

**Adirondack Funds Coverdell Education Savings
(Formerly Educational IRA)
Disclosure Statement and Custodial Account Agreement
(Under section 408(a) of the Internal Revenue Code)**

Name of custodian:
Huntington National Bank

Address or principal place of business of custodian
Huntington National Bank
7 Easton Oval
EA4E95
Columbus, OH 43219

The custodian named above has given the depositor the disclosure statement required by Regulations section 1.408-6. The depositor and the custodian make the following agreement:

The depositor whose name appears on the Adoption Agreement is establishing a Coverdell Education Savings Account (formerly Education individual Retirement Custodial Account) under Section 530 for the benefit of the designated beneficiary whose name appears on the Adoption Agreement exclusively to pay for the qualified higher education expenses, within the meaning of Section 530(b)(2), of such designated beneficiary.

The Custodian named on the Adoption Agreement has provided the depositor with a concise statement disclosing the provisions governing Section 530. This disclosure statement must include an explanation of the statutory requirements applicable to, and the income tax consequences of establishing and maintaining an account under Section 530. Providing the depositor with a copy of Notice 97-60, 1997-46 I.R. B. 8 (November 1, 1997) is considered a sufficient disclosure statement. The Custodian also will provide a copy of this form and the disclosure statement to the responsible individual, as defined in Article VI below, if the responsible individual is not the same person as the depositor.

The depositor has assigned the custodial account the sum indicated on the Adoption Agreement.

The Depositor and the Custodian make the following agreement:

Article I

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 (AGI) of \$95,000 and \$110,000. For married individuals filing jointly, the phase-out occurs between modified AGI of \$190,000 and \$220,000. Modified AGI is defined in section 530(c)(2).

Article II

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 trust fund or a common investment fund (within the meaning of section (530(b)(1)(D)).

Article III

1. 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.
2. Any balance to the credit of the designated beneficiary shall be distributed within 30 days of his or her death **unless** the designated 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.

Article IV

The depositor shall have the power to direct the custodian regarding the investment of the above-listed 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.

Article V

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. Unless otherwise directed by checking the option below, at the time that the designated beneficiary attains the age of majority under state law, the designated beneficiary becomes the responsible individual. If a family member under the age of majority under state law becomes the designated beneficiary by reason of being a named death beneficiary, the responsible individual shall be such designated beneficiary's parent or guardian.

Article VI

If so indicated in the Adoption Agreement, the responsible individual may change the beneficiary designation under this agreement to another member of the designated beneficiary's family described in Section 529 (c)(2) in accordance with the custodian's procedures.

Article VII

1. The depositor agrees to provide the custodian with all information necessary to prepare any reports required by section 530(h).
2. The custodian agrees to submit to the Internal Revenue Service (IRS) and responsible individual the reports prescribed by the IRS.

Article VIII

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

Article IX

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 consent of the depositor and the custodian whose signatures appear on the Adoption Agreement

Article X

1. Definitions
 - a. "Adoption Agreement" shall mean the agreement of application signed by the depositor adopting the plan and establishing an account on behalf of the designated beneficiary.
 - b. "Account" shall mean this Coverdell Education Savings Account established in accordance with this agreement
 - c. "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.
 - d. "Depositor" shall mean the person who establishes this account
 - e. "Designated Beneficiary" shall mean the person on whose behalf this account has been established or any successor appointed in accordance with Article V, Section 6 of the plan.
 - f. "Plan" shall mean this Coverdell Education Savings Account – formerly Education IRA, as it may be amended from time to time, in accordance with Article IX of the plan.
 - g. "Responsible Individual" shall mean the person designated in accordance with Article XI, Section 5 of the plan who shall be responsible for directing the custodian regarding the management and administration of this account.
2. Notices and Change of Address
 - a. Any required notice regarding this Coverdell Education Savings Account will be considered effective when mailed by the custodian to the last address of the intended recipient which is on the records of the custodian. Any notice to be given to the custodian will be effective when actually received by the custodian. The responsible individual will notify the custodian of any change of address.
 - b. Representations and Responsibilities: The depositor and responsible individual represent and warrant to the custodian that any information they have given or will give to the custodian with respect to this agreement is complete and accurate. Further, the depositor and responsible individual promise that any direction given by either of them to the custodian or any action they take will be proper under this agreement. The custodian will not be responsible for the depositor's or responsible individual's actions or failures to act. Likewise, the depositor or the responsible individual shall not be responsible for the custodian's actions or failure to act, provided however, that the custodian's duties and responsibilities under this agreement are limited to those specifically stated in the agreement and no other further duties or responsibilities shall be implied.
3. Investment of Contributions
 - a. Direction of Responsible Individual: In accordance with Article IV of this agreement, the depositor shall have the power to direct the custodian with respect to the investment of the initial contribution to this account and the responsible individual shall direct the custodian with respect to the investment of all subsequent contributions and all account earnings. In absence of such directions, the custodian shall have no investment responsibility. All transactions directed by the depositor or the responsible individual shall be subject to the rules, regulations, customs and usages of the market where executed, and to all applicable federal and state laws and regulations, and to internal policies of the custodian. The

