

## CONTRACT FOR BANKING SERVICES

This Contract for Banking Services (the "Contract"), is entered into this \_\_\_\_ day of \_\_\_\_, \_\_\_\_, by and between the FLORIDA PREPAID COLLEGE BOARD (the "Board"), an agency of the State of Florida, located in Tallahassee, Florida and \_\_\_\_\_ (the "Contractor"), a national bank located in \_\_\_\_\_ and chartered in \_\_\_\_\_, and licensed to operate in Florida.

Section 1009.971, Florida Statutes, authorizes the Board to contract for the services to administer the Florida Prepaid College Program (the "Prepaid Program"), and Section 1009.981, Florida Statutes, authorizes the Board to administer the Florida 529 Savings Plan (the "Savings Program").

### PART I

#### SERVICES

**1. REPRESENTATIONS AND WARRANTIES.** The Contractor covenants and warrants as follows:

(a) It is lawfully organized and constituted under all federal, state and local laws, ordinances and other authorities of its domicile, and is otherwise in full compliance with all legal requirements of its domicile.

(b) It is possessed in the legal authority and capacity to enter into and perform this Contract.

(c) It has been duly authorized and registered to operate and do business in all places where it will be required to conduct business under this Contract; that it has obtained, at no cost to the State of Florida or the Board, all necessary licenses and permits required in connection with this Contract; and that it will fully comply with all laws, decrees, labor standards and regulations of its domicile and wherever performance occurs during its performance of this Contract.

(d) It has no present interest, nor shall acquire any interest, which would conflict in any manner with its duties and obligations under this Contract.

(e) It has the expertise and ability to perform all services required under this Contract.

(f) It will assign sufficient personnel with sufficient experience and knowledge of the products and/or services to be provided to the Board under this Contract in order to fulfill all of its obligations under this Contract.

**2. DESCRIPTION OF SERVICES.** The Contractor will be required to perform the following banking services described in the ITN, and may be required, at the discretion of the Board, to perform the additional services described in the ITN.

(a) Provide core banking services for the Prepaid Program and Savings Program bank accounts needed to support each Program's operations with regard to incoming receipts (deposits) and outgoing disbursements (withdrawals), including the following:

i. Process daily deposits, including remote / mobile, wire transfer, check, ACH, or online remittances to the Board's accounts, by the Contractor's deposit deadline;

ii. Process wire transfers upon receipt of instructions to do so from the Board or its authorized service provider(s);

iii. Process automated clearing house (ACH) services to support debits and credits in to and out of (i.e., origination and receiving) the Board's accounts, including controls around ACH processing, such as debit blocks;

iv. Process payments (online remittances) through an electronic lockbox (e-Box) to support incoming payments through online bill payment services into the Board's accounts;

v. Pay interest and deduct from invoice, no less than monthly, for the average daily balances, or other agreed-upon method in Board bank accounts; and

vi. Offer various types of bank accounts, such as zero balance / clearing accounts, controlled disbursement accounts, etc.

The Contractor shall refund the Board loss of interest earnings for failure to initiate the wire transfer. For purposes of this Contract, any, cash, wire transfers received, ACH items deposited or any other items deposited by the Contractor will receive immediate credit to the Prepaid Program and/or Savings Program. The Contractor will supply the Board with their Premium Availability Schedule. This schedule will provide the Board with the best funds availability provided by the Contractor to its banking customers.;

(b) Receive and manage Positive Pay files for payments issued through disbursement accounts and provide a mechanism for daily dispositioning of exceptions;

(c) Provide all paper supplies for deposit accounts, including but not limited to, deposit slips, and check endorsement stamps;

(d) Perform all other various banking services as may be reasonably required by the Board; and

(e) Provide an information reporting system for use by the Board and its authorized service provider(s). The Contractor shall also provide all reports, including without limitation hereto, bank statements, analysis statements, and debit / credit advices electronically via the online reporting system.

