

TERMS AND CONDITIONS

SECTION 1: DEFINITIONS

1.01 “ABLE Account” means the same as that term is defined in Section 529A of the Code. [Current Internal Revenue Code guidance may be inserted as applicable.]

1.02 “Account” means an account in the Program established pursuant to an Agreement.

1.03 “Account Balance” means the amount remaining in an Account after accounting for contributions, earnings, distributions, and fees.

1.04 “Account Fee” means the maintenance fee automatically deducted from the Account Balance on a monthly basis.

1.05 “Additional Tax” means the same as that term is defined in Section 529A of the Code, which applies a 10% additional tax to the portion of the earnings included in any Non-Qualified Distribution. The Additional Tax also may apply to a state income tax calculation.

1.06 “Agent” means the individual who is authorized under a power of attorney, court order, or state law to act on behalf of the Beneficiary.

1.07 “Agreement” means the complete and exclusive statement of agreement between the Administrator and Florida ABLE, Inc. The Agreement consists of the Application, these Terms and Conditions, and Participation Agreement, each as amended from time to time by Florida ABLE, Inc. to comply with Federal laws and regulations and the Florida Legislature’s grant of authority under Sections 1009.986(1) and 1009.986(4), including subparts, through the rulemaking process as more fully described in Section 120.54, Florida Statutes. The Agreement supersedes any prior agreement, oral or written, and any other communications between the parties concerning the Program and Account.

1.08 “Application” means the form authorized by the Board to collect the information specified in Rule 19B-18.002, Florida Administrative Code, to open an Account in the Program.

1.09 “Beneficiary” means “designated beneficiary” as that term is defined in both Section 1009.986, Florida Statutes, and Section 529A of the Code and is the individual designated on the Application as the “beneficiary.” The Beneficiary must be a United States citizen, or a resident alien, with a valid Social Security Number.

1.10 “Board” means the Florida Prepaid College Board.

1.11 “Business Day” means a day other than a Saturday, Sunday or a holiday observed by the state or financial market.

1.12 “Certification” means a verification made under penalties of perjury by a person authorized to make such a

verification.

1.13 “Code” means the Internal Revenue Code of 1986, as amended.

1.14 “Comprehensive Investment Plan” means the [Name of the Comprehensive Investment Plan for the Florida ABLE Program] adopted by Florida ABLE, Inc., and approved by the Board, pursuant to Section 1009.986, Florida Statutes, which specifies the investment policies of the Program. Florida ABLE, Inc., retains the authority to amend the investment policies at any time, subject to approval by the Board.

1.15 “Custodian” means an Agent or Parent who is authorized to act on behalf of the Beneficiary who is unable, or chooses not to, exercise signature authority over the Account. A Custodian neither has, nor may acquire, any beneficial interest in the Account.

1.16 “Date of Establishment” means the earlier of: (a) the date of the Application acceptance; or (b) in the case of a Rollover Contribution for the same Beneficiary, the earliest date the former ABLE Account was established in the Qualified ABLE Program.

1.17 “Disability Certification” means the same as that term is defined in Section 529A of the Code. [Current Internal Revenue Code guidance may be inserted as applicable.]

1.18 “Eligible Individual” means the same as that term is defined in Section 529A of the Code. [Current Internal Revenue Code guidance may be inserted as applicable.] A Certification [and any additional documentation required by the IRS] is required to demonstrate that the Beneficiary is an Eligible Individual.

1.19 “Excess Contribution” means the same as that term is defined in Section 529A of the Code. [Current Internal Revenue Code guidance may be inserted as applicable.]

1.20 “Existing Balance Allocation” means the current allocation of the Account Balance to each Investment Option. [The Existing Balance Allocation may fluctuate as a result of, but not limited to, relative performance of selected Investment Options and the Future Contribution Allocation selected.]

1.21 “Future Contribution Allocation” means the allocation of new contributions to each Investment Option.

1.22 “Investment Administration Fee” means the maintenance fee which is automatically deducted from the Account Balance on a daily basis.

1.23 “Investment Options” means the options offered in accordance with the Comprehensive Investment Plan. Florida ABLE, Inc., and the Board each retain the authority to close or not offer any of the Investment Options at any time.

1.24 “Maximum Account Balance Limit” means the limit on the total value of the ABLE Account.

1.25 “Maximum Annual Contribution Limit” means the calendar year limit on the contributions to all Qualified ABLE Programs for the Beneficiary.

1.26 “Member of the Family” means the same as that term is defined in Section 529A of the Code. [Current Internal Revenue Code guidance may be inserted as applicable.]

