

**Guide and Participation Agreement
July 1, 2009**

Schwab 529 College Savings Plan

The Schwab 529 Plan is administered by Kansas State Treasurer Dennis McKinney.

Managed by American Century Investment Management, Inc.

Notice: Accounts established under the Schwab 529 Plan and their earnings are neither insured nor guaranteed by the state of Kansas, the Kansas State Treasurer, American Century Investments or Charles Schwab & Co., Inc. Accounts established under the Schwab 529 Plan are domiciled at American Century Investments and not Schwab.

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The Schwab 529 Plan portfolios have not been registered with the U.S. Securities and Exchange Commission or with any state securities commissions pursuant to exemptions from registration available for obligations issued by a public instrumentality of a state.

Before investing, carefully consider the Plan's investment objectives, risks, charges and expenses. This information and more about the Plan can be found in this Schwab 529 Guide and Participation Agreement, and it should be read carefully before investing. Consider before investing whether your or the beneficiary's home state offers a 529 Plan that provides its taxpayers with state tax and other benefits not available through this Plan. Favorable state tax treatment or other benefits may be available only if you invest in your or your beneficiary's home state's 529 Plan. State-based benefits should be one of many appropriately

weighted factors to be considered in making an investment decision, and you should consult with your financial advisor or contact your home state's Plan to learn more about how these benefits or limitations would apply to your situation.

You may request prospectuses for the funds held by the portfolios by calling Charles Schwab & Co., Inc. at 1-800-435-4000.

The Schwab 529 Plan is available through Charles Schwab & Co., Inc. and is managed by American Century Investment Management, Inc. The Plan was created by the Kansas State Legislature under the provisions of Section 529 of the Internal Revenue Code and is administered by Kansas State Treasurer Dennis McKinney. The state of Kansas offers two Plans. The Schwab 529 Plan is available through Charles Schwab & Co., Inc. The Learning Quest® 529 Education Savings Program is available through American Century Investments and financial professionals. There are different investment options available under each plan as well as different investment managers and fee structures.

Kansas taxpayers may invest in a 529 Plan sponsored by any state and receive a Kansas adjusted gross income deduction for their contributions. This deduction applies to contributions up to \$3,000 per student, per year (\$6,000 if married, filing jointly). See the instructions for your Kansas income tax return for more information.

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The information presented in this booklet is for educational purposes only and is not intended as tax or investment advice. The information is believed to be accurate as of the date of printing and is subject to change without notice, except as required. The availability of tax or other benefits may be conditioned on meeting certain requirements, such as residency, purpose for or timing of distributions, or other factors.

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

Risk Factors

Risk of Investment Loss. As with any investment, it is possible to lose money by investing in this program. The value of your Schwab 529 Plan account may fluctuate, and it is possible for the value to be less than what you invested.

Risk of Tax Law Changes. From time to time, there may be changes to federal and state tax laws and Section 529 that may change the terms and conditions of this program. You will be notified of any program changes in a timely manner.

Risk of Reduced Financial Aid Eligibility. An investment in a 529 savings plan may affect federal financial aid eligibility. See page 7 for more information.

Risk of Plan Changes. From time to time, the Plan Administrator may make changes to the Plan, including changes to the fees and expenses. You will be notified of these changes in a timely manner.

To request any of the forms listed in this guide, or to have a Schwab investment professional assist with your transaction, call Schwab at 1-888-903-3863.

PART 1

A Guide to Your Schwab 529 Plan Account

Overview of the Schwab 529 Plan

The Schwab 529 Plan is a 529 education investment program established by the state of Kansas, managed by American Century Investment Management, Inc., under the name Schwab 529 College Savings Plan, and available through Charles Schwab & Co., Inc. The Plan was created by the Kansas Legislature under the provisions of Section 529 of the Internal Revenue Code.

Congress created these types of tax-advantaged plans in 1996 under Section 529 of the Internal Revenue Code. These plans, sometimes called 529 Plans, offer tax-deferred earnings growth and other tax advantages. State-sponsored education savings programs also let you invest larger sums of money than other education savings methods.

Benefits of the Schwab 529 Plan

The Schwab 529 Plan was designed with you in mind and provides some of the best features available in the college-investing marketplace today. Some of the program's features include:

- Kansas taxpayers receive an annual adjusted gross income deduction for their contributions to the Schwab 529 Plan (or any 529 Plan sponsored by any other state) of up to \$3,000 per beneficiary, per year (\$6,000 if married, filing jointly). To take a deduction for your contribution, it must be postmarked by December 31.
- Any earnings can grow on a tax-deferred basis at the federal and Kansas state levels. Check with your tax advisor for your state's rules.
- The earnings portion of withdrawals used to pay for Qualified Education Expenses is tax-free at the federal and Kansas state levels. Check with your tax advisor for your state's rules.*
- High total contribution limit—currently \$300,000 per beneficiary. This limit is based on the average expenses of five years of higher education in Midwestern states and may be adjusted annually. The contribution limit is a combination of contributions and earnings.
- Contributions are considered completed gifts for purposes of the federal gift tax exclusion.
- No federal gift tax on contributions you make for a beneficiary of up to \$65,000 (\$130,000 for spousal gifts) in one year. You will need to elect to treat the contribution as being made in equal payments over a five-year period. To avoid gift tax, you should not make any additional gifts to the beneficiary during that time.
- No annual account maintenance fee.
- A diversified investment strategy based on Schwab's asset allocation models. The Schwab 529 Plan features a variety of portfolios based on investor objectives, risk tolerance and time horizon.
- Flexibility to use the account to pay for Qualified Education Expenses at any accredited university or college, or an approved vocational program, generally anywhere in the United States.

The availability of tax or other benefits may be conditioned on meeting certain requirements, such as residency, purpose for or timing of distributions, or other factors.

Additional Features

Anyone who is a U.S. citizen or resident alien can open or contribute to an account, and anyone may contribute to an account, regardless of who opened it.

Anyone Can Be a Beneficiary. You can name anyone who is a U.S. citizen or resident alien as the beneficiary of your account, and the beneficiary can be any age. You can even open an account for yourself if you'll be pursuing a degree or vocational training in the future.

No Kansas Residency Required. You don't have to live in Kansas to participate in the program. The Schwab 529 Plan is available to any U.S. citizen or resident alien.

No Age or Income Requirements. There are no age or income requirements to be an Account Owner, contributor or beneficiary of a Schwab 529 Plan account. And there is no date by which the account assets must be withdrawn.

Additional Account Owners Allowed. You can open a Schwab 529 Plan account with additional Account Owners. American Century Investments will use the first Account Owner's name and Social Security number you list on the account application for IRS reporting purposes.

Portfolio Selection. With the Schwab 529 Plan, you can choose from a range of static and age-based portfolios that meet your investment objectives, risk tolerance and time horizon.

If you choose a static portfolio, your account will be invested in that portfolio until you change your selection or until the account is closed.

If you choose an age-based portfolio, your beneficiary's current age and the risk track you select will determine how your account is invested. Your investment automatically migrates over time, from more aggressive to more conservative, and during the year after your beneficiary turns 18, your account will move into the Short-Term Portfolio.

To learn more about the portfolios, please turn to page 8.

Investment Flexibility. You may change your portfolio selection once per calendar year without having to change the beneficiary, as authorized by the IRS. For 2009 only, you may change your portfolio selection twice during the calendar year without having to change the beneficiary. If your investment strategy or the time frame in which you need the money changes, call your Schwab investment professional for more information.

Coordination with an Education Savings Account. You can contribute to an ESA and a 529 College Savings Plan for the same beneficiary in the same year. See page 5 for more information.

UGMA/UTMA Accounts. If you are the custodian of a Uniform Gifts to Minors Act or Uniform Transfers to Minors Act (UGMA/UTMA) account, you may be able to transfer all or part of the account to a Schwab 529 Plan account. This may result in a taxable transaction, but future earnings would grow tax-deferred in the Schwab 529 Plan account. See page 5 for more information.

*The earnings portion of a Nonqualified Withdrawal is subject to federal and state taxes and a 10% federal penalty tax.

Program Administration

Program Administrator

Kansas State Treasurer Dennis McKinney is the Program Administrator for the Schwab 529 Plan. His responsibilities include:

- Developing the program's rules and regulations
- Selecting the Program Manager
- Maintaining a program that strives to provide competitive investment returns for investors
- Ensuring ethical and efficient program management
- Ensuring the program complies with federal guidelines
- Presenting annual reports to the Kansas Legislature

To comply with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), American Century Investment Services, Inc. has entered into a continuing disclosure agreement with the Treasurer of the State of Kansas for the benefit of Account Owners. Under this agreement, the Treasurer will provide certain information and notices of the occurrence of certain enumerated events, if material, as required by Rule 15c2-12. Such information and notices will be filed with each Nationally Recognized Municipal Securities Information Repository or the Municipal Securities Rulemaking Board, and with any Kansas information depository. The respective directors, officers, members and employees of the office of the Treasurer shall have no liability for any act or failure to act under the disclosure agreement. The Treasurer reserves the right to modify its provisions for release of information pursuant to the disclosure agreement to the extent not inconsistent with the valid and effective provisions of Rule 15c2-12.

Program Manager

The Kansas State Treasurer selected American Century Investment Management, Inc. to provide investment management, account administration and communications for the program.

Program Information

The Kansas Legislature created the Kansas Postsecondary Education Savings Program. Money that is contributed to a Schwab 529 Plan account will be invested in one of the investment portfolios in the Kansas Postsecondary Education Savings Program. The money for all the accounts in a portfolio will be pooled together and invested toward a specific goal. An account will be composed of units of interest in the particular portfolio in which it is invested.

Independent Registered Public Accounting Firm

The Program Manager has contracted with an independent registered public accounting firm to perform annual audits of the Plan's financial statements. The annual statement for the most recent fiscal year-end, which includes the report of the independent auditors, is available at www.schwab.com/529.

