

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

If CSB does not receive instructions at maturity, we will take one of the following default actions:

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

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

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

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

Early Withdrawal. Upon 30 days prior written notice, you may take a Qualified or Non-Qualified Distribution, in whole or in part, only on the anniversary date of the InvestorSure CD's Issue Date. Withdrawals prior to the Maturity Date are subject to an Early Withdrawal Penalty equal to 10% of the principal of the InvestorSure CD.

Therefore, the redemption amount will be less than the original amount of principal, notwithstanding increases in the value of the S&P 500 since the Issue Date. If you take a Qualified or Non-Qualified Distribution prior to the Maturity Date, you will receive 90% of the principal amount without any Upside Payment. CSB retains the right to terminate an InvestorSure CD if the withdrawal of principal from the CD would result in a balance of less than \$250.

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

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

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

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

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

Accumulator Account and Savings Account Terms and Conditions

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

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

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

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

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

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CSBISCD

InvestorSure[®] Certificate of Deposit Terms and Conditions



College
Savings Bank[®]

Member FDIC

Product. InvestorSure certificates of deposit (CDs) are indexed to the performance of the Standard & Poor’s® 500 Composite Stock Index (S&P 500®).

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

FDIC Insurance. The Upside Payment of an InvestorSure CD is not earned until maturity. The FDIC has taken the position that payments similar to Upside Payments are not subject to FDIC insurance until the CD matures. However, the principal and accrued interest on a CD will, for FDIC deposit insurance purposes, be added to any other deposit accounts you hold at College Savings Bank in the same right and capacity and will be insured by the FDIC up to \$250,000 in the aggregate. For this purpose, all Accounts with the same Account Owner will be deemed to be held in the same right and capacity and will be combined for purposes of this \$250,000 limitation. FDIC deposit insurance is backed by the full faith and credit of the U.S. Government. Separate deposit insurance for Accounts with the same Account Owner and Beneficiary may also be available in certain limited circumstances.

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

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

Maturity Available. The term for an InvestorSure CD is five years (60 months) from the Issue Date. The Maturity Date is the first Exchange Business Day of the month that is five years from the Issue Date. For example, if a certificate was issued on February 1, 2010, the CD will mature on February 1, 2015.

Annual Percentage Yield (APY). The APY is the annualized investment return over the life of the InvestorSure CD. It assumes that the Account Owner holds the InvestorSure CD until maturity. Because the Investment Return can be zero, CSB does not guarantee any positive APY. In addition, early withdrawal will diminish earnings.

Contribution Date: The Business Day on which contributions to your Account are credited as follows:

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

Issue Dates. The InvestorSure CD is issued four times a year on the Issue Date, which is the first Exchange Business Day of February, May, August and November.

The Bank must receive funds five business days prior to a CD Issue Date to be considered for that specific issue. Funds received less than five business days prior to a CD Issue Date will be held in an Accumulator Account until the next Issue Date.

Market Measure. The Market Measure for the InvestorSure CD is the S&P 500. This index is published by Standard and Poor’s, a division of The McGraw-Hill Companies, Inc. It is a widely used index to indicate the movement in common stock prices. The stocks that comprise the S&P 500 account for approximately 75% of the United States equities market, based on market capitalization. For additional information on the S&P 500, visit www.collegesavings.com.

Investment Return. The Investment Return for the InvestorSure CD is not predetermined at a set rate as of the Issue Date, but rather is the market rate as determined by the Market Measure. The Investment Return is computed as the difference between the Closing Market Value (CMV) and the Starting Market Value (SMV) divided by SMV and then multiplied by the Market Participation Factor (MPF). The Investment Return is represented by the following equation:

$$\frac{\text{MPF} \times (\text{CMV} - \text{SMV})}{\text{SMV}}$$

The MPF will be 70%. CSB, in its sole discretion, may establish a MPF higher than 70%, however your decision to invest in the InvestorSure CD should be based on the assumption that the MPF will be 70%. To the extent the investment return on an InvestorSure CD is positive, a 70% MPF will result in a lower investment return compared to a 100% MPF.