1.27 “NAV” means the net asset value per Trust Unit and is calculated at the time when trading closes on the New York Stock Exchange by dividing the value of each respective Investment Option’s assets less its liabilities including, without limitation, the Investment Administration Fee, by the number of outstanding Trust Units of that Investment Option.

1.28 “Non-Qualified Distribution” means a distribution from the Account other than for: (a) Qualified Disability Expenses; (b) a change of Beneficiary; or (c) Rollover Distributions. The earnings portion of the distribution may be subject to state and federal income taxes and the Additional Tax.

1.29 “Parent” means the same as that term is defined in Section 1000.21(5), Florida Statutes. [Current language or guidance may be inserted as applicable.]

1.30 “Program” means the Florida ABLE Program which is established under Section 1009.986, Florida Statutes, and marketed as the [DBA of the Florida ABLE Program]. The Florida ABLE Program is a Qualified ABLE Program.

1.31 “Program Description” means the document published periodically by Florida ABLE, Inc., which contains information, as updated from time to time, about the Program, Investment Options, and risks for the Administrator to consider before opening an Account and during the duration of the Agreement.

1.32 “Qualified ABLE Program” means the same as that term is defined in Section 529A of the Code. [Current Internal Revenue Code guidance may be inserted as applicable.]

1.33 “Qualified Disability Expenses” means the same as that term is defined in Section 529A of the Code. [Current Internal Revenue Code guidance may be inserted as applicable.]

1.34 “Qualified Distribution” means a distribution from the Account that is used to pay the Qualified Disability Expenses of the Beneficiary.

1.35 “Request” means an authorization, which includes all necessary information required by the Program, submitted either online at [website of the Florida ABLE Program] or in writing by the Beneficiary or Administrator.

1.36 “Resident” means an individual who is domiciled presently in [list of participating states].

1.37 “Rollover Contribution” means the distribution of funds and transfer of information from a Qualified ABLE Program for the purpose of contributing to the Program, as authorized by Section 529A of the Code. [Current Internal Revenue Code guidance may be inserted as applicable.]

1.38 “Rollover Distribution” means a distribution of funds and transfer of account information from the Account for the purpose of contributing to another Qualified ABLE Program, as authorized by Section 529A of the Code. [Current Internal Revenue Code guidance may be inserted as applicable.]

1.39 “Trade Date” means the Business Day on which a NAV is applied to process a contribution or distribution transaction for the Account. If a contribution or distribution is requested after the close of trading on the New York Stock Exchange, or on a day other than a Business Day, the NAV for the next Business Day is applied to the transaction.

1.40 “Trust Units” means the share of assets held by the Program for a Beneficiary with respect to a particular Investment Option.

SECTION 2: PARTICIPATION IN THE PROGRAM

2.01 General Requirements of an ABLE Account.

(a) An ABLE Account may be established for the purpose of paying the Qualified Disabilities Expenses of the Beneficiary.

(b) The Beneficiary must be a Resident at the time of Application submission. However, the Beneficiary may continue to maintain the Account if the Beneficiary subsequently changes his or her residence to another state.

(c) The Beneficiary may have only one ABLE Account at a time. If an ABLE Account is established for a Beneficiary who already has an ABLE Account in existence, the additional account will not be treated as an ABLE Account. The exception is a rollover where the ABLE account from which the funds were rolled is closed within 60 days. The Program may disclose the existence of an Account for the Beneficiary as necessary to enforce this requirement.

(d) Any person may make a contribution to the Account as described in Section 6: Contributions.

(e) Distributions may be made only to, or for the benefit of, the Beneficiary. The exceptions are: (1) a change of Beneficiary; (2) the return or rejection of a contribution to a contributor; and (3) repayment of state Medicaid benefits.

2.02 Enrollment.

(a) An Eligible Individual may apply for participation in the Program by submitting an Application.

(b) An Agent or Parent may submit the Application on behalf of the Eligible Individual along with a Certification that he or she has authority to establish an Account on behalf of the Beneficiary.

(c) The Application submitted to the Program must be completed according to the Application instructions. A valid e-mail address is required to access the Account online and receive many Program communications. The Application may be completed online at [website of the Florida ABLE Program].

(d) Under Section 529A of the Code, the Secretary of the Treasury may require additional information to be presented to establish an ABLE Account. Upon request, this information must be provided to the Program. [The additional information required by the Secretary of the Treasury, if any, may be inserted as applicable.]

(e) An Account may not be established in violation of federal or state law.

2.03 Application Acceptance.

(a) An Account is established once the Program issues a "Confirmation of Participation," which identifies: (1) the Beneficiary; (2) the Administrator; (3) the Date of Establishment; (4) the annual contributions received by Qualified ABLE Programs for the current calendar year; and (5) the Account Balance.

