CollegeWealth® Program Description & Account Agreement

As of January 1, 2016

Customers should obtain all enrollment materials, including this Program Description, by visiting Virginia529.com or by calling 1-888-567-0540, and read it carefully before investing. Prospective participants should seek the advice of a professional concerning any financial, tax, or legal implications related to opening an account. For residents of states other than Virginia: your state or the Beneficiary's state of residence (if different) may sponsor an Internal Revenue Code (IRC) Section 529 plan that offers state income tax or other benefits not available to you through the Virginia College Savings Plan. The Virginia College Savings Plan cannot and does not provide legal, financial or tax advice and the foregoing information should not be construed as such with respect to the consequences for any particular individual as a result of payments or distributions from a Virginia College Savings Plan account.

Section 529 Qualified Tuition Programs (QTP) are intended to be used only to save for Qualified Higher Education Expenses (QHEE). These Programs are not intended to be used, nor should they be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax adviser based on their own particular circumstances.

The CollegeWealth Program Agreement, as defined in the Glossary of Terms, includes the Agreement, as also defined in the Glossary, and the participating bank's applicable agreements and terms and conditions.

IMPORTANT NOTE: This Program Description applies only to the CollegeWealth program offered by BB&T and any successors in interest and does not apply to other IRC Section 529 college savings programs offered by or in conjunction with the Virginia College Savings Plan℠ (Virginia529℠), including CollegeWealth programs offered by other banks.

Contents

This Program Description contains important information you should review before participating in the CollegeWealth program sponsored by Virginia529 through the participating bank. Please read it carefully and keep it for future reference. Prospective Account Owners should rely only on the information contained in this Program Description and the participating bank's applicable agreements and terms and conditions. No one is authorized to provide information that is different from information contained in this Program Description. If you speak with a participating bank employee, please be advised that Virginia529 is not responsible for any miscommunication of facts concerning the CollegeWealth program during such conversations. The information in this Program Description is believed to be accurate as of the date of issuance and is subject to change without notice. **Please see the Glossary of Terms within this Program Description for the definitions of many capitalized terms; other terms may be defined in the sections of this Program Description in which they are first used.**

CollegeWealth Accounts offer Federal Deposit Insurance Corporation (FDIC) insurance to the maximum amount allowed by law and the same tax advantages as other Virginia529 programs. By statute, CollegeWealth Accounts are not deposits or obligations of, or insured or guaranteed by, Virginia529, the Commonwealth of Virginia or any agency or instrumentality thereof. Neither the Board of Virginia529 nor the Commonwealth of Virginia has a legal or moral obligation to insure the payout of any or all of the amount of any CollegeWealth Account balance, or guarantees there will be any particular return, with respect to any Account. In the event the CollegeWealth program terminates so that Virginia529 no longer offers it, Virginia529 and the participating bank have the option of moving all CollegeWealth assets to a substitute investment. If the CollegeWealth program terminates, you may have the option to maintain your funds at the participating bank, but the Account may no longer qualify as an IRC Section 529 account. If this occurs, you may be required to pay a federal penalty of 10% of the earnings in the Account as this would be considered a Non-qualified Distribution. You may also have the option of transferring your funds to another IRC Section 529 investment option that may not provide FDIC insurance. Such a transfer may require the Account Owner to use one or more of his or her twice-per-calendar-year investment direction changes. You may also withdraw your funds. If the withdrawal is non-qualified (used for something other than Qualified Higher Education Expenses), you will incur the 10% federal penalty on the earnings in the Account. There is no guarantee that IRC Section 529 bank products such as CollegeWealth Accounts will continue to be available through Virginia529.

Virginia529 cannot provide legal, financial or tax advice concerning individual investment decisions.

CollegeWealth is designed and is administered to comply with all requirements for treatment as a Qualified Tuition Program (QTP) under Section 529 of the Internal Revenue Code of 1986, as amended (26 U.S.C. Section 529). As of the date of this printing, the Internal Revenue Service (IRS) has not issued final regulations concerning the application of Section 529 to QTPs. Final regulations, changes to the IRC or changes to the Code of Virginia or state or federal court decisions could affect the tax consequences of participation in a QTP like CollegeWealth. The Board may modify CollegeWealth as necessary in the future to comply with any such changes in order to preserve, if possible, favorable tax treatment.

In addition to CollegeWealth, Virginia529 administers Prepaid529℠, a prepaid tuition program, Invest529, a college savings program offered directly through Virginia529, and CollegeAmerica®, a college savings program featuring the American Funds® mutual funds portfolios, offered exclusively through authorized brokers and financial advisers. Prepaid529, Invest529 and CollegeAmerica are not described in this Program Description. For more information about Prepaid529 and Invest529, please call toll free at 1-888-567-0540, or log on to the Virginia529 website at **Virginia529.com**. For information on CollegeAmerica, please contact the American Funds at 1-800-421-0180, ext. 529, or log onto **AmericanFunds.com**.

For residents of states other than Virginia: If your state or the Beneficiary's state of residence (if different) sponsors a 529 plan, that plan may offer state income tax or other benefits not available to you through CollegeWealth. The Virginia individual income tax deduction for Contributions to CollegeWealth Accounts is available only to Virginia taxpayers who are Account Owners. Please consult your financial or tax adviser for further information.

CollegeAmerica® and CollegeWealth® are registered trademarks of the Virginia College Savings Plan. prePAID℠, inVEST℠, Virginia529℠, VA529℠ and Virginia College Savings Plan℠ are registered service marks of the Virginia College Savings Plan.

CollegeWealth General Information

This Program Description provides details concerning the CollegeWealth college savings Qualified Tuition Program Accounts from Virginia529, an independent agency of the Commonwealth of Virginia, authorized by Chapter 4.9 of Title 23 of the Code of Virginia (1950), as amended (Sections 23-38.75 through 23-38.87:1). Applications for opening a CollegeWealth Account are available online at Virginia529.com, which will take you to the participating bank's website. The application for, purchase, and ownership of a CollegeWealth Account are governed by the terms of the Program Agreement, Virginia529's enabling legislation, IRC Section 529, and any applicable rules and regulations.

Summary Of Key Features

Program Administrator: Virginia529 is the administrator and sponsor of CollegeWealth. Virginia529 is governed by an 11-member Board. It also administers the Prepaid529, Invest529 and CollegeAmerica programs.

Interest Rates: Interest rates are determined by each individual participating bank. However, as stated above, this Program Description is limited to the CollegeWealth program offered through BB&T and any successors in interest.

Account Details: The CollegeWealth program offered jointly by the participating bank and Virginia529 is in the form of an FDIC-insured money market deposit account. This account platform earns competitive interest rates and avoids investment market risk because it is a deposit account. Money market deposit accounts are subject to federal regulations that limit the total number of withdrawals (called "distributions" with CollegeWealth Accounts) by certain means including pre-authorized transfers to six per monthly statement cycle. Distributions may only be requested through Virginia529 (see the "Distributions" section hereof).

Federal Tax Treatment: Earnings grow tax-deferred while invested in a CollegeWealth Account. Earnings on distributions used to pay Qualified Higher Education Expenses (QHEE) may be excluded from income for federal tax purposes. Consult your tax adviser for more information. Other education tax incentives may be affected by a CollegeWealth distribution. Please see "Coordination with Other Education Tax Incentives" for more information.

State Tax Treatment: Virginia taxpayers who are CollegeWealth Account Owners may take a state income tax deduction for Contributions to their CollegeWealth Accounts, up to a limit of $4,000 per Account, per taxable year. All earnings grow state tax deferred while invested in a CollegeWealth Account and are exempt from Virginia state income tax when used for QHEE. Other states may offer residents and taxpayers additional tax or other benefits if they invest in their own state plan. Consult your tax adviser for more information.

Limitations on Contributions, Distributions and Transfers: The total value of all accounts for a single Beneficiary in all IRC Section 529 programs administered by Virginia529 (Prepaid529, Invest529 CollegeAmerica, and CollegeWealth) is limited to $350,000 (Maximum Account Balance). Multiple accounts for the same Beneficiary will be combined to determine if the Maximum Account Balance has been reached. Once the aggregate balance in all Virginia529 Accounts for the same Beneficiary reaches $350,000 (including any earnings), earnings will continue to accrue but Virginia529 will not accept additional Contributions or rollovers unless the aggregate value of all Virginia529 Accounts for the same Beneficiary falls below the Maximum Account Balance.

Earnings on Non-qualified Distributions will be subject to federal and state income tax and may be subject to a federal penalty of 10% of the earnings. Rollovers to other QTPs may be made once every 12 months for the same Beneficiary and at any time if the Beneficiary is changed.

Limitations on Participation or Benefits: You do not need to be a Virginia resident to participate in CollegeWealth either as an Account Owner or a Beneficiary. Account Owners and Beneficiaries must, however, be a U.S. citizen or legal U.S. resident. There are no age or income restrictions on participation in CollegeWealth, although the participating bank may set a minimum age or other restrictions for opening a money market deposit account in connection with CollegeWealth, and the designated Beneficiary must have been born at the time they are named to the Account. There can be only one Account Owner per Account, but more than one person may contribute to an Account.

Contributions from non-Account Owners will be deemed to have been made by the Account Owner for CollegeWealth record-keeping purposes and for the Virginia state income tax deduction.

Limits on Account Length: Beneficiaries who have not graduated from high school at the time the Account is opened have thirty years after the projected date of their high school graduation to use all funds from their CollegeWealth Account. This time period may be extended upon request. Requests for extension will be considered beginning in the 30th year after high school graduation.

