

Investment Management Agreement

This Investment Management Agreement (the "Agreement"), is entered into this ____ day of _____, _____, by and between the FLORIDA PREPAID COLLEGE BOARD ("the Board"), an agency of the State of Florida, and _____ ("the Manager"), a corporation doing business under the laws of the State of _____ and authorized to do business in the State of Florida.

In consideration of the services to be performed and the payments to be made, together with the mutual covenants and conditions hereinafter set forth, the parties agree as follows:

1. REPRESENTATIONS AND WARRANTIES.

The Manager represents and warrants that:

A. It is a duly registered investment adviser under the Investment Advisers Act of 1940, as amended (hereinafter called the "Advisers Act"), and further represents, warrants, and agrees that it will continue at all times during the term of this Agreement to be an investment adviser and manager and fiduciary as described in subparagraph B. of this Section and that it will comply with all federal and state security laws and rules and regulations thereunder, as well as all other state and local laws referenced by this Agreement and all rules adopted thereunder.

The Manager will promptly notify the Board in the event that it ceases to be a registered investment adviser under the Advisers Act or a qualified investment manager and fiduciary as described in subparagraph B., below; and

B. It is an "investment manager" as such term is defined in the Employees Retirement Income Security Act ("ERISA") with respect to the Account Assets and, by reason thereof, a fiduciary as such term is defined in ERISA with respect thereto, notwithstanding the fact that the terms and provisions of ERISA are not applicable to this Agreement; and

C. It is a corporation duly organized, validly existing, and in good standing under the laws of the United States and the State of _____ and has the power and authority to carry on its business as now being conducted and has the power and authority to execute, deliver, and perform this Agreement; and

D. It is duly qualified and in good standing in such other states of the United States, as well as in such foreign countries or political subdivisions thereof, as is necessary to perform this Agreement; and

E. It has taken all actions necessary to authorize the execution, delivery, and performance of this Agreement, and this Agreement is a valid and binding obligation of the Manager enforceable against it in accordance with its terms except as may be limited by federal and state laws affecting the rights of creditors generally and except as may be limited by legal or equitable remedies; and

F. It has made, obtained, and performed all other registrations, filings, approvals, authorizations, consents, licenses, or examinations required by any government or governmental authority, domestic or foreign, or required by any other person, corporation or other entity in order to execute, deliver, and perform this Agreement; and

G. To the best of the Manager's knowledge, neither the execution, delivery, nor performance of this Agreement by the Manager will violate any law, statute, order, rule, or regulation of, or judgment, order or decree by, any federal, state, local, or foreign court or governmental authority, domestic or foreign, to which the Manager is subject nor will the same constitute a breach of, default under, or infringement upon any provisions of any agreement or

contract to which it is a party, by which it is bound, or by which it has continuing obligations under.

H. If the Manager has answered "Yes" to any questions posed in Item 11 of Form ADV (Uniform Application for Investment Advisor Registration), Part I, Manager covenants and agrees to provide the Board with a copy of such Form ADV, Part I, or amended Form ADV, Part I, within 5 working days after the Form ADV, Part I, or amended Form ADV, Part I, has been filed with the Securities and Exchange Commission.

I. 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.

J. It is possessed in the legal authority and capacity to enter into and perform this Agreement.

K. It has been duly authorized to operate and do business in all places where it will be required to conduct business under this Agreement; that it has obtained, at no cost to the State of Florida, 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 the performance of this Agreement.

L. It has no present interest nor will acquire any interest which would conflict in any manner with the Manager's duties and obligations under this Agreement.

2. INVESTMENT OF ACCOUNT ASSETS.

The Board hereby appoints the Manager as an investment manager with the power to invest and manage the Account Assets of the Board, which from time to time are allocated to the Account the Board has opened with the Master Custodian as indicated in Exhibit "A" attached hereto, and the Manager hereby accepts such appointment on the terms and conditions set forth herein. "Account Assets" will mean the assets of the Board which the Board

has notified or will from time to time notify the Manager in writing to be transferred to the Account together with dividends, income, proceeds, and profits thereon. The Board authorizes the Manager to invest the Account Assets, subject to the fiduciary standards set forth in Paragraph 5 of this Agreement. The investment by the Manager will be made in accordance with the investment guidelines as described in the attached Exhibit "B" or its subsequent revision.