(b) If an Application was submitted by an unauthorized individual, the Beneficiary may reject the establishment of the Account. The Program will terminate the Account pursuant to Paragraph 10.04; however, the contributions, if any, will be returned to the person(s) who contributed the funds for the Account. The contributors must submit the necessary information for tax reporting and check processing before a refund is issued. If the contributions are not claimed, Paragraph 10.06 will apply.

2.04 Eligibility to Allocate or Deposit Contributions to the Account.

(a) The Program considers the Certification that the Beneficiary is an Eligible Individual to be valid until the end of the calendar year in which a change in the Beneficiary's condition occurred.

(b) The Administrator is responsible for promptly notifying the Program of any changes in the Beneficiary's condition that would result in the Beneficiary failing to satisfy the definition of Eligible Individual. An Administrator's notice will be considered prompt if the Program received the notice in the calendar year in which the Beneficiary's condition changes.

(c) The Program may inquire by e-mail, mail, or phone to confirm that the Beneficiary is an Eligible Individual for the calendar year. If the Administrator fails to respond to three consecutive inquiries, the Program may conclude the Beneficiary has ceased to be an Eligible Individual and will apply subparagraph (d) until the Program receives a Certification.

(d) If the Beneficiary ceases to be an Eligible Individual, the Account will continue to be an ABLE Account, but, beginning on the first day of the following calendar year the Beneficiary is not an Eligible Individual, the Program will not allocate or deposit any contributions to the Accounts.

2.05 Maintenance of Contact Information.

(a) The Administrator is responsible for notifying the Program of any change in contact information, including e-mail addresses, mailing addresses, and phone numbers, of the Beneficiary or Administrator

(b) Contact information may be updated by submitting a Request [instructions for updating contact information online may be inserted].

2.06 Treatment of Account Under Federal Programs.

The Administrator is responsible for monitoring and maintaining the Account, including, but not limited to: (a) the Account Balance; (b) the Beneficiary's status as an Eligible Individual; and (c) the support for Qualified Distributions; to qualify for, and comply with, state and federal programs and laws.

SECTION 3: ACCOUNT RIGHTS

3.01 General

The authority of the Beneficiary and Administrator to exercise the rights of the Account is equal and several unless the authority of the Beneficiary and/or Administrator is limited expressly by a court order.

3.02 Rights of the Beneficiary.

The Beneficiary is the owner of the Account Balance and is able to exercise the rights of the Account, even if a Custodian is serving as the Administrator.

3.03 Rights of the Administrator.

(a) The Administrator is an authorized individual who is either the Beneficiary or a Custodian and who may: (1) enter into a legally binding contract involving the Beneficiary; (2) execute the rights and responsibilities of the Account; and (3) receive and respond to all correspondence regarding the Account.

(b) The Administrator may submit a Request to designate, modify or revoke an individual authorized to assist in administering certain rights of the Account specified by the Program

SECTION 4: INVESTMENT OPTIONS

4.01 Investment Options.

In accordance with the Comprehensive Investment Plan, Investment Options are offered by the Program. The Program Description provides descriptions, allowable allocation ranges and performance data for each available Investment Option.

4.02 Authority to Direct Investments.

(a) Section 529A of the Code limits the ability to change the Existing Balance Allocation. [Current Internal Revenue Code guidance may be inserted as applicable.]

(b) The Account Balance may be invested only in the Investment Options currently offered by the Program.

4.03 Changing Investment Options for Account Balance.

(a) The Existing Balance Allocation may be changed only to the extent allowed by Section 529A of the Code. [Current Internal Revenue Code guidance may be inserted as applicable.]

(b) The Existing Balance Allocation may be changed by

submitting a Request to the Program which indicates the changes in Investment Options or the new allocation percentages for an Account.

4.04 No Investment Advice.

(a) Unless expressly and individually identified to the contrary, Florida ABLE, Inc., the Board, the Program, vendors, third party administrators and the members and employees thereof are not registered investment advisors or broker/dealers. Accordingly, they cannot, and do not, offer investment advice or make recommendations with respect to enrolling in the Program or the selection of Investment Options, and they do not assume any responsibility for performance of any Investment Option.

(b) The Administrator acknowledges and agrees that he or she has not been advised by the State of Florida, Florida ABLE, Inc., the Board or any employee, agent, independent contractor, or affiliate or any vendor, contractor, third party administrator, investment advisor, investment consultant, or investment manager of the State of Florida, Florida ABLE, Inc., or the Board to invest, or to refrain from investing, in the Program or a particular Investment Option.