Beneficiaries who have graduated from high school at the time the Account is opened have at least 30 years after the date the CollegeWealth Account was opened to use all funds from their CollegeWealth Account. This time period may be extended upon request. Requests for extension will be considered beginning in the 30th year after Account opening.

Virginia529 will use information provided in the Application, or subsequent Beneficiary Change Form in the event the original Beneficiary was changed, to determine the projected date of high school graduation. Any time spent by a Beneficiary as an active-duty member of any branch of the United States Armed Services will not be counted toward the 30 year period. Written notification should be submitted to

Virginia529 showing the complete length of time the Beneficiary was on active duty. If an Account is changed to a qualified substitute Beneficiary, the applicable 30 year time limit will be based on the new Beneficiary's projected date of high school graduation or, if the Beneficiary has already graduated from high school, 30 years from the date the Account was changed to the new Beneficiary.

If, after the 30 year period specified above, an Account has a remaining balance, no extension has been requested and Virginia529 cannot locate the Account Owner, the Beneficiary, or any Designated Survivor within the requisite time period, Virginia529 shall report the unclaimed amounts to the State Treasurer as unclaimed property, pursuant to applicable laws.

The value of any such Account reported as unclaimed property shall be the then-current Account balance less any applicable administrative fees.

Risk Factors: Your investment in CollegeWealth is insured by the FDIC up to applicable limits.

The IRS published proposed income tax regulations under Section 529 in 1998 but it has not yet issued final regulations or published rulings relating to QTPs. On January 18, 2008, the IRS issued an Advance Notice of Proposed Rulemaking, which described what re-proposed regulations may contain. When issued, such regulations or any published ruling may alter the tax consequences summarized in this Program Description, may require that changes be made to CollegeWealth to achieve the tax benefits described or may have a significant effect on CollegeWealth and your Account. Possible legislative action could diminish or even eliminate CollegeWealth's tax advantages. Virginia529 is not obligated to continue to offer CollegeWealth in the event that a change in the tax or other federal or state law makes continued operation not in the best interests of Account Owners or Beneficiaries. There can be no assurance that a change will not adversely affect CollegeWealth and/or the value of your investment in an Account. In addition, it is possible that Congress, the Treasury Department, the IRS, the Commonwealth of Virginia and other taxing authorities or the courts may take actions that will adversely affect CollegeWealth and that such adverse effects may be retroactive.

For federal financial aid purposes, the definition of assets states that a qualified education benefit, including a QTP, is considered an asset of the parent if the student is a dependent student (regardless of whether the owner of the Account is the dependent student or the parent) or of the student if the student is independent. An Account owned by someone other than the student or parent may impact financial aid. CollegeWealth Accounts should not affect a Beneficiary's eligibility for either a merit-based scholarship or for a Virginia Tuition Assistance Grant for Virginia students who attend eligible private, nonprofit institutions of higher education in Virginia.

For need-based financial aid, the receipt of CollegeWealth Accounts may preclude a Beneficiary from qualifying for some amount of need-based federal financial aid as the value of the Account is included as an asset of the Account Owner. For federal financial aid purposes, the definition of assets states that a qualified education benefit, including a college savings account, is an asset of the parent if the student is a dependent student (regardless of whether the owner of the account is the dependent student or the parent) or of the student if the student is independent. Account Owners should check with the financial aid department at their local college or university to determine the financial aid treatment of Accounts owned by someone other than the student or parent. The receipt of benefits should not affect the Beneficiary's receipt of merit-based financial aid (academic or athletic scholarships, for example). If a student receives a full or partial athletic scholarship that is governed by National Collegiate Athletic Association (NCAA) regulations, a payment from CollegeWealth may affect that scholarship. The best resource for more detailed information is the financial aid office of your local community college or university.

CollegeWealth Accounts may also affect the Beneficiary's or Account Owner's qualification for certain federal or state need-based benefit programs, such as Medicaid. Federal law excludes tax-qualified education savings, including IRC Section 529 college savings accounts such as CollegeWealth, from allowable financial resources for purposes of qualifying for the federal Supplemental Nutrition Assistance Program (formerly the Food Stamp Program).

The Virginia College Savings Plan- Virginia529

The Virginia General Assembly created Virginia529 at its 1994 session. Virginia529's enabling legislation is codified at Sections 23-38.75 through 23-38.87:1 of the Code of Virginia. In its 1999 session, the General Assembly unanimously passed legislation authorizing Virginia529's Board to create one or more savings trust investment options in conformance with the provisions of IRC Section 529. Virginia529 is a special, non-reverting fund, and its enabling legislation provides that its money cannot be used by the Commonwealth of Virginia for any other purpose. The General Assembly may amend Virginia529's legislation during any regular or special session of the legislature, subject to the Governor's approval and the General Assembly's ability to override a veto.

Virginia529 is administered by an 11-member Board, consisting of the Director of the State Council of Higher Education for Virginia or his designee; the Chancellor of the Virginia Community College System or his designee; the State Treasurer or his designee; and the State Comptroller or his designee; and seven citizen members: four to be appointed by the Governor, one to be appointed by the Senate Committee on Rules, and two to be appointed by the Speaker of the House of Delegates. State law mandates that the seven citizen members have significant experience in finance, accounting, law, or investment management. Members of the Board receive no compensation, but are reimbursed for actual expenses incurred in the performance of their duties. Virginia529's Chief Executive Officer is Mary G. Morris. Ms. Morris, a former tax, securities and bond attorney, as well as a former Treasurer of Virginia and Senior Assistant Attorney General, oversees the daily administration and operations of Virginia529.

Contributions to CollegeWealth Accounts are deposited in an account with the participating bank. Separate records are maintained for each CollegeWealth Account.

Virginia529 is required to submit an annual statement of the receipts, disbursements, and current investments for the preceding year to the Governor of the Commonwealth of Virginia, the Senate Committee on Finance, and the House Committees on Appropriations and Finance. The report includes a complete operating and financial statement covering the operation of Virginia529 during the year. The Virginia Auditor of Public Accounts, or his legally authorized representative, audits Virginia529's accounts annually. Virginia529 is also subject to oversight from the Joint Legislative Audit and Review Commission (JLARC).

Opening And Contributing To An Account

Opening an Account. An Account Owner opening a CollegeWealth Account does so with Virginia529 through the participating bank. Any individual who is a U.S. citizen or legal U.S. resident and meets the participating bank's requirements may open a CollegeWealth Account. There are no state residency, age or income restrictions, and the Account Owner does not have to be related to the Beneficiary. However, the participating bank may set a minimum age for opening a money market deposit account in connection with CollegeWealth. CollegeWealth Accounts cannot have joint ownership, and only the Account Owner may make changes to or authorize distributions from the Account. CollegeWealth Accounts cannot be owned as custodial accounts under Uniform Gift to Minors/Uniform Transfer to Minors statutes. In addition, trusts, corporations, partnerships, nonprofit organizations, guardians or other entities may not open a CollegeWealth Account. The Account Owner may designate on the Application (or at any time in the future by written authorization) other individuals who may have access to Account information and may revoke such authorization at any time. Previous program rules, which are no longer in effect, permitted trust Account ownership. For those Accounts opened under those rules: trustees and other fiduciaries are responsible for determining whether the terms of a trust are consistent with the requirements of IRC Section 529 and thus allow ownership of a CollegeWealth Account. If, after investing in a CollegeWealth Account, the trustee determines that the trust cannot be administered in a manner consistent with the requirements of IRC Section 529, the trustee may be liable for any market losses or other charges imposed in connection with any withdrawals from the Account. Virginia529 will not review trust or other legal documents and the trustee or other fiduciary bears all liability for a determination that a CollegeWealth Account is an appropriate investment.

Designating a Beneficiary. When you open an Account, you must designate a Beneficiary, who may be anyone, including yourself, who is a U.S. citizen or legal U.S. resident and was born prior to the opening of the Account. You will need to provide the Beneficiary's full name, social security/tax identification number, and date of birth when you open the Account.

Designated Survivor. When you open an Account, you must name a Designated Survivor, who is an individual or entity who becomes the Account Owner in the event of your death. Individuals designated must be at least 18 years old at the time of designation. Account Owners may change this designation at any time by submitting a written request to Virginia529.

If an Account does not have a valid Designated Survivor at the time of the Account Owner's death, Virginia529 reserves the right to designate the current Beneficiary of the Account as the new Owner. If the current Beneficiary is under the age of 18, Virginia529 may designate the deceased Account Owner's executor or administrator, if any, as the Account Owner. If no executor or administrator was named or appointed, Virginia529, in its sole discretion, may designate a parent or other close relative of the current Beneficiary, or other person as the Account Owner.

Contributing to an Account. Any individual or entity may contribute funds to an Account at any time, but loses subsequent control over the funds at the time of Contribution. Only the Account Owner will have control over the Contributions. All Contributions to an Account are deemed to come from the Account Owner for record-keeping purposes and for the Virginia state tax deduction. Non-Account

Owners have not established a customer relationship with Virginia529 and Virginia529 has no obligation to provide non-Account Owners with any continuing disclosure or required notices.

Form of Contributions. All Contributions must be in cash or cash equivalents in U.S. dollar denominations. Virginia529 cannot accept securities or other property. Other Contribution requirements are set by the participating bank. Contributions may be made through the participating bank's branches, online banking or call center.