3. SCOPE OF SERVICES.

Pursuant to the authority of Section 1009.971(5)(d), Florida Statutes, the Manager will serve as a fixed income investment manager employing an active management style for the Prepaid Plan. In this capacity, the Manager will provide the following services:

A. Serve as an agent of the Board to manage account assets in compliance with the Comprehensive Investment Plan for the Prepaid Plan, as may be amended from time to time. The Manager will establish separate accounts for the assets of the Prepaid Plan. The Manager's performance will be reviewed and compared against the custom fixed income benchmark as described in the Comprehensive Investment Plan.

B. Present reports to the Board, at a minimum on a quarterly basis, to review performance of the fund, changes in manager strategies and investment personnel, and to prepare written monthly, quarterly and fiscal year-end reports in a format as required by the Board. Monthly reports, including but not limited to monthly performance summary will be provided not later than fifteen (15) days after the last day of the month which is the subject of the report; quarterly reports will be provided not later than thirty (30) days after the last day of the quarter which is the subject of the report. The Manager will make available to the Board's appointed consultant any information necessary for the conduct of its responsibilities to the Board including final asset and transaction statements within fifteen (15) days after the end of each month.

C. Assist with information and descriptive statements needed concerning the investment strategy used for the management of such product as may be periodically required by the Board for inclusion in any prospectus or disclosure booklet for the Prepaid Plan. The Board may specify the requirements for such information or descriptive statements and the times when such information or statements must be submitted to the Board. Any such information and descriptive statements are subject to the prior written approval of the Board and the Board may require changes to such information or descriptive statements. The Board will work cooperatively with the Manager to ensure that information and statements included in any such prospectus or disclosure statement are accurate in all material respects and are not misleading.

D. Assist the Board's investment consultant with the construction of the fixed income customized benchmark for the Prepaid Plan using the liability profile for the Prepaid Plan, as determined by the Prepaid Plan's actuary.

E. Assist the Board and the Board's investment consultant with the evaluation and recommendation of enhancements to the LDI investment strategy and corresponding Comprehensive Investment Plan.

F. Provide modeling/analysis of how well the LDI investments are matching the Program liabilities as projected by the Board's Actuary.

G. Attend, at least annually, an Investment Committee meeting, at a location designated by the Board, and provide a presentation including items such as, but not inclusive of, firm overview, investment strategy, and performance.

H. All services provided under this Contract for the Prepaid Plan shall be provided in accordance with the ITN. All provisions of the ITN, the Questions and Answers regarding the ITN, and the Manager's Proposal submitted in response to the ITN are expressly incorporated by reference as part of this Contract and attached to this Contract as Restated Composite Exhibit "D." In the event of any conflict, in the sole opinion of the Board, between any provision of this Contract and the ITN, the Questions and Answers regarding the ITN or the Manager's Proposal,

this Contract shall govern the conduct of the Board and the Manager. In the event of any conflict, in the sole opinion of the Board, between the ITN and the Manager's Proposal, the ITN shall govern the conduct of the Board and the Manager. In the event of any conflict, in the sole 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 Manager. In the event of any conflict, in the opinion of the Board, between Questions and Answers regarding the ITN and the Manager's Proposal, the Questions and Answers regarding the ITN shall govern the conduct of the Board and the Manager.

4. DUTIES OF MANAGER.

A. The Manager is hereby authorized on behalf of the Board, as its agent and manager of the Account Assets, to exercise full discretionary investment authority within the investment guidelines (including any cash flow requirements) established in Exhibit "B" hereto, and also within guidelines established by the Board's Comprehensive Investment Plan (which is hereby incorporated by reference and attached to this Investment Management Agreement as Exhibit "C"), without obtaining the prior consent of or consulting with the Board or any other person,

- (i) to issue to brokers (including the Manager's broker-dealer affiliates) instructions to sell, and otherwise trade in, or deal with, the Account Assets;
- (ii) to purchase and sell to any person the Account Assets;
- (iii) to instruct any trustee or custodian of any and all of the Account Assets to receive, accept and deliver securities or other assets sold, exchanged or otherwise disposed of from the Account; and
- (iv) generally to perform any other act necessary or proper to enable the Manager to carry out its obligations under this Agreement. Manager will not, however, be responsible for the overall allocation restrictions contained in Exhibit "C." The Manager will obtain

best execution of each purchase and sale transaction. So long as the provisions of Section 28(e) of the Securities Act of 1934 are met, the Manager may cause a broker or dealer to be paid commissions in excess of those another broker or dealer may charge.

