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**THE ARKANSAS TAX-DEFERRED
TUITION SAVINGS PROGRAM**

**AMENDED AND RESTATED
PROGRAM RULES AND REGULATIONS**

FILED

JAN - 5 2009

CHARLIE DANIELS
SECRETARY OF STATE

BY _____

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Section 1. General

The Arkansas Tax-Deferred Tuition Savings Program (the "Program"), is established pursuant to the Arkansas Tax-Deferred Tuition Savings Program Act, Chapter 84 of Title 6 of the Arkansas Code, as amended, codified as Ark. Code Ann. § 6-84-101, et seq. (the "Act"). The Program is designed to satisfy the requirements of Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations, rulings, announcements and other guidance issued thereunder (collectively referred to as "Section 529"). In accordance with the Act, the Section 529 Plan Review Committee (the "Committee") has established the following rules and regulations governing the operation of the Program. To the extent these rules and regulations are interpreted to be inconsistent with provisions of Section 529, the provisions of Section 529 shall prevail. The Program may be affected by subsequent changes in federal and state legislation. The Committee shall have the right to modify these rules and regulations from time to time to comply with then current federal law and regulations applicable to the Program and for other purposes. Capitalized terms not defined herein shall have the meaning ascribed to them in the Act.

Section 2. Definitions

- A. Account Application Form means an application substantially in the form approved by the Committee from time to time.
- B. Age-Based Option means, a Portfolio the assets of which are invested in a combination of Underlying Investments, currently based on the ages of Designated beneficiaries specified for such Portfolio.
- C. American Arbitration Association means a non-profit provider of alternative dispute resolution services.
- D. Approved Allocation means the allocation of assets for a Portfolio as approved by the Committee as may be set forth in the Program Management Agreement.
- E. Approved Allocation Effective Date means the annual date (July 1) by which the Approved Allocation for a Portfolio is approved, as may be set forth in the Program Management Agreement.
- F. Arkansas Administration Fee means any fee paid out of a Plan's assets to the Committee pursuant to a Program Management Agreement.
- G. Business Day means each day on which the New York Stock Exchange is open for trading.
- H. Cash means U.S. dollars, checks or electronic funds transfers, or any other method deemed appropriate by the Committee.
- I. Code means the Internal Revenue Code of 1986, as amended.
- J. Contribution Maximum means the maximum amount that an Account owner can contribute to all Program Accounts for the same Designated beneficiary, as determined

from time to time by the Committee based upon a methodology which calculates such maximum amount on an annual basis using the cost of up to seven years of tuition, fees, books, supplies and equipment, and room and board at an Higher educational institution.

K. Custom Portfolio Option, iShares Asset Allocation Portfolios, or Custom iShares Portfolio means a Portfolio the assets of which are invested in one or a combination of Underlying Investments, in accordance with a fixed asset allocation that does not change based on the age or years-to-enrollment of a Designated beneficiary.

L. Designated Beneficiary Change Form means a change of a Designated beneficiary substantially in the form approved by the Committee, from time to time.

M. Eligible Participant means an individual, other person, or legal entity eligible under the Act, under applicable federal tax law and regulations to participate in the Program.

N. Eligible Scholarship means a scholarship or other payment qualifying for an exemption from the withdrawal penalty required by Section 529, or any successor provision thereto, of the Code.

O. GIFT Plan is the name of a direct-sold Plan established within the Program.

P. Investment Fund means the portion of a Plan's assets invested in Underlying Investments (i.e., that portion of the a Plan's assets not held in the Operating Fund).

Q. iShares 529 Plan is the name of an advisor-sold Plan established within the Program.

R. Investment Manager means the entity employed by the Program Manager to manage the assets of the Portfolios.

S. Management Fee means any fee paid out of a Plan's assets to the Program Manager pursuant to a written agreement approved by the Committee.

T. Matching Grant means the grant of funds awarded by the Committee under the Aspiring Scholars Matching Grant Program to eligible Account owners on behalf of a Designated beneficiary governed by the terms and conditions of the GIFT Plan Program Description and Participation Agreement and the then current matching grant instructions established by the Committee at the time the grant is awarded.

U. MSRB means Municipal Securities Rulemaking Board and any duly established entity which succeeds to the functions thereof.

