BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
SERVICES AGREEMENT

between

TREASURER OF THE STATE OF ILLINOIS

and

UNION BANK & TRUST COMPANY

Dated November 1, 2005

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SERVICES AGREEMENT

This Bright Directions College Savings Program Services Agreement (the "Agreement"), effective as of November 1, 2005, is entered into between the Treasurer of the State of Illinois (the "Treasurer's Office" or the "Treasurer") and Union Bank & Trust Company ("Union").

RECITALS

WHEREAS, in order to supplement and enhance the investment opportunities otherwise available to Illinois and out-of-state residents seeking to finance the costs of higher education, Illinois Public Act 91-0607 ("Act"), attached hereto as Exhibit A, authorizes the Treasurer's Office to establish a College Savings Pool as a qualified tuition program under Section 529 of the United States Internal Revenue Code of 1986, as amended from time to time ("Section 529 of the Code" or "Section 529"), and in a manner consistent with rules and policies established by the Treasurer's Office;

WHEREAS, the College Savings Pool currently includes the Bright Start College Savings Program ("Bright Start");

WHEREAS, the Treasurer issued a Request for Proposal for a Multi-Manager, Advisor-Sold Plan for the Illinois College Savings Pool ("Request for Proposal") seeking a qualified entity to implement, administer, market, distribute and manage a College Savings Program that will provide a multiple-manager investment structure to complement the Bright Start College Savings Program and be sold by financial professionals;

WHEREAS, after the competitive solicitation and evaluation of proposals from financial entities for the performance of certain implementation, administration, investment management, marketing and distribution services pursuant to the Treasurer's Office's Procurement Regulations (44 Ill. Adm. Code 1400) with respect to an Advisor-Sold Plan for the College Savings Pool, the Treasurer's Office, as authorized by the Act, has selected Union to provide such implementation, administration, investment management, marketing and distribution services, as more fully described herein (the "Services"), with respect to an Advisor-Sold Plan for the College Savings Pool, which shall hereinafter be referred to as "Bright Directions," in accordance with this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and of the mutual promises set forth herein, and intending to be legally bound hereby, the Treasurer's Office and Union agree as follows:

1. DEFINITIONS; RULES OF CONSTRUCTION.

1.1 Definitions.

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Act. The following terms used in this Agreement shall have the respective meanings set forth below:

"*Account*" shall mean an individual investment account established and maintained in Bright Directions pursuant to a Participation Agreement in accordance with the Act and this Agreement.

"*Account Balance*" shall mean, with respect to an Account, the total cash contribution and net investment earnings (after the payment of the Service Fee and the Other Fees, as defined herein, in accordance with the provisions of this Agreement and the Act) in Bright Directions attributable to such Account less any withdrawals directed by the Participant.

"*Act*" shall mean Illinois Public Act 91-0607.

"*Administrative Services*" shall mean the administrative services to be performed by Union in connection with Bright Directions as provided in Section 8.

"*Affiliate*" shall mean an entity that controls Union, is controlled by Union or is under common control with Union.

"*Agreement*" shall mean this Agreement.

"*Applicable Law*" shall mean all applicable laws, regulations, judgments, decrees, injunctions, writs and orders of any court, tribunal, arbitrator or Governmental Authority and rules, regulations, orders, licenses and permits of any Governmental Authority or regulatory body.

"*Bright Start*" shall mean the Bright Start College Savings Program.

"*Business Day*" shall mean a day on which the New York Stock Exchange is open for trading.

"*Code*" shall mean the Internal Revenue Code of 1986, as amended.

"*College Illinois!*" shall mean the Illinois Prepaid Tuition Program, a program established under Section 529 of the Code and State law and administered by the Illinois Student Assistance Commission.

"*Confidential Information*" shall have the meaning set forth in Section 16.1.

"*Derivative Materials*" shall have the meaning set forth in Section 15.4.

"*Designated Beneficiary*" shall mean, with respect to an Account, the designated individual whose Qualified Higher Education Expenses are expected to be paid from the Account.

"*Education Withdrawal*" shall mean a withdrawal from an Account, requested by the Participant, to pay the Qualified Higher Education Expenses of the Designated Beneficiary for the Account.

"*Giftor*" shall mean any Person who makes a contribution to an Account which has been previously established by a Participant for a Designated Beneficiary.

"*Governmental Authority*" shall mean any federal, state, local, municipal or other governmental department, commission, district, board, bureau, agency, regulatory body, court, tribunal or other instrumentality (or any officer or representative thereof) of competent jurisdiction.

"*Implementation Services*" shall mean the implementation services to be provided by Union in connection with Bright Directions as provided in Section 5.

"*Investment Management Services*" shall mean the investment management services to be provided by Union in connection with Bright Directions as provided in Section 6.

"*IRS*" shall mean the Internal Revenue Service.

"*Marketing Plan*" shall mean the annual plan for marketing and promotion of the Program developed by Union in conjunction with and subject to the approval of the Treasurer's Office.

"*Marketing Services*" shall mean the marketing services to be provided by Union in connection with Bright Directions as provided in Section 7.

"*Media Materials*" shall have the meaning set forth in Section 15.4.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board.

"*NASD*" shall mean the National Association of Securities Dealers.

"*Net Asset Value*" or "*NAV*" shall have the meaning set forth in Section 6.6.

"*Non-Qualified Withdrawal*" shall mean a withdrawal from an Account, requested by the Participant, which is not a Qualified Withdrawal.

"*Northern Trust*" shall mean Northern Trust Securities, Inc., a registered broker-dealer.

"*Participant*" shall mean any Person who enters into a Participation Agreement with respect to an Account.

"*Participation Agreement*" shall mean the agreement to be entered into by the Treasurer's Office and a Participant with respect to an Account, as amended from time to time.

"*Performance Standards*" shall mean the performance standards described in **Exhibits C and D.**

"*Permitted Investments*" shall mean investments that are permitted by Applicable Law, including, but not limited to, the Act and the Treasurer's Investment Policy Statement.

"*Person*" shall mean any individual, corporation, partnership, joint venture, limited liability company, joint stock company or other similar organization, trust or any other entity or an unincorporated organization or a government or any agency or political subdivision thereof, a court or any other legal entity whether acting in an individual, fiduciary or other capacity.

"*Program*" shall mean the Bright Directions College Savings Program.

"*Program Disclosure Statement*" shall mean, during the Term, the offering document describing Bright Directions for distribution to Participants in connection with their opening of an Account and entering into a Participation Agreement and to others having an interest in Bright Directions, which shall include, without limitation and unless contained in the Participation Agreement, the information required by the Act and otherwise required under Applicable Law.

"*Program Lists*" shall have the meaning set forth in Section 15.1.

"*Program Materials*" shall mean all Promotional Materials, Media Materials and other documents and materials used in connection with the implementation, administration, investment, marketing and distribution of Bright Directions, including the Marketing Plan, the Program Disclosure Statement, the Participation Agreement and the application used to establish an Account in Bright Directions.

"*Program Records*" shall have the meaning set forth in Section 15.1.

"*Program Start Date*" shall mean the date on which Union, with the reasonable assistance of the Treasurer's Office as necessary, has taken all of the steps necessary to enable Union to fully perform all of the Services under this Agreement.

"*Promotional Materials*" shall mean all printed and broadcast advertising and marketing materials relating to Bright Directions.

"*Prospects*" shall have the meaning set forth in Section 7.5.

"*Qualified Higher Education Expense*" shall have the meaning set forth in Section 529 of the Code.

"*Qualified Tuition Program*" shall have the meaning set forth in Section 529 of the Code, as amended from time to time.

"*Qualified Withdrawal*" shall mean (i) an Education Withdrawal, (ii) a withdrawal made as a result of the death or disability of a Designated Beneficiary, (iii) a withdrawal made on account of a scholarship or (iv) any other withdrawal permitted without penalties under Section 529 of the Code.

"*SEC*" shall mean the United States Securities and Exchange Commission.

"*SEC No-Action Letter*" shall have the meaning set forth in Section 12.1.

"*Section 529*" shall have the meaning set forth in the above Recitals.

"*Selling Agent*" shall mean any eligible entity entitled to execute a Selling Agreement for the Pool.

"*Services*" shall mean, collectively, the Implementation Services, the Administrative Services, the Investment Management Services and the Marketing Services.

"*Service Fee*" shall have the meaning set forth in Section 9.1.

"*State*" shall mean the State of Illinois.

"*Term*" shall mean the Initial Term together with any Extension Term as applicable in accordance with Section 13.1.

"*Treasurer's Investment Policy Statement*" shall mean the Treasurer's Investment Policy Statement, the initial version of which is attached hereto as Exhibit B, which shall be developed by the Treasurer and delivered to Union prior to the Program Start Date and as may be revised by the Treasurer's Office from time to time.

"*Treasurer's Office Representative*" shall mean any Person or Persons designated in writing from time to time by the Treasurer's Office as authorized to act on behalf of the Treasurer's Office.

"*Underlying Portfolio*" or "*Underlying Portfolios*" shall have the meaning set forth in Section 6.3.

"*Union's Proposal*" shall have the meaning set forth in Section 2.

1.2 Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) Singular words shall connote the plural as well as the singular, and vice versa (except as indicated), as may be appropriate.

(b) Unless otherwise indicated, references within this Agreement to articles, sections, paragraphs or clauses are references to articles, sections, paragraphs or clauses in or to this Agreement.

(c) The words "herein," "hereof" and "hereunder" and other words of similar import used in this Agreement refer to this Agreement as a whole and not to any particular article, section, paragraph or clause.

(d) References to any Person shall include such Person, its successors and permitted assigns.

2. INCORPORATION OF ADDITIONAL DOCUMENTS.

The following documents are hereby incorporated into this Agreement as though fully set forth herein:

(a) The April 20, 2005 letter from the Treasurer's Office to Union as annotated and initialed, the Request for Best and Final Offers, the Request for Proposal for the Multi-Manager, Advisor-Sold Plan for the Illinois College Savings Pool dated June 16, 2004, including all amendments and attachments thereto;

(b) The Best and Final Offer proposed by Union and dated February 22, 2005 as modified or supplemented by representations contained in (1) the April 20, 2005 letter from the Treasurer's Office to Union as annotated, initialed, and agreed to by Union);

(c) The September 13, 2004 letter from the Treasurer's Office to Union and Union's September 20, 2004 response thereto; and

(d) Union's Proposal dated August 9, 2004, made in response to the Request for Proposal ("Union's Proposal").

In the event of any conflict, ambiguity or discrepancy between this Agreement and any of the foregoing, the conflict shall be resolved first in favor of this Agreement and then in the order of precedence detailed above.

3. APPOINTMENT OF UNION TO PROVIDE SERVICES.

3.1 Appointment and Acceptance; Private Labeling.

(a) Appointment and Acceptance. The Treasurer's Office hereby appoints Union as the sole and exclusive provider of the Services for Bright Directions. Union hereby accepts such appointment and agrees to perform the Services in accordance with this Agreement. Union agrees that it shall cooperate with the Treasurer's Office and any consultants, advisors, auditors or legal counsel hired by the Treasurer's Office to review, evaluate or otherwise advise regarding Bright Directions. To the extent reasonably possible, any review, examination or evaluation shall be conducted without interfering with the performance of the Services.

(b) Private Labeling. Union agrees to pursue the establishment of a private label distribution channel for the Advisor-Sold Plan of the College Savings Pool, provided that the Treasurer's Office will have final approval over the terms and conditions of any private labeled distribution channel.

3.2 Delegation and Assignment of Responsibilities; Appointment of Distributor.

(a) Delegation and Assignment. Union may not delegate or subcontract for the performance of any Services unless Union receives the prior written consent of the Treasurer's Office to such delegation or assignment by subcontract. To the extent consistent with the purposes of the Program, Union may delegate to or subcontract for the performance of any Services upon obtaining the prior approval, written or oral, of the Treasurer and upon execution by subcontractor of

all procurement documentation that may be required by the Treasurer. No delegation or subcontract by Union shall relieve Union of any of its responsibilities hereunder, and Union shall be responsible for the performance of Services by its delegates and subcontractors and shall remain obligated hereunder as if no delegation or assignment by subcontract had been made.

(b) Appointment of Distributor; Selling Agents. Union is hereby authorized to retain Northern Trust to act as distributor of Bright Directions, pursuant to the terms of a distribution agreement to be entered into between Union and Northern Trust. Northern Trust (as a selling agent, pursuant to the provisions of Section 7.7 hereof, with respect to interests in Bright Directions) shall enter into selling agreements ("Selling Agreements") with Selling Agents, provided that Union shall provide to the Treasurer's Office a copy of each such Selling Agreement promptly after its execution by the parties thereto. All eligible Selling Agents must have an opportunity to participate in the Pool as of the Program Start Date. The Selling Agreement shall not impose any restrictions on Selling Agents' ability to participate in Bright Directions other than those required by law, rule or regulation without the approval, which shall not be unreasonably withheld, of Union and the Treasurer's Office. All Selling Agreements shall be in substantially the form set forth in **Exhibit E** and shall provide for compensation to Selling Agents as set forth in **Exhibit E**.

Any changes to the Selling Agreement must be approved by the Treasurer, such approval not to be unreasonably withheld.

3.3 Employees of Union. Union shall utilize its personnel to perform Services pursuant to this Agreement, and such personnel shall at all times remain employees or consultants of Union, subject solely to the direction and control of Union. Union shall alone retain full liability for its employees and consultants in all respects, including for its welfare, salaries, fringe benefits, legally required employer contributions and tax obligations. No facility of Union used in performing Services shall be deemed to be transferred, assigned, conveyed or leased to the Treasurer's Office or the Program by such performance or use pursuant to this Agreement. Union warrants that all employees engaged in the Services shall be qualified to perform the Services, shall be properly licensed and otherwise authorized to do so under all Applicable Laws.

3.4 Modification of Services. Union shall not modify any service or the manner of providing such service under this Agreement without the prior written authorization of the Treasurer. Modification means any change to an existing service or the addition of a new service.

4. PROGRAM START DATE. Union and the Treasurer's Office shall take all reasonable action necessary in order for the Program Start Date to commence November 15, 2005. In the event that the Program Start Date is delayed due to the negligence or conduct of Union for greater than 60 days, the Treasurer's Office may at its option and in its sole discretion terminate this Agreement immediately upon providing notice of such termination to Union.

5. IMPLEMENTATION SERVICES. Union shall be responsible for implementing Bright Directions with the reasonable assistance of the Treasurer's Office as necessary. The specific responsibilities of Union and the assistance that will be provided by the Treasurer, include, but are not limited to, the following (each of which is a condition which must be satisfied at or before the Program Start Date and all or any of which may be waived in whole or in part by the written agreement of the Treasurer's Office and Union):

(a) Program Disclosure Statement.

(i) Completion. The Program Disclosure Statement shall have been prepared by Union with the reasonable assistance of the Treasurer's Office as necessary in such form and substance as shall be mutually acceptable to the Treasurer's Office and Union.

(ii) Certificate of the Treasurer's Office. The Treasurer's Office shall have delivered to Union a Certificate, dated the Program Start Date, executed on behalf of the Treasurer's Office, to the effect that all portions of the Program Disclosure Statement describing the Treasurer's Office, the Treasurer's Office's duties and responsibilities with respect to the Program and the terms and structure of the Pool, are complete and accurate, and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(iii) Certificate of Union. Union shall have delivered to the Treasurer's Office a Certificate, dated the Program Start Date, executed on behalf of Union, to the effect that all portions of the Program Disclosure Statement other than those describing the Treasurer's Office or containing information obtained from third parties, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) Program Forms. The Program Forms shall have been prepared by Union with the reasonable assistance of the Treasurer's Office as necessary in such form and substance as shall be mutually acceptable to the Treasurer's Office and Union. The Program Forms shall include, but are not limited to, the following: Enrollment Form, Distribution Form, Investment Change Form, Rollover Form, Beneficiary Change Form, Account Owner Change Form, Successor Account Owner Form, ACH Modification Form and Payroll Deduction Form.

(c) Structuring of Bright Directions. The Treasurer's Office and Union shall have developed and agreed to the terms of Bright Directions. Union will develop and present terms relating to Bright Directions that will allow Bright Directions to constitute a "qualified tuition program" under Section 529 of the Code and which will allow the opinions of counsel described in Section 5(d) to be issued.

(d) Legal Responsibility.

