

CREDIT UNION COVERDELL ESA CUSTODIAL AGREEMENT (rev. 3/2002)

1. CONTRIBUTIONS

The Custodian may accept additional cash contributions, provided the Designated Beneficiary has not attained the age of 18 as of the date such contributions are made. Contributions by an individual contributor may be made for the tax year of the Designated Beneficiary by the due date of the beneficiary's tax return for that year (excluding extensions). Total contributions that are not rollover contributions described in section 530(d)(5) are limited to \$2,000 for the tax year. In the case of an individual contributor, the \$2,000 limitation for any year is phased out between modified adjusted gross income (MAGI) of \$95,000 and \$110,000. For married individuals filing jointly, the phase-out occurs between MAGI of \$190,000 and \$220,000. MAGI is defined in section 530(c)(2).

2. INVESTMENT LIMITATIONS

No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common investment fund (within the meaning of section 530(b)(1)(D)).

3. REQUIRED DISTRIBUTIONS

3.1 At Age 30. Any balance to the credit of the Designated Beneficiary on the date on which he or she attains age 30 shall be distributed to him or her within 30 days of such date.

3.2 Following Death. Any balance to the credit of the Designated Beneficiary shall be distributed within 30 days of his or her death unless the Death Beneficiary is a family member of the Designated Beneficiary and is under the age of 30 on the date of death. In such case, that family member shall become the Designated Beneficiary as of the date of death.

4. INVESTMENT DIRECTIONS

The Depositor shall have the power to direct the Custodian regarding the investment of the initial amount assigned to the custodial account (including earnings thereon) in the investment choices offered by the Custodian. The Responsible Individual, however, shall have the power to redirect the Custodian regarding the investment of such amounts, as well as the power to direct the Custodian regarding the investment of all additional contributions (including earnings thereon) to the custodial account. In the event that the Responsible Individual does not direct the Custodian regarding the investment of additional contributions (including earnings thereon), the initial investment direction of the Depositor also will govern all additional contributions made to the custodial account until such time as the Responsible Individual otherwise directs the Custodian. Unless otherwise provided in this agreement, the Responsible Individual also shall have the power to direct the Custodian regarding the administration, management, and distribution of the account.

5. RESPONSIBLE INDIVIDUAL

The "Responsible Individual" named by the Depositor shall be a parent or guardian of the Designated Beneficiary. The custodial account shall have only one Responsible Individual at any time. If the Responsible Individual becomes incapacitated or dies while the Designated Beneficiary is a minor under state law, the successor Responsible Individual shall be the person named to succeed in that capacity by the preceding Responsible Individual in a witnessed writing or, if no successor is so named, the successor Responsible Individual shall be the Designated Beneficiary's other parent or successor guardian. If a family member under the age of majority under state law becomes the Designated Beneficiary by reason of being a Death Beneficiary, the Responsible Individual shall be such Designated Beneficiary's parent or guardian.

6. CHANGING THE DESIGNATED BENEFICIARY

The Responsible Individual may not change the beneficiary designated under this agreement to another member of the Designated Beneficiary's family described in section 529(e)(2).

7. REPORTING

7.1 The Depositor agrees to provide the Custodian with the information necessary for the Custodian to prepare any reports required under section 530(h).

7.2 The Custodian agrees to submit to the Internal Revenue Service (IRS) and Responsible Individual the reports prescribed by the IRS.

8. CONTROLLING SECTIONS

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles 1 through 3 will be controlling. Any additional articles inconsistent with section 530 and the related regulations will be invalid.

9. AMENDMENTS

This agreement will be amended from time to time to comply with the provisions of the Code and related regulations. Other amendments may be made with the consent of the Depositor and Custodian whose signatures appear on the application form.

The Custodian may also amend this agreement at any time by sending the Responsible Individual a copy of the amendment. An amendment will become effective 30 days after it is mailed to the Responsible Individual, unless the Custodian receives an objection to the amendment from the Responsible Individual.

The Depositor may amend the election on whether the Designated Beneficiary becomes the Responsible Individual when reaching the age of majority. An amendment to prevent this from happening must be made before the Designated Beneficiary reaches the age of majority. An amendment to cause this to happen can be made at any time.

10. GENERAL PROVISIONS

10.1 Notices and Reports. The Responsible Individual will mail notices to the Custodian or to an agent specified by the Custodian. The Custodian will mail notices and reports to the last known address of the recipient according to its records. If the Custodian does not receive a notice that information in a report appears to be inaccurate within 60 days after mailing the report, it may treat the information contained in the report as accurate for all purposes.

10.2 Custodian's Liability. The Custodian will not be liable for any loss or damage unless it is caused by a violation of an express provision of this agreement, or by a lack of good faith in acting in compliance with this the agreement.

10.3 Custodian's Fees. The Custodian may charge reasonable fees for its services, and deduct such fees from the assets of the ESA.

10.4 Change of Custodian. The Custodian can substitute a successor Custodian, and it will do so if it receives notice from the IRS that such substitution is required to protect the tax status of this ESA. If the Custodian resigns without substituting another Custodian or the Custodian is removed by the governmental agency that regulates it, then CUNA Mutual Group, Madison, Wisconsin, will appoint a successor Custodian and notify the Responsible Individual of the change. A successor Custodian will have all of the same duties and rights granted to the original Custodian under this agreement. A successor Custodian will not be liable for any act or omission of a predecessor Custodian.

10.5 Security Interest Waiver. The Custodian waives the provisions of any written contract that grants it a security interest in this ESA.

11. DEATH BENEFICIARIES

11.1 Naming Your Death Beneficiaries. The Responsible Individual may name a primary and a secondary Death Beneficiary, and may change the Death Beneficiaries at any time. The original selection and any subsequent changes can only be made by completing and signing a death beneficiary selection form that we will provide upon request; and we will not be responsible for following instructions on signature cards or on any other documents. A Death Beneficiary selection remains effective after the amendment of the terms of this agreement.

11.2 No Named Death Beneficiaries. If none of the named Death Beneficiaries are alive following the death of the Designated Beneficiary or if the Custodian has not received a death beneficiary selection form, then: (a) The Designated Beneficiary's spouse will be the Death Beneficiary, or (b) If the Designated Beneficiary is not survived by a spouse, then the assets of this ESA will be distributed to the Designated Beneficiary's estate.