The above formula for calculating investment return assumes that the Account Owner does not take a distribution prior to maturity, and is not applicable for early withdrawals.

The Starting Market Value. The SMV is the closing value of the S&P 500 three (3) Exchange Business Days prior to the Issue Date. For example, a CD issued on February 1, 2011 has an SMV equal to the closing value of the S&P 500 on January 27, 2011.

The Closing Market Value. The CMV is the arithmetic average of the closing value of the S&P 500 on the Valuation Dates. The Valuation Dates are the Exchange Business Days coinciding with 20 quarterly observations between Issue Date and Maturity Date. For example, if the day of the month of the SMV is January 27, 2011, the Valuation Dates will include each April 27, July 27, October 27, and January 27 between the SMV Date and the Maturity Date. If the exact day of the month is not an Exchange Business Day, the Valuation Date that month is the first preceding Exchange Business Day.

The following table illustrates how the investment return would be calculated by using historical data and assuming that a five-year InvestorSure CD was issued on November 1, 2005 and matured on November 1, 2010.

Table 1

An example of how the investment return will be calculated by using a hypothetical sample of historical data. The first InvestorSure CD was issued by College Savings Bank on February 1, 2008.

Issue Date	Maturity Date	Valuation Date	S&P Close Value
11/1/05 (SMV)	11/1/10	10/27/05*	1,178.90
1st Valuation Date		1/27/06	1,283.72
2nd Valuation Date		4/27/06	1,309.72
3rd Valuation Date		7/27/06	1,263.20
4th Valuation Date		10/27/06	1,377.34
5th Valuation Date		1/26/07	1,422.18
6th Valuation Date		4/27/07	1,494.07
7th Valuation Date		7/27/07	1,458.95
8th Valuation Date		10/26/07	1,535.28
9th Valuation Date		1/25/08	1,330.61
10th Valuation Date		4/25/08	1,397.84
11th Valuation Date		7/25/08	1,257.76
12th Valuation Date		10/27/08	848.92
13th Valuation Date		1/27/09	845.71
14th Valuation Date		4/27/09	857.51
15th Valuation Date		7/27/09	982.18
16th Valuation Date		10/27/09	1,063.41
17th Valuation Date		1/27/10	1,097.50
18th Valuation Date		4/27/10	1,183.71
19th Valuation Date		7/27/10	1,113.84
20th Valuation Date		10/27/10	1,182.45

* 10/27/05 indicates the starting market value.

Total: 24,305.90
 Divided by: 20
 CMV: 1,215.30

Investment Return:

$$\frac{70\% \times (1,215.30 - 1,178.90)}{1,178.90} = 2.16\%$$

$$\text{APY} = (1 + 2.16\%)^{1/5} - 1 = 0.43\%$$

Impact of Averaging. The CMV is not determined by calculating the closing value of the S&P 500 on any particular day (such as the Maturity Date or the last Valuation Date). The CMV is determined by averaging the closing value of the S&P 500 over the 20 quarterly observations between SMV and the CMV of the InvestorSure CD. This method moderates fluctuations in the value of the S&P 500.

Thus, the investment return on an InvestorSure CD is different than the investment return that would be obtained if the CMV were the value of the S&P 500 on a single day. If the value of the S&P 500 on the last Valuation Date is lower than the average of the previous 19 Valuation Dates, then the investment return will be higher by using averaging compared to an investment return using only the S&P 500 value on the last Valuation Date. Conversely, if the value of the S&P 500 on the last Valuation Date is higher than the average of the previous 19 Valuation Dates, then the investment return may be lower by using averaging compared to an investment return using only the S&P 500 value on the last Valuation Date.

Upside Payment. At maturity, you may receive an Upside Payment on the InvestorSure CD. The Upside Payment will be the Investment Return multiplied by the principal amount of the InvestorSure CD. Because the CMV is determined by a number of market factors affecting the S&P 500, the investment return may be more or less than a fixed rate of interest earned from other standard CDs. If there is no change, or if there is a decrease, in the Market Measure from SMV to the CMV, you will not be paid an Upside Payment. The Bank does not guarantee an APY, and offers no warranties, either express or implied, that the InvestorSure CD will result in any Upside Payment.