Maximum Account Balances. The combined total balance of all accounts for a single Beneficiary in all Virginia529 programs (which includes CollegeWealth, Prepaid529, Invest529 and CollegeAmerica) is limited to $350,000. Multiple Accounts for the same Beneficiary will be combined for purposes of determining whether the Maximum Account Balance has been reached. Once the aggregate balance on all Virginia529 accounts for the same Beneficiary reaches $350,000 (including any earnings), earnings will continue to accrue but Virginia529 will not accept additional Contributions or Rollovers unless the aggregate value of all Virginia529 Accounts for the same Beneficiary drops below the maximum amount. This Maximum Account Balance may be recalculated each year based on the estimated cost of seven years of QHEE at the most expensive EEI in the United States. Contribution of the Maximum Account Balance does not guarantee that the CollegeWealth Account balance will be adequate to cover the QHEE of a particular Beneficiary.

Pending Settlement Period. All CollegeWealth Accounts will be subject to a Pending Settlement Period, which is the period of time between when a request for distribution is received and the amount to be distributed is actually withdrawn from the CollegeWealth Account. Distribution requests in good standing received and processed by Virginia529 by close of business each day will generally be withdrawn from the CollegeWealth Account within three business days of receipt (or the next business day after the third business day in the event of a holiday or if Virginia529 is closed). **Virginia529, at its sole discretion, may modify this settlement schedule without prior notice.**

Changes To An Account

Changing the Beneficiary. An Account Owner may change the Beneficiary of a CollegeWealth Account at any time. A change of Beneficiary is a non-taxable event for federal income tax purposes if the new Beneficiary is a Member of the Family of the prior Beneficiary. If the new Beneficiary is a Member of the Family of the prior Beneficiary and is in the same generation as the prior Beneficiary, the change is not subject to federal gift tax or generation-skipping transfer tax. If the new Beneficiary is in a lower generation than the prior Beneficiary, the transfer will be subject to federal gift tax and may be subject to generation-skipping transfer taxation even if the new Beneficiary is a Member of the Family of the prior Beneficiary. To change the Beneficiary, the Account Owner must complete a Beneficiary Change Form (available from Virginia529) indicating the relationship of the new Beneficiary to the prior Beneficiary. Virginia529 may deny or limit a Beneficiary change if it causes the cumulative value of all the accounts administered by Virginia529 (including CollegeWealth, Invest529, Prepaid529 and CollegeAmerica accounts) for the new Beneficiary to exceed the Maximum Account Balance limit or if the change will result in more than one CollegeWealth Account with the same Account Owner and Beneficiary. Please contact a tax professional for specific information on these provisions and how they may affect you.

Changing the Account Owner. The Account Owner may transfer the ownership of a CollegeWealth Account to another individual or entity, provided that no consideration is given or accepted for the transfer. To transfer an Account to another individual or entity, the Account Owner must submit an Account Owner Transfer Form to Virginia529. Once ownership is transferred, the previous Account Owner loses all control over the Account, which includes but is not limited to, the power to change the designated Beneficiary, change the investment direction and to cancel the Account. The new Account Owner will receive Account information, including a new Account number. The transfer of CollegeWealth Account ownership to another individual may have tax consequences. Please contact a tax professional to determine the effect of any such transfer on your individual situation.

All transfers shall be construed and administered to comply in all respects with any applicable state or federal statutes or regulations, including, but not limited to, IRC Section 529 and any regulations promulgated thereunder.

Changing Investment Options. Transfers among CollegeWealth, inVEST and CollegeAmerica are considered investment changes. Transfers of CollegeWealth Accounts among participating banks are also investment changes. The Account Owner may change the investment options in which the Account is invested only twice per calendar year for the same Beneficiary. Additionally, the investment option may be changed whenever the Beneficiary of the Account is changed. For purposes of the investment change rule, all Virginia529 savings accounts, which include CollegeWealth, inVEST and CollegeAmerica, owned by the Account Owner for the same Beneficiary will be aggregated. This means that only two investment option change requests will be accepted per calendar year for all the accounts for the same Beneficiary owned by the same Account Owner. An investment option change request can be for one or more of the individual accounts the Account Owner holds for the same Beneficiary so long as requests for the multiple accounts are submitted at the same time. If an Account Owner owns multiple accounts for a specific Beneficiary and wishes to change the investments in some or all of those accounts, submitting the investment direction change for each of those accounts at the same time is deemed to be only one investment direction change. Once a second investment change is made, any future subsequent investment change in any account owned by the Account Owner for the same Beneficiary in CollegeWealth, inVEST or CollegeAmerica within the same calendar year will be treated as a Non-qualified Distribution for tax purposes.

In order to change your investment option, you must complete a Rollover & Investment Direction Form. Only the Account Owner can request an investment change. Investment change requests in good standing received and processed by Virginia529 will be withdrawn from the CollegeWealth Account by the third business day (or the next business day after the third business day in the event of a holiday or if Virginia529 is closed).

Virginia529 may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by an Account Owner or another authorized person and may assume that the authority of any other authorized person continues in effect until receipt of written notice to the contrary.

Address Changes. Account Owners can change their address by contacting the participating bank and following the participating bank's procedures for, among other things, identity verification.

Name Changes. Account Owners can initiate name changes and/or Social Security Number changes in the event of marriage, divorce, or other legitimate legal reasons by contacting the participating bank and following the participating bank's procedures for, among other things, identity verification.

Transferring Funds

Rollovers. CollegeWealth will accept Rollovers from other QTPs. You will need to provide appropriate documentation that shows the basis and earnings portion of the Rollover. If such documentation is not provided, the entire Rollover will be treated as earnings. Please note that if you withdraw funds from a QTP with the intention of contributing these funds to a CollegeWealth Account, you must do so within 60 days of the initial withdrawal in order to retain the tax-free treatment of the Rollover.

An Account Owner may roll over a CollegeWealth Account to another QTP provided that a Rollover has not been processed in the previous 12 months for the same Beneficiary. Virginia529, in conjunction with the participating bank, will provide to the new program manager or administrator a statement providing the earnings portion of the Rollover. Rollovers of Accounts to another QTP may be made at any time if the Beneficiary is changed to a Member of the Family of the current Beneficiary. If you wish to roll over from CollegeWealth to Prepaid529, Prepaid529's eligibility requirements and enrollment period limits still apply. Transfers from CollegeWealth to Invest529 or CollegeAmerica are investment changes. Rollovers that meet IRS requirements are not subject to the 10% federal penalty and any earnings are not includible in federal adjusted gross income. Rollover distribution information will be reported on IRS Form 1099-Q.

To request a Rollover to a non-Virginia QTP, the Account Owner must contact Virginia529 and the new account administrator to determine what documentation is required to process the Rollover. All Rollover payments to a non-Virginia QTP shall be issued in a lump sum directly to the designated QTP within 60 days from the date of the Rollover request. **A Rollover to a non-Virginia QTP will require the Account Owner to add back to his or her Virginia taxable income any amounts previously deducted from the Account Owner's Virginia taxable income as a result of CollegeWealth Contributions.** All Rollovers shall be construed and administered to comply in all respects with any applicable state or federal statutes or regulations, including, but not limited to, IRC Section 529 and any regulations promulgated pursuant thereto.

Coverdell Education Savings Accounts. CollegeWealth will accept transfers from a Coverdell Education Savings Account (Coverdell ESA). If you are funding your CollegeWealth Account with funds from a Coverdell ESA, you must provide the breakdown of the amount you contributed (basis) and the amount of interest earnings (gains). The transfer is considered a nontaxable withdrawal from the Coverdell ESA. You will need to complete a Coverdell/U.S. Savings Bond Transfer Form and a CollegeWealth Account Application, and provide appropriate documentation from the trustee or custodian of the Coverdell ESA that shows the earnings portion of the transfer, such as an account statement showing basis and earnings (or losses) in the account. **If such documentation is not provided to Virginia529 within 90 days of receiving the Contribution, the entire transfer will be treated as earnings, which may have tax consequences.** IRS Publication 970, "Tax Benefits for Education," is one publication that provides information on Coverdell ESAs and other tax-advantaged higher education accounts, and is available at **irs.gov** or by calling 1-800-829-1040. Please consult your legal, financial or tax adviser for more information.

Qualified U.S. Savings Bonds. CollegeWealth will accept transfers from qualified U.S. Savings Bonds. If you are funding your CollegeWealth Account with funds from certain Series EE or I U.S. Savings Bonds you must provide the breakdown of the amount you contributed (basis) and the amount of interest earnings (gains). You will need to complete a Coverdell/U.S. Savings Bond Transfer Form and a CollegeWealth Account Application, and provide appropriate documentation that shows the earnings/gains portion of the transfer, such as a statement, a Form 1099-INT issued by the financial institution that redeemed the bonds, or an IRS Form 8815. **If such documentation is not provided within 90 days of receiving the Contribution, the entire transfer will be treated as earnings, which may have tax consequences.** Please ensure that you redeem the bonds in the same calendar year that you fund the CollegeWealth Account. Please contact the Bureau of Public Debt at **Treasurydirect.gov** for eligibility criteria for the Savings Bond Education Tax Exclusion, or the Internal Revenue Service at 1-800-829-1040. IRS Publication 970, "Tax Benefits for Education," is one publication that provides information on Education Savings Bonds and other tax-advantaged higher education accounts, and is available at **irs.gov**. Please consult your legal, financial or tax adviser for more information.

Transfers. Account Owners can transfer money to their CollegeWealth Account from another institution's deposit account, or from another account at the participating bank, through several convenient channels. Transfers can be made by contacting the participating bank's branch, call center or online banking. Account Owners can also use online banking to set up a monthly automatic recurring transfer.

Distributions

Qualified Distributions. The Account Owner may authorize distributions from the Account for the QHEE of the designated Beneficiary at any time. In an Advance Notice of Proposed Rulemaking issued on January 18, 2008, the Department of Treasury indicated that they were considering proposing a rule that would require distributions and expenses to be matched up in the same tax year, or by March 31st of the following tax year. While there is no final rule on this issue, you should consider this guidance when making decisions concerning your Account(s).