Definitions

Account Owner—The person (or persons) who opens the account and may do the following:

- Select or change the beneficiary
- Make contributions
- Make withdrawals

- Roll over or transfer the account to another state's 529 Plan once every 12 months without a change of beneficiary or anytime with a change of beneficiary

The Account Owner maintains ownership of the account and also may be the beneficiary for the account. If the Account Owner is also the beneficiary and a minor, a Responsible Individual would need to be designated on the account to act on the behalf of the minor. The Responsible Individual cannot change the minor Account Owner or the beneficiary. When the minor reaches age of majority, he or she will have full control of the account.

Designated Beneficiary—The individual whose Qualified Education Expenses can be paid from the account. He or she can be anyone who is a U.S. citizen or resident alien, and also can be the Account Owner. In this guide, the terms "student" and "beneficiary" refer to the Designated Beneficiary.

Distributee—The individual, either the Account Owner or the beneficiary, who receives a withdrawal from the account. The earnings portion of a Nonqualified Withdrawal is taxable to the Distributee. The earnings portion of a Qualified Withdrawal is free of federal and Kansas state income tax. Your state's tax treatment of earnings may vary.

Eligible Educational Institution—An Eligible Educational Institution is defined by federal law as:

- An accredited postsecondary institution that offers credit toward an undergraduate or graduate degree or other recognized postsecondary education credential, and
- An institution eligible to participate in federal student aid programs administered by the U.S. Department of Education

This definition includes most public and private colleges and universities, graduate schools, community colleges, vocational and technical schools, and is generally limited to accredited U.S. institutions.

To determine if a school is qualified, you can contact the school's office of admissions about its accreditation status. You can also check a school's eligibility to participate in federal financial aid programs (which is an indication the school is an Eligible Educational Institution) with the Department of Education. Check out their website at <http://www.fafsa.ed.gov/FOTWebApp/FSLookupServlet>.

Eligible Family Member of the Designated Beneficiary—The following individuals are considered Eligible Family Members of the Designated Beneficiary and can be named as a replacement beneficiary:

- Son, daughter or descendant of either
- Stepson or stepdaughter
- Brother, sister, stepbrother or stepsister
- Stepfather or stepmother
- Father, mother or ancestor of either
- Niece or nephew
- Aunt or uncle
- Son-in-law, daughter-in-law, father-in-law, mother-in-law, sister-in-law or brother-in-law
- Spouse of the Designated Beneficiary or spouse of any family member listed above
- First cousin

Nonqualified Withdrawal—Proceeds removed from the account that are not used to pay for Qualified Education Expenses. This type of withdrawal may be taken at any time. Withdrawals due to disability, death or a scholarship are handled differently. See page 5 for more information.

Qualified Education Expenses—Qualified Education Expenses apply to undergraduate and graduate school and include:

- Tuition, fees, and the cost of books, supplies and equipment required for enrollment or attendance. Some expenses for a special-needs student may also be covered.
- For 2009 and 2010, the list of Qualified Education Expenses has been expanded to include expenses paid or incurred during this time for the purchase of any computer technology, equipment, or internet access and related services to be used by the beneficiary and the beneficiary's family during any of the years the beneficiary is enrolled at an Eligible Educational Institution. Expenses for computer software designed for sports, games or hobbies are not included unless the software is predominately educational in nature.
- The cost of room and board for a student enrolled at least half-time. A 529 Plan uses the same definition for room and board costs that is used to calculate a student's costs of attendance for federal financial aid purposes.
 - **Student Residing in Housing Owned or Operated by the School.** The amount of room and board considered to be a Qualified Education Expense is the standard allowance determined by the school. This allowance is based on the amount the school normally charges most residents for room and board. The actual invoice amount will be considered a Qualified Education Expense if that amount is higher than the standard allowance described above.
 - **Student Without Dependents Living at Home with Parents.** The amount of room and board considered to be a Qualified Education Expense is generally the same standard allowance determined by the school. This allowance is based on the amount the school normally charges most residents for room and board.
 - **All Other Students.** The amount of room and board costs considered to be a Qualified Education Expense are those considered to be reasonably incurred by the student for room and board.

Qualified Withdrawal—Proceeds removed from the account to pay for the student's Qualified Education Expenses at an Eligible Educational Institution. See page 5 for more information.

Responsible Individual—The adult authorized to sign the account application and make withdrawals, rollovers and transfers from the account on behalf of an Account Owner who is a minor. Once the Account Owner reaches the age of majority, he or she can transact on the account, and the Responsible Individual no longer has authority on the account.

Contributions

Contribution Limit

The Schwab 529 Plan has a high contribution limit—currently \$300,000 per beneficiary. This limit is based on the average expenses of five years of higher education in the Midwest at a private institution.

The contribution limit is reached when the total value of all Kansas 529 Plan accounts for a beneficiary (including both contributions and earnings) equals or exceeds the current contribution limit. Once the limit is reached, no one may make any

additional contributions for the beneficiary. The value of your Schwab 529 Plan account may, however, continue to grow. You and other contributors may make contributions in the future if the account value falls below the contribution limit or the limit is increased. The Program Administrator will periodically review and adjust the contribution limit as needed. American Century Investments will notify you when there are changes to the contribution limit. See the following for information on excess contributions.

Excess Contributions

Each quarter, American Century Investments will assess the total account value for a beneficiary to determine if the contribution limit has been reached. If it has, then no additional contributions will be accepted for that beneficiary.

You will be contacted if a contribution received from you is more than the allowable amount. You can transfer the excess amount to another Kansas 529 Plan account of an Eligible Family Member of the Designated Beneficiary, provided the contribution will not put that beneficiary in an excess situation. Or, you can request the excess contribution be returned to you. If you do not provide instructions to American Century Investments within 30 days of the date the excess contribution occurred, it will be removed from the account as a Nonqualified Withdrawal, subject to income taxes and penalties. Your ability to make contributions in the future may change if the combined account value falls below the contribution limit at the end of any calendar quarter or the contribution limit is increased.

Low Minimum Investment Amounts

The Schwab 529 Plan has low minimums to help you get started. You need just \$1,000 (\$250 for Kansas residents) to open an account by check. Or, you can open an account by starting an automatic investment from your bank account or paycheck for just \$50 a month (\$25 for Kansas residents). Additional investments of \$50 or more may be made by check.

Ways to Contribute

The Schwab 529 Plan offers you several convenient ways to contribute to your account.

Check

You can open an account by check with an initial contribution of \$1,000 (\$250 for Kansas residents). Additional investments of \$50 or more may be made by check.

Automatic Investments

It's easy to contribute to your Schwab 529 Plan account on a regular basis. You can set up monthly investments when you open your account or by calling Schwab for an Automatic Investment Form if your account is already open. The Schwab 529 Plan offers low automatic investment minimums—just \$50 per month (\$25 for Kansas residents). Check your quarterly statements for a summary of your automatic investments.

You may contribute to your Schwab 529 Plan account on a regular basis from your Schwab One® account or an account at another financial institution. Automatic investments do not ensure a profit and do not protect against loss in declining markets.

- **From Your Bank Account.** Provide your automatic investment instructions on your application and enclose a preprinted, voided check if different from your investment check. If the date you select falls on a weekend or holiday, American Century Investments will make the investment on the next business day. Your first investment may occur in the same month we receive your request, or the following month, depending on the date you select. Call Schwab to change the amount of your

investment or to start one if your account is already open.

- **From Your Paycheck.** This is an easy and convenient way to invest money for college without having to write a check each month. Check with your employer to see if you can direct part of your paycheck by ACH to your Schwab 529 Plan account. You'll need to complete a Direct Investment Authorization Form and return it to Schwab. American Century Investments will send you a confirmation to sign and give to your employer for processing.

Schwab MoneyLink®

If you have a Schwab One® or Schwab account, you can use Schwab MoneyLink to electronically transfer funds into your Schwab 529 account. Schwab MoneyLink allows you to move funds in recurring transfers and/or on an ad hoc basis. Additionally, Schwab MoneyLink allows people other than the Account Owner to make electronic contributions to a Schwab 529 account from their Schwab account. Contributions made via MoneyLink from a Schwab account into a Schwab 529 account must be authorized by the Schwab 529 Account Owners.

MoneyLink can be established by completing the Schwab MoneyLink For Schwab 529 and Learning Quest® Accounts form. There is a \$50 minimum for transfers to a 529 account using MoneyLink. (MoneyLink can be used only for contributions into the 529 Plan; it cannot be used for withdrawals from the Plan.)

If you invest in a Schwab 529 age-based portfolio and establish Schwab MoneyLink to regularly fund your account, Schwab will redirect your MoneyLink transactions to the new account number you receive each time your assets are transferred into a different portfolio in accordance with the age-based portfolio structure. The age-based transfers occur when the beneficiary of your account turns ages 9, 12, 15 and 18. See page 12 for more information about the age-based portfolios.

Transferring Assets from an UGMA/UTMA Account

There are certain conditions that you need to be aware of before you transfer money from an UGMA/UTMA (Uniform Gifts/Uniform Transfers to Minors Act) account to a Schwab 529 Plan.

- To transfer assets from an UGMA/UTMA account, investments in the UGMA/UTMA account must be converted to cash and contributions to the Schwab 529 Plan must be by check or money order. The transfer of the UGMA/UTMA assets may be a taxable event that you will need to report to the IRS under the minor's Social Security number. Check with a tax advisor for more information.
- The UGMA/UTMA beneficiary must be named as both the Account Owner and beneficiary of the Schwab 529 Plan account. A Responsible Individual will need to be named for the account if the beneficiary is a minor under state law. The Responsible Individual cannot change the beneficiary of that account. When the minor reaches the age of majority in his state of residence, the minor will have full control of the account. In most states, the age of majority is 18, but in some states the age of majority is older. **Important note:** The age of termination under UGMA/UTMA laws is not always the same as the age of majority, and a child might gain access to the 529 account assets earlier than if the assets were left in the UGMA/UTMA account.
- If you transfer assets from an UGMA/UTMA account to a Schwab 529 Plan account and later transfer the account to another 529 Plan, the new account you're transferring to must be registered with the minor as the account owner. Check with the 529 Plan you're transferring to for other rules that may apply under applicable state law. Please contact Schwab for more information.