The system or website through which reports are provided must be capable of restricting access to electronic reports and queries through role-based administrative rights and password

protection and providing online access to detailed and summarized transaction data history for, at a minimum, the preceding twenty-four (24) months.

At a minimum, the online reporting system shall include both previous day and current day account balances and reflect, at a minimum, both credit and debit transactions for the accounts of the Prepaid and Savings Programs. The reporting and query tools must permit the Board and its authorized service provider(s) to select from a full array of delivered and ad hoc reports that can be tailored to fit individual needs and are downloadable. The Board shall also have access to a list of reports, with descriptions, that are available to the Board and its authorized service provider(s), and specific roles that can access the reports.

The Board may require the Contractor to provide additional information and reports available through other data extraction or reporting mechanisms, including transfer via APIs, as may be reasonably necessary to carry-out the operations of the Board.

**3. STANDING WIRE TRANSFERS.** The Board may require that Contractor initiate daily standing wire transfers of program funds available on deposit before 11:00 a.m., Eastern Standard Time, each business day.

**4. ACH.** The Contractor is required to originate ACH debits and, when necessary, ACH credit transactions to those Prepaid Program and Savings Program customers which have elected the automatic payment option.

The Board or its authorized service provider(s) will create these transactions in National Automated Clearing House Association (NACHA) format and will forward them to Contractor electronically. Contractor shall advise the Board or its authorized service provider(s) of returned ACH items by mailed paper advice and electronically. The Contractor is required to originate pre-note transactions at no charge to the Board.

**5. CONSIDERATION.** The Board agrees to pay Contractor for services, except as addressed in paragraph 12, on a monthly basis in accordance with the Pricing Schedule attached hereto as Exhibit A, which is incorporated into this Contract by reference. Payment of the previous month's activity will be based upon an invoice submitted for services rendered in sufficient detail to ensure proper pre-audit and post-audit thereof. In addition, the Contractor will render an analysis statement detailing all services provided during the month, including the corresponding transaction volumes.

**6. RESEARCH ITEMS.** The Contractor shall respond within three (3) working days of request for any items requiring research by either the Board Office or the authorized service provider(s). The Contractor shall provide a monthly tracking report for research items that must include at a minimum: resolved items, unresolved items and any items that were carried over from the previous month.

**7. CONTRACT MANAGER.** The Contractor shall perform the services pursuant to this contract under the direction and control of the Executive Director of the Board, or in his absence, the Director of Accounting and Risk Management of the Board. The Contractor shall designate one individual to be the Contract Manager who shall meet with either the Board's Executive Director or Director of Accounting and Risk Management as requested for the purpose of reviewing progress and providing necessary guidance in solving problems which may arise. These meetings shall take place at the Board's headquarters in Tallahassee, Florida. These meetings shall be held at the discretion of the Board's Executive Director. On a monthly basis, the Contractor's project manager shall be available on a conference call with the Board office and its authorized service provider(s) for a Management Team meeting. The project manager shall immediately notify the Executive Director, or in his absence, the Director of Accounting and Risk Management,

in the event of any system failures or service deficiency. If such notification by the Contractor is not made within one (1) hour following any system failure or service deficiency, it will not be deemed a timely notification unless the Contractor can show cause why notification within the first hour was not practicable.

**8. TERM.** The duration of this Contract shall be for five (5) years beginning \_\_\_\_\_. The Board reserves the option to renew this Contract for five (5) additional one (1) year periods under the terms and conditions set forth herein upon delivery of a notice of renewal at least ninety (90) days prior to the expiration of this Contract. The Board may review and revise the necessary services to be performed hereunder at the end of five (5) years provided, however, any renewal or extension which modifies any of the terms of this Contract will be in writing and executed by both parties to this Contract.