Distributions may be used at any EEI, as defined in the Glossary of Terms. Generally, this includes any accredited two- or four-year college or university in the United States that is eligible to participate in federal student financial aid programs, as well as certain accredited private career or technical schools that are eligible to participate in federal student financial aid programs. Distributions may also be applied toward QHEE at graduate and professional schools which are EEIs. CollegeWealth distributions may be applied at certain foreign institutions of higher education on a case-by-case basis. Please contact us toll free at 1-888-567-0540 for specific information on using CollegeWealth distributions at foreign schools.

Virginia529 will make requested distributions upon receipt of a signed Distribution Request Form. Neither Virginia529 nor the participating bank is responsible for any late fees imposed by EEIs, nor is CollegeWealth responsible for payment of any higher education expenses that exceed the current balance of a CollegeWealth Account at the time a distribution is requested or made. All CollegeWealth distributions will be made subject to the Pending Settlement Period as described in the Glossary of Terms.

Other than to verify identity, Account Owners are not required to provide any documentation to support a distribution request.

Appropriate documentation of expenses (copies of invoices, meal plan contracts or textbook receipts, for example) must be maintained for income tax purposes. Consult a tax adviser regarding specific documentation requirements.

Non-qualified Distributions. Non-qualified Distributions are distributions for any purpose other than QHEE at an EEI or for a qualified Rollover to another QTP. Account Owners may request Non-qualified Distributions from a CollegeWealth Account at any time. Earnings on Non-qualified Distributions may be subject to federal and Virginia income tax for Virginia taxpayers, as well as a federal penalty of 10% of the earnings, reported on the taxpayer's federal tax return. Account Owners who do not pay Virginia income tax should check with their state tax department to determine the treatment of Non-qualified Distributions. An Account Owner may also be required to recapture part or all of any deductions taken from the Account Owner's Virginia taxable income in previous years related to CollegeWealth Contributions. Non-qualified Distributions resulting from the Beneficiary's death, disability or receipt of a scholarship (including attendance at a U.S. military academy) will be subject to federal income tax on the earnings, but **will not** be subject to the 10% federal penalty on earnings and, for Virginia taxpayers, will not be subject to Virginia income tax. Penalty-free scholarship distributions are capped at the amount of the scholarship received. Attendance at United States' military academies will be treated as receipt of a scholarship for distribution purposes. Account Owners should retain proof of death, disability or receipt of scholarship for their records. Virginia529 and/or the participating bank also may require any documentation necessary in order to establish compliance with IRC Section 529 or other applicable law and any regulations promulgated thereunder.

The 2016 Consolidated Appropriations Act (CAA) enacted a special rule for contributions of refunded QHEE. In cases where an EEI refunds the distribution made for QHEE, the federal and state Virginia income tax, as well as a federal penalty of 10% will apply to the portion of the distribution that is not recontributed. The portion of distribution that is recontributed to the same or another QTP of which the Beneficiary remains the same will not be subject to the federal income tax. Please note that the rule does not provide an exception from the 10% federal penalty. Virginia state law does not provide a special rule for contributions of refunded QHEE and the distribution will be subject to Virginia state income tax. It may require the recapture in Virginia taxable income of some or all amounts, if any, that the Account Owner deducted from his or her Virginia taxable income due to Contributions to a CollegeWealth Account.

Note: The taxpayer is solely responsible for determining whether a distribution is a Qualified Distribution or a Non-qualified Distribution. Virginia529 will issue an IRS Form 1099-Q (Qualified Tuition Program Payments) reflecting the earnings amount for tax purposes. The taxpayer is solely responsible for any necessary tax reporting.

Account Termination

Cancellations. Only the Account Owner may cancel a CollegeWealth Account and receive a refund of the Account balance. In order to cancel a CollegeWealth Account and receive a refund, the Account Owner must provide a written request specifying the Account Owner's name, the Beneficiary's name, the CollegeWealth Account number, and any additional supporting documentation as may be required by Virginia529 or the participating bank.

The amount of a refund in the event of a cancellation is the Account balance on the day the funds are withdrawn, subject to any penalties which may be imposed by the participating bank, if applicable. See the "Virginia and Federal Tax Considerations" section for information regarding potential tax consequences of Non-qualified Distributions. All cancellations and refunds shall be construed and administered to comply in all respects with any applicable state or federal statutes or regulations, including, but not limited to, Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated pursuant thereto.

Limits on Account Length. Beneficiaries who have not graduated from high school at the time their CollegeWealth Account is opened have 30 years after the projected date of their high school graduation to use all funds from their CollegeWealth Account. This time period may be extended by Virginia529 upon request. Requests for extension will be considered beginning in the 30th year after high school graduation.

Beneficiaries who have graduated from high school at the time the Account is opened have 30 years after the date the Account was opened to use all funds from their Account. This time period may be extended upon request. Requests for extension will be considered beginning in the 30th year after Account opening.

Virginia529 will use information provided in the Application, or subsequent Beneficiary Change Form in the event the original Beneficiary was changed, to determine the projected date of high school graduation. Any time spent by a Beneficiary as an active-duty member of any branch of the U.S. Armed Services will not be counted toward the 30-year period. Written notification should be submitted to Virginia529 showing the complete length of time the Beneficiary was on active duty. If an Account is changed to a qualified substitute Beneficiary, the applicable 30-year time limit will be based on the new Beneficiary's projected date of high school graduation or, if the Beneficiary has already graduated from high school, 30 years from the date the Account was changed to the new Beneficiary.

If after the 30 year period specified above, an Account has a remaining balance, no extension has been requested and Virginia529 cannot locate the Account Owner, the Beneficiary or any Designated Survivor within the requisite time period, Virginia529 shall report the unclaimed amounts to the State Treasurer as unclaimed property, pursuant to applicable laws. The value of any such Account reported as unclaimed property and remaining unclaimed for an additional five years shall be the then-current Account balance less any applicable administrative fees.

Risk Considerations of Program Participation

CollegeWealth is designed to facilitate tax-advantaged savings for the QHEE of a Beneficiary. However, as with most investment products, there are various risks associated with CollegeWealth. This section describes some of the principal risks associated with the CollegeWealth program, but it does not constitute an exhaustive list of the factors you should consider before opening an Account and making Contributions to it. An Account Owner may wish to consult a financial or tax adviser before opening a CollegeWealth Account. Virginia529 or the participating bank may change the terms and conditions of CollegeWealth at any time or from time to time.

Program Description. You should carefully read and understand this Program Description and all related documents from the participating bank before making Contributions to CollegeWealth and you should keep these documents for future reference. The information contained in this Program Description is believed to be accurate as of the date of the Program Description and is subject to change without prior notice. Account Owners should rely only on the information contained in this Program Description. No one is authorized to provide information about CollegeWealth that is different from the information contained in this Program Description.

Virginia529 cannot provide legal, financial or tax advice concerning individual investment decisions.

No Commonwealth Guarantees. CollegeWealth Accounts offered in conjunction with a participating bank offer FDIC insurance to the maximum amount allowed by law. CollegeWealth Accounts are not deposits or obligations of, or insured or guaranteed by, Virginia529, the Commonwealth of Virginia or any agency or instrumentality thereof. Neither the Board of Virginia529 nor the Commonwealth of Virginia has a legal or moral obligation to insure the payout of any CollegeWealth Account balance. The participating bank is the sole party responsible for any amounts deposited in a CollegeWealth Account that are not covered by FDIC insurance.

Termination of CollegeWealth Program. In the event the CollegeWealth program terminates, Virginia529 and the participating bank have the option of moving all CollegeWealth assets to a substitute investment. If the CollegeWealth program terminates, you may have the option to maintain your funds at the participating bank, but the Account may no longer qualify as an IRC Section 529 account. If this occurs, you may be required to pay a federal penalty of 10% of the earnings in the Account, as this would be considered a Non-qualified Distribution. You may also have the option of transferring your funds to another IRC Section 529 investment option that may not provide FDIC insurance. Such a transfer may require the Account Owner to use one or more of his or her twice-per-calendar-year investment changes. You may also withdraw your funds. If the withdrawal is non-qualified (used for something other than Qualified Higher Education Expenses), you will incur the 10% federal penalty. There is no guarantee that 529 bank products such as CollegeWealth Accounts will continue to be available through Virginia529.

No Guarantee of Admission to, Continuation at, or Graduation from College and In-State Residency Status. Having a CollegeWealth Account does not guarantee that: (1) a Beneficiary will be admitted to any institution of higher education; (2) a Beneficiary will be allowed to continue enrollment at any institution of higher education after admission; (3) a Beneficiary will graduate from any institution of higher education; or (4) a Beneficiary will qualify for in-state tuition rates at any Virginia state-supported public college or university.

No Guarantee of Meeting College Expenses. Even if an Account balance for a Beneficiary reaches the Maximum Account Balance allowed in CollegeWealth, there is no assurance that the value of the Account will be sufficient to cover all the Qualified Higher Education Expenses a Beneficiary may incur. In addition, the rate of inflation for Qualified Higher Education Expenses is uncertain and could exceed the rate of return on a CollegeWealth Account. Virginia529 is not responsible for paying any expenses that exceed the balance of a CollegeWealth Account when a distribution is requested.