(i) Union shall be responsible for addressing all of the legal issues which relate to the establishment and operation of Bright Directions. In fulfilling its responsibilities hereunder, Union may obtain opinions of or the advice of counsel. Union may engage Ballard Spahr, Andrews & Ingersoll, LLP as a subcontractor to satisfy the obligations to provide all legal services related to the Program; provided, however, that when additional expertise is required as reasonably determined by the Treasurer, Union agrees to engage a law firm approved by the Treasurer, at Union's expense, that has required expertise. The following opinion or opinions of counsel shall have been obtained by Union, addressed to both Union and the Treasurer, in form and substance reasonably satisfactory to Union and the Treasurer's Office, with the expense of such opinion or opinions to be paid by Union, as follows:

(1) to the effect that Bright Directions constitutes a "qualified tuition program" within the meaning of Section 529 of the Code;

(2) to the effect that the Program, the operation of the Program, and interests of participation in the Program will be exempt from registration requirements of the Securities Act of 1933 and the rules and regulations thereunder, as amended;

(3) to the effect that the Treasurer's Office, its officers and employees may perform the functions described in this Agreement without registration under the Securities Exchange Act of 1934, as amended;

(4) to the effect that the Participation Agreements and interests in the Program will be exempt from registration and qualification requirements under the Trust Indenture Act of 1939 and the rules and regulations thereunder, as amended;

(5) to the effect that the Program is exempt from regulation as an investment company under the Investment Company Act of 1940;

(6) to the effect that the Program Disclosure Statement is complete and accurate and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(7) to the effect that the Program has been established in accordance with and in compliance with the Act; and

(8) to the effect that all investments to be made by the Program shall be permitted under the laws, rules and regulations governing the investment of moneys by the Illinois State Board of Investments.

(ii) The Treasurer's Office will provide reasonable assistance as requested by Union to enable their attorneys to issue the required opinions.

(iii) The Treasurer's Office agrees to furnish certificates containing any factual information and representations that the Treasurer knows, or should know, that may be reasonably requested by counsel responsible for issuing and delivering the opinions referenced in Section 5(d)(i).

(e) Initial Marketing Plan; Promotional Materials. Union shall work with the Treasurer's Office in the development of the initial Marketing Plan and all Promotional Materials required to commence the marketing and selling of the Participation Agreements. All such materials are subject to the review and approval of the Treasurer's Office, shall be developed in a format that is reasonably consistent with the publications of the Treasurer's Office and shall be reviewed by the Treasurer's Office in a timely manner. The Treasurer's Office shall make reasonable offers to review materials submitted within seven (7) business days. Union shall take all actions necessary in order for such Promotional Materials to be available in final form for distribution.

(f) Administrative Systems. Union shall demonstrate to the satisfaction of the Treasurer's Office its ability to accept applications for Participation Agreements, to efficiently process contributions and to establish Accounts.

(g) Representations and Warranties. Each of the representations and warranties made by Union and the Treasurer's Office in this Agreement shall be true and correct in all material respects on and as of the Program Start Date as though the representation or warranty was made on and as of the Program State Date.

6. INVESTMENT MANAGEMENT SERVICES.

6.1 Creation of Bright Directions.

(a) Bright Directions shall be duly established by the Treasurer's Office and developed and implemented by Union as an agent of the Treasurer's Office pursuant to the Act. Union shall manage Bright Directions at the Treasurer's direction. The assets of Bright Directions shall be segregated by Union in a separate custody account. This custody account shall be maintained by Union for the sole purpose of investing Bright Directions assets and shall not be combined with the assets of Union or any other Person.

(b) Union shall provide Investment Management Services with respect to Bright Directions and the investment of money in Accounts established under Bright Directions. Union may engage Wilshire Associates to consult with it in connection with such Investment Management Services. Union shall design investment options for Bright Directions and recommend investment products and services to ensure the broadest array of reasonable investment options consistent with the Treasurer's investment objectives and the Investment Policy Statement applicable to Bright Directions. Subject to Section 6.3 below, the Treasurer will review and has sole discretion to approve Union's recommended investment options and asset allocations and will have the ultimate authority to select the funds for inclusion in the Program. The performance of Bright Directions shall be reviewed at least quarterly. All monies received as contributions to the Accounts shall be deposited by Union into Bright Directions and invested according to the respective investment option or options, as designated by the Participant in the respective Participation Agreement or Account application. The assets of Bright Directions shall be preserved, invested and expended by Union solely pursuant to and for the purposes of the Program and shall not be loaned, encumbered or otherwise transferred or used by Union for any other purposes. Union shall not withdraw or permit to be withdrawn any assets from Bright Directions without the prior written approval of the Treasurer's Office, except under the following circumstances:

(i) to make a Qualified Withdrawal;

(ii) to make a Non-Qualified Withdrawal; and

(iii) to pay the Service Fee and Other Fees as provided in and in accordance with Section 9.

6.2 Investment Policies and Performance Benchmarks. Union shall invest, operate and manage Bright Directions in compliance with the Treasurer's Investment Policy Statement at all times. The investment objective, policies, practices and investment benchmark for

each investment option for contributions to Accounts in Bright Directions shall, except as otherwise hereafter agreed to by the Treasurer's Office and Union, be as set forth in the Treasurer's Investment Policy Statement, but in any case, subject to the Act and other Applicable Law. Notwithstanding anything to the contrary set forth above, Union shall have a commercially reasonable amount of time to implement any changes in the investment objective, policies and practices for Bright Directions resulting from changes to the Treasurer's Investment Policy Statement communicated to Union.

6.3 Investment of Bright Directions. Union shall manage the investments of Bright Directions in a manner such that the investment options and the underlying portfolios of investments of Bright Directions (the "Underlying Portfolios") shall be in compliance with Applicable Law and the Treasurer's Investment Policy Statement at all times. In managing the investments of Bright Directions and the Underlying Portfolios, Union agrees that it will act with the skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims. Each Underlying Portfolio shall be invested in Permitted Investments. The Permitted Investments and the allocation percentages or guidelines established by Union for the Underlying Portfolios' assets shall be approved by the Treasurer's Office in writing prior to their implementation. Union shall seek to manage each Underlying Portfolio to seek to achieve the benchmarks set forth in the Treasurer's Investment Policy Statement. Should Union or the Treasurer's Office wish to remove or replace any of the investment funds in the Underlying Portfolios, the Treasurer shall have the ultimate authority to select the funds for inclusion in the Program, provided that the Treasurer will consider the funds recommended by Union. The Treasurer shall, to the extent feasible and in the best interests of Participants and Beneficiaries, seek to utilize a fund with an expense structure that is comparable to the expense structure of the fund that is being replaced. Union shall be responsible for determining that the investment objectives, policies and practices of any included funds in which assets are invested are consistent with the Treasurer's Investment Policy Statement and Applicable Law. Union shall annually provide to the Treasurer's Office, within thirty (30) calendar days after the end of each fiscal year for the Treasurer's Office, a certification that the investments of Bright Directions and the Underlying Portfolios are, and at all times during the year have been, in compliance with the Treasurer's Office Investment Policy Statement and Applicable Law. In making investment decisions for Bright Directions and the Underlying Portfolios, Union shall comply with Applicable Law, and shall take into account such information concerning Participants and Designated Beneficiaries as it believes may be consistent with the requirements of Section 529 of the Code and any guidance thereunder provided by the U.S. Treasury Department and/or the Internal Revenue Service. Neither the Treasurer's Office nor Union guarantees any return of amounts invested by Participants or Giftors or any income on such amounts.

6.4 Allocation Guidelines. Union shall invest the assets in each of the Underlying Portfolios so that such assets are allocated as established by Union and approved by the Treasurer's Office from time to time (the "Allocation Guidelines"). The initial Allocation Guidelines shall be the allocation guidelines established by Union and approved by the Treasurer's Office as set forth in the Treasurer's Investment Policy Statement. By November 1 of each calendar year during the Term, Union shall submit to the Treasurer's Office, for the Treasurer's Office's consideration, Union's recommended Allocation Guidelines for the following calendar year. Union shall make such recommendations consistent with the objectives of the College Savings Pool, the Program and the investment options as set forth in the Treasurer's Investment Policy Statement. At the request of

the Treasurer's Office, Union shall consult with the Treasurer's Office and may thereafter propose revised Allocation Guidelines for the following calendar year. On or before December 1 of each such calendar year, the Treasurer's Office shall either notify Union that the Treasurer's Office approves Union's recommended Allocation Guidelines or shall deliver to Union revised Allocation Guidelines for such year that the Treasurer's Office deems appropriate in the discharge of the Treasurer's Office's statutory obligation. Notwithstanding anything to the contrary set forth above, the Treasurer's Office may, upon thirty (30) days' written notice to Union, change the Allocation Guidelines at any time for application during the remaining portion of the calendar year. In the event of any such change by the Treasurer's Office, Union shall have a commercially reasonable period of time to implement any such changes in Allocation Guidelines.

6.5 Contributions; Accounts. Beginning on the Program Start Date, Union shall establish for each Participant at least one individual Account in Bright Directions, each with the Investment Option and for the Designated Beneficiary as designated by the Participant in the Participation Agreement or Account applications, for the receipt of contributions made on behalf of the Designated Beneficiary by such Participant and any Giftors. Contributions received from Participants and Giftors shall be processed in accordance with the standards set forth in **Exhibit D**.

6.6 Determination of Net Asset Value.

(a) Net Asset Value ("Net Asset Value" or "NAV") of the Underlying Portfolios shall mean the value of one unit of the Underlying Portfolio and shall be determined by Union as of the close of regular trading on the New York Stock Exchange on each Business Day. NAV shall be computed by subtracting the value of the liabilities (including the Service Fee and any ongoing sales charges for each fee structure) from net assets of such Underlying Portfolio and dividing such amount by the number of outstanding units of such Underlying Portfolio. The Net Asset Value for the respective Underlying Portfolio applicable to a particular request by the Treasurer's Office shall be the Net Asset Value next calculated for such Underlying Portfolio after the request was received. Net Asset Value of any particular Account shall be determined by multiplying the Net Asset Value of the respective Underlying Portfolio by the number of units attributable to the Account Balance of such Account.

(b) The assets of Bright Directions and the Underlying Portfolios shall be valued as of the close of each Business Day. The Net Asset Value shall be determined by appraising each Underlying Portfolio's investments at the net asset value of each mutual fund. All relevant prospectus and ancillary information shall be provided to the Treasurer's Office and remain on file. Such information shall be provided to the Treasurer's Office on a regular basis and upon the occasion of any material change.

6.7 Reports and Financial Information. Union shall keep adequate records of the Account Balance with respect to each Account, and compile, prepare and deliver to the Treasurer's Office and to Participants on a timely basis the detailed financial information, reports and statements required of Union as a manager under the Act and by this Agreement, including such information as is necessary for the Treasurer's Office to prepare any filings and reports to be delivered under the Act. In particular, Union shall prepare and deliver to the Treasurer's Office, within ten (10) business days immediately following the end of each calendar month, reports in a form satisfactory to the Treasurer's Office: (i) on the holdings and the total rate of return of Bright Directions and the

Underlying Portfolios; (ii) the Net Asset Value and total value of Bright Directions and each Underlying Portfolio at the first day and last day of such month; (iii) the purchases and sales during such month of Permitted Investments; and (iv) any other information that the Treasurer's Office reasonably requests.

6.8 Proxy Voting. Decisions on voting of shares of all Funds in the Underlying Portfolios will be made by Union, unless otherwise directed by the Treasurer.

6.9 Receipt of Disclosure Documents. The Treasurer's Office acknowledges that it has received a copy of the prospectus for each of the Funds in the shares of which the Underlying Portfolios are expected to be invested.

6.10 Account Information and Performance Reporting. Union shall act as a clearinghouse for account information and performance reporting.

7. MARKETING SERVICES.

7.1 General Marketing Services.

(a) During the Term, Union shall work with the Treasurer's Office to create, evaluate and update annually a marketing plan for Bright Directions (the "Marketing Plan") and shall provide marketing services to implement the Marketing Plan in a manner which is commercially reasonable and in compliance with this Agreement and all Applicable Laws. Union shall not actively market any other 529 plan as part of its wholesalers' presentations to Illinois advisors. The focus of presentations to Illinois advisors will be limited to Bright Directions, provided however, that if an Illinois advisor has clients who are residents of Nebraska or specifically requests information about the College Savings Plan of Nebraska, Union is not prohibited to providing requested information. Union's Marketing Services will include, but not be limited to, the following: financial planner recruiting, consumer broadcast advertising and cooperative sales communication. Union may engage the services of Snitily Carr to develop a marketing campaign and program materials. However, Union agrees to engage an alternative subcontractor in the event that the Treasurer is unsatisfied with the creative work, campaign development or production of commercials and other marketing materials.

(b) Union agrees to retain Northern Trust as distributor for Bright Directions. Union will additionally utilize 2.5 full-time equivalent employees to act as wholesalers for Bright Directions. If during the term of this Agreement, the Treasurer and Union agree that it is in the best interest of Bright Directions to terminate the services of Northern Trust, Union is authorized to retain Nelnet Capital, LLC to act as distributor.

7.2 Review and Approval of Program Materials.

(a) Union shall not finalize, distribute or otherwise use any Program Materials until such Program Materials have been approved in accordance with this Section 7.2 it being understood that the Treasurer has ultimate control over the content of all Program Materials.

(b) Union shall work with the Treasurer on the development of Program Materials and Union shall submit all Program Materials to the Treasurer's Office for written approval by a

Treasurer's Office Representative prior to finalizing such Program Materials. All Program Materials submitted will be developed in a format that is reasonably consistent with the publications of the Treasurer's Office. The Treasurer's Office Representative shall promptly review all Program Materials so submitted. The Treasurer's Office shall make reasonable efforts to review materials submitted within seven (7) business days.

7.3 Content of Program Communications.

(a) The letterhead on all Program communications sent from Union to Participants ("Program Communications) will be the letterhead of Bright Directions rather than that of Union. The letterhead of Bright Directions shall prominently identify the Treasurer's Office.

(b) During the Term of this Agreement, Union may be identified as the "Program Manager" or a "Partner" with the Treasurer's Office for Bright Directions, and Union's brand name and logo may be displayed on all Program Communications including the following: (i) each application to open an Account and each Participation Agreement; (ii) each Program Disclosure Statement and any disclosure supplemental thereto; (iii) each Account statement; (iv) each pamphlet and other materials advertising Bright Directions; (v) each advertising of Bright Directions in newspapers, periodicals and newsletters; and (vi) other Program Materials with the prior written consent of a Treasurer's Office Representative. Notwithstanding the foregoing, Union's brand name and logo shall not be more prominent than that of Bright Directions or the Treasurer's Office on any Program Communications.

(c) All promotional materials prepared and distributed by Union shall clearly indicate that neither the principal deposited nor the investment return in the Accounts is guaranteed by the State, the Treasurer's Office, Union, or any of its affiliates, Northern Trust, or any of its affiliates, the federal government or any agency thereof.

(d) Union may advertise to the general public or any third parties unrelated to the Program Union's status with respect to Bright Directions, with prior approval of the Treasurer's Office.

7.4 Coordination with Bright Start and College Illinois! Marketing. Union shall work with the Treasurer and the Illinois Student Assistance Commission to coordinate the marketing of Bright Directions, Bright Start and College Illinois! when considered beneficial by the Treasurer and the Director of the Illinois Student Assistance Commission ("ISAC").

7.5 Non-Program Communications. During the Term and following any termination or expiration of this Agreement, Union and its Affiliates shall not direct non-Program communications of any kind to Illinois residents that are Participants, Designated Beneficiaries, Giftors or Persons requesting information or making inquiries as to Bright Directions or the Program (referred to herein as "Prospects"); provided, however, that Union and its affiliates shall not be prohibited from directing non-Program communications to any Participant, Designated Beneficiary, Giftor or Prospect that at any time was or becomes the owner of a product of Union or its affiliates (other than pursuant to a Participation Agreement or Account application) or the contact information for which was obtained other than through Union's role as Program Manager of Bright Directions.

7.6 Marketing Reports. Union shall compile, prepare and provide to the Treasurer's Office, within ten (10) Business Days immediately following the end of each calendar month, a report of the marketing activities of Union during the preceding month, which report shall be in form and substance as approved by the Treasurer's Office. Union shall provide a written evaluation of ongoing and completed marketing efforts within ten (10) Business Days of each calendar quarter end.

7.7 Appointment of Union and Northern Trust as Selling Agents. The Treasurer's Office hereby appoints Union and Northern Trust as selling agents with respect to interests in Bright Directions. As a selling agent, Union shall perform the marketing services set forth in this Section 7, including the initial preparation of Program Materials and submission of Program Materials to the Treasurer for review and approval in accordance with Section 7.2. Union and Northern Trust shall solicit orders for the sale of interests in Bright Directions.

7.8 Marketing and Distribution Expenditures; Administrative Fee to Treasurer's Office.

(a) The Treasurer's Office shall review any proposed marketing expenditures and shall retain ultimate control over the content of the marketing materials. Union agrees to provide marketing and distribution services outlined in Union's Proposal which includes, but is not limited to, a statewide broadcast media blitz with a guaranteed value of over $280,000 and a potent value of $840,000. Funds designated for marketing shall be used solely for marketing projects described in Union's Proposal and shall not be re-allocated to cover any expenses of Bright Directions.