**9. TERMINATION**

(a) The continuation of this Contract shall be contingent upon the satisfactory performance and evaluation of the Contractor by the Board. Further, the Board may terminate this Contract or any part of this Contract, without penalty or cost to the Board, at its convenience at any time for any reason and such termination will be effective at such time as is determined by the Board. The Contractor may not terminate this Contract except in the event the Contractor is not paid for its services hereunder and the Contractor notifies the Board of such nonpayment and the Board fails to cure within thirty (30) days after receipt of such notice. In the event of any termination or the expiration of this Contract, the Contractor shall provide to the Board all materials produced in connection with this Contract within ten (10) days of notice of termination or the expiration.

(a) Notwithstanding the provisions of Paragraphs (a) and (b) immediately preceding this paragraph, if during the term of this Contract the Contractor files for bankruptcy protection of any kind or if a petition for involuntary bankruptcy is filed against the Contractor, under the United States Bankruptcy Code or any state bankruptcy laws, or if the Contractor is taken into receivership or otherwise taken over by any state or federal regulatory agency (all hereinafter collectively referred to as the “bankruptcy petition”), then in such circumstances the term of this Contract will automatically convert to a single one (1) year term with a termination date of June 30<sup>th</sup> immediately following the date on which a bankruptcy petition is first filed or the date on which any regulatory takeover first occurs. In any such event, the Board shall have the option to renew the Contract or any portion of the Contract under the terms and conditions set forth in the ITN or such conditions as may be negotiated between the parties for a number of one (1) year extensions of this Contract which shall be equal to five (5) minus the number of years remaining under the original term of this Contract pursuant to Paragraphs (a) and (b), as may be appropriate prior to the filing of any bankruptcy petition. Each such one (1) year renewal will be contingent upon, among other things, the availability of funds, continued need, and satisfactory performance by the Contractor.

## **PART II**

### **SPECIAL TERMS**

**10. INDEPENDENT CONTRACTOR.** The Board and the Contractor represent that they are acting in their respective capacities and not as agents, employees, partners, or associates of one another.

**11. PERSONNEL.** The Board may request replacement of any of the Contractor's personnel believed unable to carry out the responsibilities of the contract at any time. The Contractor shall give the Board twenty (20) days notice prior to assigning any of its personnel to

positions requiring specific management of the delivery of the services or products, during which time the Board shall have the right to approve such assignment. The Board agrees that such approval will not be unreasonably withheld.

**12. ANNUAL APPROPRIATIONS AND AVAILABILITY OF FUNDS.**

Performance by the Board under this Contract will be subject to and contingent upon the availability of monies lawfully appropriated to the Board and applicable for the purposes of this Contract.

**13. MODIFICATION.** This Contract represents the entire agreement of the parties. Any alterations, variations, changes, modifications or waivers of provisions of this Contract shall only be valid when they have been reduced to writing, duly signed by each of the parties hereto, and attached to the original of this Contract.

**14. SUBCONTRACTORS.** The Contractor may enter into written subcontracts for performance of its duties under this Contract. All subcontractors and subcontracts will be subject to the prior written approval of the Board which may be withheld in the Board's sole discretion. The Board may disapprove any subcontractor or subcontract if such disapproval would be in the best interests of the Board. The Board may inspect and acquire any of the subcontract documents executed between the Contractor and any subcontractor. No subcontract which the Contractor enters into with respect to performance under this Contract will in any way relieve the Contractor of any responsibility for performance of duties stipulated in this Contract. The Board reserves the right to communicate directly with any subcontractor's project manager regarding performance of tasks required under this Contract.

**15. PUBLIC ACCESS TO RECORDS.** Section 1009.981(6), Florida Statutes, provides that all information that identifies the benefactors or qualified beneficiaries of any participation agreement and s. 1009.98(6), Florida Statutes, provides that all information that



identifies the purchasers or beneficiaries of any advance payment contract, is not subject to the provisions of s. 119.07(1), Florida Statutes, the Public Records Law. All other documents, papers, letters, or other materials relating to this Contract that are made or received by the Contractor in conjunction with the Contract, and which are required by law to be maintained, will be available for public access and for audit purposes for a period of three (3) years after the expiration of the Contract. Said records will also be maintained per Chapter 119 and other applicable Florida Statutes. The provisions of this paragraph shall survive the termination of this Contract.

