





#### D. Letter of Intent Terms and Conditions

EACH PURCHASE OF SCHOLARS CHOICE UNITS MADE PURSUANT TO THIS LETTER OF INTENT IS SUBJECT TO THE TERMS AND CONDITIONS CONTAINED HEREIN AND IN THE SCHOLARS CHOICE PROGRAM STATEMENT AND PARTICIPATION AGREEMENT IN EFFECT AT THE TIME OF THE SPECIFIC PURCHASE.

By completing **Section 3** of this form and signing below in **Section 4**, you are indicating your intention to make, in eligible Scholars Choice 529 Accounts over a 13-month period commencing upon execution of this form in accordance with the terms and conditions set forth below, eligible Scholars Choice purchases in an amount equal to your Asset Level Goal, less any eligible Scholars Choice prior purchases. For this purpose, units in a Scholars Choice Investment Option are calculated based on the amount paid (including any initial sales charges) for such units, plus any appreciation in the value of the units as of the date of calculation, except for eligible Scholars Choice prior purchases, which are valued at current value as of the date of calculation. Your commitment will be met if at any time during the 13-month period, the value, as so determined of eligible Scholars Choice purchases and eligible Scholars Choice prior purchases is at least equal to your Asset Level Goal. You may include any eligible Scholars Choice purchases toward your Asset Level Goal, including unit classes other than Unit Class A. However, this Letter of Intent will not entitle you to a reduction in the initial sales charge payable on any units other than Unit Class A. Please note that units redeemed prior to reaching your Asset Level Goal will not be counted toward meeting your Asset Level Goal.

**Eligible Scholars Choice Purchases:** Eligible Scholars Choice purchases, which include purchases of all units of the Scholars Choice Investment Options made through eligible Scholars Choice 529 Accounts that are designated in **Section 1** or **2** of this form, or otherwise designated in writing by you, will be credited toward your Asset Level Goal. Units of the Scholars Choice Investment Options include Unit Classes A, C, and O.

**Eligible Scholars Choice Accounts:** Eligible Scholars Choice 529 Accounts include any Scholars Choice account for which you, your spouse, or a child under the age of 21 is the Account Owner, and which are maintained on the same recordkeeping platform, provided that such Scholars Choice 529 Accounts are designated in **Section 1** or **Section 2** of this form, or otherwise designated in writing by you.

**Eligible Scholars Choice Prior Purchases:** You may also credit toward your Asset Level Goal any eligible Scholars Choice purchases made in eligible Scholars Choice 529 Accounts at any time prior to entering into this Letter of Intent that have not been redeemed, based on the current value of those units as of the date of calculation.

**Legg Mason Mutual Fund Assets:** You can apply the value of Legg Mason mutual fund assets in accounts owned by you, your spouse, and your children under the age of 21 toward your Asset Level Goal under this Letter of Intent. In order to do so, provide a copy of your most recent account statement showing such Legg Mason mutual fund assets. Note that the Legg Mason mutual fund assets do not have to be on the same recordkeeping platform.

**Increasing Your Asset Level Goal:** You may at any time increase your Asset Level Goal by completing a new Accumulation Privilege/Letter of Intent form. Upon such an increase, you will be credited by way of additional Scholars Choice units, at the then-current value of such units, for the difference between: (a) the aggregate initial sales charges actually paid for Scholars Choice units already purchased under this Letter of Intent, and (b) the aggregate applicable initial sales charges for the increased Asset Level Goal. However, you must complete a new Accumulation Privilege/Letter of Intent form before making eligible Scholars Choice purchase in excess of the amount indicated in **Section 3B** of the form, as no retroactive adjustments can be made. The 13-month period during which the Asset Level Goal must be achieved will remain unchanged from that established on the original Accumulation Privilege/Letter of Intent form.