Investing from an Education Savings Account (ESA)

There are certain conditions that you need to be aware of before you transfer money from an ESA to the Schwab 529 Plan.

- The transfer of the ESA is not a taxable event; however, you will need to provide documentation that indicates the amount of the earnings portion of the transfer. If you don't, the entire amount of the transfer will be considered earnings. Acceptable documentation would be a statement from the ESA custodian that shows the contribution and earnings portion of the transfer.
- The ESA beneficiary must be named as both the Account Owner and beneficiary of the Schwab 529 Plan account. A Responsible Individual needs to be named for the account if the beneficiary is a minor under state law. The beneficiary of that account may not be changed by the Responsible Individual. When the minor reaches the age of majority, the minor will have full control of the account.

Withdrawals

The minimum withdrawal amount is \$50. American Century Investments will send a check for your withdrawal. You may also request your withdrawal to be sent electronically via ACH to the Account Owner's or beneficiary's bank account if bank instructions are provided. There is a 15-day setup period for withdrawals by ACH. To request a withdrawal, contact Schwab.

Each withdrawal will consist of a combination of contributions and earnings. All Kansas 529 accounts with the same Account Owner and Designated Beneficiary will be aggregated for purposes of calculating the earnings portion of any withdrawal. This calculation will be made at the time the withdrawal is made. A Form 1099-Q will be issued the following January to the distributee of the withdrawal, either the beneficiary or the Account Owner. You will also receive a Form 1099-Q if you completed a transfer or rollover to another state's 529 Plan during the year. Transfers and rollovers are not taxable, but the withdrawal is reportable to the IRS.

Qualified Withdrawals

A Qualified Withdrawal refers to proceeds removed from the account to pay for the beneficiary's Qualified Education Expenses at an Eligible Educational Institution. The contribution and earnings portion of a Qualified Withdrawal is tax-free at the federal and Kansas state levels. Check with your tax advisor for your state's tax rules.

A Qualified Withdrawal may be made payable to the Account Owner, beneficiary, the beneficiary and an Eligible Educational Institution, or only to the Eligible Educational Institution. The Program Manager may also accept withdrawal requests to be made payable to the beneficiary and other approved third parties such as a sorority, fraternity or certain paying agents designated by an educational institution.

The Account Owner and/or beneficiary is responsible for determining if the proceeds of a withdrawal were used to pay for Qualified Education Expenses. You must maintain documentation for this determination so it can be provided to the IRS upon request. To help you with this responsibility, here are some helpful tips:

- The student must attend an Eligible Educational Institution.
- Make sure the expenses meet the definition of Qualified Education Expenses.
- Keep documentation of the Qualified Education Expenses with your tax records.

The program allows the Account Owner to make systematic withdrawals from his or her account(s). This may be helpful if you make ongoing payments for a Qualified Education Expense. To establish a systematic withdrawal, contact Schwab.

Nonqualified Withdrawals

A Nonqualified Withdrawal refers to proceeds you remove from the account that do not meet the requirements of a Qualified Withdrawal. The earnings portion of a Nonqualified Withdrawal may be subject to a 10% federal penalty tax and is taxable to the Distributee, who may be the Account Owner or the beneficiary. You may request a Nonqualified Withdrawal at any time.

Taxation for Kansas Taxpayers

If you are a Kansas taxpayer and you take a Nonqualified Withdrawal at any time, the withdrawal may be subject to Kansas state taxes. You will owe Kansas state taxes on the earnings portion of a Nonqualified Withdrawal as well as the contribution portion that you previously deducted on your Kansas tax return. Check with your tax advisor or the Kansas income tax return filing instructions for more information.

Penalty-Free Withdrawals

You may request a penalty-free withdrawal if the beneficiary receives a scholarship for Qualified Education Expenses. You also may request one in the event of the disability or death of the beneficiary. The Distributee, who may be the Account Owner or the beneficiary, will be taxed on the earnings portion of the withdrawal, which is not subject to the 10% penalty tax.

Transfers

A transfer is the movement of assets directly from one state's 529 Plan to another state's 529 Plan. You may request a transfer once every 12 months without a change of beneficiary. Or, you may make a transfer at any time if you name a new beneficiary who is an Eligible Family Member of the Designated Beneficiary. Generally, a transfer is not subject to taxes or penalties. See the Change of Beneficiary section for more information about federal gift taxes.

To transfer another 529 account to the Schwab 529 Plan, contact Schwab. The distributing 529 Plan will send the transfer check directly to Schwab along with a breakdown of the amount of contributions and earnings represented by the check. To transfer your Schwab 529 Plan account to another state's 529 Plan, please contact the other plan.

Rollovers

A rollover is another way that you can move your 529 account assets from one state's 529 Plan to another state's 529 Plan. With a rollover, you withdraw the assets from your current 529 account. You then have 60 days from when you receive the check to roll over the assets to another 529 account. You may withdraw money as a rollover at any time if you name a new beneficiary who is an Eligible Family Member of the Designated Beneficiary. Or, you may roll over assets once every 12 months without a change of beneficiary so long as no other 529 account for that beneficiary has been rolled over during the prior 12-month period. This condition applies even if the accounts are in different 529 Plans or have different Account Owners. The rollover must be completed by the 60th day after the day you receive the assets or it will be considered a Nonqualified Withdrawal, with the earnings portion of the withdrawal subject to taxes and a 10% federal penalty tax.

You will need to provide a copy of your account statement from the prior 529 Plan that reflects the amount of earnings and contributions represented by the rollover. If you don't, the entire amount of the rollover will be considered earnings. Generally, a rollover is not subject to taxes or penalties if these requirements are met.

See the Change of Beneficiary section for more information about federal gift taxes. If the 529 account was originally funded from an UGMA/UTMA account, see the Transferring Assets from an UGMA/UTMA Account section on page 5 for information.

Change of Beneficiary

You can change the beneficiary on your account at any time. You may want to do this if the student does not attend college, or if the student graduates and there is money left over in the account. To change the beneficiary without taxes or penalty, you'll need to name an Eligible Family Member of the designated beneficiary as the new beneficiary. If you don't, the transaction will be considered a Nonqualified Withdrawal, subject to income taxes and penalties. You will need to make this change in writing on a Schwab 529 College Savings Plan Change of Designated Beneficiary form. Please note that the beneficiary cannot be changed on accounts where the beneficiary is also the Account Owner and a minor.

A federal gift tax may apply if you name a new beneficiary who is one generation younger than the current beneficiary. If the new beneficiary you name is two or more generations younger than the current beneficiary, a federal generation-skipping tax may apply. You will owe the gift and/or generation-skipping tax in the year in which the withdrawal was taken from the account. For more information, check with your tax advisor or see IRS Form 709.

If the Schwab 529 Plan account has been opened with funds transferred from an UGMA/UTMA or ESA account, the beneficiary of that account may not be changed.

Change of Account Owner

You can change the Account Owner at any time by transferring ownership of the account to another eligible Account Owner. To do this, you'll need to provide written consent of all the current Account Owners along with an application completed by the new Account Owner(s).

In the case of a divorce, please provide a copy of the divorce decree or the written consent of all the current Account Owners.

If the Account Owner dies, a certified copy of the death certificate is required. The account will automatically transfer to any surviving Joint Account Owner, or to the designated Successor Account Owner if there is no surviving Joint Account Owner. The Designated Beneficiary will become the Account Owner if there is no surviving Joint Account Owner or no Successor Account Owner on file. If the Designated Beneficiary is a minor, a Responsible Individual will be required for the account.

You may designate a Successor Account Owner on your account application. Please contact us to change the Account Owner or to designate or change the Successor Account Owner. The Account Owner cannot be changed on accounts where the Account Owner is also the beneficiary and a minor.

Estate Planning Benefits

The Schwab 529 Plan has several estate planning benefits to consider.

No Federal Gift Tax. Contributions to a Schwab 529 account are generally considered completed gifts to the beneficiary for

purposes of the federal gift tax exclusion. If your contributions to a Schwab 529 Plan account for a beneficiary, together with all your other gifts to the beneficiary, do not exceed \$13,000 per year (\$26,000 for spousal gifts), your contributions will not be subject to the federal gift tax. If you gift more than \$13,000 (\$26,000 for spousal gifts) to a beneficiary in any single year, you will need to file IRS Form 709.

You may not have to pay federal gift tax on your contributions of up to \$65,000 for each beneficiary (\$130,000 for spousal gifts) in a single year. To qualify, you must file a gift tax return and elect to treat the gift as if it were made in equal payments over five years. To avoid gift tax, you should not make any additional gifts to the student during that time. If you die during the five-year period, the remaining portion of the gift would need to be included in your estate.

Your contribution must be received and processed on or before December 31 in order to qualify for the gift tax exclusion. Check with your tax advisor for more information.

Your Contributions to the Account Are Removed from Your Taxable Estate. If you are the Account Owner, you maintain control of the account, including how the money is used and who will be the beneficiary. The value of the Schwab 529 Plan account will be included in the estate of the beneficiary. The only exception occurs if you are spreading a gift over five years for gift taxes. If you die within that five-year period, the gifts for the years up to and including the year of your death are removed from your estate, and the subsequent year's gifts are included in your estate. The amounts may be adjusted on an annual basis. Contact your tax advisor for more information.

The availability of tax or other benefits may be conditioned on meeting certain requirements, such as residency, purpose for or timing of distributions, or other factors.

Credit Protection

Credit protection may apply if you are a Kansas resident. If the beneficiary is the lineal descendant of the Account Owner, all of the assets in the account are exempt from creditor claims on the Account Owner or beneficiary, except in the following situations:

- Amounts contributed within a one-year period preceding the date of filing of a bankruptcy petition or execution of judgment for such claims against the Account Owner are not exempt.
- Amounts exceeding \$5,000 contributed between one and two years preceding the date of filing of a bankruptcy petition or preceding an execution on judgment for such claims against the Account Owner are not exempt.