Impact on Financial Aid. CollegeWealth Accounts may affect a Beneficiary's ability to qualify for need-based financial aid as the market value of the Account is included as an asset of the Account Owner. A CollegeWealth Account is treated like any other non-retirement investment or savings the Account Owner may have. For federal financial aid purposes, the definition of asset states that a qualified education benefit, including CollegeWealth, is an asset of the parent if the Beneficiary is a dependent student (regardless of whether the owner of the Account is the student or the parent), or of the student if the student is independent. Accounts owned by dependent students or one of their parents are included in the analysis but only a portion of the value of their QTP (currently up to 5.64%) will be included in the calculation of the Expected Family Contribution. If the Account is owned by an independent student or that student's spouse, a greater portion of the QTP's value (currently a maximum of 20%) will normally be taken into consideration. Accounts owned by third parties may also impact the calculation of the Expected Family Contribution. For more information on the impact of QTPs on federal financial aid eligibility, please contact the U.S. Department of Education's office of Federal Student Aid (1-800-433-3243) or go to **fafsa.ed.gov**. You may also wish to contact a college or university financial aid office regarding your individual financial aid circumstances. Account Owners should check with the financial aid department at their local college or university to determine the financial aid treatment of Accounts owned by someone other than the student or parent.

CollegeWealth Accounts should not affect a student's eligibility for merit-based scholarships. If a student receives a full or partial athletic scholarship that is governed by National Collegiate Athletic Association (NCAA) or conference regulations, a payment from CollegeWealth may affect that scholarship. CollegeWealth Accounts do not affect a student's eligibility for a Virginia Tuition Assistance Grant for Virginia residents who attend an eligible, independent, nonprofit institution of higher education in Virginia.

Please note that this is only summary information and is not intended to be advice. You should contact the financial aid office of your local community college or university for more information on the effect of a CollegeWealth Account on financial aid determinations, or go to **finaid.org** for additional information.

Eligibility for Medicaid or other Benefits. A CollegeWealth Account may adversely affect an Account Owner's eligibility for federal and state assistance programs, particularly Medicaid. Federal law excludes tax-qualified education savings, including IRC Section 529 college savings accounts such as CollegeWealth, from allowable financial resources for purposes of qualifying for the federal Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program). Please consult the agency or entity that administers the specific benefit program for additional information.

Limits on Account Length. All CollegeWealth Accounts are limited in the amount of time they can be open before the value must be utilized and depleted. Please see "Limits on Account Length" in the Account Termination section for more detailed information.

Future Program Changes. Virginia529 may offer enhancements to CollegeWealth in the future. 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. Virginia529 is not required by law to continue CollegeWealth, to accept additional Contributions to existing Accounts, or to allow new Accounts to be opened, although Virginia529 currently has no plans for any such limitations. If Virginia529 were to terminate CollegeWealth, such termination may result in a Non-qualified Distribution for which tax and penalties as described herein may be assessed.

Changes in Fees. CollegeWealth fees, expenses and charges assessed by Virginia529 are subject to change, and new fees, expenses and charges may be imposed in the future without prior notice to Account Owners. Please visit **Virginia529.com** for current information on Virginia529 fees. Please contact the participating bank for information regarding their fees, expenses and charges.

Changing Legal Regulations. There is no assurance that the current state and/or federal laws and regulations will remain the same. It is possible that the U.S. Congress, the Treasury Department, the IRS, the Commonwealth of Virginia, and other taxing authorities or the courts may take actions that will adversely affect CollegeWealth and that such adverse effects may be retroactive. In addition, the IRS proposed regulations under IRC Section 529 in 1998, but as of the date of this Program Description, it has not issued final regulations concerning QTPs. On January 18, 2008, the IRS and the Treasury Department issued an Advance Notice of Proposed Rulemaking, which described what re-proposed regulations may contain. The advance notice indicates that proposed rulemaking in the future may include rules relating to the tax treatment of Contributions to and participants in QTPs, as well a general anti-abuse rule that will apply when accounts are established or used for purposes of avoiding transfer tax or for other purposes inconsistent with IRC Section 529. When issued, such regulations or any published ruling may alter the tax consequences summarized in this Program Description, may require that changes be made to CollegeWealth to achieve the tax benefits described or may have a significant effect on CollegeWealth and your Account. Possible legislative action could diminish or even terminate CollegeWealth's tax advantages. Virginia529 is not obligated to continue to offer CollegeWealth in the event that a change in the tax or other federal or state law makes continued operation not in the best interests of Account Owners or Beneficiaries. There can be no assurance that a change will not adversely affect CollegeWealth and/or the value of your investment in an Account.

Claims Against Accounts. Under Virginia law and depending on the specific circumstances, CollegeWealth Accounts are protected from creditors of either the Account Owner or the Beneficiary. Additionally, the United States Bankruptcy Code provides protection in federal bankruptcy proceedings for IRC Section 529 accounts, including CollegeWealth Accounts. Presently under the Bankruptcy Code, CollegeWealth Accounts should be protected in federal bankruptcy proceedings if the designated Beneficiary is the bankruptcy debtor's child, stepchild, grandchild, or step-grandchild subject to the following limits:

Contributions made to a CollegeWealth Account for the same designated Beneficiary at least 720 days before a federal bankruptcy filing are protected;

Contributions made to a CollegeWealth Account for the same designated Beneficiary more than 365 days but less than 720 days before a federal bankruptcy filing are protected up to an amount set, typically every 3 years, by the Judicial Conference of the United States; and

Contributions made to a CollegeWealth Account for the same designated Beneficiary less than 365 days before a federal bankruptcy filing are typically not protected against creditor claims in federal bankruptcy proceedings.

You should consult a legal adviser about the application of these laws to your particular situation.

Penalties for using CollegeWealth Funds for Non-Qualified Higher Educational Expenses. Once the funds have been contributed to your CollegeWealth Account, there are limited circumstances in which they can be withdrawn without federal and state tax consequences. Please see the “Virginia and Federal Tax Considerations” section for specific information on penalties.

Not Available as Loan Collateral. Your CollegeWealth Account cannot be used as collateral for a loan.

Limited Investment Direction. An Account Owner may make an investment change twice per calendar year or upon a change in the designated Beneficiary of the Account, per applicable law and regulation.

Other Considerations. An investment in CollegeWealth - or any QTP - may not be the appropriate investment program for everyone. You should evaluate other savings or investment vehicles and consult with your tax or financial adviser.

Federal And Virginia Tax Considerations

Tax provisions related to IRC Section 529 plans are complex and each taxpayer’s situation is unique. Please contact a tax professional or the IRS at 1-800-829-1040 or irs.gov, and/or the Virginia Department of Taxation at 804-367-8031 or tax.virginia.gov for specific information on these provisions and how they may affect you. Other states may offer residents and taxpayers additional tax or other benefits if they invest in their own state plan. Consult your tax adviser for more information.

Federal Tax Treatment in General. IRC Section 529 governs the federal tax treatment of QTPs such as CollegeWealth and the tax consequences for Account Owners and Beneficiaries of such plans. As of the date of this Program Description, the Internal Revenue Service (IRS) had not issued final regulations governing the application of IRC Section 529 to college savings plans. On January 18, 2008, the IRS issued an Advance Notice of Proposed Rulemaking on proposed regulations for Section 529 plans. There is no specific timetable for the release of new or re-proposed IRC Section 529 regulations. Any changes will likely be applicable to existing accounts. The IRS highlighted its intention to impose a broad anti-abuse rule that would apply to the use of IRC Section 529 accounts for tax avoidance or other improper uses. CollegeWealth has been structured to meet all current federal requirements, and, therefore, Virginia529 itself is exempt from certain types of income tax. **Please check with a tax professional for specific information on these provisions and how they may affect you. Final regulations, changes to the Internal Revenue Code or to the Code of Virginia, or court decisions could affect the tax consequences of participation in a QTP, including, but not limited to, additional restrictions or loss of tax advantages. Virginia529 may modify CollegeWealth as necessary in the future without prior notice to comply with any such changes and to preserve, if possible, favorable tax treatment.**

The increase in the value of a CollegeWealth Account (the earnings) is tax deferred, and is not taxable at the federal level if the distribution is used for QHEE or for qualified Rollovers to other QTPs. The earnings portion of Non-qualified Distributions will be taxed as ordinary income in the year of the refund, reported on the taxpayer's federal tax return. Non-qualified Distributions made for a reason other than the Beneficiary's death, disability or receipt of a scholarship (including attendance at a U.S. military academy) will be subject to an additional federal penalty of 10% of the earnings, reported on the taxpayer's federal tax return. Non-qualified Distributions may also require the recapture in Virginia taxable income of some or all amounts, if any, that the Account Owner deducted from his or her Virginia taxable income due to Contributions to a CollegeWealth Account. There is no Virginia state income tax liability for the federally taxable portion of a refund made in the event of the Beneficiary's death, disability, or receipt of a scholarship (including attendance at a U.S. military academy), nor are such distributions subject to the 10% of earnings federal penalty. Please note, Veteran's benefits under the Post-9/11 GI Bill are not included in the definition of a scholarship under IRC Section 117.

Virginia529 will apply a formula to determine the taxable earnings/gains and non-taxable Contributions/basis portions of each distribution made from an Account. The taxable portion is ordinary income, not capital gains. The taxable portion of a cancellation or other Non-qualified Distribution will be taxed as ordinary income in the year of the refund. The taxable (earnings/gains) portion of Non-qualified Distributions is subject to a 10% federal penalty. If you deplete or cancel a CollegeWealth Account that has lost principal, those losses may be taken as a deduction in certain circumstances, and if all Invest529, Prepaid529, CollegeAmerica or CollegeWealth accounts you own for the same Beneficiary have also been depleted.

CollegeWealth Contributions are NOT deductible from federal taxable income at the time of contribution. The increase in the Account's value is tax deferred at the federal level, and distributions used for QHEE are not taxed at the federal level. See IRS Publication 970, "Tax Benefits for Education" and Publication 950, "Introduction to Estate and Gift Taxes," available at **irs.gov**.