(b) Beginning on the later of November 15, 2005, or the date on which the first Account in Bright Directions is established, Union shall pay the Treasurer's Office, out of the fees earned by Union under this Agreement, an annual fee equal to the greater of $350,000 or five (5) basis points of Bright Directions' assets to cover the expenses that the Treasurer will incur in the implementation and administration of an internal marketing field staff as well any expenses incurred in the internal administration of the Pool. Such payments shall be made monthly, on a prorated basis, starting with the date of this Agreement. The payments will be delivered to the Treasurer electronically by the third Business Day of the month, in accordance with the delivery instructions of the Treasurer, based on the balance of the fund at the end of the preceding month.

8. ADMINISTRATIVE SERVICES.

8.1 Records Administration and Customer Service. During the Term, Union shall perform all of the administrative services for Bright Directions, including but not limited to, the following:

(a) develop rules and procedures for all processes related to the Pool operations and submit them to the Treasurer's Office for its approval, including the performance of any actuarial analysis, necessary to establish the highest maximum contribution allowable under Section 529 of the Code;

(b) create and distribute training materials to advisors, agents, customer service representatives, and other interested parties;

(c) accept Selling Agent calls and inquiries, and maintain a database of all inquiries from Selling Agents requesting an enrollment kit;

(d) accept and process Account applications;

(e) accept and process initial and subsequent contributions, including procedures to ensure that contributions are not made in excess of the maximum allowed by Section 529 of the Code and the Act;

(f) coordinate contributions made on behalf of a Designated Beneficiary who is also a beneficiary under Bright Start, College Illinois or any other 529 plan which may be offered in the future by the State and provide Bright Start, College Illinois! or any other 529 plan which may be offered in the future by the State with all information required by the Act; coordination shall include but not be limited to, the following:

(i) continuous monitoring of Pool account activity by Union to ensure no excess contributions are made to the Pool;

(ii) systematic "excess" contribution letters from Union when Pool contributions exceed the allowable maximums;

(iii) monthly data feeds between Union, Bright Start and the ISAC to monitor aggregate account contributions;

(iv) systematic "excess" contribution letters from Union, Bright Start or ISAC when aggregate contributions exceed the allowable maximums; and

(v) quarterly data feeds between Union, Bright Start and ISAC to monitor aggregate withdrawals.

(g) create or designate a customer call center, which will be staffed with sufficient employees to enable Union to satisfy the performance standards referenced in Section 8.2, to respond to Participant inquiries, it being understood that additional employees will be added if the all of the standards referenced in Section 8.2 are not achieved;

(h) accept and process requests for distribution of Account Balance, including:

(i) enrollment verification, review of requested distribution for compliance with Section 529 of the Code and payment to the institution of higher education or other authorized party;

(i) preparation of required tax reporting;

(ii) withdrawals for scholarships;

(iii) withdrawals due to death or disability of the Designated Beneficiary; and

(iv) any other withdrawals.

(v) create or establish a website, which at a minimum, enables prospective Participants and Advisors to:

(vi) receive information about Bright Directions;

(vii) review current Account balances, transaction history, fund descriptions, project college savings needs and college costs, set up recurring or additional contributions, and email questions directly to the Program Manager; and

(viii) provide online daily access to the rate of return for each Underlying Portfolio.

The website shall also contain tools available to Advisors including the ability to complete an automated Account Application to establish an Account with Bright Directions. Union shall take necessary steps to ensure that the website is secure and account information and other information appearing on the website is protected, in a manner consistent with commercially reasonable standards.

(j) provide a dedicated toll-free telephone number that will be operational by the Program Start Date and which will provide Participants access to specific automated account information by November 15, 2005 and which will allow Participants to express concerns or comments via voice mail 24 hours a day/7 days a week by the Program Start Date.

(k) provide a means for Participants to make changes to their respective Accounts, including, but not limited to, address changes, telephone changes and change of Designated Beneficiary, which means shall maintain confidentiality of information as required by Section 16;

(l) provide timely fulfillment of Pool materials, including promotional materials, and maintain a systematic history of fulfillment activity at the customer call center established by Union for each Prospect and Participant;

(m) provide a separate accounting for each Designated Beneficiary to each Participant and the Participating Selling Agent on at least a quarterly basis; and

(n) make reasonable attempts to collect the e-mail addresses of the participants, which shall be owned by the Treasurer as provided in Section 15.2 and considered Confidential Information" as defined in Section 16.1 herein.

8.2 Performance Standards. In performing the Administrative Services set forth in this Section 8, Union shall maintain or exceed certain standards of performance as set forth in **Exhibit C** (the "General Performance Standards").

8.3 Withdrawals. Union shall process requests by Participants for withdrawals from the Accounts in accordance with the written withdrawal procedures which are developed by Union and approved in writing by the Treasurer's Office (the "Withdrawal Procedures"). Union shall process 99% of all withdrawals within three business days. Union shall transfer all or a portion of

the Account Balance pursuant to a withdrawal request in accordance with the Withdrawal Procedures.

8.4 Customer Call Centers. The Customer call center will provide live service representatives from 7:30 a.m. to 5:30 p.m., Central Standard Time, Monday through Friday, that will allow Union to meet the performance standards in **Exhibit C** hereto. During the last half of December the customer call center shall provide live service representatives on Saturday mornings from 8:30 a.m. to 1:30 p.m. Central Standard Time and extended weekday evening hours. Union also agrees to provide additional live coverage in coordination with all advertising efforts at all times outside of the fixed periods. When a call is answered by a live service representative, Union agrees that such representative will identify Bright Directions as opposed to Union. Further, the welcome message on the toll-free number which refers to Union must meet with the Treasurer's approval. Union agrees to create a welcome message on the toll-free number that does not refer to Union in the first option. In the event that the call center becomes disabled, the call center will be relocated to an alternate facility and phone, data and mainframe communication lines will be reestablished within 24 hours. Original materials will be obtained from off-site storage and backup tapes will be used to produce materials to be distributed within three days.

8.5 Payroll Deduction Capability. Union agrees to market to Selling Agents the availability of employer payroll deductions.

8.6 Contribution Options. Union shall implement a system that allows Participants to make contributions by electronic means as well as by check or money order.

8.7 Administrative Reports. Union shall compile, prepare and provide to the Treasurer's Office, within ten (10) Business Days immediately following the end of each calendar month or quarter as applicable, a report or reports of records administration and customer service activities of Union during the preceding period, which reports shall be in form and substance as approved by the Treasurer's Office. Union agrees to provide call center reports on a weekly basis. Union further agrees to provide the Treasurer's Office special access to reports on Union's web site. The reports of activity shall include, among other things, the items set forth on **Exhibit F**.

9. UNION SERVICE FEE; EXPENDITURES BY UNION.

9.1 Union Service Fee; Other Fees.

(a) Union shall be entitled to withdraw, as permitted by the Act and the rules promulgated under the Act, from Bright Directions as described in Section 9.2 a monthly fee at an annual rate of 0.45% of the average daily net assets of Bright Directions (based on a calendar year of 365/366 days) the ("Service Fee"). The Service Fee will accrue and be calculated by Union daily. The Service Fee is firm for the Initial Term of this Agreement and is subject to escalation only under the following circumstances: Union shall be entitled to increase the Service Fee to cover the loss of any sub-accounting or administrative fees, referenced in Union's best and final offer, that result from the substitution of Funds by the Treasurer. In such an event, Union may increase the Service Fee in an amount which will compensate Union for its actual loss, provided that in no event will the Service Fee exceed 0.55%. Union may elect not to withdraw from the Pool the entire fee to which it is entitled at any time to enable Union to accumulate a limited amount of fees to be used by Union to

pay expenses related to the administration of the Pool, including custody, transfer agency and audit fees. The Service Fee shall include all expenses other than wire transfer charges of $25 for participants that request withdrawals by wire transfer and overdraft fees of $15.

(b) Union shall bear all of its direct and indirect costs and expenses associated with this Agreement, Bright Directions, the Program and the Services and its other obligations and responsibilities under this Agreement (including, but not limited to, any marketing and promotional expenditures). None of such costs or expenses shall be paid from or reimbursed out of Bright Directions or by the Treasurer's Office or the State.

(c) Union may impose upfront and continuing sales charges on contributions to an account as approved by the Treasurer's Office and as described in the Program Disclosure Statement and may charge a maximum enrollment fee of $10 per application and a maximum quarterly account fee of $3 per account (collectively, the "Other Fees"). Union agrees that it shall not charge Participants the $30 processing fee available to Participating Financial Institutions referenced within the Act. Union may receive a portion of any upfront sales charges paid in connection with contributions to an Account in Bright Directions, in an amount not to exceed 0.50% of such contribution. To the extent any of the investment funds contained in the Underlying Portfolios reimburse omnibus accountholders for sub-accounting or administrative fees, as referenced in Union's best and final offer, Union shall be entitled to receive such fees from such investment funds.

(d) Except as otherwise provided in this Agreement, Union shall not be entitled to any other compensation for provision of the Services without the express written consent of the Treasurer's Office.

9.2 Withdrawal of the Service Fee; Audit by the Treasurer's Office.

(a) On or before the first day of the second month following the Program Start Date, Union shall deliver to the Treasurer's Office a report setting forth the procedures it proposes for determining the Service Fee and the format for reporting such Service Fee in accordance with this Agreement, which procedures and format shall be subject to review and approval by the Treasurer's Office.

(b) Commencing on the tenth (10^{th}) day of the second month following the Program Start Date, and on or before the tenth (10^{th}) day of each month thereafter, Union shall deliver to the Treasurer's Office, by electronic or such other means requested by the Treasurer's Office, a summary report of its calculation of the Service Fee for the preceding month, based on the procedures and in the format approved by the Treasurer's Office as required by Section 9.2(a). Such report shall set forth, at a minimum, the assets of Bright Directions for each day of the preceding month.

(c) If, within ten (10) calendar days following receipt of such calculation, the Treasurer's Office does not advise Union that it objects to or wishes to confirm such calculation, Union may withdraw the amount of the Service Fee from Bright Directions. If the Treasurer's Office advises Union that it objects to or wishes to confirm such calculation, the Treasurer's Office and Union shall, in good faith, attempt to resolve such objection or complete such confirmation as

soon as reasonably practicable. If the Treasurer's Office objects to a portion of such calculation, Union may withdraw such portion of the Service Fee that is not in dispute. The calculation and collection of the Service Fee shall remain subject to post-audit adjustment, and neither the Treasurer's Office's failure to advise Union with respect to any monthly calculation, nor any transfer by Union in payment of a prior amount calculated and submitted but not objected to by the Treasurer's Office, shall prevent the Treasurer's Office from adjusting the Service Fee to reflect the Treasurer's Office's identification of improper prior payments during the course of a post-audit, or requiring repayment by Union of any overage to Bright Directions.

(d) To collect the Service Fee to which it is entitled in accordance with the foregoing provisions of this Section 9, Union shall, with respect to each Underlying Portfolio, redeem sufficient shares of each Permitted Investment in which the Underlying Portfolio is invested so as to allocate the Service Fee among the Permitted Investments proportionally in accordance with the percentage of the Underlying Portfolio's assets that are invested in each Permitted Investment.

9.3 No Treasurer's Office or State Obligation for Fees. The Treasurer's Office and the State shall have no liability to Union for fees or compensation for the Services. The only compensation for the Services received by Union shall be the Service Fee, which shall be payable only from amounts available in and withdrawn from Bright Directions.

9.4 Other Fees and Penalties Prohibited. Except for the charges described in Section 9.1 or as may be otherwise authorized by the Treasurer's Office, no fee, charge or penalty shall be imposed in connection with the establishment or maintenance of any Account or transaction therein, distributions or withdrawals therefrom or transfers thereof.

10. REPRESENTATIONS AND WARRANTIES OF UNION. Union hereby represents and warrants to the Treasurer's Office as follows:

(a) Organization of Union. Union is headquartered in Lincoln, Nebraska and is in good standing under the laws of the State of Nebraska. Union has established a foreign bank representative office in Illinois and is duly qualified to provide the Services under the laws of the State of Illinois and each jurisdiction where its ownership or lease of property or the conduct of its business otherwise requires such qualification and has and is in compliance with, all governmental approvals, consents, licenses, permits, certificates, franchises and requirements of law, that are necessary for Union to conduct its business and to enter into and perform its obligations under this Agreement and the other documents relating to Bright Directions. Union has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby.

(b) Enforceability. The execution and delivery by Union of this Agreement, and the performance by Union of its obligations hereunder, have been duly and validly authorized, with no other corporate action on the part of Union or its stockholders being necessary. Union has the full legal right, power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement has been duly and validly executed and delivered by Union and constitutes a legal, valid and binding obligation of Union enforceable against Union in accordance with its terms.

(c) No Conflicts. The execution and delivery by Union of this Agreement, the performance by Union of its duties and obligations hereunder and the consummation of the transactions contemplated hereby do not: (i) conflict with or result in a violation or breach of any of the terms, conditions or provisions of the charter or by-laws of Union; (ii) conflict with or result in a violation or breach of any term or provision of any law, rule, regulation, judgment, decree, order or injunction applicable to Union or any of its assets and properties or any Agreement restriction of any kind binding on or affecting Union or any of its properties or (iii) conflict with or result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default under, any material agreement to which Union is a party, or any material obligation or responsibility which Union has to any third party.

(d) No Litigation. There is no action, suit, investigation or proceeding pending or, to the best knowledge of Union, threatened against Union before any court, arbitrator or administrative or governmental body which might result in any material, adverse change in the operations of Union or which might materially and adversely affect the ability of Union to perform the Services or otherwise comply with its obligations under this Agreement.

(e) Investment Advisers Act. Union is not required to be registered as an investment adviser under the Investment Advisers Act of 1940, as amended, and all of Union's personnel responsible for managing the assets of Bright Directions have any necessary licenses under applicable Federal and state securities law and regulatory requirements.

(f) Governmental Approvals and Filings. All consents, approvals and actions of, and filing with or notice to, any Governmental Authority in connection with the services that will be performed by Union have been obtained.

(g) Backup and Recovery Capability. Union represents and warrants that it has adequate backup and recovery capability to provide continuous deposit operation should catastrophic events render the provider's primary facility inoperable.

(h) Accuracy and Completeness of Certificates. All information and representations set forth in certificates delivered by Union pursuant to Section 5 of this Agreement shall be accurate and complete in all material respects.

(i) Continuing Disclosure Undertaking. Union shall, on behalf of the Treasurer's Office, as its dissemination agent, make all appropriate filings with respect to compliance with Rule 15c2-12 under the Securities and Exchange Act of 1934 ("Rule 15c2-12") in accordance with the Treasurer's Continuing Disclosure Undertaking.

11. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE TREASURER'S OFFICE. The Treasurer's Office hereby represents and warrants to Union as follows:

(a) Constitutional Office. The Treasurer's Office is a constitutional office of the State of Illinois, duly established and validly existing under the Constitution of the laws of the State, and the Treasurer has entered into this Agreement in her capacity as Treasurer of the State.

(b) Authority; Enforceability. The execution and delivery by the Treasurer's Office of this Agreement and the performance by the Treasurer's Office of its obligations hereunder have been duly and validly authorized. The Treasurer's Office has the full legal right, power and authority to execute and deliver this Agreement and perform its obligations hereunder. This Agreement has been duly and validly executed and delivered by the Treasurer's Office and constitutes a legal, valid and binding obligation of the Treasurer's Office, enforceable against it in accordance with its terms.

(c) No Conflicts. The execution and delivery by the Treasurer's Office of this Agreement, the performance by the Treasurer's Office of its obligations hereunder do not conflict with or result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default under any agreement or other instrument to which the Treasurer's Office is a party, or any material obligation of the Treasurer's Office to a third party.

(d) Compliance with Laws. The Treasurer's Office shall not knowingly take any action that would jeopardize (i) the compliance of Bright Directions with the requirements of the Act; (ii) the treatment of Bright Directions as a "qualified tuition program" under Section 529 of the Code; or (iii) the exemption from registration under and compliance with the federal securities laws of the Participation Agreements or Bright Directions.

(e) Other Requirements. The Treasurer's Office will comply with the Investment Policy Statement publication requirements and the surety bond requirements of the Act.

(f) Continuing Representations, Warranties and Covenants. Each of the representations, warranties and covenants made by the Treasurer's Office in this Agreement is true and correct as of the date hereof and shall be true and correct on and as of the Program Start Date and at all times thereafter through the termination or expiration of this Agreement.

(g) Continuing Disclosure Undertaking. The Treasurer's Office will execute the Continuing Disclosure Undertaking attached hereto as **Exhibit H**.

12. COVENANTS OF UNION.

12.1 Compliance with Requirements of Applicable Law. Union shall offer and sell interests in Bright Directions and shall otherwise provide the Services and perform its obligations under this Agreement in compliance with the requirements of all Applicable Law, including but not limited to the following:

(a) Union shall not take any action that would jeopardize (i) the compliance of Bright Directions with the requirements of the Act; (ii) the treatment of Bright Directions as a "qualified tuition program" under Section 529 of the Code; (iii) the exemption from registration under and compliance with the federal securities law of the Participation Agreements or Bright Directions; or (iv) the conclusions set forth in any opinion referenced in Section 5(c)(i).