V. Net Asset Value means: (1) the net asset value per share of the Underlying Investments as of the market close on that Business Day; (2) adjustments, if any, to the net asset value per share of any Underlying Investments made after the market close; (3) net purchase orders and net redemption orders received by the Investment Manager from the Program Manager each Business Day; (4) the deduction and payment of fees and

expenses from the Portfolios by the Program Manager, or by the Investment Manager; and (5) the Investment Manager's reinvestment, into any Underlying Investment it or its affiliate offers and manages, of any income, dividends and/or capital gain distributions paid by Underlying Investments.

W. NYSE means the New York Stock Exchange.

X. Operating Account means the account established for the purpose of holding the Arkansas Administration Fee.

Y. Operating Fund means that portion of the a Plan's assets not held in the Investment Fund.

Z. Participation Agreement means an agreement between an Account owner and the Trust substantially in the form approved by the Committee, from time to time, which establishes the Account and the obligations of the Trust and the Account owner.

AA. Plan means either (i) the GIFT Plan, (ii) the iShares 529 Plan, or (iii) any other college savings plan established pursuant to the Act and administered by the Committee, collectively, under the Trust.

BB. Portfolio means one of the Plan Portfolios established within the Investment Fund to which Contributions may be allocated, and that are invested in Underlying Investments.

CC. Program Description means the complete disclosure document or set of documents describing a Plan, including any supplement(s) thereto, each as amended from time-to-time, constituting an "official statement" within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, and the rules of the MSRB and any successor to the applicable functions thereof.

DD. Program Distributor means the program distributor employed by the Committee pursuant to Ark. Code Ann. § 6-84-105, or any successor provision thereto, and designated as such in the then current Program Description.

EE. Program Management Agreement means a written agreement among the Trust, the Committee and the Program Manager.

FF. Program Manager means both the program manager and the recordkeeping and servicing agent employed by the Committee pursuant to Ark. Code Ann. § 6-84-105, or any successor provision thereto, and designated as such in a Program Management Agreement.

GG. Rollover Contribution means a Contribution to an Account which is transferred to or deposited in the Account from another program operating as a "qualified tuition program" within the meaning of Section 529, or any successor provision thereto, of the Code.

HH. Rollover Distribution means a distribution or transfer from an Account which is transferred to or deposited in another program operating as a "qualified tuition program" within the meaning of Section 529, or any successor provision thereto, of the Code.

II. Section 529 Plan Review Committee or Committee means the committee created pursuant to Ark. Code Ann. § 6-84-105, or any successor provision thereto.

JJ. Series means a class of units of a Portfolio.

KK. State means the State of Arkansas, acting through its executive, administrative, legislative and judicial branches.

LL. Trust means the Arkansas Tax-Deferred Savings Program Trust created under Ark. Code Ann. § 6-84-104.

MM. Underlying Investments means ETFs, securities, separate accounts, registered mutual funds or other investments in which assets of a Portfolio are invested.

NN. Withdrawal means a Qualified withdrawal or a Nonqualified withdrawal.

OO. Withdrawal Request means a request by an Account owner to effect a Withdrawal substantially in the form or other process approved by the Committee, from time to time.

PP. Year-of-Enrollment Portfolio means a Portfolio the assets of which are invested in a combination of Underlying Investments based upon the Designated beneficiary's anticipated year of enrollment as determined by the Account owner.

Section 3. Program Structure

A. The Trust. The Trust is comprised of an Investment Fund and an Operating Fund.

1. Investment Fund. The Investment Fund initially receives all Contributions to Accounts made by Account owners pursuant to Participation Agreements. The Investment Fund is invested in Underlying Investments.

2. Operating Fund. The Operating Fund is comprised of the Operating Account and such sub-accounts as may be established by the Committee from time to time.