**16. INDEMNIFICATION.**

(a) The Contractor will act as an independent contractor and not as an employee of the Board in the performance of the tasks and duties which are the subject of this contract. The Contractor shall be liable, and agrees to be liable for, and shall indemnify, defend, and hold the Board harmless from all claims, suits, judgments, or damages (including litigation costs and reasonable attorney's fees) arising generally from the Contractor's, or any subcontractor's, fraud, negligence or misconduct (as defined below), of the tasks and duties which are the subject of this Contract, including, but not limited to:

- (1) Obtaining consent of any nature whatsoever;
- (2) Protecting the Board against claims for the unauthorized use of name or likeness of any person, libel, slander, defamation, disparagement, piracy, plagiarism, unfair competition, idea misappropriation, infringement of copyright title, patent, slogan or other property rights and any invasion of the right of privacy; and
- (3) Actions arising under Chapter 119, F.S.

"Misconduct", as used above, shall mean any violation of Florida law, Board rules, or directives, state or federal securities laws and regulations implementing same, or the Board's Comprehensive Investment Plan.

(b) The Contractor will notify the Board in writing immediately of any claim or suit against the Contractor arising from or related to the Contractor's tasks and duties which are the subject of this Contract. The Contractor shall not settle, compromise, mediate, agree to dismiss, or voluntarily agree to the entry of any judgment, temporary injunction or permanent injunction, in any claim or suit against the Contractor arising from or related to the Contractor's tasks and duties which are the subject of this contract without the prior written authorization of the Board. Nothing in this Contract authorizes the Contractor to waive the Board's immunity from suit under the Eleventh Amendment to the United States Constitution.

(c) The provisions of this paragraph and its subparts shall survive the expiration or termination of this Contract.

(d) Federal and state securities laws may impose liabilities under certain circumstances on investment advisers, managers or fiduciaries even though they may act in good faith, and nothing herein shall constitute a waiver or limitation of any right that the Board may have under any such federal or state securities laws.

**17. INTERPRETATION, VENUE AND DISPUTE RESOLUTION.**

(a) The validity, interpretation and performance of this Contract shall be controlled by and construed under the laws of the State of Florida. This Contract shall be subject to the rules of the Board.

(b) The sole and exclusive manner of resolution of all claims, disputes or controversies related to or arising under or from this Contract shall be pursuant to Rules 19B-14.001, 19B-14.002, 19B-14.003, Florida Administrative Code, as amended from time to time.

(c) Any and all litigation arising under this Contract shall be instituted in accordance with Paragraph (b) in Leon County, Florida. All appeals shall be to the First District Court of Appeal of the State of Florida.

(d) Any dispute concerning performance of the Contract shall be decided by the Board's designated contract manager, who shall reduce the decision to writing and serve a copy on the Contractor. The decision shall be final and conclusive unless within twenty one (21) days from the date of receipt, the Contractor files with the Board a petition for administrative hearing. The Board's decision on the petition shall be final, subject to the Contractor's right to review pursuant to Chapter 120 of the Florida Statutes. Exhaustion of administrative remedies is an absolute condition precedent to the Contractor's ability to pursue any other form of dispute resolution; provided, however, that the parties may employ the alternative dispute resolution procedures outlined in Chapter 120.

(e) All services provided under this Contract shall be provided in accordance with the ITN. All provisions of the ITN, the Questions and Answers regarding the ITN, and the Proposal submitted in response to the ITN are incorporated by reference and attached to this Contract as Composite Exhibit "B". In the event of any conflict, in the opinion of the Board, between any provision of this Contract and the ITN, the Questions and Answers regarding the ITN or the Proposal, this Contract shall govern the conduct of the Board and the Contractor. In the event of any conflict, in the opinion of the Board, between the ITN and the Contractor's Proposal, the ITN shall govern the conduct of the Board and the Contractor. In the event of any conflict, in the

opinion of the Board, between the ITN and the Questions and Answers regarding the ITN, the Questions and Answers regarding the ITN shall govern the conduct of the Board and the Contractor. In the event of any conflict, in the opinion of the Board, between the Questions and Answers regarding the ITN and the Contractor's proposal, the Questions and Answers regarding the ITN shall govern the conduct of the Board and the Contractor.