B. It is understood that the Manager performs investment advisory services for various clients. The Board understands that the Manager may give advice and take action with respect to any of its other clients which may differ from advice given to the Board, or the timing or nature of action taken with respect to the Account; provided, however, the Manager agrees that it will (i) not favor or disfavor consciously and consistently any client or class of clients in the allocation of investment opportunities, and (ii) to the extent practical see that such opportunities are allocated among clients over a period of time on a fair and equitable basis.

C. Nothing in this Agreement will impose upon the Manager any obligation to purchase or sell, or to recommend for purchase or sale, for the Account any security which the Manager, its principal affiliates or employees may purchase or sell for its or their own accounts or for the account of any other client.

5. FIDUCIARY DUTIES.

The Manager agrees to discharge its duties, as investment manager and fiduciary, with respect to the Account Assets solely in the interest of the Board and the beneficiaries thereunder and (a) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in the like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, and (b) in accordance with the investment instructions as the Board may furnish to the Manager in writing from time to time and with this Agreement. The Manager further agrees that it will continue at all times during the term of this Agreement to be an investment manager and a fiduciary as above described, and that it will comply with all laws, rules, and regulations set forth in Paragraph 1 (A), and that it will

perform in accordance with the standards of care set forth in this paragraph and this Agreement.

6. COVENANTS.

The Manager will immediately notify the Board (i) if it fails to comply with or will for any reason be unable to comply with any term, condition or provision of this Agreement; (ii) of any material change in the Manager's partners, directors, or employees who exercise investment discretion with respect to the Account or to any other material adverse change in the Manager's condition, financial or otherwise, or in its business, corporate organization, or any such change which is or might be materially adverse to the Manager or the Account; and (iii) following the occurrence of any happening or event which would cause any representation or warranty of the Manager in Paragraph 1 hereof, to be no longer true and correct in all respects (assuming solely for the purpose of this covenant of notification that all such representations and warranties are deemed to be reiterated and brought down during each successive day during this Agreement) provided that nothing in the preceding sentence will detract from or modify any representation or warranty made by the Manager in Paragraph 1 hereof.

7. OBJECTIVE.

The objective of the Manager will be to produce an enhanced Liability Driven Investment fixed income portfolio that will replicate the duration and convexity of the Prepaid Plan's liabilities that will provide cash flow to meet the payment obligations of the Prepaid Plan and will attempt to add value to the portfolio relative to the liabilities through modest duration and yield management and through active sector and security selection, to the extent permitted by the Comprehensive Investment Plan for the Prepaid Plan. The Manager will have investment discretion as to security selection subject to the guidelines and limitations expressed in the Comprehensive Investment Plan and any manager specific guidelines agreed upon between the Board and the Manager.

8. CUSTODY AND CONTROL OF ASSETS.

A. Custody and control of all Account Assets will remain with the Master Custodian.

Accordingly, the Manager will arrange to have all investments, option premium funds or other cash flow arising from any transaction effected in accordance with the terms and provisions of this Agreement to be promptly remitted to the Master Custodian and credited to the appropriate Account number. The Manager will also provide the Board with such information as the Board, from time to time, may request with regard to the Account Assets, including the identity of the employees, officers, and directors or other principals of the Manager, or other matters relating to this Agreement and the transactions contemplated hereby. The Board has the power at any time, in its sole discretion, to appoint one or more additional or substitute custodians to hold the Account Assets pursuant to the terms of any other custody agreements or pursuant to the terms of Exhibit "A" hereto, as may be revised.

B. The Board, during the term of this Agreement, will give the Manager notice of any termination of the Exhibit "A" Master Custodian Agreement or substitute custodian Agreement.

C. The Manager will cooperate with the Master Custodian or its successor in connection with all transactions contemplated by this Investment Management Agreement covered by the Master Custodian Agreement.

9. INSURANCE.

The Manager has in effect and will maintain during the term of this Agreement:

A. Insurance coverage which complies with the bonding requirements of Section 412 of ERISA. The Manager will maintain such insurance coverage as required by said section (as the same may from time to time be supplemented or amended), notwithstanding the fact that the terms and provisions of ERISA may not be applicable to this Agreement.

B. Errors and omissions insurance in an amount not less than \$25,000,000.00 which provides coverage with respect to any loss resulting from a breach of its fiduciary duties and including coverage in the event of recourse against it by, or on behalf of, the Board.