(b) Union's offer and sale of interests in Bright Directions and performance of the Services under this Agreement shall be performed in compliance with all requirements of the NASD, the MSRB and any other Governmental Authority.

(c) Union shall use the Program Disclosure Statement in connection with the offer and sale of interests in Bright Directions only so long as the Certificate delivered by Union to the Treasurer's Office pursuant to Section 5(a)(iii) remains true and correct at the time of such offer and sale.

(d) Union shall seek whatever legal comfort concerning the status of the Program and Bright Directions is necessary, which, in addition to obtaining legal opinions, may include: (i) obtaining timely on behalf of Bright Directions a private letter ruling from the Internal Revenue Service (the "IRS") to the effect that Bright Directions satisfies the qualification requirements of Section 529 of the Code, is exempt from taxation, and addressing other agreed upon issues (the "IRS Letter Ruling"); and (ii) obtaining timely a "no-action" letter from the Securities and Exchange Commission's staff (the "SEC No-Action Letter"), which shall be to the effect that Bright Directions and the operation of Bright Directions will be exempt from registration requirements of the Securities Act of 1933, as amended, and the rules and regulations thereunder, and exempt from broker-dealer registration requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, and addressing other agreed upon issues. The costs and expenses of obtaining such comfort shall be paid by Union. The Treasurer's Office shall render reasonable assistance to Union in the preparation of an IRS Letter Ruling request and/or SEC No-Action Letter request.

12.2 Changes in Applicable Law. Union shall monitor all Applicable Law, and shall assume responsibility for addressing the legal issues affecting Bright Directions. Union shall promptly notify the Treasurer's Office of any changes in the law. In fulfilling its responsibilities hereunder, Union may obtain opinions of or the advice of counsel, including, but not limited to, having counsel conduct an annual review of Bright Directions. In the event that Bright Directions or objectives of Bright Directions are adversely affected due to changes in or new interpretations of existing federal tax law, State tax law, federal or State securities laws or other Applicable Laws, the Treasurer's Office and Union shall cooperate to restructure Bright Directions, based on terms developed and presented by Union, as advised by counsel, to the Treasurer's Office for its approval, to address such adverse consequences, and each of the parties hereto shall pay its own expenses in connection with such efforts through the date of such restructuring.

12.3 Further Cooperation. Union shall cooperate with the Treasurer's Office in a commercially reasonable manner in order that the duties and obligations of the parties hereunder may be effectively, efficiently and promptly discharged. Union shall, at its expense, execute and deliver to the Treasurer's Office further instruments and documents, and shall take further action, as the Treasurer's Office may from time to time reasonably request in order to carry out the intent and purpose of this Agreement. To that end, Union shall, at all reasonable times during normal business hours and as reasonably necessary, make available for discussion with the Treasurer's Office properly authorized personnel.

12.4 Compliance with Terms of Bright Directions. Union shall offer and sell interests in Bright Directions only in accordance with the terms developed and agreed to by the Treasurer's Office and Union pursuant to this Agreement, as such terms may be changed from time to time during the Term of this Agreement only (i) upon mutual agreement of Union and the Treasurer's Office, or (ii) by the Treasurer's Office to the extent deemed necessary to maintain compliance of Bright Directions with Applicable Law.

12.5 State Securities and "Blue Sky" Law Clearance. To the extent permitted by Applicable Law, Accounts may be offered to, opened by, and contributions thereto made by, prospective participants or Participants in each state of the United States and outside the United States. At its sole cost and expense, Union shall be solely responsible for identifying all required consents, approvals, notifications and other filings to this end under applicable state securities or "blue sky" laws and otherwise. The Treasurer's Office shall cooperate with Union, as may be necessary, in its preparation and submission to all such consents, approvals, notifications and other filings.

12.6 Tax Reports. Union shall be required to handle all tax reporting in accordance with Section 529 and the Act, including but not limited to the following:

(a) report, if there is any distribution from Bright Directions to any individual or for the benefit of any individual during a calendar year, to the Internal Revenue Service and the Participant, the Designated Beneficiary and such other Person to the extent required by federal law or regulation; and

(b) prepare and provide to the Treasurer's Office for filing statements and information relating to Bright Directions and the Accounts to the extent required by federal and state tax law.

12.7 Financial and Other Audits. Union shall prepare separate annual financial statements for Bright Directions and to cause such statements to be audited at its expense by an independent certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State. The Treasurer's Office and the Illinois Auditor General shall be entitled to conduct other audits with respect to Bright Directions from time to time or as required by Illinois law. Union shall give to the Persons performing the audit its full cooperation and access to all Program Records.

12.8 Amendments to Program Disclosure Statement. Union shall amend or supplement the Program Disclosure Statement to take into account material developments subsequent to the preparation and delivery of the initial Program Disclosure Statement. The Treasurer's Office and Union shall cooperate in the determination of whether a particular development warrants an amendment or supplement to the Program Disclosure Statement. On each date that the Program Disclosure Statement is amended or supplemented, the Treasurer's Office and Union shall confirm in writing that the representations and statements contained in the certificate delivered by Union and the Treasurer's Office pursuant to Section 5(a) remain true and correct as of such date.

12.9 Keeping of Records and Books of Account. Union shall keep adequate records and books of account, in which complete entries shall be made in accordance with accounting principles, reflecting all transactions of Union in connection with Bright Directions and complying with all of the requirements of Section 15.5.

12.10 Continuing Representations, Warranties and Covenants. Each of the representations, warranties, and covenants made by Union in this Agreement is true and correct as of

the date hereof and shall be true and correct on and as of the Program Start Date and at all times thereafter through the termination or expiration of this Agreement.

13. TERM OF AGREEMENT; TERMINATION; POST-TERM AGREEMENT.

13.1 Term of Agreement.

(a) Initial Term. The term of this Agreement shall commence on November 15, 2005 and shall expire on November 14, 2012 (the "Initial Term").

(b) Term Extension. The Treasurer's Office reserves the right to extend this Agreement for an additional three-year period under the same terms and conditions or under new terms and conditions agreed to in writing by the parties ("Extension Term"), provided that the Treasurer's Office notifies Union in writing of its intention to do so at least six months prior to the expiration date of the Initial Term,. If Union meets the performance standards required hereby during the Initial Term, the term of this Agreement shall be extended for an Extension Term. An Extension Term of this Agreement, and any amendments to this Agreement in connection with such Extension Term, shall be effected through a written instrument agreed to and executed by Union and the Treasurer's Office.

13.2 Termination for Cause/Reduction of Fee

Notwithstanding any foregoing language to the contrary, this Agreement may be terminated by the Chief Procurement Officer with the approval of the Treasurer and subject to the determination of the Chief Legal Counsel under any of the following circumstances:

(a) Union fails to furnish a satisfactory performance within the time specified.

(b) Union fails to perform any of the provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms.

(c) Any services provided under the contract are rejected and are not promptly corrected by Union; or repeatedly rejected even though Union offers to correct services promptly.

(d) There is sufficient evidence to show that fraud, collusion, conspiracy, or other unlawful means obtained this Agreement.

(e) Union is guilty of misrepresentation in connection with another contract for services to the State.

(f) Union is adjudged bankrupt or enters into a general assignment for the benefit of their creditors or receivership due to insolvency.

(g) Union disregards laws and ordinances, rules, or instructions of a contracting officer or acts in violation of any provision of the contract or this part, or the contract conflicts with any statutory or constitutional provision of the State of Illinois or of the United States.

(h) Any other breach of contract or other unlawful act by Union occurs.

Prior to terminating the contract for cause, the Treasurer shall issue a written warning that outlines the remedial action necessary to bring the Union into conformance with the Agreement. If such remedial action is not completed to the satisfaction of the Treasurer within 30 business days, a second written warning may be issued. If satisfactory action is not taken by Union within five business days of the date of the second written warning, the Agreement may be cancelled and the Treasurer may recover any and all damages involved with the transition to a new vendor including incidental and consequential damages. Failure by the Treasurer to issue a warning or cancel this Agreement does not waive any of the Treasurer's rights to issue subsequent warnings.

In addition, the Treasurer reserves the right to reduce the fee paid to Union as compensation for services under the Agreement during any period Union fails to perform with reasonable care any of its obligations under the Agreement.

The Treasurer and Union agree and acknowledge that, in managing the investments of Bright Directions and the Underlying Portfolio, to the extent that Union acts with the skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims, failure to achieve investment objectives will not permit the Treasurer to terminate this Agreement for cause.

13.3 Termination upon Expiration of the Initial Term Without Cause. This Agreement shall be terminated upon expiration of the Initial Term unless at least six (6) months prior to the expiration date the Treasurer's Office has provided any required written notice to Union of extension for an Extension Term pursuant to Section 13.1(b).

13.4 Treasurer's Termination Rights. Union acknowledges that the Treasurer's Office may terminate this Agreement at any time upon the occurrence of an event described in Section 13.2 or in accordance with Section 13.3.

13.5 Other Termination. If the parties mutually agree that the Program is no longer in the best interests of the Participants and/or Designated Beneficiaries, the Agreement may be terminated.

13.6 Review. The services performed by Union under this Agreement will be reviewed during the term of this Agreement, and a written performance evaluation will be completed annually during the term of this Agreement.

13.7 Termination by Union for Cause. This Agreement may be terminated by Union at any time, whether before the expiration of the Initial Term or any Extension Term, in the event that: (a) the Treasurer's Office shall be in material breach of this Agreement and such breach or failure remains uncured for more than thirty (30) days after Union has given written notice thereof to the Treasurer's Office; or (b) if the Treasurer's Office has engaged in any activities which prevent the Treasurer's Office's continued involvement in Bright Directions in accordance with the Act.

13.8 Changes in State Law. In the event that the $10,000 up front State tax deduction is adjusted by the Illinois General Assembly, the Bank and the Treasurer may attempt to renegotiate the terms of the contract for the management of the Program. In the event that the $10,000 up front State tax deduction is eliminated, lowered or made available for contributions to

any out-of-state qualified tuition programs by the Illinois General Assembly, the Bank may unilaterally terminate the contract for the management of the Program by providing notice to the Treasurer one year prior to the termination. In the event that the $10,000 up front State tax deduction is increased by the Illinois General Assembly, the Treasurer may unilaterally terminate the contract for the management of the Program by providing notice to the Bank one year prior to the termination.

13.9 Effect of Termination; Post-Term Events.

(a) Successor Contractor. If the Initial Term or any Extension Term of this Agreement expires and is not extended or if this Agreement is terminated by the Treasurer's Office, the Treasurer's Office may, at its sole discretion, select a new contractor (the "Successor Contractor") for Bright Directions and all subsequent contributions to Accounts shall be made to and held by the Successor Contractor. The Treasurer shall determine, at his or her sole discretion, whether existing Accounts (as hereinafter defined) will remain with Union or be transferred to the Successor Contractor pursuant to an agreement between Union and the Successor Contractor. Union shall cooperate with the Treasurer's Office and the Successor Contractor in a commercially reasonable manner in order to facilitate such selection and transition.

(b) Post-Term Agreement to Continue Services. If the Initial Term or any Extension Term of this Agreement expires and is not extended or if this Agreement is terminated by the Treasurer's Office, the Treasurer may, at his or her sole discretion, permit Union to continue to provide the Services in accordance with the provisions of this Agreement as though such provisions were still applicable, and permit Union to continue to receive the Service Fee, with respect to the Account Balance of Accounts in existence as of the last day of the Term (the "Existing Accounts"). Participants and Giftors shall not be permitted to make additional contributions to the Existing Accounts.

(c) Transfer of Existing Accounts. If the Treasurer's Office determines in its sole discretion that Union's performance of the services with respect to the Existing Accounts is not in the best interests of the participants, the Treasurer's Office shall direct Union to transfer such Existing Accounts to the Successor Contractor. At the time of such a transfer, Union shall use commercially reasonable efforts to effect as expeditiously as possible an orderly transition of Union's duties and responsibilities as to such Existing Accounts to the Successor Contractor in accordance with Applicable Law (including without limitation (i) transferring the assets in the Existing Accounts, or liquidating such assets in an orderly fashion and transferring the proceeds thereof, and (ii) delivering the Account records to the Treasurer's Office). Union shall maintain copies of the Program Records and Account records for recordkeeping and regulatory purposes only and subject to the provisions of this Agreement including Sections 15 and 16.

(d) Post-Term Restrictions. Upon termination of this Agreement, Union agrees that it shall not make any direct solicitation of any Participant, Designated Beneficiary, Giftor and/or Prospect except in accordance with Section 7.5. Union further agrees that it shall not use the Program Records, including Union Program Records, after termination of this Agreement for any purpose other than as may be required in connection with its Services with respect to the Existing Accounts.

14. CONTACT PERSONS; MEETINGS.

14.1 Contact Persons. The Treasurer's Office and Union shall each appoint an individual who shall serve as a contact person for the purpose of carrying out this Agreement and who shall be authorized to act on behalf of his/her respective party as to the matters pertaining to this Agreement. Effective upon execution of this Agreement, the initial contact persons shall be those set forth in **Exhibit G**. Each party shall notify the other, in writing, as to the name, address and telephone number of any replacement for any such designated contact persons or any additional contact person or replacement thereof.

14.2 Meetings. The contact persons shall meet as frequently as any of them deem advisable and at least monthly during the first six calendar months of the Initial Term, and thereafter at least once during each calendar quarter. Such meetings shall be held in Springfield, Illinois, Chicago, Illinois or at such other location to which the parties may agree.

15. OWNERSHIP AND CUSTODY OF PROGRAM RECORDS AND MEDIA MATERIALS; RELATED INFORMATION.

15.1 Program Records. The following shall constitute the "Program Records":

(a) all written and electronic records, books, data, documents, reports, analyses, designs, drawings, correspondence, papers and files for or relating solely or primarily to Bright Directions, including all Program Materials, regardless of by whom created and whether or not in the Treasurer's Office's or Union's possession, including, without limitation, all lists, compilations and summaries of Participants and/or Designated Beneficiaries and/or Giftors and/or Prospects ("Program Lists");

(b) the logo, any slogan developed for and any trade names, trade marks or service marks in connection with Bright Directions;

(c) any copyrighted materials relating solely or primarily to Bright Directions; and

(d) the web site content and marketing, advertising and public relations materials that are specific to Bright Directions.

15.2 Ownership of Program Records; Union Internal Information. The Treasurer's Office shall own, and as such shall have all right, title, interest in and beneficial ownership of, the Program Records. Although Union shall not own the Program Records, Union shall be and remain the sole owner of all of its internal records, books, documents, files, know-how and other intellectual property that are not Program Records and developed and utilized by Union (including without limitation investment allocation methodologies and know-how, and any software and analytical tools as are otherwise owned by Union and utilized and developed by or for Union for the management, marketing and administration of the Program); provided, however, that the Treasurer's Office shall not be restricted in any manner in connection with the continuation of the Program after the Term of this Agreement in using the same or substantially the same structure of Bright Directions or portions thereof (including the investment and allocation guidelines components) as have been in effect prior to termination or expiration of this Agreement, and Union shall be deemed to have granted the

Treasurer's Office a non-exclusive, perpetual, royalty-free, non-transferable license to so use any or all of the foregoing.

15.3 Use and Custody of Program Records. The Treasurer's Office shall be deemed to have granted to Union during the Term, and after termination or expiration of this Agreement only to the extent that Existing Accounts are not transferred to a Successor Custodian, a non-exclusive, royalty-free non-transferable license to use the Program Records in connection with its Services under this Agreement. All Program Records shall be readily accessible to the Treasurer's Office, as applicable, at Union's expense, in a commercially reasonable manner. To the extent consistent with Section 15.5 below, Union will not be required to make the Program Records available at any location other than its offices.

15.4 Ownership and Use of Derivative Materials. The Treasurer's Office shall also be deemed to have granted Union and its Affiliates a non-exclusive, perpetual, royalty-free non-transferable license to (i) create web site, marketing, advertising or other media-related materials based on or derived from the Program Disclosure Statement and the web site content, marketing, advertising and public relations materials that are specific to Bright Directions (collectively, the "Media Materials") and (ii) to use (including the right to modify or create derivatives of) the format of the Media Materials and Program Materials ((i) and (ii) collectively constituting the "Derivative Materials") so long as the "look and feel" (i.e., the style, appearance and format) of such Derivative Materials, when taken as a whole, creates a separate and distinct commercial impression to recipients from that of the Media Materials and Program Materials and so long as such Derivative Materials are used by Union in a manner in which the public will not otherwise confuse such Derivative Materials as being related to Bright Directions. It is expressly understood that the textual description of Section 529 programs and various matters related thereto contained in the Derivative Materials may be substantially similar to corresponding textual descriptions contained in the Media Materials and Program Materials. The Treasurer's Office acknowledges that Union shall have all right, title and interest in, and beneficial ownership of, all such Derivative Materials.