(f) The provisions of this paragraph and its subparts shall survive the expiration or termination of this Contract.

**18. WAIVER.** Failure of either party to this Contract to object or to take affirmative action with respect to any conduct of the other which is in violation of the terms of this Contract shall not be construed as a waiver of the violation or breach, or any future violation or breach.

**19. AUDIT OF CONTRACT PROCEDURES.** The Board reserves the right to audit all of Contractor's and Contractor's subcontractors' procedures, and financial and accounting records using Board employees, its designees or other state agencies as provided by law.

**20. INVOICES.** Any invoices submitted by the Contractor seeking payment for services rendered under the terms of this Contract will be submitted to the Board at [Accounting@MyFloridaPrepaid.com](mailto:Accounting@MyFloridaPrepaid.com) and in sufficient detail to ensure proper pre-audit and post-audit thereof.

**21. ASSIGNMENT.** This Contract is not assignable by Contractor except with the prior written approval of the Board which may be withheld in the Board's sole discretion.

**22. TAXES.** The Board shall have no responsibility for the payment of any federal, state, or local taxes which become payable by Contractor or any of its subcontractors as a result of this Contract.

**23. TRAVEL.** The Board shall not reimburse Contractor for travel expenses incurred in connection with this Contract.

**24. TITLES, HEADINGS AND CAPTIONS.** All titles, headings and captions used to identify the context of any section or paragraph within this Contract are for convenience of reference only and will not be construed as a part or limitation of those provisions to which they refer.

**25. NOTICES.** All notices, requests, or documents required hereunder shall be in writing and delivered personally or by certified mail, overnight delivery service or hand delivery, as follows:

If to the Board:

Kevin Thompson, Executive Director  
Florida Prepaid College Board  
1801 Hermitage Boulevard, Suite 210  
Tallahassee, FL 32308  
Telephone: (850) 488-8514  
Facsimile: (850) 488-3555

With a copy to:

GrayRobinson, P.A.  
Attention: Jason Unger, Esquire  
301 S. Bronough Street, Suite 600  
Tallahassee, Florida 32301  
Telephone: (850) 577-9090  
Facsimile: (850) 222-3494

If to Contractor:

\_\_\_\_\_  
Attention: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

**Notices delivered personally or by overnight delivery service or hand delivery shall be deemed received upon delivery. Notices given by fax shall be deemed effective upon transmission with a copy or cover sheet indicating confirmation of receipt at the number to which such notice was transmitted. Notices given by certified mail shall be deemed delivered**

**ten (10) days after posting or upon receipt by the sender of the return receipt indicating that delivery was rejected by the addressee thereof.**

**26. SEVERABILITY.** If any of the provisions of this Contract are held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions, and this Contract shall be construed and enforced as if such provisions had not been included.

**27. BOND.** At the time this Contract is executed, Contractor agrees to post an appropriate payment and performance bond with the Board in an amount equal to \$250,000 to ensure its performance for banking services. The bond shall be executed in favor of the Board and shall be issued by a surety duly licensed and authorized to do business in the State of Florida and shall be valid for the entire term of this Contract, exclusive of any renewals. Both the bond and the surety shall be acceptable to the Board in its sole discretion. If this Contract is extended, Contractor shall deliver a replacement bond for the entire period of the contract extension to the Board not later than sixty (60) days prior to the beginning of the term of the contract extension.