B. Portfolios.

1. General.

a. The Investment Fund may be divided into one or more Portfolios and/or Series of Portfolios. Each Portfolio will represent a separate, segregated portfolio of Underlying Investments held in the Investment Fund.

b. Contributions made to an Account on behalf of a Designated beneficiary are invested in units of one or more Series of one or more Portfolios based on an election on the Account Application Form (or other appropriate form)

made by an Account owner. If an Account owner is awarded a matching grant, the matching grant will be invested according to the Portfolio(s) allocation instructions on file for the Account owner's account. The terms, expenses and sales charges, if any, as well as the availability of different Portfolios (or Series thereof) shall be as described in the then current Program Description.

c. The assets of each Portfolio will be rebalanced periodically on an as needed basis to conform each Portfolio to the Approved Allocation.

d. The Section 529 Plan Review Committee shall have the right to alter the basis of assigning Accounts to Age-Based Options and, subject to receipt of reasonably satisfactory assurance that such reassignment would not disqualify the affected Accounts or the Program from treatment, for federal tax purposes, as described in the then current Program Description and/or Supplement, or any supplements thereto, to reassign existing Accounts for any reason it deems appropriate.

2. Change of Designated Beneficiary.

a. If an Account owner changes the Designated beneficiary for an Account that has been assigned to an Age-Based Option, the Account may be reassigned to a new Age-Based Option based on the age of the new Designated beneficiary.

b. The Section 529 Plan Review Committee or the Program Manager has the right but not the obligation to reject any (or limit the frequency of) changes of a Designated beneficiary that an Account owner may make if it believes that the Account owner has submitted a change request primarily to avoid the limitation on the number of changes in Portfolio selection permitted in a calendar year under federal tax law.

3. Current Portfolios. The Investment Fund shall be divided into the Age-Based Options, the Custom Portfolio Options, the iShares Year-of-Enrollment Portfolios, the iShares Asset Allocation Portfolios, Custom iShares Portfolios, or any other Portfolios as may be approved by the Committee, as described in the then current applicable Program Description.

4. Subsequent Portfolios and Series. The Committee shall have the authority to increase or decrease the number of Age-Based Options or Custom Portfolio Options and/or the number of Series of each such Portfolio and to create or terminate any additional Portfolios or Series the terms of which shall be as set forth in the then current Program Description provided, however, that with respect to the GIFT Plan, in the event that the total number of Portfolios exceeds six, the Program Manager may increase the Management Fee.

C. Net Asset Value. The Program Manager, or its delegate, will calculate a Net Asset Value for each Portfolio (or Series thereof) of the Investment Fund as described in the then current Program Description.

Section 4. Program Distribution and Participation

A. Program Distribution. The Trust may offer through the Program Distributor, which may be the Program Manager, and through any other subcontractor of the Program Manager on such terms and conditions as may be approved by the Section 529 Plan Review Committee from time to time, participation in the Program through one or more Portfolios (or Series thereof), as determined by the Committee, to any Eligible Participant as described in the then current Program Description.

B. Program Participation.

1. Opening an Account. An Eligible Participant must complete an Account Application Form and any other documents required by the Committee or, the Program Manager, these rules and regulations, or applicable federal and state law or regulation and submit such documents to the Program Manager along with the initial minimum Account contribution as set forth in the then current Program Description. The acceptance by the Program Manager for processing an Account Application Form and an initial contribution does not constitute the agreement of the Program Manager to open an Account. The Program Manager has the right, but not the obligation to reject an Account Application Form that does not contain all information requested on the Account Application Form. There shall be no restrictions on the age of the Designated beneficiary (except as may be deemed necessary to comply with applicable law) or any required relationship between the Account owner and Designated beneficiary.

2. Entering into a Participation Agreement. Subsequent to or concurrently with opening an Account, an Eligible Participant must provide the information required by and agree by virtue of opening an Account to be bound by a Participation Agreement for each Designated beneficiary on whose behalf the Account owner intends to make Contributions.

3. Matching Grant. A matching grant Account may be established, and subsequent awards granted, if an Account owner, who has completed and signed the appropriate form, meets the requirements set forth in the then current matching grant instructions established by the Committee at the time the grant is awarded. An Account owner may be eligible for a matching grant if the Account owner filed an Arkansas income tax return as a state resident or, in the event the Account owner was not required to file an Arkansas income tax return, other evidence of eligibility and the Designated beneficiary on the Account is an Arkansas resident.