SECTION 5: RISKS OF INVESTING IN THE PROGRAM

5.01 No Guarantee of Program Suitability

Participation in the Program may not be suitable to meet some or all of the Beneficiary's objectives. The Beneficiary and Administrator are strongly encouraged to consult a qualified financial advisor regarding whether the Beneficiary should establish an ABLE Account and the effects of contributing, maintaining and distributing funds.

5.02 No Guarantee of Adequate Funds to Pay Qualified Disability Expenses.

Participation in the Program does not guarantee that sufficient funds will be available to cover any or all Qualified Disability Expenses for any Beneficiary, even if the Account reached or exceeded the Maximum Account Balance Limit.

5.03 No Guarantee of Participation in Any Federal or State Programs

Participation in the Program does not guarantee that the Beneficiary will be eligible for, maintain, or receive benefits directly or indirectly from any federal or state program now or in the future.

5.04 Limited Liquidity.

Investment in the Program involves the risk of reduced liquidity for the investment. Once an Account is opened, the circumstances under which funds may be withdrawn from the Account without the imposition of tax liability and the Additional Tax are limited.

SECTION 6: CONTRIBUTIONS

6.01 Making a Contribution.

(a) If the Beneficiary is an Eligible Individual during the

calendar year, a contribution to the Account may be made during that year. To be included in the current calendar year, the contribution must be received and processed by the Program by the last Business Day of the calendar year. If the Beneficiary is not an Eligible Individual, contributions will be rejected pursuant to Paragraph 6.08.

(b) The Program may require the Taxpayer Identification Number of the contributor before, at the time of, or after: (1) accepting the contribution; or (2) allocating or depositing the contribution into the Account.

(c) Contributions must be in U.S. dollars and may be made by check, Money Order, cashier's checks, automatic contribution plan, or payroll deduction. Contributions by traveler's check are not permitted. Third party checks may not exceed \$10,000, unless the third party is distributing funds for the purposes of a Rollover Contribution.

(d) The Program also may accept contributions by credit card. If accepted, the instructions, fees, and terms and conditions will be available at [website of the Florida ABLE Program].

6.02 Rollover Contributions Accepted.

(a) The Program accepts Rollover Contributions to the extent allowed by Section 529A of the Code. A direct Rollover Contribution is the transfer of money directly to the Program from another Qualified ABLE Program. An indirect Rollover Contribution is the distribution of money from a Qualified ABLE Program before transferring the money to the Program.

(b) Before accepting a Rollover Contribution, the Program may require a Certification stating: (1) that the former ABLE Account was, or is being, closed; (2) the earliest date the former ABLE Account was established in the Qualified ABLE Program; (3) the amount of contributions to the Account for the current calendar year; and (4) the amount of earnings associated with the Rollover Contribution.

6.03 Investment Allocations for Contributions.

(a) Generally, contributions will be credited to the Account and invested in accordance with the Future Contribution Allocation applicable at the time of processing.

(b) The Future Contribution Allocation may be changed at any time by submitting a Request to the Program which indicates the new allocation percentages for each selected Investment Option for an Account.

6.04 Purchasing Trust Units.

(a) A contribution received by the Program will be used to purchase Trust Units at the NAV of the applicable Investment Option determined on the Trade Date.

(b) The contribution will cause the purchase of Trust Units for each Investment Options in accordance with the Future Contribution Allocation applicable at time of processing.

(c) The number of Trust Units purchased will be determined by dividing the contribution for a specified Investment Option by the NAV of that Investment Option as described in (a).

(d) The Account will not receive any interest or earnings on the contribution before the funds have been used to purchase

Trust Units.

6.05 NAV Valuation.

Individual securities held by an Investment Option are valued using market quotations or independent pricing services. If market quotations or independent pricing services are not readily available, or if events that have a significant effect on the value of an investment occur between when the price is determined and when a NAV is calculated, a security's fair value, as determined in good faith, may be used.

6.06 Maximum Annual Contribution Limit.

(a) The current Maximum Annual Contribution Limit for a Beneficiary is [current Maximum Annual Contribution Limit].

(b) Rollover Contributions do not count toward the Maximum Annual Contribution Limit.

(c) Contributions will be rejected to the extent the amount of the contribution would cause the total contributions for a given calendar year to the Account and all prior ABLE Accounts for the Beneficiary to exceed the Maximum Annual Contribution Limit.

6.07 Maximum Account Balance Limit.

(a) The current Maximum Account Balance Limit for a Beneficiary is [current Maximum Account Balance Limit for Florida's 529 Plans].

(b) The Maximum Account Balance Limit may be lower than other Qualified ABLE Programs and lower than previously published amounts for the Program.

