funds to a 1- or 3-year Fixed Rate CD;
- Rollover the matured funds to another qualified program;
- Hold the matured funds in a Savings Account; or
- Take a Qualified or Non-Qualified Distribution of the funds.

Please note any actions other than taking a Qualified or Non-Qualified Distribution or a default action stated above, could be considered your once per calendar year investment exchange as per 529 plan rules.