4. Assigning Accounts to Portfolios and Series. The Program Manager will assign each Account to a Portfolio(s) based upon information submitted by the Account owner. The selection of an Age-Based Option for each individual Designated beneficiary may be based on the Designated beneficiary's age, and the selection of a Custom Portfolio Option, an iShares Year-of-Enrollment Portfolio, an iShares Asset Allocation Portfolio, or a Custom iShares Portfolio, for an individual

Designated beneficiary will be based on the investment option selection made by the Account owner on the Account Application Form.

5. Contributions to an Account.

a. Form of Contribution. Contributions must be made in Cash only. As used in this section, "Cash" includes checks or electronic funds transfers. Contributions may be made: (i) by lump sum payment; (ii) by electronic funds transfer from an existing account of the Account owner pursuant to an automated investment plan; (iii) by employer payroll deduction; or (iv) by such other method as set forth in the then current Program Description. The term does not include money orders, travelers checks, foreign checks not in U.S. dollars, checks dated over the number of days specified in the then current Program Description, post-dated checks, checks with unclear instructions, securities, non-cash assets, charges on debit, credit cards or any other payment method prohibited by the then current Program Description. In order for an Account owner to make Contributions by employer payroll deduction, the Account owner's employer must be able to meet the Program Manager's operational and administrative requirements for Qualified tuition program payroll Contributions.

b. Amount of Contribution. The minimum initial and minimum subsequent Contribution amount by cash is as set forth in the then current Program Description, and may, from time to time, be revised subject to the approval of the Committee. The minimum initial and minimum subsequent Contribution amount by automatic investment plan are as set forth in the then current Program Description. The Contribution Maximum for all Accounts for a Designated beneficiary is as set forth in the then current Program Description.

c. Crediting of Contributions. The Program Manager generally shall credit Contributions to an Account as of the same Business Day as received in good order as determined by the Program Manager, provided such Contributions are delivered to and accepted by the Program Manager by 4:00 p.m. Eastern time on such Business Day, or upon such other Business Day as may be set forth in the then current Program Description. The Program Manager generally shall credit Contributions made by electronic fund transfer to an Account generally the next Business Day after the transfer is received in good order as determined by the Program Manager, provided such Contributions are delivered to and accepted by the Program Manager by 10:00 p.m. Eastern Time on such Business Day, or upon such other Business Day as may be set forth in the then current Program Description.

d. Accounting of Contributions. On the Business Day of the investment of a Contribution by the Program Manager, units (or additional units) of the applicable Portfolio(s) will generally be reflected in the records of the Program for the applicable Account. Contributions made by check, which are received in good order, will generally be considered received by the Program in a given year if post-marked on or before December 31st of the same year, provided the checks

are subsequently paid. Contributions made pursuant to an electronic funds transfer will generally be considered received by the Program in a given year if initiated by the Account owner on or before 10:00 p.m. Eastern Time on December 31st of such year, provided the funds are subsequently withdrawn from an Account owner's checking or savings account at another financial institution. Contributions made pursuant to an automatic investment plan will generally be considered received by the Program in the year the automatic investment debit has been deducted from an Account owner's checking or savings account at another financial institution.

e. Investment of Contributions. A Contribution to an Account is generally invested in units of the Portfolio(s) designated by the Account owner or assigned by the Program Manager and/or the Committee on the same Business Day as the crediting of the Contribution to an Account, or upon such other Business Day as may be set forth in the then current Program Description.

f. Overfunding an Account. Any Contribution made by an Account owner will generally be returned to the Account owner in the event the Contribution exceeds the Contribution Maximum for the Designated beneficiary. All Accounts within the Program for the same Designated beneficiary will be aggregated for purposes of determining whether the Contribution Maximum has been exceeded. At the Program Manager's discretion, a penalty may be imposed on Contributions which exceed the Contribution Maximum. The Program Manager may refuse Contributions, which it determines, in its sole discretion, appear to constitute an abuse of the Program.