15.5 Records Retention; Audit Rights. Union shall maintain during the term of this Agreement and for a minimum of three years after the termination of this Agreement, adequate books, records and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with this Agreement. This Agreement and all books, records and support documents related to this Agreement shall be available for review and audit by the Illinois Auditor General and the Treasurer's Office. Union agrees to cooperate fully with any audit conducted by the Auditor General or the Treasurer's Office and to provide full access to all relevant materials. Failure to maintain the books, records and supporting documents as required by this Section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this Agreement for which adequate books, records and supporting documentation are not available to support their purported disbursement.

16. CONFIDENTIALITY.

16.1 Confidential Information. All Confidential Information (as defined below) shall be proprietary and confidential and held in strict confidence and not be disclosed to any third party (except for disclosures to Participants or Designated Beneficiaries of Confidential Information relating to them or their Accounts). Any Confidential Information acquired during the course of this

Agreement shall continue to be treated as Confidential Information. "Confidential Information" shall mean any data, information or records relating to Bright Directions. Notwithstanding the foregoing, "Confidential Information" does not include any (i) information already known or independently developed by the recipient, (ii) information in the public domain through no wrongful act of the recipient, (iii) information received by the recipient from a third party who was free to disclose it and (iv) information that is required to be disclosed as a matter of law. This Section 16.1 shall not restrict any disclosure required to be made by Applicable Law, except that, unless required by law, no such disclosure shall be made sooner than five (5) Business Days immediately following the other parties' receipt of written notice, and such notice will include a copy of any relevant law, court order or other order. In the event any party is required by law to disclose Confidential Information of the other parties, such party shall afford to the other parties a reasonable opportunity to participate and object, at the other parties' expense, to any such disclosure.

16.2 Use by Employees and Agents. The requirement of confidentiality under this Agreement also applies to the employees and agents of the parties hereto. Each party hereto shall use its best efforts to ensure that its employees and agents adhere to the confidentiality requirements set forth herein. Use and disclosure of proprietary and Confidential Information by employees and agents to the extent necessary to carry out the terms and purposes of this Agreement is acceptable.

16.3 Affiliates. No Confidential Information may be shared with Affiliates except to the extent necessary to provide the Services under this Agreement.

16.4 Program Lists. Union specifically agrees that it shall not, and shall cause its affiliates not to, sell, provide or otherwise disclose information from, any Program List to any third party unless otherwise directed to or approved by the Treasurer's Office or required by Applicable Law.

17. LIABILITY AND INDEMNIFICATION. Union shall indemnify and hold the Treasurer harmless from and against any and all losses, including but not limited to, losses due to the negligent acts or omissions or willful misconduct of Union, its employees or agents. Union has a duty to select, with due diligence, all other entities which shall be necessary to implement this Agreement. Union shall establish and enforce reasonable procedures to assure the Treasurer of the performance by all other entities of the services necessary to implement this Agreement.

18. INTERNAL CONTROLS. Union shall annually provide the Treasurer's Office with a copy of a mutually acceptable audit attesting to the adequacy of Union's internal controls utilized in the delivery of the Services pursuant to this Agreement.

19. NOTICES. All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed duly given upon delivery if personally delivered, upon confirmation of transmission if sent by facsimile transmission, upon the third Business Day after mailing if sent by registered or certified mail, postage prepaid, and upon receipt if sent by reputable courier, as follows, or to such other address or Persons any party may hereafter designate by notice to the other parties hereunder:

If to the Treasurer's Office to:

Office of the Illinois State Treasurer
James R. Thompson Center, Suite 15-600
100 West Randolph Street
Chicago, Illinois 60601
Attention: Deputy Chief of Staff for Law & Policy
Telephone: 312-814-1700
Facsimile: 312-814-5930

with a copy to:

Office of the Illinois State Treasurer
300 West Jefferson Street
Springfield, Illinois 62702
Attention: Manager for College Savings Programs
Telephone: 217-558-6220
Facsimile: 217-557-6439

If to Union to:

Union Bank & Trust Company
6811 South 27th Street
Lincoln, NE 68512
Attn: Jay Steinacher, CTFA: First Vice President & Manager
Telephone: 402-323-1529
Facsimile: 402-323-1797

with a copy to:

Ballard Spahr Andrews & Ingersoll, LLP
1225 17th Street, Suite 2300
Denver, Colorado 80202
Attn: Paul W. Scott

20. WAIVER. The terms and conditions hereof may be waived only by a written instrument signed by the party waiving compliance. The failure of the Treasurer's Office or Union to insist on strict compliance with this Agreement, or to exercise any right or remedy under this Agreement, shall not constitute a waiver of any rights provided under this Agreement, nor estop any of them from thereafter demanding full and complete compliance nor prevent any party from exercising such a right or remedy in the future.

21. NO THIRD PARTY BENEFICIARIES. Except as otherwise specifically provided for herein, nothing in this Agreement is intended or shall be construed to give any person, other than the parties hereto, their successors and permitted assigns, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein, provided that the foregoing shall not deprive any Participant or Designated Beneficiary of any right, remedy or claim which such person may have under Applicable Law, independent of this Agreement.

22. **NO PARTNERSHIP; INDEPENDENT CONTRACTOR.** Nothing contained in this Agreement shall be deemed or construed to create the relationship of a joint venture or partnership between Union and the Treasurer's Office. Union shall have no authority to bind the Treasurer's Office without the Treasurer's Office's written consent. Union is an independent contractor and shall be free, subject to the terms and conditions of this Agreement, to exercise judgment and discretion with regard to the conduct of its business, including, without limitation, performing management, investment advisory and other services for qualified state tuition savings and prepaid tuition programs other than Bright Directions and for other clients.

23. **HEADINGS; EXHIBITS AND SCHEDULES.** Headings and subheadings of provisions of this Agreement and the above Table of Contents are solely for the convenience of reference and are not a part of this Agreement and shall not affect the meaning, construction, operation or effect hereof. The attached Exhibits and Schedule are a part of this Agreement.

24. **GOVERNING LAW.** This Agreement shall be governed in all respects by the laws of the State of Illinois.

25. **ENTIRE AGREEMENT.** This Agreement incorporates all the documents referenced in Section 2 of this Agreement and thereby supplemented sets forth the entire understanding of the parties hereto with respect to the subject matter hereof and incorporates, merges and supersedes any and all prior understandings and communications, whether written or oral, with respect to such subject matter.

26. **SURVIVAL.** Sections 7.5, 15, 16 and 17 of this Agreement shall survive the termination or expiration of this Agreement.

27. **AMENDMENT.** This Agreement, including the Exhibits and Schedules hereto, may be amended only if such amendment is in writing and signed by the Treasurer's Office and Union.

28. **COUNTERPARTS.** This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which taken together shall constitute one and the same instrument.

29. **FORCE MAJEURE.** Except for payment obligations hereunder, neither party shall be liable to the other for any failure to comply with the terms of this Agreement, for any delays in the performance thereof or for failure to perform under the terms and provisions of this Agreement, where such failure or delay is due to causes beyond such party's reasonable control including, but not limited to, acts of God, acts of civil or military authority, fires, floods, suspension of trading, epidemics, wars, riots, strikes and delays in transportation.

30. **EXPENSES**. Except for costs and expenses specifically assumed by a party under this Agreement, each party hereto shall pay its own expenses incident to this Agreement and the transactions contemplated hereunder, including all legal and accounting fees and disbursements.

31. ASSIGNMENT. Each term and provision of this Agreement is binding and enforceable against and inures to the benefit of any successors of the Treasurer and any successors of Union, but neither this Agreement nor any of the rights, interests or obligations is assignable without the prior written consent of the other party. Any attempt by Union to transfer or assign any rights or obligations related to the provision of services under this Agreement, without the prior written consent of the Treasurer, shall render this Agreement voidable by the Treasurer. The Treasurer may unilaterally bind any successor of the provider to the terms and conditions of any Agreement between the parties.

32. DISASTER RECOVERY AND BACKUP FACILITIES. Union shall prepare and test a plan for recovery of financial transactions and related information in the event of a disaster or system failure. Union shall furnish a copy of the plan, test results and the results of the annual audit of the disaster recovery plan to the Treasurer.

33. STATE CERTIFICATIONS AND DISCLOSURE FORMS. Prior to the commencement of this Agreement Union shall provide the Treasurer with a fully executed copy of the State Certifications, a Financial and Potential Conflict of Interest Disclosure Form, and a Contract Disclosure Form, all of which are attached hereto and incorporated herein as Appendix A. Union shall also provide the Treasurer with fully executed copies of State Certifications and Disclosure Forms by any subcontractors; and Union shall provide for its Affiliates such procurement documents as may be required by the Treasurer's Procurement Rules. Failure to do so will constitute a material breach of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective representatives duly authorized so to do on the date and year written below.

OFFICE OF THE ILLINOIS STATE TREASURER

By: Judy Baar Topinka
Judy Baar Topinka
Treasurer

Date: 10/31/05

UNION BANK & TRUST COMPANY

By:
Jay J. Steinacher
First Vice President & Manager

Date: 10/26/05

Approved by:

Martin Noven, Chief Legal Counsel

Edward Buckles, Chief Financial Officer

Reviewed for Legal Sufficiency:

Joshua A. Joyce, Legal Counsel

BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM

CERTIFICATE OF THE ILLINOIS STATE TREASURER

I hereby certify on behalf of the Office of the Illinois State Treasurer, to the best of my knowledge and after due inquiry, that all portions of the Program Disclosure Statement dated November 18, 2005, describing the Treasurer's Office, the Treasurer's Office's duties and responsibilities with respect to the Bright Direction College Savings Program and the terms and structure of the Illinois College Savings Pool, are complete and accurate, and do not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

IN WITNESS WHEREOF, I have hereunto signed my name as of this 18th day of November 2005.

TREASURER JUDY BAAR TOPINKA

By: Edward Buckles

Deputy Chief of Staff of Fiscal Operations

EXHIBIT A

ILLINOIS PUBLIC ACT 91-0607

Public Act 91-0607

SB1014 Enrolled LRB9105628DHmg

AN ACT concerning the State Treasurer.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The State Treasurer Act is amended by adding Section 16.5 as follows:

(15 ILCS 505/16.5 new)

Sec. 16.5. College Savings Pool. The State Treasurer may establish and administer a College Savings Pool to supplement and enhance the investment opportunities otherwise available to persons seeking to finance the costs of higher education. The Treasurer, in administering the College Savings Pool, may receive moneys paid into the pool by a participant and may serve as the fiscal agent of that participant for the purpose of holding and investing those moneys.

"Participant", as used in this Section, means any person that makes investments in the pool. "Designated beneficiary", as used in this Section, means any person on whose behalf an account is established in the College Savings Pool by a participant. Both in-state and out-of-state persons may be participants and designated beneficiaries in the College Savings Pool.

New accounts in the College Savings Pool shall be processed through participating financial institutions. "Participating financial institution", as used in this Section, means any financial institution insured by the Federal Deposit Insurance Corporation and lawfully doing business in the State of Illinois and any credit union approved by the State Treasurer and lawfully doing business in the State of Illinois that agrees to process new accounts in the College Savings Pool. Participating financial institutions may charge a processing fee to participants to open an account in the pool that shall not exceed $30 until the year 2001. Beginning in 2001 and every year thereafter, the maximum fee limit shall be adjusted by the Treasurer based on the Consumer Price Index for the North Central Region as published by the United States Department of Labor, Bureau of Labor Statistics for the immediately preceding calendar year. Every contribution received by a financial institution for investment in the College Savings Pool shall be transferred from the Selling Agent to a location selected by the State Treasurer within one business day following the day that the funds must be made available in accordance with federal law. All communications from the

State Treasurer to participants shall reference the participating Selling Agent at which the account was processed.

The Treasurer may invest the moneys in the College Savings Pool in the same manner, in the same types of investments, and subject to the same limitations provided for the investment of moneys by the Illinois State Board of Investment. To enhance the safety and liquidity of the College Savings Pool, to ensure the diversification of the investment portfolio of the pool, and in an effort to keep investment dollars in the State of Illinois, the State Treasurer shall make a percentage of each account available for investment in participating Selling Agents doing business in the State. The State Treasurer shall deposit with the participating financial institution at which the account was processed the following percentage of each account at a prevailing rate offered by the institution, provided that the deposit is federally insured or fully collateralized and the institution accepts the deposit: 10% of the total amount of each account for which the current age of the beneficiary is less than 7 years of age, 20% of the total amount of each account for which the beneficiary is at least 7 years of age and less than 12 years of age, and 50% of the total amount of each account for which the current age of the beneficiary is at least 12 years of age. The State Treasurer shall adjust each account at least annually to ensure compliance with this Section. The Treasurer shall develop, publish, and implement an investment policy covering the investment of the moneys in the College Savings Pool. The policy shall be published (i) at least once each year in at least one newspaper of general circulation in both Springfield and Chicago and (ii) each year as part of the audit of the College Savings Pool by the Auditor General, which shall be distributed to all participants. The Treasurer shall notify all participants in writing, and the Treasurer shall publish in a newspaper of general circulation in both Chicago and Springfield, any changes to the previously published investment policy at least 30 calendar days before implementing the policy. Any investment policy adopted by the Treasurer shall be reviewed and updated if necessary within 90 days following the date that the State Treasurer takes office.

Participants shall be required to use moneys distributed from the College Savings Pool for qualified expenses at eligible educational institutions. "Qualified expenses", as used in this Section, means the following: (i) tuition, fees, and the costs of books, supplies, and equipment required for enrollment or attendance at an eligible educational institution and (ii) certain room and board expenses incurred while attending an eligible educational institution at least half-time. "Eligible educational institutions", as used in this Section, means public and private colleges, junior colleges, graduate schools, and certain vocational institutions that are described in Section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088) and that are eligible to participate in Department of Education student aid programs. A student shall be considered to be enrolled at

least half-time if the student is enrolled for at least half the full-time academic work load for the course of study the student is pursuing as determined under the standards of the institution at which the student is enrolled. Distributions made from the pool for qualified expenses shall be made directly to the eligible educational institution, directly to a vendor, or in the form of a check payable to both the beneficiary and the institution or vendor. Any moneys that are distributed in any other manner or that are used for expenses other than qualified expenses at an eligible educational institution shall be subject to a penalty of 10% of the earnings unless the beneficiary dies, becomes disabled, or receives a scholarship that equals or exceeds the distribution. Penalties shall be withheld at the time the distribution is made.

The Treasurer shall limit the contributions that may be made on behalf of a designated beneficiary based on an actuarial estimate of what is required to pay tuition, fees, and room and board for 5 undergraduate years at the highest cost eligible educational institution. The contributions made on behalf of a beneficiary who is also a beneficiary under the Illinois Prepaid Tuition Program shall be further restricted to ensure that the contributions in both programs combined do not exceed the limit established for the College Savings Pool. The Treasurer shall provide the Illinois Student Assistance Commission each year at a time designated by the Commission, an electronic report of all participant accounts in the Treasurer's College Savings Pool, listing total contributions and disbursements from each individual account during the previous calendar year. As soon thereafter as is possible following receipt of the Treasurer's report, the Illinois Student Assistance Commission shall, in turn, provide the Treasurer with an electronic report listing those College Savings Pool participants who also participate in the State's prepaid tuition program, administered by the Commission. The Commission shall be responsible for filing any combined tax reports regarding State qualified savings programs required by the United States Internal Revenue Service. The Treasurer shall work with the Illinois Student Assistance Commission to coordinate the marketing of the College Savings Pool and the Illinois Prepaid Tuition Program when considered beneficial by the Treasurer and the Director of the Illinois Student Assistance Commission. The Treasurer's office shall not publicize or otherwise market the College Savings Pool or accept any moneys into the College Savings Pool prior to March 1, 2000. The Treasurer shall provide a separate accounting for each designated beneficiary to each participant, the Illinois Student Assistance Commission, and the participating Selling Agent at which the account was processed. No interest in the program may be pledged as security for a loan.

The Treasurer shall adopt rules he or she considers necessary for the efficient administration of the College Savings Pool. The rules shall provide whatever additional parameters and restrictions are necessary to ensure that the College Savings Pool meets all of the requirements for a

qualified state tuition program under Section 529 of the Internal Revenue Code (26 U.S.C. 52). The rules shall provide for the administration expenses of the pool to be paid from its earnings and for the investment earnings in excess of the expenses and all moneys collected as penalties to be credited or paid monthly to the several participants in the pool in a manner which equitably reflects the differing amounts of their respective investments in the pool and the differing periods of time for which those amounts were in the custody of the pool. Also, the rules shall require the maintenance of records that enable the Treasurer's office to produce a report for each account in the pool at least annually that documents the account balance and investment earnings. Notice of any proposed amendments to the rules and regulations shall be provided to all participants prior to adoption. Amendments to rules and regulations shall apply only to contributions made after the adoption of the amendment.

Upon creating the College Savings Pool, the State Treasurer shall give bond with 2 or more sufficient sureties, payable to and for the benefit of the participants in the College Savings Pool, in the penal sum of $1,000,000, conditioned upon the faithful discharge of his or her duties in relation to the College Savings Pool.