**Withdrawals and Investment Option Changes:** Units acquired pursuant to this Accumulation Privilege/Letter of Intent form, other than escrowed units as defined below, may be redeemed or transferred to another Scholars Choice Investment Option in connection with an Investment Option change at any time, although any Scholars Choice units that are redeemed prior to meeting your Asset Level Goal will no longer count toward meeting your goal. Complete liquidation of the units in all eligible Scholars Choice 529 Accounts prior to meeting your Asset Level Goal under this Letter of Intent, however, will result in the cancellation of this Letter of Intent. See "Failure to Meet Asset Level Goal" section below. Transfers of units to another Scholars Choice Investment Option in connection with an Investment Option change are permitted, as described in the Scholars Choice Program Disclosure Statement and Participation Agreement, and units so transferred will continue to count toward your Asset Level Goal, as long as the transfer results in an eligible Scholars Choice purchase.

**Cancellation of Letter:** Subject to the terms and conditions set forth in "Failure to Meet Asset Level Goal" below, you may cancel this Letter of Intent by notifying your financial professional or Scholars Choice in writing. In addition, the Letter of Intent will be automatically cancelled if all units in all eligible Scholars Choice 529 Accounts are redeemed prior to meeting your Asset Level Goal, as set forth above.

**Escrowed Units:** Units from your initial purchase of Scholars Choice units (and subsequent purchases, if necessary) equal to five percent (5%) of the Asset Level Goal indicated in **Section 3B** of this form will be held in escrow during the term of this Letter of Intent (the "Escrowed Units"), commencing as of the date this Letter of Intent (or the date of any increase in the Asset Level Goal) is accepted. The Escrowed Units will be included in the total Scholars Choice units owned as reflected in the account statements for eligible Scholars Choice 529 Accounts. The Escrowed Units will be released from escrow once all the terms of this Letter of Intent are met. The Escrowed Units may be surrendered for redemption to satisfy outstanding initial sales charges due in the circumstances described in "Failure to Meet Asset Level Goal" and "Appointment of Attorney-In-Fact" section below.

**Appointment of Attorney-In-Fact:** By signing this Accumulation Privilege/Letter of Intent form, you irrevocably constitute and appoint the Program's manager and its service provider as attorney-in-fact to hold the Escrowed Units and to surrender for redemption any or all units subject to the Letter of Intent under the conditions set forth in this Letter of Intent.

**Failure to Meet Asset Level Goal:** If you do not meet your Asset Level Goal within the 13-month term of this Letter of Intent, or if there is a complete liquidation of the units in all eligible Scholars Choice 529 Accounts, or if this Letter of Intent is cancelled before reaching your Asset Level Goal, you will be liable for the difference between: (a) the initial sales charges actually paid, and (b) the initial sales charges that would have applied if you had not entered into this Letter of Intent (based on the initial sales charge schedule, including breakpoints, and taking into account the Accumulation Privilege). An appropriate number of Scholars Choice units in your account will be redeemed to realize the amount due. If there are insufficient assets in your account, you will be liable for the difference. Any escrowed units remaining after such redemption will be released to your account.

#### 4 Account Owner Signature and Agreement

If you are using this form to link a Scholars Choice 529 Account for purposes of Accumulation Privilege, you agree to all terms and conditions governing the Accumulation Privilege set forth in **Section 2** of this form and in the Scholars Choice Program Disclosure Statement and Participation Agreement.

If you are using this form to establish a Letter of Intent, you agree to all terms and conditions governing the Letter of Intent set forth in **Section 3** of this form and in the Scholars Choice Program Disclosure Statement and Participation Agreement. You intend, but are under no obligation, to purchase additional Unit(s) Class A in order to qualify for a reduced initial sales charge, subject to the terms and conditions set forth in **Section 3** of this form and in the Scholars Choice Program Disclosure Statement and Participation Agreement.

SIGNATURE

Signature of Account Owner

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Date (mm/dd/yyyy)

**An investor should consider the Program's investment objectives, risks, charges and expenses before investing. The Program Disclosure Statement and Participation Agreement ([www.scholars-choice.com/pds](http://www.scholars-choice.com/pds)) contains more information and should be read carefully before investing. If an investor and/or an investor's beneficiary are not Colorado taxpayers, they should consider before investing whether their home states offer 529 plans that provide state tax and other benefits such as financial aid, scholarship funds and protection from creditors that are only available to state taxpayers investing in such plans.**

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