(c) Contributions will be rejected to the extent the amount of the contribution would cause the Account Balance for the Beneficiary to exceed the Maximum Account Balance Limit. However, Accounts that have reached the Maximum Account Balance Limit may continue to accrue earnings.

6.08 Rejected Contributions.

(a) If all or part of a contribution cannot be accepted, then the Program will attempt to contact the Administrator to periodically reattempt, reassign, or return the contribution to the contributor.

(b) If the rejected contribution is not claimed and the funds cannot be allocated and deposited into an Account, Paragraph 10.06 will apply.

(c) The rejected contribution will not receive any interest or earnings.

6.09 Returned Contributions.

(a) If a contribution is returned due to Paragraph 2.03(b) or due to a contribution being allocated or deposited to the Account when the Beneficiary was not an Eligible Individual, then the Program will remove the contribution, including all earnings attributable to the contribution, (collectively "Returned Contribution") from the Account. Contributions are removed from the Account on a last-in-first-out basis.

(b) Earnings attributable to the contribution is determined [under the rules set forth in Treasury Regulation §1.408-11.

Current Internal Revenue Code guidance may be inserted as applicable.].

(c) The Program will notify the Administrator that the Returned Contribution has been removed from the Account.

(d) The Program will attempt to contact the contributor to issue a Returned Contribution. If the contributor cannot be identified or located by sending notice to the last known mailing address of the contributor and the Returned Contribution is not claimed, Paragraph 10.06 will apply.

(e) The Returned Contribution will not receive any interest or earnings once removed from the Account.

SECTION 7: FEES AND PENALTIES

7.01 Account Fee.

The Board periodically reviews the Account Fee and publishes the amount online at [website of the Florida ABLE Program]. The current nonrefundable Account Fee is [Current Account Fee inserted as applicable.].

7.02 Investment Administration Fee.

(a) The Board periodically reviews the Investment Administration Fee and publishes the amount online at [website of the Florida ABLE Program]. The current nonrefundable Investment Administration Fee is [Current Investment Administration Fee inserted as applicable.].

(b) The following table compares the approximate costs of investing in the Program over different periods of time at the specified rates. The example illustrates the hypothetical expenses a Beneficiary may incur over various periods if \$10,000 is invested in an Account with a 5% annually compounded rate of return. All units are redeemed at the end of the period shown for Qualified Disability Expenses (the results do not take into account any Non-Qualified Distributions subject to state or federal income taxes, or any penalties).

[Table of approximate costs of investing in the Program over different time periods as applicable to the current Investment Administration Fee.]

These examples do not represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

7.03 Application Fee.

A nonrefundable application fee of up to \$50 per Account may be assessed at the time an Application is submitted.

7.04 Check Fee.

A nonrefundable check fee of \$5 will be assessed for each check requested during a calendar month. [Waiver language applicable to all Accounts may be inserted to permit the request of checks of a certain number of checks without a fee.]

7.05 Insufficient Funds Fee.

If a contribution to the Account is returned due to insufficient

funds, a \$20 nonrefundable fee will be assessed to the Account and deducted from the Account Balance.

7.06 Penalty Due to Misrepresentation or Failure to Promptly Report Changes in the Beneficiary's condition.

A nonrefundable penalty of up to \$250 or 100 percent of the Account Balance, whichever is less, may be assessed if the Account is terminated pursuant to Paragraph 10.04.

7.07 Fee Changes.

Florida ABLE, Inc., may add, remove, increase, or decrease the Account Fee, Investment Administration Fee, or other fees charged, which could have a material effect on the investment in the Program and the Account Balance.

SECTION 8: ACCOUNT CHANGES

8.01 Change of Beneficiary.

(a) During the lifetime of the Beneficiary, part or all of the Account Balance may be transferred to an Eligible Individual who is a Member of the Family.

(b) Before funds are transferred to the Account of an Eligible Individual, the Program requires: (1) the Eligible Individual to have an Account; (2) a Certification that the recipient is a Member of the Family; and (3) a Certification that the recipient is an Eligible Individual at the time of the transfer.

8.02 Change of Administrator.

(a) The Administrator may be changed by submitting a Request.

(b) If the Beneficiary lacks legal capacity to manage the Account, a Custodian may replace an unauthorized individual and serve as an Administrator by submitting a Certification that: (1) the current Administrator is not a Custodian for the Beneficiary; (2) the Beneficiary lacks legal capacity to manage the Account; and (3) the requestor is a Custodian for the Beneficiary.

(c) The Administrator may be changed by court order.

(d) Upon the death of the Beneficiary, a person may submit the Beneficiary's death certificate and a Certification that the person is: (1) the executor of the Beneficiary's estate as defined in Section 2203 of the Code; and (2) responsible for the proper disposition of the Account Balance.