Changes to Federal Estate and Gift Tax Provisions. The 2001 Economic Growth and Tax Relief Reconciliation Act (EGTRRA) and the 2010 Tax Relief Act made significant changes to the federal estate, gift, and generation-skipping transfer (GST) taxes. The American Taxpayer Relief Act of 2012 (ATRA) made permanent the exemption levels set by those federal estate, gift, and GST tax provisions, and raised the applicable tax rate permanently for amounts over the exemption limits from 35% to 40%. Because the exemption levels are indexed, they have been raised from $5.43 million to $5.45 million for 2016. The law also makes permanent "portability" which allows a surviving spouse the right to use the unused portion of a deceased spouse's exemption. Please consult your tax adviser or the IRS regarding the specific application of these rules to your particular circumstances.

Federal Gift Tax. IRC Section 529 provides that CollegeWealth Contributions are a completed gift of a present interest for federal gift tax purposes. Contributions to QTPs like CollegeWealth are not excluded from taxable gifts as tuition payments under IRC Section 2503(e). IRC Section 529 provides a five-year averaging provision for any Contributions in one taxable year that are greater than the current $14,000 ($28,000 for married couples) annual exclusion from federal gift and GST tax. This means that if total Contributions and other gifts by any one Account Owner or other individual to a single Beneficiary in 2013 is greater than $14,000 ($28,000 for married couples), the Account Owner or other individual contributing the funds may elect to average the total amount of the Contribution over a five-year period. This would allow Contribution of the maximum gift amount in 2013 of up to $70,000 ($140,000 for married couples) in one tax year without federal gift tax consequences. An Account Owner or other individual who makes a Contribution or other gift of the maximum gift amount of $70,000 ($140,000 for married couples), may not make additional gifts to the same Beneficiary until the end of the five-year averaging period without incurring federal gift tax consequences.

IRC Section 529, as amended, also provides that distributions from a QTP will not be treated as a taxable gift. If a CollegeWealth Account is rolled over to a new Beneficiary who is a Member of the Family of the previous Beneficiary and who is in the same generation as the previous Beneficiary, no federal gift or GST tax will apply. If, however, the new Beneficiary is in a lower generation than the previous designated Beneficiary, federal gift tax or GST tax may apply to the amount transferred. The five-year averaging rule may be applied to changes of Beneficiary that are subject to federal gift tax. If an Account Owner transfers ownership of an Account to another individual or entity, that transfer may be deemed a gift which could trigger federal gift tax on any amount greater than $14,000 ($28,000 for married couples). Please see IRS Publication 970, available at **irs.gov/publications/**, for specific information. Please consult a tax adviser for further information.

Federal Estate Tax. Generally, no amount is includible in the Account Owner's gross estate as a result of Contributions to a QTP. If, however, the Account Owner has elected five-year averaging and dies before the end of the five-year averaging period discussed above, the Account Owner's gross estate will include the portion of the Contributions allocable to periods following the Account Owner's death. IRC Section 529 also provides that the gross estate of a designated Beneficiary of a QTP such as CollegeWealth includes amounts distributed from a QTP on account of the Beneficiary's death. Please contact a tax professional or the IRS to determine the effect of federal gift and estate tax provisions on your individual situation.

Federal Generation-Skipping Transfer Tax. In addition to possible federal gift and estate tax consequences, federal generation-skipping transfer (GST) tax may apply to Contributions made to an Account if the Beneficiary is deemed to be a member of a generation that is more than one generation younger than the generation of the Account Owner or other individual contributing to the Account, or if a new Beneficiary is more than one generation below that of the prior Beneficiary. Contributions that qualify for the annual gift tax exclusion are not subject to GST tax. The federal GST tax lapsed at the end of 2009. However, the 2010 Tax Relief Act retroactively imposed the GST tax for 2010 and increased the federal GST lifetime exemption amount to $5 million. The $5 million lifetime exemption amount applied for 2011 and was indexed for inflation in 2012. The ATRA extended the lifetime GST exemption permanently. The $5 million lifetime exemption will apply and will be indexed for inflation for 2013 and beyond. Consult your tax adviser or the IRS regarding the specific application of these rules to your particular circumstances.

Virginia Tax Exemption. The Virginia General Assembly enacted a tax exemption at its 1999 session for income attributable to certain distributions or refunds from a savings trust account with Virginia529 such as a CollegeWealth Account. The Virginia state income tax exemption applies to income attributable to CollegeWealth distributions used for QHEE of a Beneficiary or refunds in the event of a Beneficiary's death, disability, or receipt of a scholarship. Because earnings on IRC Section 529 account Qualified Distributions are excluded from federal adjusted gross income, these earnings are also automatically excluded from Virginia taxable income. The Virginia state income tax exemption is still applicable to distributions made due to the Beneficiary's death, disability or receipt of a scholarship. The earnings portion of any amount refunded in one of these cases is subject to federal income tax in the tax year in which the refund is received, but is exempt from Virginia state income tax.

Virginia Tax Deduction. CollegeWealth Account Owners who file a Virginia state individual income tax return can deduct CollegeWealth Contributions from their Virginia taxable income. The deduction is limited to $4,000 per taxable year per Virginia529 account (each separate account held within Invest529, Prepaid529, CollegeAmerica and CollegeWealth), or the amount contributed to each Virginia529 account during the year, whichever is less, with unlimited carry forward until the full amount of the Contributions has been deducted. The $4,000 per taxable year limit does not apply to Account Owners who are age 70 or above, who may deduct the entire amount of their Contributions in a single tax year. If an Account is cancelled for a reason other than the Beneficiary's death, disability, receipt of a scholarship (including attendance at a U.S. military academy), or Rollover to another Virginia529 account, any amount of the refund previously deducted from the Account Owner's Virginia taxable income as a result of Contributions to the cancelled CollegeWealth Account must be added back to the Account Owner's Virginia taxable income in the year the refund is received, in addition to any federal tax consequences. Only the Account Owner of record of a CollegeWealth Account as of the end of the taxable year is eligible to take the Virginia state tax deduction for Contributions made to that Account. **Individuals who choose to make Contributions to a CollegeWealth Account owned by another individual or entity are not eligible for the Virginia state tax deduction.**

The Virginia state income tax deduction and exemption are available only to Account Owners in a Virginia529 program who file Virginia personal income tax returns. If an Account Owner or individual contributing to a CollegeWealth Account lives in a state other than Virginia, the state tax consequences may differ from those described here. The Virginia state income tax deduction and exemption are available only to Account Owners in a Virginia529 program who file Virginia personal income tax returns. Contributions to other states' QTPs are not eligible for the Virginia state tax deduction. Before investing in CollegeWealth, potential Account Owners and other individuals contributing to a CollegeWealth Account who do not live or pay taxes in Virginia should determine whether the state in which they live or pay taxes offers a QTP with benefits not available through CollegeWealth.

Account Reporting

Statements. The participating bank will issue online statements to CollegeWealth Account Owners according to its normal schedule. Statements may be accessible through online banking. Please check with the participating bank for details.

Tax Reporting. An IRS Form 1099-Q is sent to the Account Owner for all distributions from an Account, unless the distribution is made to the Beneficiary or an institution of higher education. If the distribution is made to the Beneficiary or to an institution of higher education, Virginia529 is required to send the Form 1099-Q to the Beneficiary. Virginia529 will send the 1099-Q for distributions from Invest529, Prepaid529, or CollegeWealth. For distributions made from a CollegeAmerica account, the 1099-Q will be provided by American Funds. The recipient will be responsible for reporting all Forms 1099-Q that are received. If the distribution was for a QHEE of the designated Beneficiary, no federal or Virgina income tax related to that distribution will be due. If you live in a state other than Virginia, please check to determine your state's treatment of income from another state's qualified tuition program that is tax exempt at the federal level. **Virginia529 will not determine whether an expense is a Qualified Distribution or Non-qualified Distribution.** Account Owners will be required to maintain records adequate to prove qualified expenses, such as invoices and textbook receipts. The 10% of earnings federal penalty and federal income tax on the earnings for Non-qualified Distributions are reported on the taxpayer's income tax returns, and will not be withheld by Virginia529. Please contact a tax professional or the IRS for assistance. IRS Publication 970, "Tax Benefits for Education," is one publication that provides more information and is available from **irs.gov**, or by calling 1-800-829-1040.

The 2016 Consolidated Appropriation Act (CAA) made changes to tax reporting. Prior to CAA, if an Account Owner had more than one Virginia savings trust account (Invest529, CollegeAmerica and/or CollegeWealth) or Prepaid529 account for the same Beneficiary, the Internal Revenue Service required that we aggregate the earnings on all such accounts for reporting purposes. For 2016 and beyond, aggregating the earnings is not required, and accordingly, each year there is a distribution from one of your Invest529, Prepaid529, CollegeAmerica or CollegeWealth Accounts, you will receive an IRS Form 1099-Q that reflects earnings from that particular account.

Coordination With Other Education Tax Incentives

Distributions from an Account may affect other education tax incentives available to an Account Owner. The coordination between these tax-advantaged programs is complex. Please consult your tax or financial adviser before investing.

Coverdell Education Savings Accounts. Depending on your income level, Coverdell Education Savings Accounts (Coverdell ESA) may permit tax-free growth and exclusion from gross income for earnings withdrawn to pay qualified education expenses. The annual limit on contributions to a Coverdell ESA was extended and made permanent at $2,000 per account owner per beneficiary. Contributions may be made to both a CollegeWealth Account and a Coverdell ESA in the same taxable year without penalty. If total distributions from a Coverdell ESA and a CollegeWealth Account exceed the Beneficiary's QHEE for any taxable year, the expenses must be allocated between the two distributions. IRS Publication 970, "Tax Benefits for Education," is one publication that provides information on Coverdell ESAs and other tax-advantaged higher education accounts, and is available at **irs.gov** or by calling 1-800-829-1040.

