



NextGen College Investing Plan[®]

Addendum to NextGen Account Application

YOU MUST USE THIS ADDENDUM TO:

1. Receive a \$500 Harold Alfond College Challenge Grant; *OR*
2. Receive a \$200 Initial Matching Grant.
3. Authorize FAME to discuss your NextGen account activity with an interested party.

Send the Addendum and the completed NextGen Account Application to:

FAME
PO Box 949
Augusta, ME 04332-0949

Beneficiaries receiving the Alfond Grant may NOT receive an Initial Matching Grant.

NEXTGEN ACCOUNT OWNER

Name: _____

Daytime Telephone _____

NEXTGEN ACCOUNT BENEFICIARY

Name: _____

Social Security Number: - -

1. SIGN THIS CERTIFICATION TO RECEIVE A \$500 ALFOND GRANT

I make the following certification: My NextGen account beneficiary is currently a Maine resident. I understand that FAME may require additional information from me to verify residency. I have read and agree to all Terms and Conditions of the Harold Alfond College Challenge. I have read and understand FAME's NextGen Privacy Policy and I further authorize FAME to share my nonpublic personal information and information about my account activity in order to conduct research to evaluate and improve the Harold Alfond College Challenge Grant, which may include publishing of aggregated non-personally identifiable information. FAME may also share my information with the Alfond Scholarship Foundation for its noncommercial charitable, educational and aspirational purposes. **I understand that if investment option(s) were not selected on a NextGen Client Direct Series Account Application, any contributions will be allocated 100% to and invested in the appropriate BlackRock Age-Based Portfolio, unless and until I direct differently in accordance with procedures for making investment changes.**

X _____
Signature of NextGen Account Owner

Date

INTERNAL USE ONLY

2. SIGN THIS CERTIFICATION TO RECEIVE A \$200 INITIAL GRANT

I make the following certification: Either I or my NextGen account beneficiary is a Maine resident and my family adjusted gross income was \$75,000 or less as reported on my previous year's federal income tax return. I have read and agree to all Terms and Conditions of the NextGen Initial Matching Grant. I understand that FAME may require additional information from me to verify income eligibility and residency.

X _____
Signature of NextGen Account Owner

Date

INTERNAL USE ONLY

3. AUTHORIZATION TO SHARE NEXTGEN ACCOUNT INFORMATION (Optional)

Provide the following information to authorize FAME to speak with another person about your NextGen account.

I authorize FAME to discuss account activity for the NextGen account identified on this Addendum with the individual named below. I understand that this individual cannot initiate, approve or otherwise authorize any transactions or changes on the account.

Authorized Person's Name: _____

Authorized Person's Social Security Number (last four digits):

- -

Relationship to Account Owner: _____

Authorized Person's Date of Birth (mm/dd/yyyy):

/ /

X _____
Signature of NextGen Account Owner

Date

INTERNAL USE ONLY

HAROLD ALFOND COLLEGE CHALLENGE GRANT



Eligibility Requirements: A one-time \$500 grant is available to open a NextGen account for every Maine baby. The child must be a Maine resident and must be named as the NextGen account beneficiary by the child's first birthday. No initial or subsequent contributions are needed and no family income restrictions apply. The account owner must be at least 18 years of age.

Terms and Conditions:

1. To obtain an Alfond Grant the NextGen account owner must name the child as the account beneficiary on a NextGen account by the child's first birthday and a complete the Addendum to the Account Application (Addendum). The child must be a Maine resident at the time the Addendum is signed and submitted to FAME. The Addendum and NextGen Account Application (if this is a new account) must be received at FAME on or before the child's first birthday.
2. The Alfond Grant will be considered the initial contribution into the NextGen account. No other contribution to the account is required.
3. An eligible child may receive only one Alfond Grant. In the event more than one individual opens a NextGen account for the same child, the Alfond Grant will be awarded to the account named in the first completed Addendum received by FAME. In the event multiple Addendums are received on the same day, a NextGen account will be selected for awarding of the grant at the discretion of FAME.
4. Once awarded to a NextGen account, the Alfond Grant remains allocated to that NextGen account subject to Section 6 below.
5. The Alfond Grant, including any earnings on grant funds, may not be transferred to another beneficiary and may not be rolled over to another state Section 529 plan.
6. The Alfond Grant, including any earnings on the grant, is forfeited in the following circumstances:
 - g. the NextGen account is closed; or
 - h. the NextGen account owner makes a lifetime transfer of the NextGen account to anyone other than the account beneficiary or the beneficiary's parent or guardian; or
 - i. the beneficiary dies; or
 - j. the Alfond Grant has not been used by the beneficiary's 28th birthday; or
 - k. the aggregate value of the Alfond Grant does not exceed \$50 for at least 18 months; or
 - l. in the event of fraud or misrepresentation by the account owner.

Default Investment Option: A NextGen Client Direct Series Account Application submitted for the purpose of obtaining the Alfond Grant will be accepted without investment option(s) selected. However, any contributions made to the account will be allocated 100% to and invested in the appropriate BlackRock Age-Based Portfolio, unless and until a different investment allocation for existing and/or future contributions is directed by the account owner.

Investment of Alfond Grant Funds: All Alfond Grants will be invested at the discretion of the Alfond Scholarship Foundation. Neither the account owner nor the beneficiary has the ability to direct the investment of grants. Alfond Grants will be credited to NextGen accounts by FAME on at least a quarterly basis.

Release of Information: FAME may share the account owner's nonpublic personal information and information about NextGen account activity from time to time in order to conduct research to evaluate and improve the Alfond Grant, which may include publishing of aggregated non-personally identifiable information. FAME may also share such information with the Alfond Scholarship Foundation for its noncommercial charitable, educational and aspirational purposes.