SECTION 9: DISTRIBUTIONS

9.01 General.

(a) A Request for a distribution may be made at any time.

(b) Under Section 529A of the Code, the Secretary of the Treasury and Commissioner of the Social Security Administration each may require additional information to categorize the reason(s) for a distribution. Upon request, this information must be provided to the Program. [The additional information required by the Secretary of the Treasury and Commissioner of the Social Security Administration, if any,

may be inserted as applicable.]

(c) A distribution may be made payable to the Beneficiary, a Custodian or a third party by submitting a Request. The individual submitting the Request is responsible for providing the correct information about the payee.

(d) The Beneficiary should retain evidence to substantiate any Qualified Distributions to the Internal Revenue Service and the Social Security Administration.

(e) The Program is not responsible for any late fees or other fees or penalties charged by a payee related to the distribution.

9.02 Rollover Distribution.

(a) A Request for a Rollover Distribution may be made at any time.

(b) If the recipient of the Rollover Distribution is the same Beneficiary, then the Rollover Distribution will be for the Account Balance and the Program will provide the following information to the selected Qualified ABLE Program: (1) a verification that the Account was closed; (2) the earliest date an ABLE Account was established for the Beneficiary, whether in the Program or in a prior Qualified ABLE Program; (3) the current calendar year contributions to the Account; and (4) the amount of earnings associated with the Rollover Distribution.

9.03 Source of Distribution.

(a) A Request for a distribution will cause Trust Units to be sold at the NAV of the applicable Investment Options determined on the Trade Date.

(b) The distribution will cause the sale of Trust Units from each Investment Option in proportion to the market values represented by each Investment Option in the Account prior to the distribution.

(c) The number of Trust Units sold will be determined by dividing the distribution for a specified Investment Option by the NAV of that Investment Option as described in (a).

(d) The distribution will not receive any future interest or earnings.

9.04 Outstanding Distributions

If a distribution does not clear for any reason, the Administrator may submit a Request to: (a) reissue the distribution or (b) return the funds to the Account pursuant to the Existing Balance Allocation at the time of return.

SECTION 10: TERMINATION AND REFUNDS

10.01 Voluntary Termination.

An Account may be voluntarily terminated at any time by submitting a Request.

10.02 Minimum Account Balance Termination

(a) The Program may involuntarily terminate the Account if

the Account Balance is \$0 at the end of any calendar year.

(b) The Account will be reinstated upon receipt of: (1) a Request; and (2) a Certification that the Beneficiary is an Eligible Individual.

10.03 Involuntary Termination.

(a) The Program may involuntarily terminate the Account if the Administrator fails to provide the Program with the information required: (1) to complete the Application within 120 days of submission; or (2) by the Secretary of the Treasury or federal law within a reasonable period of time prescribed by the Secretary or the applicable federal law, or, if none, 120 days.

(b) After processing any rejected contributions pursuant to Paragraph 6.08 and any Returned Contributions pursuant to Paragraph 6.09, the remaining Account Balance, if any, will not receive any future interest or earnings and will be made payable to the Beneficiary upon receipt of a Request.

10.04 Termination Due to Misrepresentation or Failure to Promptly Report Changes in the Beneficiary's Condition.

(a) The Program may involuntarily terminate an Account if a material misrepresentation is made in the Application, Request, communication, or maintenance of the Account by the Beneficiary or Administrator. A material misrepresentation includes, but is not limited to, providing an invalid Taxpayer Identification Number or providing a false Certification that an individual is an Eligible Individual or a Member of the Family of the Beneficiary.

(b) The Program may involuntarily terminate an Account if the notice of a change in the Beneficiary's condition, as required by Paragraph 2.04, is not submitted promptly to the Program.

(c) After processing any rejected contributions pursuant to Paragraph 6.08 and any Returned Contributions pursuant to Paragraph 6.09, the remaining Account Balance, if any, will not receive any future interest or earnings and will be made payable to the Beneficiary upon receipt of a Request.

10.05 Account Expiration and Unclaimed Distributions

(a) If no contributions or distributions from the Account have been made for a continuous period of 25 calendar years, the Account will be declared expired.

(b) If the Account Balance exceeds \$50, the Program will send to the last known mailing address of the Administrator a notice at least six months prior to expiration the Account Balance.

10.06 Unclaimed Distributions.

(a) If a distribution is not claimed within seven calendar years, the amount of the distribution will be declared unclaimed.

(b) If the amount of the distribution exceeds \$50, the Program will send to the last known mailing address of the Administrator or, for rejected contributions and Returned Contributions, the contributor, a notice at least six months prior to distribution being declared unclaimed.