EXHIBIT B

State of Illinois
Office of the Treasurer

BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM

INVESTMENT POLICY STATEMENT

For the year ended June 30, 2006

1.0 Statement of Purpose of Investment Policy: The purpose of this statement is to assist contractors retained by the Treasurer to provide services related to the management of the assets of the Illinois College Savings Pool that are contributed to the Bright Directions College Savings Program (the "Program") and to assist the Treasurer's Office in evaluating the performance of such contractors by:

- Describing the Treasurer's investment objectives;
- Providing general guidelines for the investment of assets of the Program;
- Describing the Treasurer's long-term investment strategy;
- Describing the process of evaluating the performance of employees or contractors that provide investment management services to the Program; and
- Specifying the responsibilities of any contractors that provide investment management services to the Program.

This is the official Investment Policy Statement of the Program. Deviation from this Policy is not permitted without prior, explicit, written permission from the Treasurer.

2.0 Establishment and Authority of Entity: The Bright Directions College Savings Program has been established as part of the Illinois College Savings Pool, and is intended to qualify as a qualified tuition program in accordance with Section 529 of the Internal Revenue Code of 1986, as amended. The Program is sold through financial advisors and was established to compliment the existing Bright Start College Savings Program by allowing families to utilize a financial advisor to assist them with investing toward future college education expenses.

3.0 Participating Financial Institution: Accounts in the Program will be distributed through registered broker-dealers and financial institutions that have entered into a Selling Agent Agreement with Northern Trust Securities, Inc., acting as distributor for the Program. All new accounts in the Program will be processed through Union Bank & Trust Company ("Union Bank") as a participating financial institution. Union Bank has elected not to accept deposits in the Program as provided in Illinois Public Act 91-0607.

State of Illinois
Office of the Treasurer

BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM

INVESTMENT POLICY STATEMENT

For the year ended June 30, 2006

4.0 Investment Philosophy: The Treasurer has adopted a long-term total return strategy regarding the Program and its investments. In order to achieve the Program's objectives, investments shall be diversified so as to minimize the risk of loss. While some asset classes may experience short-term and intermediate-term volatility, their long-term return assumptions justify their inclusion. A long-term focus on investment results as well as prudent diversification across public security markets will be the primary risk control mechanisms.

In its investment strategy, the Treasurer has relied on prevailing financial theory, which currently utilizes a long-term diversified asset allocation strategy. A prudently allocated investment program possesses a significant level of diversification, which produces risk reduction. In terms of impact, diversification shall be considered along the following lines: (1) asset classes (stocks, bonds, cash, etc.), (2) geography/country, (3) industry, and (4) maturity.

Contributions to the Program will be directed to one of thirty-five underlying portfolios (the "Underlying Portfolios"), each composed of a designated mix of investments or an individual investment fund. The determination of the investment parameters of each Underlying Portfolio shall be made by the Treasurer and shall take into account the financial characteristics of the investments in the Program. The investment parameters will also give due consideration to the fact that the investment horizon for participants will vary from a few months to over 18 years.

The Treasurer will review the investment performance of each Underlying Portfolio at least quarterly and shall review this Investment Policy Statement at least annually.

The holdings of the Program and the Underlying Portfolios are divided into the following broad asset categories:

A. Short Term Investments

B. Fixed Income Securities

C. Domestic Equity Securities

D. International Equity Securities

The Treasurer will establish reasonable guidelines for each Underlying Portfolio, specifying (as applicable) limits on asset and asset class exposures, risk constraints and investment return objectives. While the investment parameters offered under the Program are developed by the Treasurer, participants bear the risk of investment results. Individual participants who seek

investments materially different from those offered may wish to select an investment alternative outside of the Program.

The administration and offering of the Program should not be relied upon as a guarantee to participants. Each participant should seek appropriate advice as he or she deems necessary.

5.0 Investment Objectives: The overall investment program for the Program and, as applicable, the individual Underlying Portfolios provided to the participants shall seek to achieve the following long-term investment objectives:

- A long-term competitive rate of return on investments that is equal to or exceeds a return of the applicable benchmarks shown in Section 7.0 hereof.

- An investment program flexible enough to meet the needs of participants based upon their age or investment objective and which provides each individual with the ability to invest in a diversified portfolio to meet his or her long-term investment goals.

6.0 Investment Responsibilities: The Treasurer is responsible for the investment policy, the direction of investments and administration of the assets of the Program. In order to properly carry out her responsibilities, the Treasurer may rely on one or more contractors to assist in the administration of the Program. The Treasurer has engaged, and plans to rely heavily on Union Bank for administrative services and on Union Bank and its consultant, Wilshire Associates, Inc., for investment management services. Among the current responsibilities of Union Bank is the implementation of the investment strategy outlined in this Policy and the rebalancing of the Underlying Portfolios when market movement and/or cash flows cause an asset class to be outside its policy allocation bands. With the Treasurer's approval, Union Bank has retained Wilshire Associates, Inc. to provide it with portfolio design, due diligence and ongoing monitoring services with respect to the Underlying Portfolios and the implementation of the investment strategy outlined in this policy. The Treasurer's Office and Union Bank shall meet quarterly to review portfolio performance as compared to the applicable benchmarks and peer group performance.

In managing the investments of the Program and the Underlying Portfolios, Union Bank agrees that it will act with the skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives.

State of Illinois
Office of the Treasurer

BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM

INVESTMENT POLICY STATEMENT

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7.0 Investment Parameters: Contributions will be invested in one of thirty-five Underlying Portfolios, each composed of a designated mix of investments or an individual investment fund, which is appropriate for the age of the participant or the investment objective of the Portfolio. Each Underlying Portfolio allocates assets among domestic equity securities, international equity securities, fixed-income securities and money market investments. The asset allocation of each Underlying Portfolio will be established by the Treasurer and managed by Union Bank. The Treasurer may adjust the weighting in stocks, bonds and cash in each Underlying Portfolio and may change the mutual funds within the Underlying Portfolios consistent with this Investment Policy Statement.

The policy target asset allocations and benchmarks for the mutual funds within the Underlying Portfolios are shown below. There is a permissible range of plus or minus 5% around the target allocation for each mutual fund.

Age Based Portfolios

Aggressive

		#1 Portfolio	#2 Portfolio	#3 Portfolio	#4 Portfolio	#5 Portfolio
	Benchmark	**(0-8 yrs)**	**(9-12 yrs)**	**(13-16 yrs)**	**(17-20 yrs)**	**(21+ yrs)**
Large Cap Value	Russell 1000 Value	22.00%	17.50%	13.20%	8.70%	4.30%
Large Cap Blend	S&P 500	22.00%	17.80%	13.20%	9.00%	4.60%
Large Cap Growth	Russell 1000 Growth	22.00%	17.50%	13.20%	8.70%	4.30%
Small Cap Value	Russell 2000 Value	4.50%	3.60%	2.70%	1.70%	0.80%
Small Cap Blend	Russell 2000	5.00%	4.00%	3.00%	2.20%	1.20%
Small Cap Growth	Russell 2000 Growth	4.50%	3.60%	2.70%	1.70%	0.80%
Foreign Stock	MSCI EAFE	20.00%	16.00%	12.00%	8.00%	4.00%
Money Market	3-month T-Bills	0.00%	0.00%	0.00%	0.00%	20.00%
Ultra-Short Bond	3-month T-Bills	0.00%	0.00%	0.00%	20.00%	25.00%
Short Bond	ML 1-3 yr Treasury	0.00%	0.00%	20.00%	20.00%	20.00%
Intermediate Bond	Lehman Aggregate	0.00%	20.00%	20.00%	20.00%	15.00%

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Growth

	Benchmark	#1 Portfolio (0-8 yrs)	#2 Portfolio (9-12 yrs)	#3 Portfolio (13-16 yrs)	#4 Portfolio (17-20 yrs)	#5 Portfolio (21+ yrs)
Large Cap Value	Russell 1000 Value	17.50%	13.20%	8.70%	4.30%	2.20%
Large Cap Blend	S&P 500	17.80%	13.20%	9.00%	4.60%	2.20%
Large Cap Growth	Russell 1000 Growth	17.50%	13.20%	8.70%	4.30%	2.20%
Small Cap Value	Russell 2000 Value	3.60%	2.70%	1.70%	0.80%	0.30%
Small Cap Blend	Russell 2000	4.00%	3.00%	2.20%	1.20%	0.80%
Small Cap Growth	Russell 2000 Growth	3.60%	2.70%	1.70%	0.80%	0.30%
Foreign Stock	MSCI EAFE	16.00%	12.00%	8.00%	4.00%	2.00%
Money Market	3-month T-Bills	0.00%	0.00%	0.00%	20.00%	40.00%
Ultra-Short Bond	3-month T-Bills	0.00%	0.00%	20.00%	25.00%	30.00%
Short Bond	ML 1-3 yr Treasury	0.00%	20.00%	20.00%	20.00%	20.00%
Intermediate Bond	Lehman Aggregate	20.00%	20.00%	20.00%	15.00%	00.00%

Balanced

	Benchmark	#1 Portfolio (0-8 yrs)	#2 Portfolio (9-12 yrs)	#3 Portfolio (13-16 yrs)	#4 Portfolio (17-20 yrs)	#5 Portfolio (21+ yrs)
Large Cap Value	Russell 1000 Value	13.20%	8.70%	4.30%	2.20%	0.00%
Large Cap Blend	S&P 500	13.20%	9.00%	4.60%	2.20%	0.00%
Large Cap Growth	Russell 1000 Growth	13.20%	8.70%	4.30%	2.20%	0.00%
Small Cap Value	Russell 2000 Value	2.70%	1.70%	0.80%	0.30%	0.00%
Small Cap Blend	Russell 2000	3.00%	2.20%	1.20%	0.80%	0.00%
Small Cap Growth	Russell 2000 Growth	2.70%	1.70%	0.80%	0.30%	0.00%
Foreign Stock	MSCI EAFE	12.00%	8.00%	4.00%	2.00%	0.00%
Money Market	3-month T-Bills	0.00%	0.00%	20.00%	40.00%	50.00%
Ultra-Short Bond	3-month T-Bills	0.00%	20.00%	25.00%	30.00%	30.00%
Short Bond	ML 1-3 yr Treasury	20.00%	20.00%	20.00%	20.00%	20.00%
Intermediate Bond	Lehman Aggregate	20.00%	20.00%	15.00%	00.00%	00.00%

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Target Portfolios

	Benchmark	Fund 100	Fund 80	Fund 60	Fund 40	Fund 20	Fund 10	Fixed Income
Large Cap Value	Russell 1000 Value	22.00%	17.50%	13.20%	8.70%	4.30%	2.20%	0.00%
Large Cap Blend	S&P 500	22.00%	17.80%	13.20%	9.00%	4.60%	2.20%	0.00%
Large Cap Growth	Russell 1000 Growth	22.00%	17.50%	13.20%	8.70%	4.30%	2.20%	0.00%
Small Cap Value	Russell 2000 Value	4.50%	3.60%	2.70%	1.70%	0.80%	0.30%	0.00%
Small Cap Blend	Russell 2000	5.00%	4.00%	3.00%	2.20%	1.20%	0.80%	0.00%
Small Cap Growth	Russell 2000 Growth	4.50%	3.60%	2.70%	1.70%	0.80%	0.30%	0.00%
Foreign Stock	MSCI EAFE	20.00%	16.00%	12.00%	8.00%	4.00%	2.00%	0.00%
Money Market	3-month T-Bills	0.00%	0.00%	0.00%	0.00%	20.00%	40.00%	50.00%
Ultra-Short Bond	3-month T-Bills	0.00%	0.00%	0.00%	20.00%	25.00%	30.00%	30.00%
Short Bond	ML 1-3 yr Treasury	0.00%	0.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Intermediate Bond	Lehman Aggregate	0.00%	20.00%	20.00%	20.00%	15.00%	00.00%	00.00%

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Individual Fund Portfolios

Participants in the Program open their Accounts through registered broker-dealers and other financial advisors. As a result, the Treasurer deems it appropriate to offer individual mutual funds as separate Underlying Portfolios in the Program. The individual mutual funds the Treasurer selects will be described in the Program's current Program Disclosure Statement and may include the asset classes and benchmarks included in the Age-Based and Target Portfolios supplemented with the following asset classes and additional benchmarks:

Asset Class	Benchmark
Corporate Bond	Lehman U.S. Credit
Balanced	40% Lehman Aggregate; 50% S&P 500; 10% MSCI EAFE
Large Cap Value	Russell 3000 Value
Mid-Cap Growth	Russell Mid-Cap Growth
Small-Cap Value	Russell 2500 Value
Mid-Cap Blend	Wilshire 4500 Index
Socially Responsible	S&P 500
Real Estate	DJ Wilshire Real Estate Securities

7.0 Investment Parameters – Continued

Each mutual fund's return objective is to equal or exceed, over a three-year rolling period, the return of the applicable benchmark. Volatility, measured by the standard deviation of quarterly returns over that period, is expected to be similar to the benchmark. Each mutual fund is also expected to perform favorably relative to its peer group.

To the extent that the assets of an Underlying Portfolio are invested in one or more mutual funds approved by the Treasurer having investment objectives consistent with the above-noted asset allocation categories, the above-noted percentage guidelines shall be deemed satisfied. This shall be the case even if such a mutual fund's underlying assets may not be entirely invested in the asset class in which such fund has been placed.

EXHIBIT C

General Performance Standards

1. Call Center Employees:

A. The Call Center will employ a minimum of 12 representatives within 90 days of the date of the commencement of this Agreement. Union shall not be required to have 12 representatives on duty at all times during the call center's business hours, but will have a sufficient number of representatives on duty to meet the performance standards set forth in this Exhibit C.

B. Call center representatives will receive sufficient training regarding qualified tuition programs to allow them to provide service in accordance with the performance standards contained in this Exhibit C and Union's supervisory personnel will complete Series 6 training or have equivalent-level training or experience.

C. Union shall ensure that at least one supervisory employee is available during call center business hours.

2. Call Center Standards during business hours:

A. abandonment rate shall be less than 3%;
B. at least 90% percent of phone calls shall be answered within 15 seconds;
C. at least 75% of calls shall be resolved on initial contact;
D. all voice message calls must be returned within four business hours.

3. The Treasurer's Office must be notified within one business day of any correspondence or other communication from a legislator, government official or any other elected official.

4. All incoming mail must be responded to within two business days of receipt.

5. All incoming e-mail must be responded to within four business hours of receipt.

6. At minimum, 99% of requests for information or materials shall be fulfilled within two business days.

7. At minimum, 99% of checks received must be accurately posted to a matching account with the correct amount and investment option.

8. At minimum, 99% of checks received are posted to the applicable account within one business day.

9. Quarterly Account Owner Statements must be mailed within five business days.

10. At minimum, 99% of daily confirmations are mailed within two business days.

11. At minimum, 99% of new accounts are set up accurately.

12. At minimum, 99% of redemptions are processed accurately

13. At minimum, 99% of new accounts are set up within one business day of receipt if all documentation is received and in proper order.

14. At minimum, 97% of withdrawals are processed the day approved if all documentation is included. 99% of all withdrawals are processed within three business days.

15. Complaint Resolution:

    A. Initial contact must be made within four business hours of the inquiry;
    B. At minimum, 95% shall be resolved within one business day;
    C. At minimum, 99% must be resolved within five business days;
    D. A complaint log shall be maintained and made available upon request.

EXHIBIT D

Cash Management/Account Processing Performance Standards

1. Contributions that are received electronically will be invested and any earnings will be credited on the day received if received prior to the close of regular trading on the New York Stock Exchange ("NYSE") on a day that the NYSE is open for trading. Electronic transfers that are received through the National Automated Clearing House will be invested on the day that the funds become available to Union.

2. Contributions received via check or money order will be invested and any earnings will be credited on the day following the day that it is received.

3. Union shall keep reasonable records of all contributions processed and shall make such records available to the Treasurer upon request.

4. Participants will be provided with six contribution coupons and six envelopes upon opening an account. Annually, Participants will also be provided 6 contribution coupons and 6 envelopes. Participants will receive 6 contribution coupons and 6 envelopes upon request made to the toll-free service center telephone number.

5. The program logo will appear on the contribution coupons and envelopes.

EXHIBIT E

[Date]

[Name]
[Company]
[Address]
[City, State, Zip]

Re: Selling Agent Agreement

Dear _____:

Northern Trust Securities, Inc. ("Northern Trust" or "we"), hereby invites you to become a Selling Agent for certain Accounts in the Illinois College Savings Pool, in accordance with and subject to the terms of this Selling Agent Agreement (the "Agreement").

1. Description of the Illinois College Savings Pool Advisor-Sold Plan

(a) The Illinois College Savings Pool (the "Pool") was created by the Illinois legislature in Illinois Public Act 91-0607 (the "Illinois Act") to operate as a qualified tuition program pursuant to Section 529 of the Internal Revenue Code. Persons participating ("Participants") in the Illinois College Savings Pool Advisor-Sold Plan (the "Bright Directions College Savings Program") will enter into Participation Agreements which allow Participants to make cash contributions on behalf of a designated beneficiary for purposes of saving for college education expenses. A Participant retains ownership of all contributions made under a Participation Agreement up to the date of utilization for payment of higher education costs for the designated beneficiary. All income derived from the investment of such contributions is held in trust for the benefit of the beneficiary.