NEXTGEN INITIAL MATCHING GRANT



Eligibility Requirements: A one-time \$200 grant is available to open a NextGen account for any individual with a minimum initial contribution of \$50. The NextGen account owner or account beneficiary must be a Maine resident and the account owner's family adjusted gross income* for the previous calendar year must be \$75,000 or less. The account owner must be at least 18 years of age.

Terms and Conditions:

1. To receive an Initial Grant, the account owner must certify income eligibility by signing the Certification on the Addendum to NextGen Account Application (Addendum). The completed Addendum must be received by FAME within twelve (12) months from the date the NextGen account was opened.
2. FAME will credit the grant to the NextGen account only after the account is opened with a minimum initial contribution of \$50 and the completed Addendum is received by FAME.
3. An eligible beneficiary can receive only one Initial Grant. In the event more than one individual opens a NextGen account for the same beneficiary, the Initial Grant will be awarded to the account named in the first completed Addendum received by FAME. In the event multiple Addendums are received on the same day, a NextGen account will be selected for awarding of the grant at the discretion of FAME.
4. A beneficiary may not receive both an Initial Grant and an Alfond Grant.
5. Once awarded to a NextGen account, the Initial Grant remains allocated to that NextGen account subject to Section 7 below.
6. The Initial Grant, including any earnings on the grant, may not be transferred to another beneficiary and may not be rolled over to another state Section 529 plan.
7. The Initial Grant, including any earnings on the grant, is forfeited in the following circumstances:
 - a. the NextGen account is closed; or
 - b. the NextGen account owner makes a lifetime transfer of the NextGen account to anyone other than the account beneficiary; or
 - c. the beneficiary dies; or
 - d. the NextGen account owner fails to contribute at least \$200 to the NextGen account within five years of receipt of an Initial Grant; or
 - e. the amount remaining in the NextGen account after the NextGen account owner makes a withdrawal is less than the amount which had been matched; or
 - f. in the event of fraud or misrepresentation by the account owner.

Investment of Initial Grant Funds: All grant funds will be invested at the discretion of FAME. Neither the account owner nor the beneficiary has the ability to direct the investment of grant funds. Initial Grants may be applied up to 120 days after receipt of the Addendum and the minimum initial contribution required to receive an Initial Grant.

Use of Grant Funds: A NextGen account owner may not withdraw Initial Grant amounts allocated to a NextGen account for twenty-four (24) months following the opening of the NextGen account. However, Initial Grant funds may be used twelve (12) months after the account has been opened if the account is opened by and for an individual participating in the Maine LILA Program in conjunction with the Maine Department of Labor.

FAME may at anytime modify or terminate Initial Matching Grants.

*Family adjusted gross income means the adjusted gross income as reported on the NextGen account owner's federal income tax return for the most recently completed tax year, or through such other evidence acceptable to FAME

Initial Grants and Alford Grants, Generally

Ownership of Grant Funds: Although allocated to a particular NextGen account, Initial Grants and Alford Grants are not the property of the account owner or the beneficiary until withdrawn for qualified higher education expenses. Grant funds, including any earnings on grant funds, will be fully used before other contributions to the NextGen account or earnings thereon, if any, are used for qualified higher education expenses.

Use of Grant Funds: To use grant funds, the NextGen account owner must certify that such funds are being used for qualified higher education expenses on such form as required by FAME. If grant funds are withdrawn and the withdrawal is subsequently determined to have been fraudulent, FAME may off-set the amount fraudulently obtained from any funds remaining in the NextGen account.

Tax Consequences: Alford Grants and Initial Grants have been designed so that a grant, including any earnings, used for certain qualified higher education expenses will be treated as a scholarship as defined by the Internal Revenue Code. Grants can be used for tuition, fees, certain room and board expenses, books, supplies and certain equipment. However, any portion of grants used as payment for room and board costs may be subject to federal and/or state income tax. Similarly, any portion of grant awards used to pay for qualified higher education expenses at schools not eligible for Title IV may not be eligible for federal and/or state tax-exempt treatment. Notwithstanding the design of the program, the Internal Revenue Service could take the position that grant awards are subject to federal income taxation in the year the grant is awarded or the year in which the funds are withdrawn. NextGen account owners and beneficiaries should consult their own tax advisor regarding the tax treatment of grant funds awarded.

Verification: Acceptance of grant funds is the account owner's authorization for FAME to undertake, at its discretion, investigation to verify that the NextGen account owner meets the program requirements. FAME reserves the right at all times to require evidence of eligibility to receive a grant and may conduct investigations to determine eligibility without obtaining additional consent from the NextGen account owner after a grant has been credited to a NextGen account. In the event a subsequent investigation reveals that the grant was obtained through misrepresentation or fraud, FAME shall revoke the grant.



NextGen is a Section 529 plan administered by the Finance Authority of Maine. Merrill Lynch, Pierce, Fenner & Smith Incorporated, a registered broker-dealer, member SIPC, is the program manager and underwriter.



Maine babies can receive a \$500 Harold Alford College Challenge Grant to start a NextGen College Investing Plan[®] account!

Harold Alford College Challenge Grant TERMS AND CONDITIONS

January 1, 2010

or



Income eligible Maine families can receive a \$200 NextGen[®] Initial Matching Grant to start a NextGen College Investing Plan[®] account!

NextGen Initial Matching Grant TERMS AND CONDITIONS

January 1, 2010

Before investing you should carefully consider the investment objectives, charges, expenses and risks of investing in the NextGen Plan. You should also consider whether your or the designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's 529 plan. Request a Program Description from your Maine bank or financial advisor, or call FAME at 1-800-228-3734 and read it carefully.