

- Withdrawals, transfers or rollovers out of the original Account Owner's MESP account will not affect the status of or the funds in the Match Account.
- All amounts in the Match Account, including earnings, will be retained by the State if the Beneficiary:
 - (a) chooses not to attend an Eligible Educational Institution or does not have tuition expenses;
 - (b) dies or becomes permanently disabled (unable to attend an Eligible Educational Institution);
 - (c) receives a full scholarship and the funds are not needed; or
 - (d) reaches age 30 and there are funds remaining in the Match Account.

No Beneficiary is guaranteed a State Matching Grant by the State. Neither MESP nor the Program Manager is responsible or liable for any State Matching Grant decisions made by the State or any agency thereof. Direct any questions about the matching grant program to the Program Manager.

4 Tax Considerations

The matching grant program has been designed so that the State Matching Grant and any earnings, which are used for tuition expenses while a student is pursuing a degree, should be treated as a scholarship that will not be subject to federal income taxation. The award can be used for tuition at an Eligible Educational Institution.

Notwithstanding the program's design, the Internal Revenue Service could take the position that the State Matching Grant and any Match Contributions are subject to federal income taxation in the year the State Matching Grant is awarded or the Match Contribution is made and that earnings on each of them are also taxable. MESP has not received confirmation by the State taxing authorities that the State Matching Grant and the Match Contributions, including any earnings on the Match Account, are exempt from Michigan income tax. Account Owners and Beneficiaries should consult their own tax advisor regarding the federal and Michigan tax treatment of State Matching Grants and Match Contributions.

5 Signature

By signing below, I certify that the information provided on this application is true and correct, that I have read and agree to all terms in Sections 2, 3 and 4 above, and I certify that the eligibility criteria set forth in Section 2 was true and correct as of the date that the MESP account was established for the Beneficiary.

I acknowledge that this *Application to Receive the State Matching Grant* is forwarded to the Program Manager for administrative and recordkeeping purposes only and that the Program Manager will forward relevant information regarding all applications to the State for a determination of eligibility for a State Matching Grant. I may be required to provide additional information to the State to determine eligibility.

Neither MESP nor the Program Manager, or any of its affiliates, is responsible or liable for any State Matching Grant decisions made by the State.

<i>John A Sample</i>	<i>November 2, 2007</i>
<small>Account Owner Signature</small>	<small>Date</small>

Mail this form to:
 Michigan Education Savings Program
 P.O. Box 30361
 Lansing, MI 48909-7861