(b) The Illinois State Treasurer (the "Treasurer") is authorized to administer the Pool and to offer for sale interests in the Bright Directions College Savings Program. The Treasurer has approved the creation of Accounts in the Bright Directions College Savings Program (the "Accounts") pursuant to the terms of a Participation Agreement ("Participation Agreement"). The Accounts are described in the Bright Directions College Savings Program Program Disclosure Statement (the "Disclosure Statement").

(c) Union Bank & Trust Company ("Union Bank") has entered into a Services Agreement under which it has agreed to provide assistance with respect to the administration, sale and marketing of interests in the Bright Directions College Savings Program. Union Bank has entered into a Distribution Agreement with us (the "Distribution Agreement") under which we have agreed to act as distributor in connection with the sale of the Accounts.

(d) The contribution by a Participant under a Participation Agreement establishes an "Account" for the benefit of a designated beneficiary. Such an Account, when opened, constitutes an interest in the Bright Directions College Savings Program. Accounts may be established by Participants under one of several Fee Structures (e.g., A, C, E or F), as described in the Participation Agreement and Disclosure Statement.

By your acceptance hereof, you agree to all of the following terms and conditions:

2. Manner of Offering

(a) Account Value. The terms and conditions of the Bright Directions College Savings Program and the Participation Agreement are set forth in the Disclosure Statement. A Participant's net contributions to an Account are equal to the amount of cash paid by a Participant, less any sales charges under the applicable Fee Structure as described in the Disclosure Statement. You agree that you will offer or establish Accounts only with a Fee Structure as described in the most current Disclosure Statement.

(b) Sales Commission. Northern Trust, or Union Bank on our behalf, will pay you a sales commission based upon the Fee Structure for Accounts established by your customers and through orders accepted from you. The portion of the sales commission amount set forth in the Disclosure Statement that will be reallowed to you for each Fee Structure is set forth in "Exhibit A," attached hereto. No sales commission will be paid for Accounts established under Fee Structure E or F. Sales commissions will be paid monthly, and payments will be accompanied by a summary statement showing Account activity for your customers. In determining the amount of any commission payable to you hereunder, we reserve the right to exclude any Accounts that either we or Union Bank reasonably determine are not established in accordance with the terms of the applicable Disclosure Statement and the provisions of this Agreement. We and Union Bank reserve the right to revise, upon ten days' written notice to you, the commission payable with respect to Accounts. Your attention is specifically called to the fact that each Account established or contribution to an Account by your customers is always made subject to confirmation by us or Union Bank, on behalf of the Bright Directions College Savings Program.

(c) Service Fee. If you meet the qualification requirements and perform the services set forth below in Paragraph 4, for certain Fee Structures you will be paid a quarterly service fee at the annual rates set forth on "Exhibit A" attached hereto (the "Service Fee"), based on the aggregate average fair market value of assets of your customers invested in the Bright Directions College Savings Program for which you are the firm of record and which are serviced by a representative of your organization meeting the Representative Requirements in Paragraph 4, if any. The Service Fee will be paid by the Bright Directions College Savings Program through Union Bank on our behalf solely from the assets of each Account, provided that in order to

receive a Service Fee for a particular quarter, the Service Fee must be at least $50. No Service Fee will be paid for Accounts established under Fee Structure F. The Treasurer retains the right to change the Disclosure Statement at any time and may modify the Service Fee payable under each Fee Structure on thirty (30) days written notice. You agree to use only the most current Disclosure Statement in connection with the establishment of Accounts for your customers.

(d) Other Illinois College Savings Pool Programs. You acknowledge that the Treasurer may offer accounts in the Pool by means of the Bright Start College Savings Program (the "Alternate Program"). This Agreement does not cover accounts established in the Alternate Program, or assets of your customers invested in the Pool as a result of your customers' establishment of accounts through the Alternate Program. You acknowledge that, in the event one of your customers establishes an account under the Alternate Program, you will not be entitled to any compensation under this Agreement in connection with the establishment of such an account or the assets invested in the Alternate Program as a result thereof, and that neither we, the Treasurer, Union Bank nor the Bright Directions College Savings Program shall have any responsibility or liability to you in the event one of your customers chooses to establish an Account through the Alternate Program. Without limiting the foregoing, neither we, the Treasurer, Union Bank nor the Bright Directions College Savings Program shall have any responsibility to inquire or determine whether a person who establishes an Account with us made use of your services prior thereto.

(e) Delivery of Disclosure Statement. We will, upon request, deliver to you such number of copies of the Disclosure Statement and of supplementary sales or disclosure materials prepared for the Bright Directions College Savings Program, by Union Bank or by us as you may reasonably request. Such delivery may be of printed materials by mail or of documents in electronic form that will be downloaded and printed by you. Neither you nor any other person is authorized to give any information or to make any representations other than those contained in the Disclosure Statement or in such supplementary materials. You shall not furnish or cause to be furnished to any person, display or publish any information or materials relating to the Bright Directions College Savings Program or the Accounts (including without limitation, promotional materials and sales literature, advertisements, press releases, announcements, statements, posters, signs or other similar material), except such information as may be furnished to you by us, and such other information and materials as may be approved in writing by us.

(f) Selling Agent Covenants. You hereby agree:

(i) that you will deliver or cause to be delivered to each customer, at or prior to the time a customer establishes and makes contributions to an Account, a copy of the then-current Disclosure Statement unless such customer has acknowledged prior receipt of such Disclosure Statement. Without limiting the foregoing, you hereby agree that you will deliver or cause to be delivered to each customer a copy of the then-current Disclosure Statement applicable to Accounts at such time as such delivery is required under the Rules of the Municipal Securities Rulemaking Board ("MSRB") and SEC Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), each as in effect or otherwise applicable at the time of each sale, and other applicable securities laws and regulations. You also agree that you will at all times comply with any SEC, MSRB or other rules relating to information provision or

disclosure obligations as then in existence, including but not limited to information required to be provided at the point of sale or at confirmation;

(ii) to transmit to Union Bank promptly upon receipt any and all orders received by you, it being understood that no conditional orders will be accepted;

(iii) to remit to Union Bank, or cause Union Bank to receive, the contributions made to Accounts by your customer, plus any sales commission in accordance with the Disclosure Statement. Should contributions be made by bank check, establishment of Accounts may be delayed pending clearance of the check. In the event a check is dishonored for any reason, the Participant will remain liable for the contribution amount and any loss incurred by us, Union Bank or the Bright Directions College Savings Program. In addition, should payment be made by means of a second or third party check, the Participant will be deemed to have made all presentment, transfer and other applicable warranties set forth in the Uniform Commercial Code, and in the event such check is either dishonored or subsequently determined to be invalid for any reason (including without limitation as a result of such check having been lost, stolen or unauthorized), the Participant shall remain liable for the contribution amount and any loss incurred by the Bright Directions College Savings Program or the Treasurer;

(iv) not to commence offering the Accounts to customers until we have advised you that it is permissible to commence such offering;

(v) that in offering and selling the Accounts to your customers, you will comply with the suitability requirements of MSRB Rule G-19.

3. Administration

(a) Submission of Applications. Account Enrollment Forms signed and submitted by your customers will be processed by Union Bank and must be sent to:

Bright Directions College Savings Program
P.O. Box 82623
Lincoln, Nebraska 68501-9823

You must complete the section of the Account Enrollment Form describing the firm on each Account Enrollment Form that is sent to Union Bank.

(b) Acceptance / Rejection of Applications. The handling of Account Enrollment Forms and orders shall be subject to the provisions of this Agreement, the Disclosure Statement, the Participation Agreement and reasonable procedures and instructions which we shall forward from time to time to you. All Account Enrollment Forms and orders are subject to acceptance or rejection by Union Bank, as the Program's manager, when deemed necessary under applicable law. The minimum initial contribution and the minimum subsequent contribution to Accounts, if any, shall be as set forth in the regulations promulgated pursuant to the Illinois Act and the Disclosure Statement.

(c) Account Statements. Unless otherwise mutually agreed in writing or except as provided below, each transaction placed by you shall be confirmed by us in writing to the customer. Contributions to Accounts made pursuant to periodic investment plans shall be confirmed by Union Bank in quarterly Account statements delivered to the customer. The Treasurer reserves the right, at its discretion, and without notice, to suspend the availability of some or all Account Fee Structures or to withdraw entirely the availability of some or all Account Fee Structures. All contributions to Accounts by your customers are subject to acceptance or rejection by Union Bank in its sole discretion. The procedure stated herein relating to the establishment of Accounts shall be subject to instructions which we may forward to you, and may be revised by us upon ten days' notice, from time to time.

4. Service Requirements

(a) Qualification Requirements. You will be entitled to the Service Fee described in Section 2(c) if you have complied with the covenants set out in 2(f) herein and if you satisfy the following requirements, and perform the following services:

(i) One or more of your current employees must be the designated registered representative(s) in the case of a broker-dealer, or agent representative(s) in the case of a bank (both referred to as "representatives"), on Accounts in the Bright Directions College Savings Program.

(ii) When an Account is established, you will provide the following information: representative's name, representative's number, representative's email address, your firm's name, your firm's address, branch number and telephone number. You agree that we will be entitled to rely on the accuracy of such information in updating our records for determining the levels of Service Fees payable to you under the terms of this Agreement. You understand that such payments will be based solely on Union Bank's records. You will promptly advise us of any change in such information.

(b) Service Requirements.

(i) You will assign one of your representatives to each Participant's Account on your records and reassign the Account should that representative leave your firm. In the event that:

(A) a representative of your firm leaves your firm and becomes employed or associated with the firm that has entered into or enters into a selling agent agreement permitting it to sell accounts;

(B) such representative furnishes us with a signed letter requesting that a particular account which is coded under the name of your firm be recoded with the representatives new firm; and

(C) the Participant furnishes us with a signed letter requesting such a recoding, then such Account will be so recoded to the representative's new firm and all fee

payments attributable to contributions to the Account by such Participant following the satisfaction of the three conditions set forth above shall be made to the representative's new firm, subject to the terms and conditions set forth in the selling agent agreement. You acknowledge that you shall have no right to receive any fee payments or other compensation with respect to contributions to any account made by a Participant following the satisfaction of the three conditions set forth in this subparagraph.

(ii) You and your representatives will assist us, Union Bank and the Treasurer in providing the following services to your customers with investments in the Bright Directions College Savings Program:

(A) Maintain regular contact with such customers and assist in answering inquiries concerning the Bright Directions College Savings Program.

(B) Assist us, Union Bank and the Treasurer in the establishment and maintenance of customer accounts and records.

(C) Assist such customers in effecting administrative changes, such as changing address, automatic investment programs or systematic investment plans.

(D) Assist in processing contribution and withdrawal transactions.

(E) Provide any other information or services as the customer or we may reasonably request.

(iii) You will deliver to your customers who are Participants:

(A) Sales literature and other information concerning the Bright Directions College Savings Program and Participants' Accounts as we may forward to you, and

(B) Prospectuses for the mutual funds held for the benefit of Participants if such delivery is required by law, or if requested by Union Bank.

(iv) You will grant reasonable requests for visits to your offices by the Treasurer, Northern Trust or Union Bank and include the Bright Directions College Savings Program on your menu or list of investments made available to your customers.

(v) Your compliance with the service requirements set forth in this Agreement will be evaluated by us from time to time by surveying customer satisfaction with service, by monitoring withdrawal levels of customer Accounts assigned to you and by such other methods as we deem appropriate.

The provisions of this Paragraph 4 may be amended by us from time to time upon notice to you.

5. Compliance With Law

(a) Representations, Warranties and Acknowledgments. You hereby represent and warrant that you have the authority under applicable Federal and applicable state law to act as a selling agent under this Agreement in connection with the solicitation of prospective Participants and to perform the services required of you by this Agreement. In particular, you represent that you are either (i) registered and/or licensed as a broker and/or dealer under applicable Federal and state laws and a member of the National Association of Securities Dealers (the "NASD"), (ii) a bank, as such term is defined in Section 3(a)(6) of the Exchange Act, that is either (A) exempt from registration as a broker in its activities involving municipal securities or (B) registered with the SEC as a municipal securities dealer, as such term is defined in Section 3(a)(30) of the Exchange Act, (iii) a financial institution that has been advised in writing by the SEC and the appropriate state or federal regulatory authorities that its activities contemplated by this Agreement do not require registration as a broker or dealer under either Federal or state law; or (iv) are otherwise properly registered to offer Accounts in the Pool.

You hereby acknowledge that the Participation Agreements and the Accounts (1) are securities exempt under Section 3(a)(2) of the Securities Act of 1933, as amended, and (2) constitute "municipal securities" as defined under the Exchange Act. You hereby represent that you, your agents, employees and every natural person associated with you who is required to be so qualified, are qualified to effect transactions in municipal securities. You further represent that you, your agents and employees will comply with the Rules of the MSRB as in effect or otherwise applicable from time to time in connection with your offering of the Participation Agreements and the Accounts. You, your agents, employees and affiliates will not offer or make Participation Agreements or Accounts available to your customers, except in compliance with all federal and state laws and rules and regulations of regulatory agencies or authorities, which may affect your business practices. In addition, you hereby represent:

(i) If you are a bank, not required to register as a broker-dealer under the Exchange Act: You represent and warrant to us that, you, your agent and employees will use their best efforts to ensure that contributions to an Account and the investment portfolio designated for such Account by your customers constitutes a suitable investment for such customers. You, your agents and employees will not effect any transaction in, or induce any contribution to an Account by means of any manipulative, deceptive or other fraudulent device or contrivance, and shall otherwise deal equitably and fairly with your customers with respect to transactions in Accounts. You further represent and warrant that you, your agents, employees and affiliates will comply with the Interagency Statement On Retail Sales of Nondeposit Investment Products.

(ii) If you are a NASD member broker-dealer registered under the Exchange Act: You represent and warrant to us that with respect to any sales in the United States, you, your agents, employees and associated persons agree to abide by all of the applicable laws, rules and regulations, and the applicable rules and regulations of the NASD, including without limitation its Rules of Conduct, and the applicable rules and regulations of any jurisdiction in which you make Accounts available to your customers.

(iii) You have adopted and implemented procedures to safeguard customer information and records that are reasonably designed to: (A) insure the security and confidentiality of your customer records and information; (B) protect against any anticipated threats or hazards to the security or integrity of customer records and information; (c) protect against unauthorized disclosure of non-public personal information to unaffiliated third parties; and (D) otherwise ensure your compliance with Title V of the Graham-Leach-Bliley Act of 1999, as it may be amended, and any regulations promulgated thereunder.

(b) Anti-Money Laundering Compliance. You shall have in place anti-money laundering procedures which comply with U.S. law and with all local laws in jurisdictions in which Accounts are sold. It is your sole responsibility to take all reasonable steps to determine: i) the true identity of the Participant; ii) the source of the Participant's funds; and iii) that the Participant is not involved in money laundering activities. It is also your sole responsibility to comply with any "know your customer" requirements. Unless otherwise agreed, you shall monitor Participant transactions in order to detect attempted or actual money laundering. You agree to promptly provide us, upon our request, with documentation relating to your anti-money laundering policies and analysis.

(c) Qualifications in Various Jurisdictions. You, your agents and employees agree not to make the Accounts available to your customers in any jurisdiction in which you, your agents and employees are required to be qualified as a broker-dealer and are not so qualified. We shall have no obligation or responsibility as to your right to make Accounts available to your customers in any jurisdiction. You agree to notify us immediately in the event of (i) your expulsion or suspension from the NASD, your disqualification under the MSRB Rules or your becoming subject to any enforcement action by the SEC, NASD, MSRB or other self-regulatory organization, or (ii) your violation of any applicable federal or state law, rule or regulation, including, but not limited to, those of the SEC, NASD, MSRB or other self-regulatory organization, arising out of or in connection with this Agreement, or which may otherwise affect in any material way your ability to act in accordance with the terms of this Agreement.

6. Relationship with Customer

With respect to any and all transactions in Participation Agreements and Accounts pursuant to this Agreement, it is understood and agreed in each case that: (a) you will be acting solely for the account of your customer; (b) each transaction will be initiated solely upon the order of your customer; (c) we and Union Bank will execute transactions only upon receiving instructions from you acting as agent for your customer or upon receiving instructions directly from your customer; (d) as between you and your customer, your customer will have full beneficial ownership of the Accounts; and (e) each transaction shall be for the account of your customer and not for your account. You understand that all Accounts must be opened in the name of your customer and a designated beneficiary in accordance with the Disclosure Statement and Participation Agreement. Each transaction will be without recourse to you provided that you act in accordance with the terms of this Agreement. You represent that you have full right, power and authority to effect transactions in Accounts on behalf of all customer account provided by you.