Account Statements

Your account statement provides the information you need to keep you on track with your college investing goals. At the end of each quarter, you'll receive an easy-to-understand Schwab 529 Plan statement. You'll be able to check your account balance, transactions and performance. Confirmations are sent for account transactions except for automatic investments and systematic withdrawals, which are confirmed on the quarterly statement.

Tax Reporting

IRS Form 709

This form is used to report gifts to another party or to pay the tax for generation-skipping transactions. If your annual gift to a beneficiary is more than \$13,000 for any reason, you will need

to file IRS Form 709 with your tax return. You also will need to complete the form if you elect to treat a gift of up to \$65,000 (\$130,000 for spousal gifts) as being made in equal payments over a five-year period. If a new beneficiary is named for the account who is one generation younger than the current beneficiary, a federal gift tax may apply. If the new beneficiary is two or more generations younger than the current beneficiary, a generation-skipping tax may apply. We suggest you consult a tax advisor to determine if you need to file this form.

IRS Form 1099-Q

This form provides information about the withdrawals taken from the Schwab 529 Plan account during the tax year. It shows the portion of the withdrawal that is earnings and contributions as well as the gross amount of the withdrawal. In January, American Century Investments will send the Distributee, who may be the Account Owner and/or the beneficiary, a Form 1099-Q for withdrawals made payable to them from the account. You will also receive a Form 1099-Q if you completed a transfer or rollover to another state's 529 Plan during the year. Transfers and rollovers are not taxable, but the withdrawal is reportable to the IRS. If the withdrawal is payable solely to the Eligible Educational Institution or any other third party, a Form 1099-Q will be issued to the Account Owner. Use this form to complete your tax returns. Check with your tax advisor about reporting this information on your tax returns. American Century Investments will also provide the information on Form 1099-Q to the IRS.

Additional Information

Prohibited Transactions. You cannot borrow money from the account, and it cannot be used as collateral for a loan.

Modifying or Canceling an Investment. Investment instructions are irrevocable. That means that once you have mailed or otherwise transmitted your investment instructions, you may not modify or cancel them.

Financial Aid. Federal financial aid may be available to a student even if a parent or student owns a 529 account. Part of the financial aid process is to determine a student's financial need. Generally, assets owned by the parents are treated more favorably than assets owned by the student. Parents will need to include 529 assets on which they are the Account Owner as an investment in calculating their net worth on the Free Application for Federal Student Aid (FAFSA). Beginning with the 2009–2010 school year, assets in a 529 account owned by a student, or a custodian of the student, will also be considered assets of the parents. Additionally, assets held in a 529 account by someone other than the parents or student, such as grandparents, are not considered in the calculation for financial aid. Withdrawals taken from 529 accounts to pay for Qualified Education Expenses currently are not included in the income portion of the financial aid formula.

This information is only a summary and not intended as advice. You should consult with a financial aid advisor or the U.S. Department of Education's website at www.ed.gov for more information about financial aid.

Account View Access on Schwab.com. Account Owners who have an account with Schwab in addition to their Schwab 529 account can view their account at Schwab.com. This service allows Account Owners to view their account balance and portfolio information only. Account Owners cannot process transactions in their Schwab 529 accounts via Schwab.com at this time.

Overview of the Portfolios

The Schwab 529 Plan provides a range of static and age-based portfolios designed to accommodate your investment objectives, tolerance for risk and the age of your beneficiary.

Static Portfolios. There are seven different static portfolios to choose from: Aggressive, Moderately Aggressive, Moderate, Moderately Conservative, Conservative, Short-Term and Money Market. Each portfolio is reallocated annually to maintain its target asset allocation. Your contributions and any earnings will stay in your chosen portfolio until you change your selection or until the account is closed.

Age-Based Portfolios. Your beneficiary's current age and the risk track you select will determine how your account is invested. Your investment automatically migrates over time, moving through the risk tracks from more aggressive to more conservative. During the year after your beneficiary turns 18, your account will move into the Short-Term Portfolio. This portfolio is composed of 60% money market and 40% bond holdings to reduce your risk during the time when money is being withdrawn from an account for the beneficiary's Qualified Education Expenses. Transfers occur quarterly, during the months of January, April, July and October. Your account will be included in the first quarterly transfer that follows the 9th, 12th, 15th and 18th birthdays of the beneficiary of your account.

To learn more about the portfolios, please turn to pages 10–12.

Investment Strategy

The Schwab 529 Plan employs multiple investment managers to diversify across stocks, industry sectors and investment styles. Each of these professionally managed portfolios is composed of mutual funds from participants in Schwab's Mutual Fund OneSource® service, as well as Schwab Affiliate Funds.* American Century Investments, the Program Manager, in conjunction with the Program Administrator, has selected specific funds for each asset class in the portfolios to achieve the appropriate balance of risk and growth in an effort to meet target investment objectives. The selected funds come from the following companies: American Century Investments, Schwab Funds®, PIMCO Funds, Laudus Funds™ Transamerica Premier Funds, American Beacon Funds, Baron Funds® and Metropolitan West Asset Management.

The portfolios are constructed based on Schwab's asset allocation models. These models are designed to be diversified across asset classes to meet the full spectrum of investor profiles from aggressive to conservative.

Throughout the year, a portfolio will rebalance whenever its asset class allocations are outside the defined ranges. The Program Manager may reallocate portfolio holdings each year in an effort to maintain a portfolio's target asset allocation investment strategy.

The performance of each portfolio is dependent on the performance of the underlying funds and asset classes. The value of each portfolio will vary from day to day due to changes in the markets in which the funds invest.

You will own units of interest of the Schwab 529 Plan portfolio you select, not direct shares of the underlying funds. When you withdraw, your account may be worth more or less than the amount of your contributions. Accounts established under the Schwab 529 Plan and their earnings are neither insured nor guaranteed by the state of Kansas, the Kansas State Treasurer, American Century Investments or Charles Schwab & Co., Inc.

Definitions of Investment Risks

The classification of funds by risk category is based on quantitative historical measures as well as qualitative prospective measures. It is not intended to be a precise indicator of future risk or return levels. The degree of risk within each category can vary significantly, and some fund returns have historically been higher than more aggressive funds or lower than more conservative funds.

Aggressive—For long-term investors who want high growth potential and don't need current income. May entail substantial year-to-year volatility in value in exchange for potentially higher long-term returns.

Moderately Aggressive—For long-term investors who want good growth potential and don't need current income. Entails a fair amount of volatility, but not as much as a portfolio invested exclusively in stocks.

Moderate—For long-term investors who don't need current income and want some growth potential. Likely to entail some fluctuations in value, but presents less volatility than the overall stock market.

Moderately Conservative—For investors who seek current income and stability, with some modest potential for increase in the value of their investments.

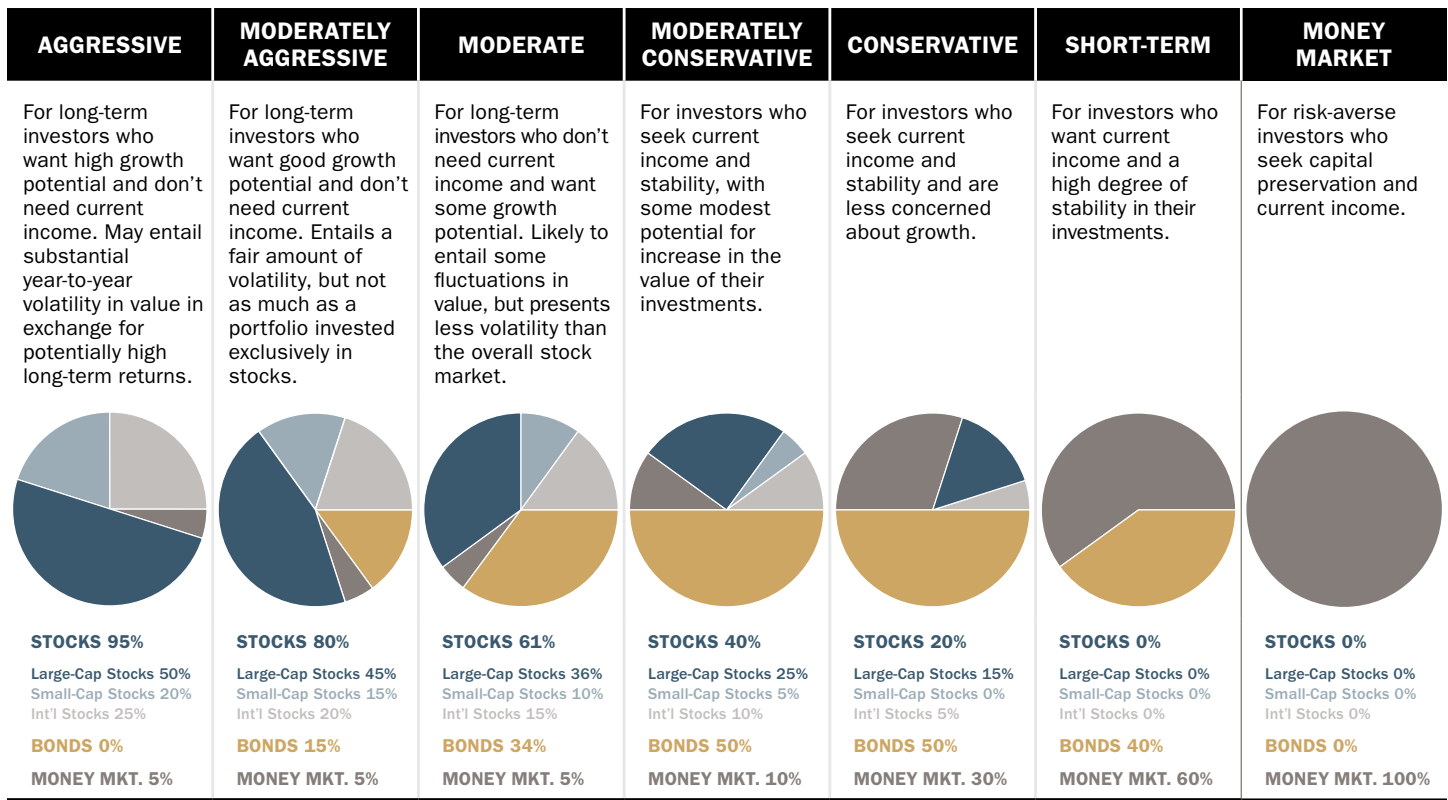
Conservative—For investors who seek current income and stability and are less concerned about growth.