- custodian reserves the right not to accept assets intended for deposit to the account and may at any time require liquidation of any asset held in the custodial account if the custodian determines that such asset is no longer in accordance with the custodian's administrative or operational requirements.
- b. Delegation of Investment Responsibility: The responsible individual may delegate the investment responsibility for all of the account to an agent for attorney in fact acceptable to the custodian by notifying the custodian in writing on a form acceptable to the custodian of the delegation of such investment responsibility and the name of the person or persons to whom such responsibility is delegated. The custodian shall follow the directions of such agent or attorney in fact and shall be under no duty to review or question any direction, action or failure to direct or act of such agent or attorney in fact. The responsible individual may revoke the authority of any agent or attorney in fact at any time by notifying the custodian in writing of such revocation and the custodian shall not be liable in any way for transactions initiated prior to receipt of such notice.
 - c. Uninvested Cash: The responsible individual shall direct the custodian as to the investment of all cash which is not currently invested in assets, and the responsible individual or his or her legal representative shall direct the custodian with respect to the investment of cash pending distribution. In the absence of such direction, the custodian shall have no investment responsibility
4. Withdrawals: All requests for withdrawal shall be in writing on a form provided by or acceptable to the custodian. Any withdrawals shall be subject to all applicable tax and other laws and regulations including possible early withdrawal penalties and withholding requirements. The only source of benefit for the designated beneficiary of the account under this Coverdell Education Savings Account shall be the Coverdell Education Savings Account.
 5. Responsible Individual
 - a. Responsibilities
The responsible individual has the general responsibility of managing the account and instructing the custodian as to any transaction in connection with the account. In addition to those duties described in other sections of this agreement, the responsible individual shall be responsible for determining whether any contribution to the account is allowable and with the limits set forth in the Code and whether any individual named as designated beneficiary is eligible to be a beneficiary.
 - b. Designation of Responsible Individual
The responsible individual shall be the person so designated on the adoption agreement. In accordance with Article V of this agreement, the responsible individual shall be a parent or guardian of the designated beneficiary. In the event of the death or legal incapacity of the responsible individual, the individual designated on the adoption agreement to serve, as successor shall have the rights and responsibilities of the responsible individual.
 6. Procedure For Changing Beneficiary
If, pursuant to the Adoption Agreement and Article VI of this agreement, the responsible individual is permitted to change the designated beneficiary, any change in designated beneficiary can only be made on a form prescribed by the custodian and it will only be effective when it is filed with the custodian during the lifetime of the previous designated beneficiary. Each beneficiary designation filed with the custodian by the responsible individual will cancel all previous ones. The consent of a designated beneficiary shall not be required to revoke a beneficiary designation. Any new designated beneficiary must be a member of the family (as defined in Section 529(c)(2) of the Code) of the previous designated beneficiary.
 7. Transfer
Funds held on behalf of a designated beneficiary in another Coverdell Education Savings Account, and such other transfers as tax law and related regulations or pronouncements may permit, may be transferred to the custodian and held in an account for the benefit of the designated beneficiary under the plan. Upon the request of the responsible individual in writing on a form acceptable to the custodian, the custodian shall transfer funds held in the account to another Coverdell Education Savings Account established on behalf of the designated beneficiary with another approve and qualified custodian.
 8. Powers, Duties and Obligations of Custodian
 - a. No Investment Discretion
The custodian shall have no discretion to direct any investment of an account, and is merely authorized to acquire and hold the particular investments specified by the depositor or the responsible individual. The custodian will not act as investment advisor or counselor to a designated beneficiary, depositor or responsible individual and will not advise any of the foregoing or offer any opinion or judgment on any value or suitability of any investment or potential investment for the account
 - b. Administrative Powers
The custodian may hold any securities acquired hereunder in the name of the custodian without qualification or description or in the name of any nominee. Pursuant to the direction of the depositor or the responsible individual, the custodian shall have the following powers and authority with respect to the administration of each account.
 1. To invest and reinvest the assets of the account without any duty to diversify and without regard to whether such investment is authorized by the laws of any jurisdiction for fiduciary investments.
 2. To exercise any conversion privileges or rights to subscribe for additional shares.
 3. To reinvest dividend and capital gain distributions received from the mutual funds.
 - c. Shareholder rights