**28. BOARD AUTHORITY.** This Contract and all payments provided herein are subject to the provisions of Part IV, Chapter 1009, Florida Statutes, or any successor statutes, and the rules of the Board. All references in this Contract to Part IV, Chapter 1009, Florida Statutes, include all successor statutes. The Board has taken all necessary action to duly authorize the execution, delivery and performance of this Contract.

**29. GENERAL CONDITIONS.**

(a) The Board may cancel this Contract if the Contractor refuses to allow public access to any documents, papers, letters, or other materials subject to the provisions of Chapter 119, Florida Statutes, and made or received by the Contractor in conjunction with the Contract.

(b) Notwithstanding "prior approval" requirements which may be reserved to the Board under this Contract and Part IV, Chapter 1009, Florida Statutes, such requirement does not relieve

or mitigate Contractor's ultimate responsibility for ensuring and guaranteeing the quality and timeliness of work and services to be provided under this Contract. The Contractor is solely responsible for performing the services specified herein to the satisfaction of the Board.

(c) The Board reserves the right, in its own best interests, to unilaterally modify, reject, cancel or stop any and all plans, schedules or work in progress.

(d) The Contractor shall not initiate any communication with any member of the Board, on any matter related to this Contract or related to the duties of the Board under Part IV, Chapter 1009, Florida Statutes, or any successor statutes, or which in any way relate to the Contractor's activities. Except at publicly noticed meetings of the Board or any of its committees, all communication by the Contractor directed to the Board, or any member of the Board, shall only be sent to the Executive Director of the Board who will forward same to the Board or to the appropriate member. If the Contractor receives any communication from any member of the Board, the Contractor shall notify the Executive Director of the Board immediately, and shall take no further action on any matter related to this Contract or any other matter related to the duties of the Board under Part IV, Chapter 1009, Florida Statutes, or any successor statutes, until advised by the Executive Director.

(e) Throughout the term of the Contract, the Contractor shall comply with all applicable federal, state and local laws, regulations, rules or ordinances, as amended from time to time, including, but not limited to, s. 529 of the Internal Revenue Code, any federal regulations relating to qualified state tuition programs, applicable Florida laws, including without limitation Part IV, Chapter 1009, Florida Statutes, all administrative rules adopted by the Board, and the securities laws of the United States and the State of Florida. If during the course of the Contract

these laws, regulations, rules or ordinances are amended, the Contractor shall revise its services as necessary to preserve such compliance at no additional cost to the Board.

(f) The Board reserves the right to inspect the Contractor's facilities at any time with prior notice.

(g) All references in the Contract to ss. 1009.97, 1009.971, 1009.972, 1009.98, or 1009.983, Florida Statutes, includes all successor statutes thereto.

**30. ENTIRE AGREEMENT.** This Contract constitutes the entire understanding of the parties and supersedes any prior written or oral agreements between them.

[Signature pages follow.]



**IN WITNESS WHEREOF**, the parties have caused this Contract to be executed and attested by their respective officers thereunto duly authorized on the day and year first above written.

**FLORIDA PREPAID COLLEGE BOARD**

\_\_\_\_\_  
Attested to by

By: \_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Witness

DRAFT

\_\_\_\_\_  
(the "CONTRACTOR")

By:\_\_\_\_\_

\_\_\_\_\_  
Attested to by:

\_\_\_\_\_  
Contractor

(Seal)

\_\_\_\_\_  
Witness

DRAFT



STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ )

Before me, the undersigned authority, personally came and appeared \_\_\_\_\_ of Contractor, who appeared by means of \_\_\_\_ physical presence or \_\_\_\_ online notarization and who is personally known to me or who has produced \_\_\_\_\_ as identification and who executed the foregoing Contract for Banking Services on behalf of Contractor, and who also acknowledged before me that he or she is authorized to execute the same on behalf of said corporation.

In witness whereof, I have placed my hand and seal in the county and state last aforesaid, this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
Printed Name:  
My Commission Expires:

**Exhibit A**  
**Pricing Schedule**

DRAFT

**Exhibit D**

**Composite Exhibit**

DRAFT