Short-Term—For investors who seek current income and a high degree of stability in their investments.

Money Market—For investors who seek current income and stability of capital.

Asset Class Allocations of the Portfolios

The following chart reflects the asset class allocations for each of the Schwab 529 Plan portfolios as of July 1, 2009.



*Schwab Affiliate Funds include Schwab Funds and Laudus Funds. Schwab Funds and Laudus Funds are advised by Charles Schwab Investment Management, Inc. ("CSIM"), an affiliate of Schwab. Schwab and CSIM receive compensation from these Schwab Affiliate Funds for providing investment advisory services, as well as shareholder and other fund services. The amount of such compensation is disclosed in the prospectus for each fund. The aggregate fees that Schwab or CSIM receives from Schwab Affiliate Funds are generally greater than the remuneration Schwab receives from nonaffiliated mutual funds.

Schwab also receives remuneration from fund companies in the Mutual Fund OneSource service for recordkeeping, shareholder services and other administrative services when fund shares are held at Schwab.

Fees and Expenses

Underlying Fund Expenses. Each Schwab 529 Plan portfolio will realize its pro rata share (weighted average) of the fees and expenses of the underlying funds in which it invests. The amount of the underlying fund expense charged to a portfolio is based on the amount of each fund held and the expense ratio of that fund.

Program Management Fee. The program management fee is charged to each portfolio for expenses incurred, including the administration and management of the program. The fee is currently at an annual rate of 0.20%. It is charged against the assets of all the portfolios.

The table below provides the total fee for each of the Schwab 529 Plan portfolios. These total fees may be higher or lower depending on the percentage of the funds held by each portfolio and the actual expenses of those funds. The investment return of each portfolio will be net of the underlying fund expenses and the program management fee, as described above.

For its services in connection with the Schwab 529 Plan, Schwab will receive a portion of the program management fees deducted from the accounts excluding Schwab Affiliate Funds. Schwab's fees will be a percentage of the total assets maintained in accounts of Schwab's customers, subscribers or users of Schwab's services such as websites, email services or wireless products (collectively "Schwab customers").

American Century Investment Management Inc. receives remuneration from fund companies, including PIMCO Funds, American Beacon Funds, Baron Funds® and Metropolitan West Asset Management, for recordkeeping, shareholder services and other administrative services ("Services") associated with funds held in the Schwab 529 Plan portfolios. Schwab Funds® and Laudus Funds™ do not pay American Century any remuneration for these Services.

Fee Table

Portfolio	Underlying Fund Expense ¹	Program Management Fee	Total Fee
Aggressive	1.18%	0.20%	1.38%
Moderately Aggressive	1.11%	0.20%	1.31%
Moderate	1.03%	0.20%	1.23%
Moderately Conservative	0.92%	0.20%	1.12%
Conservative	0.72%	0.20%	0.92%
Short-Term	0.47%	0.20%	0.67%
Money Market	0.22%	0.20%	0.42%

¹ For purposes of this table, underlying fund expenses are calculated using the expense ratio of each fund, taking into account any applicable reductions due to fee waivers. Expense ratios are determined from the underlying fund's most recent shareholder report. Such expense ratios are then multiplied by the portfolio's underlying holdings as of July 1, 2009. The actual underlying fund expenses of a portfolio may vary from those shown in this table.

Additional Fee Information. A returned investment fee may be automatically deducted from your account each time one of the following occurs:

- A check has a stop payment placed on it.
- A check or electronic transfer is drawn on insufficient funds.
- A check has irregularities, including, but not limited to, a questionable signature.

The Program Manager reserves the right to charge fees for special services required for any Account Owner.

The Program Administrator reserves the right to change fees at any time. We will notify all Account Owners of fee changes in a timely manner.

The Kansas State Treasurer does not charge Account Owners any fee based on the assets held in the Program. Instead, the Kansas State Treasurer's Office annually receives \$288,750 from the Program Manager to help defray cost in administering the Program. This amount may be adjusted annually, not to exceed 5% for inflation. This payment has no relationship to the assets held in the plan or the fees charged to Account Owners by the Program Manager.

Approximate Cost of a \$10,000 Investment. The following table compares the approximate costs of investing in different types of portfolios within the Schwab 529 Plan over different time periods. Actual costs may be higher or lower.

Portfolio	1 Year	3 Years	5 Years	10 Years
Aggressive	\$141	\$438	\$756	\$1,656
Moderately Aggressive	\$134	\$416	\$719	\$1,578
Moderate	\$126	\$391	\$676	\$1,488
Moderately Conservative	\$114	\$357	\$618	\$1,363
Conservative	\$94	\$294	\$510	\$1,131
Short-Term	\$69	\$215	\$374	\$835
Money Market	\$43	\$135	\$236	\$530

The above examples assume an initial \$10,000 investment at a 5% annual rate of return, compounded annually. Your actual costs may be higher or lower. All expense rates and asset class allocations are assumed to remain the same during the duration of the periods. Additionally, the table assumes that the units are withdrawn at the end of the period shown and used for Qualified Education Expenses, and therefore do not consider the impact of any potential state or federal taxes. This hypothetical investment table does not intend to predict or project investment performance. Past performance is no guarantee of future results.

Investment Performance

The performance of each Schwab 529 Plan portfolio is measured as total return and/or yield. The fiscal year for the portfolios in this program runs from July 1 to June 30.

Performance data for the portfolios, current to the most recent month-end, is available at www.schwab.com/529.

Selecting Your Portfolio

The Schwab 529 Plan offers you a choice of static and age-based portfolios.

Whether you select a static or an age-based portfolio, the portfolio you choose will follow one of Schwab's six asset-allocation models. These models are designed to offer diversification across asset classes to accommodate all kinds of investors, from aggressive to conservative. The portfolios are composed of a variety of Schwab's Mutual Fund OneSource® and Schwab Affiliate Funds. American Century Investments, the Program Manager, in conjunction with the Program Administrator, has selected funds for each asset class in the portfolios to achieve the appropriate balance of risk and growth in an effort to meet target investment objectives.

Use the following tables to help you select the portfolio that's right for you.

Static Portfolios. Choose from six diversified portfolios: Aggressive, Moderately Aggressive, Moderate, Moderately Conservative, Conservative and Short-Term. Each portfolio is reallocated annually to maintain its target asset allocation, and contributions stay in the portfolio you choose until you change your portfolio selection or until the account is closed.

Money Market Fund Portfolio. In addition, the Schwab 529 Plan provides a portfolio that invests 100% in a money market fund as an opportunity for risk-averse investors who may be seeking stability of capital for a shorter-term time horizon.

Underlying Holdings of Schwab 529 Portfolios (as of July 1, 2009)

Underlying Funds	Aggressive	Moderately Aggressive	Moderate	Moderately Conservative	Conservative	Short-Term	Money Market
Transamerica Premier Diversified Equity Fund	17.0%	15.0%	12.0%	8.5%	5.0%		
Large Growth Total	17.0%	15.0%	12.0%	8.5%	5.0%	0.0%	0.0%
Schwab Core Equity Fund™	8.0%	7.5%	6.0%	4.0%	2.5%		
American Century Equity Growth Fund	8.0%	7.5%	6.0%	4.0%	2.5%		
Large Blend Total	16.0%	15.0%	12.0%	8.0%	5.0%	0.0%	0.0%
American Century Large Company Value Fund	11.5%	10.0%	8.0%	5.5%	3.0%		
American Beacon Large Cap Value Fund	5.5%	5.0%	4.0%	3.0%	2.0%		
Large Value Total	17.0%	15.0%	12.0%	8.5%	5.0%	0.0%	0.0%
American Century Small Cap Value Fund ¹	13.0%	10.0%	6.5%	3.0%			
Baron Growth Fund ¹	7.0%	5.0%	3.5%	2.0%			
Small-Cap Total	20.0%	15.0%	10.0%	5.0%	0.0%	0.0%	0.0%
American Century International Growth Fund ²	8.5%	7.0%	5.0%	3.5%	2.0%		
Laudus International MarketMasters Fund™ ²	16.5%	13.0%	10.0%	6.5%	3.0%		
International Total	25.0%	20.0%	15.0%	10.0%	5.0%	0.0%	0.0%
PIMCO Total Return Fund ^{3,4}		6.0%	14.0%	20.0%	20.0%	16.0%	
Metropolitan West Total Return Bond Fund™ ⁴		4.0%	8.0%	12.0%	12.0%	11.0%	
American Century Inflation-Adjusted Bond Fund ⁴			5.0%	5.0%	5.0%	3.0%	
American Century Ginnie Mae Fund ⁵		5.0%	7.0%	13.0%	13.0%	10.0%	
Bond Total	0.0%	15.0%	34.0%	50.0%	50.0%	40.0%	0.0%
Schwab Value Advantage Money Fund®	5.0%	5.0%	5.0%	10.0%	30.0%	60.0%	100.0%
Money Market Total	5.0%	5.0%	5.0%	10.0%	30.0%	60.0%	100.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Yields will fluctuate, and although the fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the fund.

¹ Historically, small-cap stocks have been more volatile than the stocks of larger, more established companies.

² Investing in international investments may involve special risks, including foreign taxation, currency risks, risks associated with possible differences in financial standards, and other monetary and political risks associated with future political and economic developments. Investing in emerging markets may accentuate these risks.

³ Use of derivatives may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk and management risk. Portfolios investing in derivatives could lose more than the principal amount invested in those instruments.