SECTION 11: REPORTING

11.01 Account Statements.

(a) The Program maintains separate records for each Account and will provide quarterly statements indicating, for the period and calendar year, the: (1) contributions to, distributions from, and changes in the number of Trust Units for each Investment Option in the Account; (2) ending value of the Account; and (3) investment performance of each Investment Option.

(b) Quarterly statements may not be provided for any quarter where: (1) there have been no contributions or distributions; and (2) the beginning and ending Account Balance is \$0.

(c) The Administrator is responsible for reviewing each quarterly statement and for verifying the information contained on each quarterly statement. If the Administrator fails to notify the Program in writing of any error on the quarterly statement within 60 calendar days after the production date on the quarterly statement, the information pertaining to the Account contained on the quarterly statement is deemed to be correct, the Administrator will be considered to have: (1) approved the information contained on the quarterly statement and its inclusion on subsequent quarterly statements; and (2) released the Program from all liability for any error contained on the quarterly statement.

(d) A Request for a copy of the most recent Account Statement may be submitted at any time.

11.02 Tax Treatment, Withholding and Reporting.

(a) The application and impact of tax law vary widely based upon the specific facts involved. The Administrator is strongly encouraged to consult a qualified tax advisor regarding the tax consequences of contributing money to, or withdrawing money from, an Account.

(b) The Program will furnish a statement containing the information required on a Form 5498-QA, or any successor form. The statement may be: (1) a copy of Form 5498-QA, or any successor form; or (2) combined with a quarterly statement.

(c) The Program will issue a Form 1099-QA, or any successor form, in accordance with the instructions for that Form, for the calendar year in which any distribution is made.

(d) The Program does not withhold any earnings or portion of a distribution for tax purposes.

(e) A Request for a copy of the most recent statements provided under (b) or (c) may be made at any time. The request for a paper statement will not be treated as withdrawing consent under Paragraph 11.03(b).

11.03 Electronic Reporting.

(a) The primary method for providing correspondence is online access at [website of the Florida ABLE Program]. E-mail may be used to provide notifications of the availability of electronic statements and other Program information.

(b) For statements issued pursuant to Paragraph 11.02, the Program may request the recipient to affirmatively consent to receive the statement in electronic format. The consent applies to statements furnished every year after the consent is given. The recipient may withdraw his or her consent at any time by submitting a Request. If consent is withdrawn, the Program will confirm the withdrawn consent in writing and the effective date, which will not exceed 60 days, when future statements will be furnished on paper. If the recipient does not consent, the statement will be furnished on paper.

(c) The Program retains the right to provide any or all statements and correspondence on paper instead of electronically without notice.

11.04 Reporting to State and Federal Agencies.

The Program may report Account information to state and federal agencies to comply with state and federal law and to administer the Program.

SECTION 12: OTHER INFORMATION ABOUT THE ACCOUNT

12.01 Not an Obligation of the State.

The Agreement is only a debt or obligation of the Program, and is not otherwise a debt or obligation of the State of Florida.

12.02 Actual Receipt by Program Required.

All Requests are effective only upon actual receipt by the Program. Generally, Requests are processed within five Business Days.

12.03 Privacy and Account Confidentiality.

(a) The personal financial and health information of a party to the Participation Agreement and these Terms and Conditions is confidential and exempt from Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution.

(b) Florida ABLE, Inc., or the Board may authorize the disclosure of information to another state or federal government entity for the receiving entity to perform its duties or responsibilities or for the Program to: (1) verify the eligibility of an Eligible Individual; (2) permit the use of an Account; or (3) provide additional services for the Beneficiary.

12.04 Accounts Subject to State Medicaid Repayment.

Subject to any outstanding payments due for Qualified Disability Expenses, upon the death of the Beneficiary, all amounts remaining in the Account not in excess of the amount equal to the total medical assistance paid for the Beneficiary after the Date of Establishment, net of any premiums paid from the account or paid by, or on behalf of, the Beneficiary to a Medicaid Buy-In program any state Medicaid plan established under title XIX of the Social Security Act, shall be distributed to such state. For purposes of this Paragraph, the state shall be a creditor of an ABLE Account and not a beneficiary.

12.05 Accounts Not Registered Under the Securities Laws.

(a) Neither the Accounts under, nor the Agreement to be executed in connection with, the Program will be registered under the Securities Act of 1933, as amended, or with the securities regulatory authority of any state.

(b) To the extent that registration of the Accounts or the Participation Agreement is required, or registration of Florida ABLE, Inc., the Board or its officers and employees is required in order to offer or sell the Accounts or the Participation Agreement, and the Accounts or the Participation Agreement are offered and sold without the proper registration(s): (1) Florida ABLE, Inc., could be required to cease and desist operating the Program and to terminate the Program; (2) monetary penalties could be imposed; or (3) both.