g. Rollover Contributions. Rollover Contributions to an Account must be accompanied by an incoming rollover form (or such other form as approved by the Committee) executed by the Account owner and submitted in good order as determined by the Program Manager. An incoming rollover form (or other approved form) must include all information the Program Manager and/or Committee may require in order to process the Rollover Contribution in accordance with all requirements of the Program, including those specified in these rules and regulations, the Program Description, and applicable federal and state law or regulation. The Program Manager has the right, but not the obligation to reject an applicable form that does not contain all information requested. The Program Manager may record the entire amount of the Contribution as earnings unless the incoming rollover form (or other approved form) is accompanied by a statement from the administrator or manager of the Section 529 Qualified tuition program from which the Rollover Contribution is made detailing the amount of the Rollover Contribution that constitutes principal and the amount of the Rollover Contribution that constitutes earnings, together with such other information as the Committee and/or Program Manager may require. Rollover Contributions to an Account may be subject to federal income tax and/or penalties as required by then current federal law or regulation. Reporting and payment of any such federal or state taxes or penalties shall be the obligation of the Account owner.

6. Changes to an Account.

a. Change in Designated Beneficiary. To change the Designated beneficiary of an Account, the Account owner must complete a Designated Beneficiary Change Form or such other form as the Committee shall approve (and any additional required documentation) and submit it in good order as determined by the Program Manager in accordance with all requirements of the Program, including those specified in these rules and regulations, the Program Description, and applicable federal or state law or regulation. The Program Manager has the right, but not the obligation to reject an applicable form that does not contain all information requested. If the Account owner's request is in good order (as determined by the Program Manager), the Designated beneficiary on the Account will be changed to the new Designated beneficiary on the records of the Program.

b. Partial Transfer of Account Assets to New Designated Beneficiary. To transfer some, but not all, assets from one Account to another Account, the Account owner must provide such information as is necessary for the Program Manager to process such transaction in accordance with all requirements of the Program, including those specified in these rules and regulations, the Program Description, and applicable federal law or regulation. If the Account owner's request is in good order as determined by the Program Manager the amount specified by the Account owner for transfer from the Account will be transferred on the records of the Program to an Account for the benefit of the new Designated beneficiary.

c. Forfeiture of Matching Grant Account. Except as provided by the GIFT Plan's then current Program Description, a matching grant Account may not transfer, and the matching grant may be forfeited if the new Designated beneficiary has received a matching grant, has another matching grant Account or is the Account owner on the Account and the Account is not an UGMA/UTMA Account.

d. Successor Account owner. An Account owner may name a successor Account owner if permitted by the applicable form, and to the extent permissible in accordance with the Program Description and applicable law. On notification to the Program Manager of the death of the Account owner, accompanied by a death certificate or other proof of death recognized under applicable law and such other information as the Program Manager requires, the Program Manager will change the Account owner for the Account on the records of the Program. In the event a successor Account owner is not named on the Account Application Form or the named successor Account owner does not accept the Account, and the Account owner has not disposed of the Account otherwise in a will, trust or other testamentary disposition, the surviving spouse of the Account owner will become the Account owner for the Account. In the event there is no surviving spouse and the Designated beneficiary is not a minor, the Designated beneficiary will become the Account owner for the Account. If the Designated beneficiary is a minor, the Designated beneficiary's custodial parent will become the Account owner for the

Account. If the Designated beneficiary has more than one custodial parent the custodial parent whose birthday is earlier in the calendar year will become the Account owner for the Account. If a court of competent jurisdiction declares an Account owner legally incompetent and appoints a successor Account owner, the Program Manager will change the Account owner for the Account on the records of the Program.

e. Change in Account Owner. The Account owner may transfer ownership of an Account to another Eligible Participant, if the transfer is irrevocable and transfers all rights, title, interest and power over the Account and is made without consideration. The Account owner will be responsible for any adverse federal and state tax consequences arising from such a change. A change of Account owner must be accompanied by an Account information change form or such other form as approved by the Committee and submitted in good order as determined by the Program Manager.

f. Account Owner Direction of the Investment of Contributions. Account owners cannot direct the investment of Contributions (or the earnings on Contributions) once they have been used to purchase units of the designated Portfolio(s). Account owners may change how investments are allocated among the available Portfolio options in accordance with the then current Program Description and applicable law or regulation.

g. General. The ability of Account owners to affect changes in and the consequences to Account owners may be affected by subsequent changes in federal and state legislation.