The American Opportunity Tax and Lifetime Learning Credits. The American Opportunity Tax Credit (AOTC) replaced the Hope Scholarship Credit in 2009 and 2010, was extended in the 2010 Tax Relief Act through the end of 2012, and by ATRA through 2017. The AOTC is also referred to as the American Opportunity Credit in IRS Publication 970. Tax law changes made this credit available to a broader range of taxpayers, including higher wage earners and those who do not owe tax. The credit adds required course materials to the list of qualifying expenses and allows the credit to be claimed for four post-secondary education years, not only two. The maximum annual credit is $2,500. There are income phase-outs. The AOTC and Lifetime Learning Credit are available for families who pay qualified expenses, which include the cost of tuition and certain fees. In order to take advantage of the American Opportunity and Lifetime Learning federal credits, taxpayers must also continue to allocate higher education expenses amongst the various federal higher education tax incentives. For example, if you qualify for an AOTC for tuition paid in a specific year, you cannot also use a tax-free distribution from your CollegeWealth Account for that same expense. The coordination of the various federal higher education tax incentives can be complex. Please contact a tax professional or the IRS at 1-800-829-1040 for assistance in determining your eligibility for the various tax incentives and in allocating your higher education expenses. IRS Publication 970, "Tax Benefits for Education," is one publication that provides more information and is available from **irs.gov**, or by calling 1-800-829-1040.

Above-the-Line Deduction for Qualified Tuition and Related Expenses. The Economic Growth and Tax Relief Reconciliation Act of 2001 provided for a limited federal deduction for tuition and required fees paid by the individual during the taxable year. This deduction has a number of qualifications and restrictions, including income phase-outs and varying amounts that can be deducted based on income. This deduction is not available for taxpayers in the same year they elect to take the Hope, American Opportunity, or Lifetime Learning credits. For IRC Section 529 participants, there is a special coordination provision that allows the contribution portion of a distribution (the basis) from a Section 529 account to be used toward this deduction if the distribution was used to pay for tuition and required fees. This means that you are not allowed a "double" tax benefit by being allowed to deduct the earnings portion of your distribution, which has already received the benefit of being tax-free, but the contribution portion, on which you have already paid tax, may be used to qualify for this limited deduction. After several extensions, this deduction was again extended in the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, but expired on December 31, 2011. It was reinstated by ATRA which not only extended the deduction until December 31, 2013, but extended it retroactively for the 2012 tax year as well. The Tax Increase Prevention Act of 2014 extended the deduction for one additional year until December 31, 2014, and the 2016 Consolidated Appropriations Act further extended the deduction for two additional years until December 31, 2016.

Please contact a tax professional or the IRS at 1-800-829-1040 for assistance in determining your eligibility for the various tax incentives and in allocating your higher education expenses. IRS Publication 970, "Tax Benefits for Education," is one publication that provides more information and is available from irs.gov, or by calling 1-800-829-1040.

Exclusion of Interest on Qualified U.S. Savings Bonds. Redemption proceeds from qualified U.S. Savings Bonds that meet certain eligibility criteria and are either used for qualified tuition and related expenses or contributed to a QTP such as a CollegeWealth Account may be excluded from income. Please contact the Bureau of Public Debt at **TreasuryDirect.gov** for eligibility criteria for the Savings Bond Education Tax Exclusion, or the IRS at 1-800-829-1040. IRS Publication 970, "Tax Benefits for Education," is one publication that provides information on Education Savings Bonds and other tax-advantaged higher education accounts, and is available at **irs.gov**.

Account Owners, other individuals contributing to a CollegeWealth Account, and Beneficiaries are encouraged to consult their tax, financial, or legal adviser to determine the effect of federal and state tax laws on their specific situation.

Individual tax situations vary greatly. Please consult a tax adviser concerning any legal or tax implications arising from opening a CollegeWealth Account. Neither Virginia529 nor the participating bank can provide legal, financial or tax advice, and the foregoing summary should not be construed as legal, financial or tax advice with respect to the consequences for any particular individual as a result of Contributions to, investment of, or distributions from a CollegeWealth Account.

Section 529 Qualified Tuition Programs are intended to be used only to save for Qualified Higher Education Expenses. These programs are not intended to be used, nor should they ever be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax adviser based on their own particular circumstances.

Glossary Of Terms

"Account" means the separate CollegeWealth Account set up by each Account Owner for a separate Beneficiary.

"Account Owner," defined as "Contributor" in Section 23-38.75 of the Code of Virginia (1950), as amended, means a person who is at least 18 years of age and is either a U.S. citizen or a legal U.S. resident and who is reflected on the participating bank's records as the owner of record of the Account. Please note that no trusts, corporations, partnerships, nonprofit organizations, custodians, guardians, or other entities may open CollegeWealth Accounts. There may only be one Account Owner per Account. Any person or entity may make Contributions to a CollegeWealth Account, but only the Account Owner may execute all other CollegeWealth Account transactions, including Rollovers, transfers, cancellations, distributions, or refund requests. All Contributions are deemed to come from the Account Owner for all tax reporting and other administrative purposes. Individuals or entities who are not Account Owners have not established a customer relationship with the participating bank or Virginia529 and have no legal rights with regard to a CollegeWealth Account. Any requests to change the Account Owner must be signed by both the current Account Owner (or the current Account Owner's personal representative if appropriate documentation has been submitted to and acknowledged by Virginia529) and the new designated Account Owner.

"Agreement" means the agreement between the Account Owner and Virginia529. It includes this Program Description, as amended from time to time, including the CollegeWealth Account Agreement set forth below, as amended from time to time by Virginia529, the Account Application, as amended from time to time, the Virginia529 Privacy Policy and the Virginia 529 Web Site Privacy Statement and Disclaimer. "Agreement" also includes a signed Account Owner Change Form, which incorporates the Program Description. Please note that in addition to the Agreement described within this definition, a CollegeWealth Account is also governed by an agreement with the participating bank.

"Application" means the form (whether hard copy or online) completed by the Account Owner and submitted to open a CollegeWealth Account for a designated Beneficiary.

"Beneficiary" means an individual who is named as the designated Beneficiary on the Application as provided for in this Program Description, and who is entitled to receive the benefits from a CollegeWealth Account. A Beneficiary must be either a U.S. citizen or a legal U.S. resident. A Beneficiary must have been born at the time the Beneficiary is named. An Account Owner may change the Beneficiary of an Account at any time by completing a Beneficiary Change form as provided for in this Program Description.

"Board" means the Board of the Virginia College Savings Plan.

"Business Day" is any day on which Virginia529 is open for carrying on substantially all of its functions and excludes Saturdays, Sundays, and federal and state holidays. Distributions may not be withdrawn on normal Business Days that Virginia529 is open but the New York Stock Exchange (NYSE) is closed.

"Contributions" are funds contributed to an Account for the benefit of a designated Beneficiary and intended to pay for the designated Beneficiary's Qualified Higher Education Expenses (QHEE) at an Eligible Educational Institution (EEI). Contributions must be in the form of cash or cash equivalents (such as checks or electronic transfers of funds), not property or securities.

"Designated Survivor" means the person who will assume Account ownership in the event of the Account Owner's death. The Designated Survivor may be named by the Account Owner on the Application or by the Account Owner sending Virginia529 a written and signed notification. At the time they are named as such, Designated Survivors must be eligible to become Account Owners pursuant to the terms of this Agreement. The Designated Survivor does not have any control over or access to information about the CollegeWealth Account until and unless they become the Account Owner.

"Disabled" means that a Beneficiary is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. An individual shall not be considered to be disabled unless proof of the existence thereof in such form and manner as may be required by applicable regulations is furnished.

"Eligible Educational Institution" (EEI) follows the definition of that term in IRC Section 529. Generally, the term includes accredited post-secondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized post-secondary credential. Certain proprietary institutions and post-secondary vocational institutions are also

Eligible Educational Institutions. The institution must be eligible to participate in a student financial aid program under Title IV of the Higher Education Act of 1965 (20 U.S.C. Section 1088). A complete list of such institutions can be found at **fafsa.ed.gov**.

"Member of the Family" follows the definition of that term as found in IRC Section 529. Member of the Family means an individual who is related to the designated Beneficiary as follows: a son or daughter, or a descendent of either; a stepson or stepdaughter; a brother, sister, stepbrother, or stepsister; the father or mother, or an ancestor of either; a stepfather or stepmother; a son or daughter of a brother or sister; a brother or sister of the father or mother; a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; the spouse of the designated Beneficiary or the spouse of any individual described above; or a first cousin of the Beneficiary. For purposes of determining who is a Member of the Family, a legally adopted child of an individual shall be treated as the child of such individual by blood. The terms "brother" and "sister" include half-brothers and half-sisters.

"Non-qualified Distribution" means a distribution from a CollegeWealth Account made for any reason other than for: (1) the properly documented QHEE of the designated Beneficiary or (2) a qualified Rollover to another QTP, including Prepaid529. Non-qualified Distributions will be subject to federal income tax on the earnings and Virginia state income tax on the earnings for Virginia taxpayers, as well as a federal penalty of 10% of earnings, reported on the taxpayer's federal tax return. Non-qualified Distributions may require the recapture of some or all amounts, if any, that the Account Owner deducted from his or her Virginia taxable income due to Contributions to a CollegeWealth Account. Non-qualified Distributions due to a Beneficiary's death, disability or receipt of a scholarship (including attendance at a U.S. military academy) will not be subject to the 10% federal penalty on earnings. Scholarship distributions are limited to the amount of the scholarship.