The custodian shall exercise any rights of shareholder (including voting rights) with respect to any securities held in the account only in accordance with the instructions of the responsible individual pursuant to any applicable rules of Securities and Exchange Commission and Federal Reserve of which the custodian is a member

d. Records and Reports

The custodian shall keep accurate records of all contributions, receipts, investments, distributions, disbursements, and all other transactions of the account. Within 120 days (or such other deadline imposed by applicable law) after the close of each calendar year (or after a distribution or transfer of the account or upon the custodian's resignation or removal), the custodian shall file with the responsible individual a written report (which may consist of copies of the custodian's regular issued account statements) reflecting all transactions affecting the account for the period in question and including a statement of the assets in the account and their fair market value. Unless the responsible individual files a written statement of exceptions or objections to the report with the custodian within 60 days after mailing of the report, the responsible individual shall be deemed to have approved such report and the custodian shall be released from all liability to anyone (including the designated beneficiary or any depositor) with respect to all matters set forth in the report. No person other than the responsible individual or the designated beneficiary may require an accounting.

e. Scope of Custodian's duties

The custodian shall only have the duties, which are specifically set forth in this plan. The custodian shall have no duty to ascertain whether contributions or distributions comply with the plan or the Code. The custodian shall not make any investments or dispose of any investment held in an account, except upon the direction of responsible individual or the depositor or in accordance with Article XI of the plan. The custodian shall not question any such directions of the depositor or the responsible individual with respect to the investment, retention, or disposition of any assets held in an account

f. Scope of Custodian's Liability

The custodian shall not be liable for any loss of any kind which may result from any action taken by in tin accordance with the directions of the depositor or the responsible individual or his or her designated agent or attorney in fact or from any failure to act because of the absence of any such directions. The custodian shall not be responsible for determining whether any contribution or rollover contribution satisfies the requirements of the Code. The custodian shall not liable for any taxes (or interest thereon) or penalties incurred by the depositor, responsible individual or designated beneficiary in connection with any account or in connection with any contribution to or distribution from the account. The custodian is entitled to act upon any instrument, certificate, or form it believes is genuine and believes is signed or presented by the proper person or persons, and the custodian need not investigate or inquire as to any statement contained in such document but may accept it as true and accurate. The responsible individual shall duly indemnify and hold harmless the custodian from any liability, which may arise hereunder except liability arising from the gross negligence or willful misconduct of the custodian.