12.06 Necessity of Qualification.

(a) The Program is intended to be a Qualified ABLE Program. Florida ABLE, Inc., and the Board may make changes to the Program and the Agreement at any time if it is determined that such changes are necessary for the continuation of the Program as a Qualified ABLE Program.

(b) The Administrator acknowledges and agrees that the Beneficiary and Account will be bound by any such changes.

12.07 Statute and Rules.

(a) The Account and the Agreement are subject to future changes to the Program, Part IV Chapter 1009, Florida Statutes, as amended, and to Rule 19B-18, Florida Administrative Code (or any similar successor rule), as amended.

(b) All transactions and changes of the Account are subject to such rules and policies as the Board may adopt in accordance with federal and state law.

(c) All references in the Agreement to federal and Florida law include any similar successor law.

(d) The Administrator agrees to be bound by any such changes, policies, rules, and statutes.

12.08 Program Changes and Termination.

(a) Florida ABLE, Inc., reserves the right to make changes or enhancements to the Program at any time to comply with Federal laws and regulations and the Florida Legislature's grant of authority under Sections 1009.986(1) and 1009.986(4), including subparts, through the rulemaking process as more fully described in Section 120.54, Florida Statutes.. Beneficiaries who have established Accounts prior to the time an enhancement is made available, may be precluded by federal tax law from participating in such enhancement.

(b) Although Florida ABLE, Inc., currently has no plans to do so, Florida ABLE, Inc., may: (1) refuse to accept additional contributions to existing Accounts; or (2) refuse to accept Applications for new Accounts.

(c) The Program will continue indefinitely until its existence is terminated by law, if ever, or discontinued because the Program is not financially feasible. If the Program is terminated, after six (6) months to allow for an opportunity to

submit Requests for distributions, the Account will be involuntarily terminated and the Account Balance will be distributed pursuant to Paragraph 10.03(b).

(d) There is a possibility that, due to poor performance of the Investment Options and/or Program fees, the Account Balance may be zero or significantly lower than the amount of funds contributed to the Account.

(e) Termination of the Program may result in a Non-Qualified Distribution for which taxes and penalties may be assessed.

12.09 State Pledge.

The State of Florida pledges that the State of Florida will not limit or alter the rights under Section 1009.986, Florida Statutes, which are vested in the Program until such obligations are met and discharged. However, Section 1009.986(4)(i), Florida Statutes, does not preclude such limitation if adequate provision is made by law for the protection of the Beneficiary pursuant to the obligations of Florida ABLE, Inc.

12.10 Disputes.

Any controversy or claim arising out of or relating to the Agreement, or the breach, termination or validity thereof, will be resolved in an administrative proceeding conducted pursuant to the provisions of Chapter 120, Florida Statutes.

12.11 Indemnification.

(a) Florida ABLE, Inc., the Board or the Program will not indemnify any Beneficiary or Administrator against losses or other claims caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, terrorism, strikes, changes in federal or state law, including tax law, or other conditions beyond their control.

(b) The establishment of the Account will be based upon the Administrator's agreements, representations and warranties set forth in the Agreement. The Administrator agrees to indemnify and hold harmless the Program, Florida ABLE,

Inc., the Board, any vendors, contractors, investment advisors, investment consultants or investment managers selected by Florida ABLE, Inc., or the Board, and any agents, representatives, or successors of any of the foregoing, from and against any and all loss, damage, liability or expense, including reasonable attorney's fees, that any of them may incur by reason of, or in connection with, any misstatement or misrepresentation made by the Administrator herein or otherwise with respect to the Account, and any breach by the Administrator of any of the agreements, representations or warranties contained in the Agreement.

(c) All of the acknowledgements, agreements, representations and warranties of the Beneficiary and Administrator will survive the termination of the Agreement.

12.12 Improper Action by a Custodian.

The Program, Florida ABLE, Inc., and the Board will not be liable for any consequence related to an action taken by a Custodian, or any individual who submits a Certification, which is an improper use, transfer, or characterization of custodial funds.

12.13 Binding Nature; Third-Party Beneficiaries.

The Agreement will survive the death of the Beneficiary and will be binding upon the Beneficiary's personal representatives, legal representatives, heirs, successors and assigns.

12.14 Headings.

The heading of each section, paragraph and provision in the Terms and Conditions will not be deemed to modify or qualify any of the rights or obligations set forth in each such section, paragraph and provision.

Form FPCB 2016-08, adopted by reference in Rule 19B-18.003, F.A.C.