6. Penalties for Misrepresentations. In the event an Account owner makes any material misrepresentation in any oral or written communication with the Committee or the Program Manager, including, without limitation, on any Plan forms, the Program Manager may terminate an Account owner's Account and may charge a penalty of up to fifteen percent (15%) on the investment earnings of the Account, and may seek to recover any losses incurred by the Program, the Committee, or the Program Manager as a result of such misrepresentation.

Section 5. Withdrawal Procedures

1. Withdrawal Requests. To receive a Withdrawal, the Account owner may either submit a Withdrawal request form in good order (as determined by the Program Manager) to the Program Manager or any other method approved by the Committee, which, if the Committee and/or Program Manager deem it necessary, may require:

a. A certification from the Account owner as to whether such Withdrawal is a Qualified withdrawal or a Nonqualified withdrawal;

b. Such additional information as the Program Manager may require.

2. Nonqualified Withdrawals.

a. An Account owner may make a Nonqualified withdrawal in accordance with the terms of the then current Program Description subject to any applicable federal and/or state income tax and any penalty or additional tax imposed by federal tax law or state law, as set forth in the then current Program Description.

b. Except as otherwise specifically provided herein, only the Account owner may close an Account.

3. Withdrawal Taxes and Penalties. An Account owner making a Withdrawal shall have the sole obligation to (i) determine whether the Withdrawal is a Qualified withdrawal or a Nonqualified withdrawal; (ii) make any required report to the Internal Revenue Service and any applicable state tax authority regarding the Withdrawal and the amounts of any earnings included therein; and (iii) pay any applicable federal or state income taxes or penalty taxes that may apply.

4. Unclaimed Account Balances. The Committee may establish a maximum duration for Accounts. In the event the Committee or Program Manager notifies an Account owner of Account inactivity and the Account owner does not respond within the time period as set forth in such notice, the Committee may return all amounts in the Account to the Account owner. The Account owner shall be responsible for any applicable federal or state taxes and penalties.

B. Withdrawal Payments. The Net Asset Value for a Portfolio applicable to a Withdrawal will be the Net Asset Value next calculated for such Portfolio on the Business Day on which the Withdrawal request form is received in good order (as determined by the Program Manager), or upon such other Business Day as may be set forth in the then current Program Description. Withdrawals will be made by check or, at the request of the Account owner and upon payment of a fee to be debited from the Account, by wire transfer.

C. Requests for Withdrawals. Requests for Withdrawals will be satisfied as soon as practicable, but in no event later than thirty days following acceptance of a Withdrawal request form in good order as determined by the Program Manager.

Section 6. Arbitration

The Account owner and the Trust agree that by entering into a Participation Agreement the parties agree to resolve any controversy or claim arising out of or relating to the Program or the Participation Agreement, or the breach, termination or validity thereof, by arbitration administered by the American Arbitration Association in accordance with its rules for commercial arbitration (except that if the Program Manager or Investment Manager is a party to the arbitration, it may elect that arbitration will instead be subject to the Code of Arbitration Procedure of the Financial Industry Regulatory Authority), and judgment on the award rendered in the arbitration may be entered in any court of competent jurisdiction. The arbitration provisions of the Participation Agreement shall comply with MSRB rules governing Pre-dispute Arbitration Clauses with Account owners.


Section 7. Aspiring Scholars Matching Grant Program

1. General. The Aspiring Scholars Matching Grant Program (the "Matching Grant Program") is created pursuant to Ark. Code Ann. § 6-84-114. The Committee shall determine the terms and conditions of the Matching Grant Program as set forth in the then current Program Description, the Matching Grant Program application form and instructions, including (1) the eligibility requirements, (2) the maximum grant amount, (3) the enrollment period, (4) limitations on withdrawal of assets from a matching grant Account, (5) circumstances under which the assets in a matching grant Account may be forfeited, and (6) any other terms and conditions as may be determined by the Committee.

2. Funding Limitations. The Matching grants are dependent upon funding limitations as overseen by the Committee and can be reduced or stopped at the Committee's discretion.

These Amended and Restated Rules and Regulations are adopted as of November 13, 2008.

**THE ARKANSAS TAX-DEFERRED TUITION
SAVINGS PROGRAM TRUST**

By: 
Name: Jim Purcell
Title: Trustee