⁴ The value of portfolios that utilize bonds will be susceptible to loss of principal with increases in interest rates.

⁵ Investments in mortgage securities are subject to prepayment risks, which may result in greater share price volatility.

There is no guarantee that the investment portfolios will achieve their investment objectives. The value of your Schwab 529 Plan account will vary, and a gain or loss may occur when you withdraw money from your account. **If you are not a Kansas taxpayer, consider before investing whether your or the beneficiary's home state offers a 529 Plan that provides its taxpayers with state tax and other benefits not available through this plan.** Accounts established under the Schwab 529 Plan and their earnings are neither insured nor guaranteed by the state of Kansas, the Kansas State Treasurer, American Century Investments or Charles Schwab & Co., Inc.

American Beacon Funds are distributed by Foreside Fund Services, LLC. American Century Funds are distributed by American Century Investment Services, Inc. Baron Funds are distributed by Baron Capital, Inc. Metropolitan West Funds are distributed by PFPC Distributors, Inc. PIMCO Funds are distributed by Allianz Global Investors Distributors LLC. Schwab Funds® and the Laudus MarketMasters Funds® are distributed by Charles Schwab & Co., Inc. Transamerica Premier Funds are distributed by Transamerica Capital, Inc.

Age-Based Portfolios. Choose from four risk tracks based on your risk tolerance, ranging from Aggressive to Moderately Conservative. The track you select and the age of the beneficiary then determine how your assets are invested. The age-based tracks will automatically migrate through one or more of the six diversified portfolios.

For investors with a conservative profile, an age-based portfolio is not available. You may prefer to invest in the Conservative Static Portfolio.

For investors with children age 18 or older, an age-based portfolio is not available. You may prefer to invest in the Short-Term Static Portfolio.

The table below shows the age-based portfolios and the corresponding age brackets. After your beneficiary reaches a new age bracket, your account will be transferred into the corresponding portfolio as shown below. The transfers will occur in the months of January, April, July and October. Example: Your beneficiary is age 7 and born in February. If you select the Aggressive Risk Track, your account will be invested in the Aggressive Portfolio when you open your account. The April after your beneficiary turns age 9 (the first age-based transfer after your beneficiary's birthday), your account will be transferred to the Moderately Aggressive Portfolio, and so on.

Please call if you would like more information regarding the schedule of when your account will transfer. We will not adjust the schedule based on market conditions. You will not be notified prior to when your account will be transferred; however, you will receive a confirmation in the mail after the transfer is complete.

Age-Based Tracks									
Years of Funding (based on current age of beneficiary)	10 Years or More		7-9 Years		4-6 Years		1-3 Years		After College Starts
Age of Child	8 Years Old or Younger		9-11 Years Old		12-14 Years Old		15-17 Years Old		18 Years Old or Older
Risk Track									
Aggressive	Aggressive	→	Moderately Aggressive	→	Moderate	→	Moderately Conservative	→	Short-Term
Moderately Aggressive	Moderately Aggressive	→	Moderately Aggressive	→	Moderate	→	Conservative	→	Short-Term
Moderate	Moderate	→	Moderately Conservative	→	Moderately Conservative	→	Conservative	→	Short-Term
Moderately Conservative	Moderately Conservative	→	Moderately Conservative	→	Moderately Conservative	→	Conservative	→	Short-Term

Right to Change Investment Guidelines

The Program Administrator and American Century Investment Management, Inc., have agreed to the investment guidelines that are detailed in this Guide.

The guidelines may be changed from time to time by the Program Administrator in consultation with American Century Investment Management, Inc., if investment conditions indicate that such changes would be beneficial and accomplish the purpose of the program. The underlying funds in the portfolios are subject to change by the Program Administrator or in the event that the relationship between the parties is terminated.

Change of Program Manager and Program Investments

Upon the expiration or early termination of the management agreement with American Century Investment Management Inc., the Program Administrator shall determine how the assets of the program and each portfolio will be invested and has the ability to select another Program Manager. The current contract runs through June 30, 2012.

Descriptions of Underlying Mutual Funds

The Schwab 529 Plan portfolios invest in a variety of mutual funds. The funds in which a portfolio may invest are described below. For complete information about a fund's investment strategy and risk factors, you may request a fund prospectus.

You should consider a fund's investment objectives, risks, charges and expenses carefully before you invest. A prospectus contains this and other information about a fund, and should be read carefully before investing. You may request prospectuses for the funds held by the portfolios by calling Schwab at 1-800-435-4000.

Fund	Objective	Investment Strategy	Risk Factors
American Century			
American Century Large Company Value Fund	Large Company Value seeks long-term capital growth. Income is a secondary objective.	The fund invests primarily in stocks of larger, well-established companies that appear to be undervalued at the time of purchase. Under normal market conditions, the fund will have at least 80% of its assets invested in U.S. equity securities of issuers ranking generally among the 1,000 largest companies in the U.S., as measured by their market capitalization. Attempts to remain fully invested.	Moderate—moderate return potential with moderate price fluctuation.
American Century Small Cap Value Fund	Small Cap Value seeks long-term growth. Income is a secondary objective.	Under normal market conditions, the fund invests at least 80% of its assets in companies with a market capitalization no larger than that of the largest company in the S&P Small Cap 600 Index or the Russell 2000® Index. Managers seek companies whose stock prices may not adequately reflect the companies' value and hold them until they reach a level that more accurately reflects the fair value.	Aggressive—smaller-sized companies may present greater opportunities for capital appreciation, but also may involve greater risks than larger companies. As a result, the value of stocks issued by smaller companies may go up and down more than stocks of larger issuers.
American Century Equity Growth Fund	Equity Growth seeks long-term capital growth by investing in common stocks.	The fund stock-selection process utilizes quantitative management techniques, drawing heavily on computer modeling technology, combining value and growth characteristics. The fund targets stocks that management believes will have higher overall return potential than the S&P 500®. The fund typically invests in larger-sized companies, although it may own stocks in smaller companies.	Moderate—moderate return potential with moderate price fluctuation.
American Century International Growth Fund	International Growth seeks capital growth.	The fund invests primarily in securities of companies located in at least three developed countries worldwide (excluding the United States). Under normal market conditions, the fund identifies foreign companies with accelerating earnings and revenues.	Aggressive—high return potential with corresponding high price fluctuation. Foreign investing, especially in emerging markets, involves special risks, including currency fluctuations, economic instability and political developments.
American Century Ginnie Mae Fund	Ginnie Mae seeks high current income, while maintaining liquidity and safety of principal.	The fund invests at least 80% of its assets in mortgage-backed securities issued by the Government National Mortgage Association and may also invest in other U.S. government agencies.	Conservative—low return potential with low price fluctuation.
American Century Inflation-Adjusted Bond Fund	Inflation-Adjusted Bond seeks total return and inflation protection consistent with investment in inflation-indexed securities.	The fund invests at least 80% of its assets in inflation-adjusted debt securities issued by the U.S. government or its agencies or instrumentalities and other non-U.S. government entities such as corporations.	Conservative—low return potential with low price fluctuation.
Schwab Funds®			
Schwab Core Equity Fund™	Core Equity seeks long-term capital growth.	The fund invests in a variety of large-cap U.S. stocks. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large-cap. The blend style is assigned to funds where neither growth nor value characteristics predominate.	Moderate—moderate return potential with moderate price fluctuation.
Schwab Value Advantage Money Fund®	Value Advantage seeks current income and stability of capital.	The fund invests in high-quality, short-term money market investments. In choosing securities, the fund's manager seeks to maximize current income within the limits of the fund's credit, maturity and diversification policies.	Conservative—low return potential with low price fluctuation.

Fund	Objective	Investment Strategy	Risk Factors
Laudus Funds®			
Laudus International MarketMasters Fund™	International MarketMasters Fund seeks long-term capital appreciation by using a multi-manager strategy.	The fund normally invests a substantial amount of its assets in equity securities of companies outside the U.S. The fund expects to invest in companies across market capitalization ranges. The fund typically focuses on developed markets but may invest in companies from emerging markets as well.	Aggressive—high return potential with corresponding high price fluctuation. There are risks associated with investing in foreign companies, such as erratic market conditions, economic and political instability and fluctuations in currency and exchange rates. Investing in emerging markets accentuates these risks.
Transamerica Corporation			
Transamerica Premier Diversified Equity Fund	Premier Diversified Equity Fund seeks to maximize capital appreciation.	The fund invests primarily in securities of companies that have strong earnings and cash flows to foster future growth. The securities in the fund may include common and preferred stocks, warrants and corporate debt securities.	Moderate—moderate return potential with moderate price fluctuation.
PIMCO			
PIMCO Total Return Fund	Total Return Fund seeks to achieve its investment objective by investing primarily in high-quality, intermediate-maturity fixed income securities.	Seeks to accelerate the fund's objective through investment in a portfolio that consists primarily of intermediate-term, investment-grade bonds and has an average portfolio duration within two years (plus or minus) of the Barclays Capital Aggregate Bond Index.	Moderate—moderate return potential with moderate price fluctuation.
Baron Funds®			
Baron Growth Fund	Growth Fund seeks capital appreciation through long-term investments primarily in the securities of small-growth companies.	The fund invests primarily in common stocks of smaller-growth companies selected for their capital appreciation potential. A small-sized company is defined as having a market value of under \$2.5 billion at the time of purchase.	Aggressive—smaller-sized companies may present greater opportunities for capital appreciation, but also may involve greater risks than larger companies. As a result, the value of stocks issued by smaller companies may go up and down more often than stocks of larger issues.
American Beacon Funds			
American Beacon Large Cap Value Fund	Large Cap Value Fund is a multi-manager fund that seeks long-term capital appreciation and current income primarily through investment in large-market-capitalization U.S. stocks.	Ordinarily, at least 80% of the fund's net assets are invested in equity securities of large-market-capitalization U.S. companies. These companies generally have market capitalizations similar to the market capitalization of the companies in the Russell 1000® Index at the time of investment.	Moderate—moderate return potential with moderate price fluctuation.
Metropolitan West Total Return Bond Fund			
Metropolitan West Total Return Bond Fund	Total Return Bond Fund seeks to maximize long-term total return.	The fund invests in a diversified portfolio of fixed-income securities of varying maturities issued by domestic and foreign corporations and governments with a portfolio duration of two to eight years.	Moderate—moderate return potential with moderate price fluctuation.