9. Resignation or Removal of Custodian

a. Resignation

The custodian may resign as custodian hereunder as to any account by mailing or actually delivering written notice to the responsible individual 30 days prior to the resignation. Upon its resignation the custodian may, but shall not be required to, appoint a corporation or other institution as the successor custodian under this agreement. Each responsible individual, after the receipt of the resignation, shall have 30 days to appoint an alternative successor custodian. If no alternate is chose, the responsible individual will be deemed to have accepted the custodian's appointed successor custodian. Upon acceptance of appointments by the successor, the custodian assign, transfer and deliver to the successor all assets held in the account to which such resignation or removal relates. The custodian is authorized however, to reserve such amounts as it deems advisable to provide for the payment of expenses and fees then due or to be incurred in connection with the settlement of its account, and any balance remaining after the settlement of its account shall be paid to the successor custodian or trustee. If the custodian does not choose to appoint a successor, the responsible individual has 30 days after receiving notification of the custodian's resignation to appoint a qualifying successor custodian. If the responsible individual does not appoint a successor custodian with this time period, the custodian shall have the right to terminate the custodial account and distribute the assets directly to the responsible individual.

b. Removal

The responsible individual shall substitute another custodian in place of the custodian upon notification by the Internal Revenue Service that such substitution is required because the custodian has failed to comply with the requirement of Treasury Regulation Section 1.408-2 (e), or is not keeping such records, or making such returns, or rendering such statements as are required by that regulation.

c. The custodian shall not be liable for the acts or omissions of its successor.

10. Amendment or Termination of the Plan

a. Amendment or Termination

The custodian may amend or terminate this plan at any time consistent with the provisions of applicable law without obtaining the consent of any depositor, responsible individual or designated beneficiary. No amendment of the plan, however, shall deprive the designated beneficiary of any benefit to which he or she was entitled under the plan from contributions made prior to the amendment unless the amendment is necessary to conform the plan to the current or future requirements of the Code or other applicable law, regulation or ruling, in which case the custodian is expressly

authorized to make amendments that are necessary for such purposes retroactively to the late of the effective date of the plan or the effective date of any future legal requirements.

b. Distribution on Termination

If the plan is terminated for any reason the balance held in each account for the benefit of a designated beneficiary shall be distributed by the custodian to a successor custodian or trustee, in accordance with Article X, Section 9 of the Plan.

11. Fees, Expenses, and Indebtedness

a. Compensation of the Custodian

The custodian shall be entitled to such reasonable fees for its services hereunder as shall be agreed upon from time to time in writing between the custodian and the responsible individual and to reimbursement for all reasonable expenses incurred in the management of the account.

b. Payment and Deduction of Fees and Expenses

Periodic custodial maintenance and related fees and expenses of the custodian shall be due and payable upon notification to the responsible individual for services rendered by the custodian. The custodian may deduct from and charge against an account all reasonable fees, shares and expenses when incurred, in the management of the account which have not been timely paid by the responsible individual. Upon termination or transfer of any account appropriate fees and expenses may be charged against the account unless paid. The custodian may allocate such fees, charges and expense among the separate accounts at such time or times and in such manner as the custodian, in its reasonable discretion, determines brokerage fees shall be payable in accordance with the custodian's usual practice. Fees charged against an account shall not be reimbursed to the account.

c. Indebtedness

The responsible individual shall pay any debit balance or other obligation owing to the custodian on demand.

12. Miscellaneous

a. Prohibited Transactions

Anything contained herein to the contrary notwithstanding, no depositor, responsible Individual or designated beneficiary shall be entitled to use the account, or any portion thereof, as security for a loan, nor shall the custodian or any other person or institution engage in prohibited transaction, within the meaning of Code Section 4975, with respect to the account

b. Prohibition Against Assignment of Benefits

Except to the extent otherwise required by law, none of the benefits, payments or proceeds held in an account on behalf of any designated beneficiary shall be subject to the claims of any creditor of such designated beneficiary, any depositor or responsible individual, nor shall any such party have any right to anticipate, sell, pledge, option, encumber or assign any of the benefits, payments or proceeds to which he or she is or may be entitled under the plan.

c. Applicable Law

The plan is intended to qualify as an Coverdell Education Savings Account plan under Code Section 530. The plan shall be governed by and interpreted under the laws of the state of Ohio, except to the extent applicable federal law supersedes such laws. If any provision of the plan is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions, and the plan shall be construed and administered as if such provision had not been included.

d. Liquidation of Assets

If the custodian must liquidate assets in order to make distributions, transfer assets, or pay fees, expenses, or taxes assessed against the account, and the responsible individual fails to instruct the custodian as to the liquidation of such assets, assets will be liquidated.