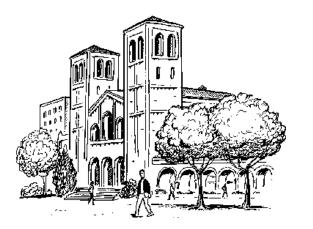


BOB DREIZLER, CHARTERED FINANCIAL CONSULTANT

Specializing in socially conscious investors

COLLEGE CONTRACT



More to pay for their child's college education, wherever he or she chooses to attend. Diligent savings habits, good investment fortune and scholarships may make this possible. Tax-favored investment programs (529/Qualified State Tuition Plans, Coverdell Education Savings Accounts, Student Loan programs, UTMA accounts) can help. But even with your best efforts, your son or daughter may still require additional assistance to pay these substantial bills.

If parents help out by using personal savings, you risk becoming your child's personal ATM machine. You may find this particularly frustrating if your son switches his major eight times in three semesters or your daughter decides to enroll at the Istanbul Mime College. It isn't uncommon for open-ended commitments to jeopardize a parent's retirement plans. Similarly, your child may resent your lack of generosity if their peers have access to an unlimited line-of-credit at the Bank of Mom and Dad.

By drafting a college contract noting the responsibilities and commitments of parents and student, you can minimize ambiguities that may lead to future financial tension. With financial issues spelled out, you can focus on other important mutual issues.

Sample College Contract

Between Student ______ & Parent(s) ______

During the first ____years of _____'s (student) college | studies, _____ (parents) agree to pay \$__,000 toward tu- | ition, room-and-board, books and other necessities of college. |

If this amount is exceeded, a \$___,000 loan will be available. Borrowed funds will accrue interest at a rate of __% simple interest per year. Loan repayment will start no later than _____ (date) OR ___ years after the end of _____'s last full-time college semester, whichever is EARLIER.

_____ (student) will make equal monthly payments at a rate sufficient to pay off the loan by ______ (date), at which time any remaining balance is due.

This agreement can be changed only with the approval of ALL of the following surviving parties.

Student	Date
Parent	_Date
Parent	_Date

NOTE: This contract was not drawn by an attorney and is probably not legally binding

Your financial goals (retirement planning, saving for a college education or buying a home) often appear to be overwhelming. To reach these goals you must 1) save or invest regularly and 2) start now. To discuss your investment, tax planning or insurance needs, please give me a call at (916) 444-2233. Bob's Quarterly Update is published by Bob Dreizler, CLU, ChFC. All rights reserved ©2003.