PART 2

Schwab 529 College Savings Plan Participation Agreement

Article 1—Introduction

The person or persons signing the accompanying Application hereby agree to participate in the Program and be subject to the terms and conditions of this Participation Agreement (“Agreement”), the Program and the Act.

The Account Owner’s participation shall be effective when the completed and fully executed Application is received and accepted by the Program Manager.

Accounts established under the Kansas Postsecondary Education Savings Program and their earnings are neither insured nor guaranteed by the state of Kansas, the Kansas State Treasurer or the Program Manager.

Article 2—Definitions

As used in the Agreement, the following terms shall have the meaning hereinafter set forth, unless a different meaning is plainly required by the context:

2.1 “Account” means an individual savings account established by the Account Owner for the Designated Beneficiary in accordance with the provisions of the Act and the Code.

2.2 “Account Owner” means the person or persons who enter into this Participation Agreement pursuant to the Act and who retain ownership of the Account. An Account Owner shall include a successor Account Owner and may also be the Designated Beneficiary of the Account. In the event more than one person is an Account Owner, any action directed by the Account Owners must be approved by all of the Account Owners, unless the Account Owners have agreed in writing, with the approval of the Program Manager, to the contrary.

2.3 “Act” means Sections 75–640 through 648 of the Kansas Statutes Annotated as amended and any regulations promulgated thereunder.

2.4 “Application” means the application by which this Participation Agreement, as amended from time to time, is accepted by the Account Owner. The statements contained therein shall be incorporated into this Participation Agreement.

2.5 “Code” shall mean the Internal Revenue Code of 1986 as amended from time to time and any regulations promulgated thereunder.

2.6 “Designated Beneficiary” means, with respect to an Account, the individual designated at the time the Account is established as the individual whose Qualified Higher Education Expenses are expected to be paid from the Account or, in the case of a change in beneficiaries, the individual who is the successor Designated Beneficiary. An Account Owner can be the Designated Beneficiary. If no Designated Beneficiary is named at the time an Account is established by a state or local government or any other organization exempted from such requirement under the Act, the Designated Beneficiary shall be each individual who receives a scholarship from such Account.

2.7 “Maximum Account Balance” means the account balance limit for contributions as determined annually by the Treasurer.

2.8 “Member of the Family” means an individual as defined in Section 529 of the Code.

2.9 “Program” means the Kansas Postsecondary Education Savings Program established pursuant to the Act.

2.10 “Program Manager” means American Century Investment Management, Inc., or any successor.

2.11 “Qualified Higher Education Expense” means any qualified higher education expense as defined in Section 529 of the Code.

2.12 “Responsible Individual” means the person or persons acting on behalf of a Designated Beneficiary who is an Account Owner and who has not attained the age of majority under laws of the state in which the Designated Beneficiary is a resident.

2.13 “Rollover” means a Rollover distribution as defined in Section 529 of the Code.

2.14 “Treasurer” means the Treasurer of the state of Kansas.

2.15 “Trust” means the trust fund established under the Act and held and administered by the Treasurer under the Program.

Article 3—Contributions

3.1 Receipt of Contributions. Contributions to the Account may be made by the Account Owner or any other person or entity. All contributions to the Account shall be made in cash. The Program Manager shall accept and hold in the Account such contributions as it may receive from time to time and shall invest such contributions on behalf of the Account Owner. Restrictions, including limitations as to the amount of contributions and method for making contributions, may be imposed by the Program Manager.

3.2 Rollover and Transfer Contributions. All or any portion of a tuition program qualified under Section 529 of the Code may be rolled over, in cash, to the Account, in a form or manner acceptable to the Program Manager. Similarly, all or any portion of another investment option, including a Coverdell Education Savings Account described in Section 530 of the Code or a qualified U.S. Savings Bond described in Section 135 of the Code, authorized under the Code for transfer to a qualified tuition program established under Section 529 of the Code, may be transferred in cash to the Account, in a form and manner acceptable to the Program Manager. In accepting or making any such transfer or Rollover, the Treasurer and the Program Manager assume no responsibility for the tax consequences of the transfer or Rollover. The Program Manager and the Treasurer will not be responsible for any losses that may be incurred as a result of the timing of any transfer or Rollover from or to a tuition program that are due to circumstances reasonably beyond the control of the Program Manager.

3.3 Contribution Limits. A contribution may not be made to an Account if it would cause the Maximum Account Balance to be exceeded. The Program Manager will make this determination by adding the aggregate Account balances for a Designated Beneficiary under the Program as of a date specified by the Treasurer plus all contributions made for a Designated Beneficiary since that date less all withdrawals, Rollover distributions and transfers from the Accounts since that date. If any contribution is received by the Program Manager for any Designated Beneficiary that, when added to the amount determined in the preceding sentence, would exceed the Maximum Account Balance, that portion of the contribution that would constitute the excess shall be returned. If, at any time, cumulative contributions for a Designated Beneficiary exceed the Maximum Account Balance, the Program Manager will notify the Account Owner of such excess contribution and solicit instructions for its removal. If the Account Owner does not direct a withdrawal or Rollover

distribution of the excess contribution within 30 days of such notice, the Program Manager shall process a withdrawal of the excess contribution adjusted for any gain or loss attributable to the period it has been held in the Account. The proceeds of the withdrawal shall be forwarded to the Account Owner.

Article 4—Designated Beneficiary

4.1 Designation of Beneficiary. The Account Owner shall specify a Designated Beneficiary, which can be an Account Owner, of the Account on the Application, unless the Account Owner is an organization exempted from this requirement under the Act. The Account Owner may change the current Designated Beneficiary on an Account at any time to a successor Designated Beneficiary provided the successor is a Member of the Family of the Designated Beneficiary. Such change of Designated Beneficiary must be submitted in writing on a form provided or approved by the Program Manager and shall be effective upon receipt and approval by the Program Manager.

4.2 Designated Beneficiary as Account Owner. In the event the Designated Beneficiary has not attained the age of majority under laws of the state in which the Designated Beneficiary is a resident at the time the Designated Beneficiary becomes an Account Owner, an adult shall complete an Application on behalf of the Designated Beneficiary for the purpose of establishing or maintaining the Account. The person executing the Application on behalf of the minor will be designated the “Responsible Individual” and shall exercise all the rights, powers and duties of the Account Owner with respect to administration, management and distribution of the Account until the Designated Beneficiary attains the age of majority, including (but not limited to) choosing an investment strategy, directing withdrawals and designating successor Account Owners and successor Responsible Individuals. Until the Designated Beneficiary attains the age of majority, the Designated Beneficiary shall have no authority with respect to the administration, management, designation of successor Account Owners or withdrawals from the Account. The Program Manager may rely on any instruction or direction made by the Responsible Individual and shall deliver all required notices or documents to the Responsible Individual. When the Designated Beneficiary attains the age of majority, the Designated Beneficiary shall automatically assume full control of the Account and the Responsible Individual shall have no further right, power or duty to act upon the Account.

If the Responsible Individual becomes incapacitated or dies before the Designated Beneficiary has attained the age of majority under laws of the state in which the Designated Beneficiary is a resident, the successor Responsible Individual shall be the person named to succeed in that capacity by the preceding Responsible Individual in a written designation filed with the Program Manager. If no successor is so named, the successor Responsible Individual shall be the surviving parents of the Designated Beneficiary or, if no parent shall survive the Designated Beneficiary, the guardian, conservator or other legal representative, wherever appointed, of the Designated Beneficiary. Evidence satisfactory to the Program Manager of the death or disability of the Responsible Individual must be provided.

In the event more than one person serves as a Responsible Individual for an Account, any action directed by the Responsible Individuals must be approved by all of the Responsible Individuals, unless the Responsible Individuals have agreed in writing, with the approval of the Program Manager, to the contrary.

Article 5—Investments

5.1 Investment Selection. When an Account is established, the Account Owner will designate one of the investment options offered by the Program for the Account. The Program Manager shall invest all contributions in the investment option designated by the Account Owner. The Account Owner may change the investment option subject to any restrictions imposed by the Code, the Act or any regulations promulgated thereunder.

5.2 Statements. The Program Manager will provide to the Account Owner periodic statements reflecting the value of the Account, contributions, withdrawals and any other transactions in the Account during the period. Unless the Account Owner sends the Program Manager written objection to the report within thirty (30) days of receipt, the Account Owner shall be deemed to have approved such report, and the Program Manager, the Treasurer and the state of Kansas, their officers, employees, attorneys and agents shall be forever released and discharged from all liability and accountability to anyone with respect to all matters covered by the statement.

Article 6—Withdrawals

6.1 Withdrawals. Only the Account Owner can request a withdrawal from the Account at any time and from time to time. The Program Manager shall process each such request upon receipt of a completed withdrawal request, in a form approved by and acceptable to the Program Manager. The Designated Beneficiary, unless he or she is also the Account Owner, cannot direct a withdrawal from the Account. The Account Owner may, subject to any restrictions imposed by the Program Manager, direct the Program Manager to distribute any withdrawals from the Account directly to any person, corporation, university, college or any other entity. Anything herein to the contrary notwithstanding, the Program Manager is empowered to make a distribution absent such instruction from the Account Owner if directed to do so pursuant to a court order and the Program Manager shall, in such event, incur no liability for acting in accordance with such court order.

6.2 Rollover Withdrawal. All or any portion of the Account may be rolled over to a tuition program qualified under Section 529 of the Code, if so directed by the Account Owner, and in a form or manner acceptable to the Program Manager. In accepting or making any such transfer, the Treasurer and the Program Manager assume no responsibility for the tax consequences of the Rollover. The Program Manager will not be responsible for any losses the Account Owner may incur as a result of the timing of any transfer from or to a tuition program that are due to circumstances reasonably beyond the control of the Program Manager.