"Pending Settlement Period" means, for Qualified or Non-qualified Distributions, the period of time between when a request for distribution is received and the amount to be distributed is actually withdrawn from the CollegeWealth Account. Distribution requests in good standing received and processed by Virginia529 by the close of business each day will generally be withdrawn from the CollegeWealth Account within three Business Days. Virginia529, at its sole discretion, may modify this settlement schedule without prior notice.

"Program Agreement" means the agreement entered into by and among Virginia529, the participating bank, and an Account Owner establishing a CollegeWealth Account. The Program Agreement includes the Agreement, as defined in this Program Description, and the participating bank's Services Agreement, as also defined in this Program Description.

"Qualified Distribution" means a distribution made for the properly documented QHEE of the designated Beneficiary or a qualified Rollover to another QTP. The taxpayer is solely responsible for determining whether a distribution is a Qualified Distribution or a Non-qualified Distribution. Virginia529 does not determine whether or not a distribution is Qualified or Non-qualified.

"Qualified Higher Education Expenses" (QHEE) means the expenses allowed under IRC Section 529. Generally, these include the following: (1) tuition, all mandatory fees, and the costs of textbooks, supplies, and equipment required for the enrollment or attendance of a designated Beneficiary at an EEI; (2) expenses for special needs services in the case of a special needs Beneficiary which are incurred in connection with such enrollment or attendance; and (3) the costs of room and board of a designated Beneficiary during any academic period during which the designated Beneficiary is enrolled at least half-time in a degree, certificate, or other program that leads to a recognized educational credential awarded by an EEI. The allowable amount of room and board expenses for students living on campus is the actual amount invoiced by the EEI. For students who live off campus or at home, the allowable amount for room and board expenses is the applicable room and board amount for that period used by the EEI in determining its cost-of-attendance. A student will be considered to be enrolled at least half-time if the student is enrolled for at least half the full-time academic workload for the course of study the student is pursuing as determined under the standards of the institution where the student is enrolled. The institution's standard for a full-time workload must equal or exceed the standard established by the Department of Education under the Higher Education Act and set forth in 34 Code of Federal Regulations Section 674.2(a). Cost-of-attendance figures are available from individual institutions.

"Qualified Tuition Program" (QTP) as defined by IRC Section 529(b)(1) means a program established and maintained by a State or agency or instrumentality thereof or by one or more eligible educational institutions under which a person may make Contributions to an account which is established for the purpose of meeting the Qualified Higher Education Expenses of the designated beneficiary of the account. Virginia529 currently sponsors four programs, which are Invest529, Prepaid529, CollegeWealth and CollegeAmerica.

"Rollover" is a tax-free reinvestment of a distribution from one QTP to another. Once funds are distributed there is a 60 day time frame in which funds must be deposited into the new QTP. IRS regulations allow only one Rollover for the same Beneficiary during a 12 month period.

NOTE: requests to move funds among inVEST, CollegeAmerica, or CollegeWealth are not considered a Rollover. Please see the section "Changing Investment Options".

"Services Agreement" means the participating bank's primary agreement that is applicable to the CollegeWealth Account (in the case of BB&T, this document is currently called the "BB&T CollegeWealth 529 Savings Agreement"), and the Services Agreement also includes any additional terms and conditions relating to CollegeWealth that may be communicated by the participating bank to the Account Owner during the application process or at any time thereafter, as any of the foregoing may be amended from time to time.

Virginia529 Privacy Policy

Protecting the privacy of your nonpublic personal information is important to us at the Virginia College Savings Plan (Virginia529). We respect your right to privacy and recognize your trust in us to keep information about you secure and confidential.

1. We collect nonpublic personal information about you from the following sources:

    • Information we receive from you on applications, correspondence, forms and through other forms of communication

- Information about your transactions with respect to your account(s)

2. We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We may disclose all of the information we collect, as described above, to companies that perform marketing and mailing services on our behalf and to other financial institutions with whom we have joint marketing agreements. These companies are required to adhere to our privacy and security standards and to use the information for the limited purpose for which it was shared.

3. We restrict access to nonpublic personal information about you to those employees and persons who need to know the information in order to provide service to you. We maintain physical, electronic, and procedural safeguards in compliance with federal regulations to safeguard your nonpublic personal information.

4. We reserve the right to modify or supplement this Privacy Policy at any time. If we ever decide to share your nonpublic personal information other than as described above, we will provide you with a notice informing you of the change and, when required by applicable law, we will allow time for you to choose whether you want the information shared.

Virginia529 Web Site Privacy Statement and Disclaimer

It is the policy of the Commonwealth of Virginia that personal information about citizens will be collected only to the extent necessary to provide the service or benefit desired; that only appropriate information will be collected; that the citizen shall understand the reason the information is collected and be able to examine their personal record which is maintained by a public body.

Our web site does not collect any personally identifiable information automatically simply by your accessing the web site.

Our web site places a computer file, commonly referred to as a "cookie," on your computer to enhance your experience and so we can track the number of "hits" on our web site. We do not use the "cookie" to collect information about you.

Our web site does not track your movements through the web site.

If you elect to provide us with your email address and/or mailing address, we store this information in an offline database in order to be able to send you the information you requested.

The individual who is the subject of personal information maintained by Virginia529 may have access to that information upon written request. The Virginia Freedom of Information Act contains an exemption that protects all individual personal information in the possession of Virginia529 from mandatory disclosure, except to the individual who is the subject of the information.

Virginia529, an independent agency of the Commonwealth of Virginia, is established and governed by the provisions of sections 23-38.75 et seq. of the Code of Virginia (1950), as amended. Changes to the law can only be made by the General Assembly. Virginia529 is also designed to meet the requirements of a "qualified state tuition program" under section 529 of the Internal Revenue Code (1986), as amended (26 U.S.C. Section 529) and the proposed regulations promulgated thereunder. These laws and regulations are subject to change at any time.

Virginia529 maintains our web site to enhance public access to Virginia529 information. We strive to keep all information on our web site updated and accurate. In the event of any conflict between governing authorities and the information on our web site, the governing authorities shall have precedence. Information on our web site does not supersede the actual written contracts and agreements that establish Virginia529 accounts, unless expressly stated to do so. Our system and related software and equipment are intended solely for the communication, transmission, processing, and storage of Virginia529 information.

Our web site includes downloadable documents and forms. Permission to copy or print a personal-use copy of this material is hereby granted; and brief quotations for the purposes of news reporting and education are permitted. Otherwise, no part of this material may be used or reproduced without permission in writing from Virginia529.

Unauthorized attempts to modify any information stored on this system, to defeat or circumvent security features, or to use our system for other than its intended purposes are prohibited and may result in criminal prosecution.

CollegeWealth Account Agreement

1. Any factual determinations regarding CollegeWealth Accounts will be made by Virginia529 based on the facts and circumstances of each case.

2. CollegeWealth Accounts shall be construed in accordance with the laws of the Commonwealth of Virginia and applicable federal law, including 26 U.S.C. § 529, as amended. Venue for any action arising from or relating to CollegeWealth Accounts opened hereunder shall be in a state court located in Chesterfield, Virginia.

3. 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.

4. This Agreement, which consists of the completed and signed hard copy or online Application, this CollegeWealth Account Agreement, the Program Description, the Virginia529 Privacy Policy and the Virginia529 Web Site Privacy Statement and Disclaimer as amended from time to time by Virginia529, is the complete and exclusive statement of the agreement between the Account Owner and Virginia529 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 Virginia529 may make to the CollegeWealth Account

Agreement, the Program Description, the Virginia529 Privacy Policy and the Virginia529 Web Site Privacy Statement and Disclaimer.

5. The Account Owner may, in compliance with the procedures in the Program Description, transfer ownership of a CollegeWealth Account to another individual or entity provided no consideration is given for the transfer. Neither a CollegeWealth Account, nor any interest, rights or benefits in it, may be sold, nor may any interest in a CollegeWealth Account be used as security for any loan.

6. Virginia529 may require that any written documentation, request or any other actions Virginia529 may designate from time to time, be verified under oath.

7. 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 a CollegeWealth Account has no independent claim, right or access to any funds in a CollegeWealth 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.

8. Account Owners may only change investment options twice per calendar year or when the Beneficiary is changed. A separate accounting shall be provided for each Account.

9. The Account Owner understands and acknowledges that there is no recourse against the Board's members or its employees individually, or against the Commonwealth of Virginia or Virginia529 in connection with a CollegeWealth Account. Nothing in this Agreement shall be deemed or construed as an express or implied waiver of the sovereign immunity of the Commonwealth of Virginia or a pledge of the full faith and credit of the Commonwealth of Virginia.

10. Virginia529 or the participating bank 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.

11. If Virginia529 determines that there has been any material misrepresentation related to the Agreement or the CollegeWealth Account, the Account may be cancelled. The Account Owner will receive a refund of the current Account balance, subject to any applicable penalties and fees, that may be applied by the participating bank.

12. The Account Owner understands and acknowledges that CollegeWealth Accounts are not deposits or obligations of, or insured or guaranteed by, the Commonwealth of Virginia or any agency or instrumentality thereof. The Account Owner further understands and acknowledges that CollegeWealth Accounts only provide Federal Deposit Insurance Corporation insurance, in conjunction with the participating bank, to the extent provided by federal law.

13. Virginia529 cannot and will not provide legal, financial or tax advice, and nothing herein or in any other written materials shall be construed as such.