[Name]
[Date]

7. Relationship with Firm

Neither this Agreement nor the performance of the services of the respective parties hereunder shall be considered to constitute an exclusive arrangement, or to create a partnership, association or joint venture between you and us. In making available Accounts under this Agreement, nothing herein shall be construed to constitute you or any of your agents, employees or representatives as our agent or employee, or as an agent or employee of the Pool, and you shall not make any representations to the contrary. As Distributor for the Participation Agreements and Accounts, we will have full authority to take such action as we may deem advisable in respect of all matters pertaining to the offering of Accounts under this Agreement. We will not be under any obligation to you, except for obligations expressly assumed by us in this Agreement.

8. Termination and Amendment

This Agreement will automatically terminate upon termination of the Distribution Agreement. In addition, either party hereto may terminate the effectiveness of this Agreement without cause, upon ten days' written notice to the other party. We may terminate this Agreement for cause upon the violation by you of any of the provisions hereof, such termination to become effective on the date such notice of termination is mailed to you. If you are registered as a broker-dealer, this Agreement shall terminate immediately if either party ceases to be a member of the NASD. We reserve the right to amend this Agreement in any respect effective on written notice to you *provided* that no amendment shall unreasonably affect your ability to participate in the Bright Directions College Savings Program.

9. Indemnification

(a) You agree that Northern Trust, Union Bank, the Treasurer, the Pool, the State of Illinois and their respective officers, directors, employees, agents and affiliates shall not be liable for, and you agree to indemnify and hold harmless each of the foregoing persons from and against, any and all losses, claims, damages, liabilities or expenses (including, without limitation, reasonable attorneys' fees) to which any of the foregoing persons may become subject insofar as any such loss, claim, damage, liability or expense (or actions with respect thereto) arises out of or is based on any action or conduct by you: (1) in connection with your offer and/or sale of the Accounts; or (2) that is not authorized by, or that constitutes a breach of the terms of, this Agreement or any of your representations made herein. This indemnity agreement will be in addition to any liability which you may otherwise have.

(b) Northern Trust agrees to indemnify and hold harmless you and your officers, directors, employees, agents and affiliates from and against any and all losses, claims, damages, liabilities or expenses (including, without limitation, reasonable attorney's fees) to which any of the foregoing persons may become subject insofar as any such loss, claim, damage, liability or expense (or actions with respect thereto) arises out of or is based on (i) Northern Trust's breach of this Agreement or violation of applicable law; or (ii) Any untrue statement of a material fact contained in the Disclosure Statement or any omission to state a material fact required to be

stated in such document or necessary to make the statements in such Disclosure Statement in light of the circumstances under which they were made, not misleading (provided that this indemnity shall apply only to the extent that such untrue statement, omission or misleading statement is contained in a section of the Disclosure Statement with respect to which Union Bank has delivered a certificate to the Treasurer pursuant to the Services Agreement).

(c) The agreements in subparagraphs (a) and (b) of this Paragraph to indemnify are conditioned upon the indemnified party (the "Indemnified Party") giving notice to the indemnifying party (the "Indemnifying Party") promptly after the summons or other first legal process for any claim, notice of claim or arbitration demand as to which indemnification may be sought is served on the Indemnified Party. The Indemnifying Party shall assume the defense of any such claim or any litigation resulting from it, provided that the Indemnified Party may participate in such defense at its expense. The failure of the Indemnified Party to give notice as provided in this subparagraph (c) shall not relieve the Indemnifying Party from any liabilities other than its indemnity obligation under subparagraph (a) or (b) of this Paragraph to the extent that such failure materially impaired the ability of such Indemnifying Party to defend against any such claim or litigation. No Indemnifying Party, in the defense of any such claim or litigation, shall, without the consent of the Indemnified Party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term the giving by the claimant or plaintiff to the Indemnified Party of a release from all liability in respect to such claim or litigation.

(d) This Section 9 shall survive the termination of this Agreement.

10. Information Sharing

We represent and warrant that we will not share with our affiliates or otherwise use information related to accounts coded under the name of your firm for any purpose other than providing necessary account maintenance services with respect to such accounts.

11. Notice of Customer Complaints

Each party agrees to promptly inform the other party in the event that it receives a customer complaint with respect to an account coded under the name of your firm. The parties agree to cooperate with one another to develop an appropriate, mutually acceptable response to any such complaint.

[Name]
[Date]

12. Non-Solicitation

With respect to the Pool, Union Bank's engagement as program manager for the Pool, or Northern Trust's engagement as distributor under the Distribution Agreement, you agree that you will not approach, solicit, contact, discuss the Pool or contact in any way the State of Illinois or any of its officials or entities, unless you have been unable to resolve any issues with us or Union Bank.

13. Third-Party Beneficiary

You acknowledge and agree that the Treasurer is a third-party beneficiary of this Agreement and may enforce this Agreement against you to the same extent as if it were a party hereto.

14. Assignability

This Agreement is not assignable or transferable, except that we may (but shall not be obligated to) assign or transfer the agreement set forth in this Agreement to any successor which becomes distributor for the Bright Directions College Savings Program.

15. Miscellaneous

(a) All communications mailed to us should be sent to the address set forth below. Any notice to you shall be duly given if mailed or delivered to you at the address specified to you below.

(b) This Agreement constitutes the entire agreement and understanding between the parties with respect to the Bright Directions College Savings Program and supercedes any and all prior agreements between the parties with respect to the Bright Directions College Savings Program.

(c) This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed under the laws of the State of Illinois.

(d) You agree that you will pay to your representatives any sales commissions and service fees that they may be entitled to receive in connection with the Accounts. Neither we nor the Pool, Union Bank or the Treasurer shall have any liability to your representatives for sales commissions or service fees in connection with Accounts established by your customers after payment of those sales commissions and service fees has been made to you.

NORTHERN TRUST SECURITIES, INC.

By:_____
Title:_____

[Name]
[Date]

We accept and agree to the provisions set forth in the foregoing Agreement as of the date set forth below.

Selling Agent: _____

By: _____
Authorized Signature

_____
Printed Name and Title

_____

_____
Address

Dated: _____

Please return both signed originals to:

Bright Directions College Savings Program
6811 South 27th Street
Lincoln, NE 68512

EXHIBIT A

Fee Structure	Initial Sales Load as a Percentage of Contribution	Amount of Reallowance to Selling Agent
A	3.50%	3.00%[1]
C	None	0.50%
E[2]	None	None
F[3]	None	None

Fee Structure	Ongoing Fee as a Percentage Of Aggregate Average Fair Market Value of Assets in Account	Amount of Reallowance to Selling Agent
A	0.25%	0.25%
C	0.50%	0.50%[4]
E	0.25%	0.25%
F	None	None

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(1) Contributions made to the Program in the form of a rollover contribution from another qualified tuition program may be invested in Fee Structure A without the imposition of an initial sales load. In such case, no initial sales load reallowance will be paid to the Selling Agent, the Service Fee reallowance will be paid for periods subsequent to the date of any such rollover contribution.

(2) Fee Structure E is available only to Participants opening Accounts through employer-sponsored automatic contribution plans.

(3) Fee Structure F is available only to Participants opening Accounts through fee-only financial advisors.

(4) These payments commence beginning in the 13th month following sale of the Account.

EXHIBIT F

Administrative Reports

A. Quarterly Reports

1. Contribution Volumes by Portfolio

   (a) Average account balance

   (b) Average contribution amount

2. Monthly Application Volume (new account and total accounts)

3. Account Demographics

   (a) income (by levels specified by the Treasurer's Office)

   (b) education level

   (c) account owner age

   (d) student age

   (e) account owner relationship to student

   (f) gender of purchaser

   (g) residence, by state, and within Illinois by postal code

4. Distribution of accounts by anticipated matriculation year (by individual years within each of the portfolios)

5. A listing of the complaints received by Union and the manner in which they were handled

B. Monthly Reports

1. Financial reports described in Section 6.7

C. Weekly Reports

1. Service Center performance statistics.

EXHIBIT G

Contact Persons

Office of the Illinois State Treasurer
Bartt Stevens: Manager for College Savings Programs
300 West Jefferson Street
Springfield, Illinois 62702

Telephone: 217-558-6220
Facsimile: 217-557-6439

Union Bank & Trust Company
Jay Steinacher, CTFA: First Vice President & Manager
6811 South 27th Street
Lincoln, NE 68512

Telephone: 402-323-1529
Facsimile: 402-323-1797

EXHIBIT H

CONTINUING DISCLOSURE UNDERTAKING

EXHIBIT H
Continuing Disclosure Undertaking

STATE TREASURER OF THE STATE OF ILLINOIS
BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the STATE TREASURER OF THE STATE OF ILLINOIS (the "Treasurer") in connection with its development and implementation of a college savings program known as Bright Directions College Savings Program (the "Program"), contributions to which will be invested in the "College Savings Pool" established under the Program (the "College Savings Pool"). The Treasurer has established the Program and the College Savings Pool in accordance with Illinois Public Act 91-0607 as a qualified State tuition program under Section 529 of the Internal Revenue Code of 1986, as amended from time to time. Pursuant to and in accordance with the terms of the Act, interests in the College Savings Pool are being offered and sold through establishing an individual account ("Account") in accordance with a certain agreement (the "Participation Agreement") and pursuant to an Account application. All offers and sales of such interests in the College Savings Pool will be accompanied by a Bright Directions College Savings Program Disclosure Statement. The Treasurer has entered into a Bright Directions College Savings Program Services Agreement dated as of November 1, 2005 (the "Services Agreement") with Union Bank & Trust Company pursuant to which Union Bank & Trust Company will provide certain Services (as defined in the Services Agreement) to the Treasurer in connection with the Program, including without limitation its agreement to act as Dissemination Agent (as hereinafter defined) under this Undertaking.

The Treasurer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Undertaking is being executed and delivered by the Treasurer for the benefit of the Account Owners (as defined herein) and in order to provide for compliance with Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12").

SECTION 2. Definitions. In addition to the definitions set forth in the Services Agreement, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Account Owners" means the owners of the Accounts under the Program.

"Annual Financial Information" means the financial information or operating data with respect to the College Savings Pool, delivered at least annually pursuant to Section 3 hereof, substantially similar to the type set forth in the Program Disclosure Statement, including but not limited to such information set forth under captions "INVESTMENT PORTFOLIOS," "PORTFOLIO PERFORMANCE" and "PROGRAM FEES AND EXPENSES" of the Program Disclosure Statement. Annual Financial Information may be provided in any format deemed convenient by the Treasurer which complies with the requirements of Rule 15c2-12.

"Audited Financial Statements" means the annual financial statements for the College Savings Pool, prepared in accordance with generally accepted accounting principles, audited by a firm of certified public accountants.

"Events" means any of the events listed in Section 4(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1640 King Street, #300, Alexandria, Virginia 22314; fax 703-683-1930.

"National Repository" means any Nationally Recognized Municipal Securities Information Repository for purposes of Rule 15c2-12. Currently, the following are National Repositories:

Bloomberg Municipal Repository, Skillman, NJ
DPC Data Inc., Fort Lee, NJ
FT Interactive Data, New York, NY
Standard & Poor's Securities Evaluations, Inc., New York, NY

Addresses, telephone numbers and e-mail addresses for each National Repository may be obtained from the SEC.

"Program Disclosure Statement" means the Bright Directions College Savings Program Disclosure Statement dated November 18, 2005, as amended from time to time.

"Repository" means each National Repository and each State Repository.

"Rule 15c2-12" means Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" means the Securities and Exchange Commission.

"State Repository" shall mean any public or private repository or entity designated by the State of Illinois as a state information depository for the purpose of the Rule. As of the date of this Agreement, there is no State Repository for the State of Illinois.

SECTION 3. Provision of Annual Information.

(a) Commencing with the fiscal year ending June 30, 2006, and annually while the College Savings Pool is administered by the Treasurer, the Treasurer or the Dissemination Agent shall provide or cause to be provided to each Repository Annual Financial Information and Audited Financial Statements, if available.

(b) Such Annual Financial Information shall be provided by the Treasurer or the Dissemination Agent not later than 180 days after the end of each Fiscal Year. The Audited Financial Statements will be provided when available, but in no event later than 180 days after the end of each Fiscal Year. Unaudited financial statements may be provided until Audited Financial Statements are available.

(c) The Treasurer or the Dissemination Agent may provide Annual Financial Information and Audited Financial Statements by specific cross-reference to other documents which have been submitted to each Repository. The Treasurer or the Dissemination Agent shall clearly identify each such other document so incorporated by cross-reference.

SECTION 4. Reporting: of Events.

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following Events, if material, with respect to the College Savings Pool:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions or events affecting the tax-exempt status of the security.

7. Modifications to the rights of security holders.

8. Bond calls or redemption (other than mandatory sinking fund redemption).

9. Defeasances.

10. Release, substitution or sale of property securing repayment of the securities.

11. Rating changes.

(b) In the event the Treasurer obtains knowledge of the occurrence of an Event, the Treasurer or the Dissemination Agent shall file, in a timely manner, a notice of such occurrence with the MSRB (or each Repository) and each State Repository, if the occurrence of such Event is material for Participants.

(c) The Treasurer or the Dissemination Agent shall provide, in a timely manner, to the MSRB or each Repository, notice of any failure of the Treasurer to timely provide the Annual Financial Information and as specified in Section 3 hereof.

SECTION 5. Term. This Undertaking shall be in effect from and after the date hereof and shall extend to the earlier of (a) the date no Accounts remain established in the College

Savings Pool; (b) the date that the Treasurer shall no longer administer the College Savings Pool or any Accounts established therein; and (c) the date on which those portions of Rule 15c2-12 which require this Undertaking are determined to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Accounts or the College Savings Pool, the determination of (a), (b) or (c) herein to be made in any manner deemed appropriate by the Treasurer, including by an opinion of counsel experienced in federal securities laws selected by the Treasurer. The Treasurer or the Dissemination Agent shall file a notice of any such termination with each Repository and the MSRB.

SECTION 6. Amendment: Waiver. Notwithstanding any other provision of this Undertaking, the Treasurer may amend this Undertaking, and any provision of this Undertaking may be waived, if such amendment or waiver is consistent with Rule 15c2-12, as determined by an opinion of counsel experienced in federal securities laws selected by the Treasurer. Written notice of any such amendment or waiver shall be provided by the Treasurer or the Dissemination Agent to each Repository and the MSRB, and the next Annual Financial Information filed with each Repository shall explain the reasons for the amendment and the impact of any change in the type of information being provided. If any amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made will present a comparison between the financial statement or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The Treasurer or the Dissemination Agent shall provide notice of any such amendment or waiver to each Repository.

SECTION 7. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Treasurer or the Dissemination Agent from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other annual information or notice of occurrence of an event which is not a material Event, in addition to that which is required by this Undertaking; provided that the Treasurer or the Dissemination Agent shall not be required to do so. If the Treasurer or the Dissemination Agent chooses to include any annual information or notice of occurrence of an event in addition to that which is specifically required by this Undertaking, the Treasurer or the Dissemination Agent shall have no obligation under this Undertaking to update such information or include it in any future annual filing or notice of occurrence of an Event.

SECTION 8. Default and Enforcement. If the Treasurer fails to comply with any provision of this Undertaking, any Account Owner may take action to seek specific performance by court order to compel the Treasurer to comply with his or her obligations under this Undertaking; provided that any Account Owner seeking to require the Treasurer to so comply shall first provide at least 30 days' prior written notice to the Treasurer of the Treasurer's failure (giving reasonable details of such failure), following which notice the Treasurer shall have 30 days to comply and, provided further, that only the Account Owners of no less than a majority in aggregate principal amount of the Accounts (as defined in the Services Agreement) may take action to seek specific performance in connection with a challenge to the adequacy of the information provided by the Treasurer or the Dissemination Agent in accordance with this Undertaking, after notice and opportunity to comply as provided herein, and such action shall be taken only in a court of competent jurisdiction in the State of Illinois. A DEFAULT UNDER

THIS UNDERTAKING SHALL NOT BE DEEMED AN EVENT OF DEFAULT UNDER THE PARTICIPATION AGREEMENT, AND THE SOLE REMEDY UNDER THIS UNDERTAKING IN THE EVENT OF ANY FAILURE OF THE TREASURER TO COMPLY WITH THIS UNDERTAKING SHALL BE AN ACTION TO COMPEL PERFORMANCE.

SECTION 9. Beneficiaries. The Undertaking shall inure solely to the benefit of the Account Owners from time to time, and shall create no rights in any other person or entity.

SECTION 10. Dissemination Agent. The Treasurer may, from time to time, appoint or engage a dissemination agent (the "Dissemination Agent") to assist the Treasurer in carrying out his or her obligations hereunder, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. By its execution of this Undertaking, Union Bank & Trust Company shall be initially appointed as the Dissemination Agent.

Date: November 18, 2005

STATE TREASURER OF THE STATE OF ILLINOIS

By: _____

Title: _____

Acknowledged and Agreed:

UNION BANK & TRUST COMPANY

By: _____

Title: First Vice President