Article 7—Change of Account Owner

7.1 Change of Account Ownership. Account ownership may be transferred to another eligible person or persons, without penalty, with the consent of the Account Owners. Such request must be submitted in writing on a form provided or approved by the Program Manager, shall be effective upon receipt and approval by the Program Manager, and must be accompanied by an Application completed by the new Account Owner.

7.2 Designation of Successor Account Owner. The Account Owner may designate, on the Application, any person or persons, including the Designated Beneficiary, as the successor Account Owner of the Account. Any such designation may be revoked by the Account Owner at any time, and shall be automatically

revoked upon receipt by the Program Manager of a subsequent designation in a valid form bearing a later execution date. The designation and any subsequent designation must be submitted in writing on a form provided or approved by the Program Manager, and shall be effective upon receipt and approval by the Program Manager. This right of designation shall extend to the successor Account Owner in the event the successor Account Owner becomes the Account Owner under Section 7.3.

7.3 Death of an Account Owner Prior to the Distribution of the Entire Account. In the event an Account Owner dies, the ownership of the Account shall fully vest in the remaining Account Owners of the Account. If there is no surviving Account Owner, the ownership of the Account shall vest in the successor Account Owner designated by the Account Owner. If there is no surviving Account Owner or successor Account Owner or if the successor Account Owner disclaims ownership in the Account, ownership of the Account shall fully vest in the Designated Beneficiary. If the Designated Beneficiary becomes a successor Account Owner due to the death of the Account Owner and has not attained the age of majority under laws of the state in which the Designated Beneficiary is a resident at such time, the Account shall be administered, as provided in Section 4.2, by the Responsible Individual. In such event, the Responsible Individual shall be the surviving parents of the Designated Beneficiary or, if no parent shall survive the Designated Beneficiary, the guardian, conservator or other legal representative, wherever appointed, of the Designated Beneficiary. In any event, evidence satisfactory to the Program Manager of the death of such persons must be provided.

7.4 Transfer on Divorce. All or a portion of an Account Owner's interest in the Account may be transferred to a new Account established by a spouse or former spouse pursuant to a decree of divorce or separate maintenance agreement or a written instrument incident to such a decree, in which event the transferred portion shall be held as a separate Account. In any event, evidence satisfactory to the Program Manager of the divorce or separation may be required.

Article 8—Amendment and Termination

8.1 Amendment. The Program Manager, with the consent of the Treasurer, reserves the right to amend this Agreement, in whole or in part, to meet the requirements of the Code, the Act or for any other purpose. Any such amendments may be retroactively effective if such amendment is necessary to conform the Agreement to, or satisfy the conditions of, any law, governmental regulation or ruling and to permit the Agreement to meet the requirements of the Code or Act. The Program Manager shall furnish a notice of any such amendment to the Account Owner.

8.2 Termination. The Program Manager may terminate an Account and distribute the balance of such Account if it shall determine that (a) the Account Owner or the Designated Beneficiary has provided false, fraudulent or misleading information or made a material misrepresentation to the Program Manager, the Treasurer or an institution of postsecondary education as defined in the Act or (b) the Account balance does not meet the minimum balance criteria established by the Program Manager. The Program Manager, with the consent of the Treasurer, reserves the right to terminate or suspend this Agreement, the Trust and the Program at any time. Nothing contained in the Agreement or the

Program shall be construed as an agreement or representation by the Treasurer or the Program Manager that either will continue to maintain this Agreement, the Trust or the Program indefinitely.

Article 9—Miscellaneous

9.1 Fees. All taxes or penalties of whatever kind or character that may be imposed, levied or assessed upon or in respect to an Account or the Program Manager in its capacity as such; all expenses incurred by the Program Manager in the performance of its duties hereunder, including fees of attorneys and other persons engaged by the Program Manager for service in connection with an Account; and all fees and other compensation of the Program Manager for its services hereunder, according to the schedule in effect from time to time, shall be deducted from the Account by the Program Manager.

9.2 Loans. No Account or any portion thereof may be used as collateral or pledged as security for a loan. Any such assignment shall have no force or effect. Similarly, an Account Owner or Designated Beneficiary may not borrow, assign or transfer any assets in an Account, except as provided in this Agreement.

9.3 Minors. If a distribution is payable to a person known by the Program Manager to be a minor or otherwise under a legal disability, the Program Manager may, in its absolute discretion, make all or any part of the distribution to (a) a parent of such person, (b) the guardian, committee or other legal representative, wherever appointed, of such person, (c) a Custodial account established under a Uniform Gift to Minors Act, Uniform Transfer to Minors Act or similar act, (d) any person having control or custody of such person, (e) the Responsible Individual, or (f) to such person directly.

9.4 Applicable Law. Except as otherwise provided herein, all questions arising with respect to the Program and this Agreement shall be determined by application of the laws of the state of Kansas except to the extent the Code or any other federal statutes supersede Kansas law.

9.5 Exclusive Benefit. At no time shall it be possible for any part of an Account to be used for, or diverted to, purposes other than for the exclusive benefit of the Account Owner or the Designated Beneficiary, except as specifically provided in this Agreement.

9.6 Scope of Liability. The Treasurer, the state of Kansas and the Program Manager shall not be responsible in any way for determining the appropriateness of contributions; the amount, character, timing, purpose, propriety of any distribution or withdrawal; or any other action or non-action taken at the Account Owner's request. The Account Owner and Designated Beneficiary shall at all times fully indemnify and save harmless the Treasurer, the state of Kansas, the Program Manager, and their officers, agents, employees, affiliates, successors and assigns from and against any and all liability, loss, damage or expense, including attorneys' fees, which may arise in connection with the Program, except liability arising from the gross negligence or willful misconduct of the Treasurer or the Program Manager.

The Program Manager shall be under no duty to take any action other than as herein specified with respect to an Account unless the Account Owner shall furnish the Program Manager with instructions in proper form and such instructions shall have been specifically agreed to by the Program Manager in writing; or

to defend or engage in any suit with respect to an Account unless the Program Manager shall first have agreed in writing to do so and shall have been fully indemnified to the satisfaction of the Program Manager.

The Program Manager may conclusively rely upon and shall be protected in acting upon any order from the Account Owner or any other notice, request, consent, certificate or other instrument or paper believed by it to be genuine and to have been properly executed, and so long as it acts in good faith, in taking or omitting to take any other action. Any such order or notification shall be provided in writing on an original document or, at the Program Manager's discretion, may be provided by a copy thereof reproduced through photocopying, facsimile transmission or electronic transmission. For this purpose, the Program Manager may (but is not required to) give the same effect to a verbal instruction as it gives to a written instruction, and the Program Manager's action in doing so shall be protected to the same extent as if such verbal instructions were, in fact, a written instruction. The Program Manager shall not be obliged to determine the accuracy or propriety of any such directions and shall be fully protected in acting in accordance therewith. If instructions are received that, in the opinion of the Program Manager, are unclear, or are not given in accordance with the Program and this Agreement, the Program Manager shall not be liable for loss of income, or for appreciation or depreciation in an Account's value during the period preceding the Program Manager's receipt of written clarification of the instructions. Although the Program Manager shall have no responsibility to give effect to a direction from anyone other than the Account Owner or Responsible Individual, the Program Manager may, in its discretion, establish procedures pursuant to which the Account Owner or Responsible Individual may delegate to a third party, any and all of the Account Owner's or Responsible Individual's powers and duties hereunder, provided, however, that in no event may anyone other than the Account Owner or Responsible Individual execute the Application by which this Agreement is adopted or the form by which the Designated Beneficiary, successor Account Owner or successor Responsible Individual is designated.

The establishment of an Account under the Program does not guarantee that any Designated Beneficiary will be accepted as a student by or will be graduated from any institution of postsecondary education or be treated as a Kansas state resident for tuition purposes.

9.7 Appointment of Agent. The Program Manager may appoint agents, including American Century Services Corporation and its affiliates, and persons in their employ, to perform its ministerial acts hereunder, including, but not limited to, the acceptance and investment of contributions to the Account, acceptance of transfers from other tuition programs, maintenance of Account records, filing of any federal or state required information returns, maintenance of beneficiary and successor designations, collection and remittance of the Program Manager's fees, any taxes or penalties and payment of distributions.

9.8 Judicial Determination. Anything to the contrary herein notwithstanding, in the event of reasonable doubt respecting the proper course of action to be taken, the Program Manager may in its sole and absolute discretion resolve such doubt by judicial determination which shall be binding on all parties claiming any interest in the Account. In such event, all court costs, legal expenses, reasonable compensation of time expended by the Program Manager in its duties, and other appropriate and pertinent expenses and costs, shall be collected by the Program Manager from the Account.

9.9 Nomenclature. Titles of articles and division into sections are for general information and convenience of reference and are to be ignored in any construction of the provisions hereof. As used herein, the masculine shall include the feminine and the singular, the plural in all cases in which such meanings would be appropriate.

9.10 Binding Agreement. This Agreement shall be binding upon the Account Owner, Responsible Individual, Designated Beneficiary, their heirs, executors or administrators, and upon any person to whom any Account Owner, Responsible Individual or Designated Beneficiary has attempted to make an assignment contrary to the provisions hereof.

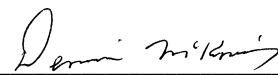
9.11 Notices. Any notice sent from the Program Manager to the Account Owner, Responsible Individual or Designated Beneficiary shall be effective when sent by mail, special delivery or electronic transmission.

9.12 Severability. If any part or parts of this Agreement shall be held to be void or unenforceable, such part or parts shall be treated as severable, leaving valid the remainder of this Agreement notwithstanding the part or parts found to be void or unenforceable.

IN WITNESS WHEREOF, this instrument has been executed on behalf of the state of Kansas.

State of Kansas

Office of the Treasurer

By:  _____

Dennis McKinney, Kansas State Treasurer