C. Fiduciary liability insurance in an amount not less than \$25,000,000.00 which provides coverage with respect to any loss resulting from a breach of its fiduciary duties and including coverage in the event of recourse against it by, or on behalf of, the Board.

D. Upon request of the Board, the Manager will provide to the Board evidence that the premiums therefor have been paid.

10. CONSIDERATION.

A. The compensation of the Manager for its services hereunder will be calculated and paid in such manner as will be agreed upon, from time to time, by the Manager and the Board in accordance with Exhibit "E" hereto. All out-of-pocket expenses of the Manager, including without limitation, mailing and telephone expenses, travel expenses, salaries, and overhead costs, are to be paid for by the Manager.

B. If the Manager enters any agreement or contract with any other customer by which the Manager agrees to provide equivalent services for a lower fee or price, or additional services for a comparable fee or price, the Manager will provide written notice thereof to the Board within thirty (30) days of the date the Manager enters such agreement or contract with another customer and will agree to amend the Agreement, resulting from the ITN to provide the equivalent fee or price or additional service to the Board.

11. BROKERAGE COMMISSIONS.

The Board may instruct the Manager in writing to direct the Board's brokerage commissions, subject to the restriction of best execution, to a particular broker-dealer, in which case any research products and services generated by such commissions are the property of

the Board and its beneficiaries, are accountable to the Board and will be reported by the Manager on a quarterly basis as provided in Paragraph 4 of this Agreement.

12. NO ASSIGNMENTS.

No assignment, as that term is defined in the Investment Advisers Act of 1940, nor any other form of assignment, transfer, or conveyance of this Agreement will be made by the Manager without the prior written consent of the Board.

13. TERM OF CONTRACT.

A. The duration of this Agreement shall be for five (5) years beginning _____, or such later date designated by the Board. It is the intent of the Board to review and define necessary services at the end of five (5) years. The Board reserves the option to renew the contract or any portion of the Agreement under the terms and conditions set forth in this ITN, or other such conditions as may be negotiated between the parties, for five (5) additional years. Renewal may be divided into increments or may be executed for a complete term. Renewal shall be contingent upon, among other things, availability of funds, continued need and satisfactory performance by the Manager. Moreover, the contract is subject to an annual performance evaluation of the successful firm.

B. No provision for the automatic renewal or extension of this Agreement is effective. Any renewal or extension will be in writing and executed by both parties to this Agreement. If the Board elects to renew this Agreement, the Board may prepare and submit to the Manager for execution a renewal agreement containing all of the then-existing terms of this Agreement (except for any additional renewal period), and the Manager shall execute said renewal agreement without any amendment (except for amendments required to update the Agreement to comply with changes of law or regulatory requirements) and return it to the Board.

C. This Agreement will be subject to termination pursuant to Paragraph 31.

14. INDEPENDENT CONTRACTOR.

A. The Board and Manager represent that they are acting in their individual capacities and not as employees, partners, or associates of one another.

B. The Manager will establish and assume direct responsibility for acting as the service provider for the Board in accordance with the provisions of the ITN. Accordingly, the Manager shall designate a Contract Manager whose primary responsibility is to work with the Board staff in making certain that all contract terms are strictly observed. At any time during the term of the contract, the Board reserves the right to reject the Manager's choice of Contract Manager and may terminate the contract if a Contract Manager acceptable to the Board cannot be made available by the Manager.

15. INDEMNIFICATION.

A. The Manager 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 Manager 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 from the Manager's fraud, negligence or misconduct, or any subcontractor's fraud, negligence or misconduct, of the tasks and duties which are the subject of this Agreement, including, but not limited to:

- (i) Obtaining consent of any nature whatsoever;
- (ii) 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. "Misconduct" 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; and

(iii) Actions arising under Chapter 119, F.S.

B. The Manager will notify the Board in writing immediately of any claim or suit against the Manager arising from or related to the Manager's tasks and duties which are the subject of this Agreement. The Manager 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 Manager arising from or related to the Manager's tasks and duties which are the subject of this contract without the prior written authorization of the Board. Nothing in this Agreement authorizes the Manager to waive the Board's immunity from suit under the Eleventh Amendment to the United States Constitution.

C. The provisions of this Paragraph shall survive the termination of this Agreement.

D. Federal and state securities laws may impose liabilities under certain circumstances on investment advisers, managers or fiduciaries who 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.

16. IMPRUDENT INVESTING.

If moneys in the Florida Prepaid College Trust Fund fail to offset the Board's obligations to qualified beneficiaries of the Stanley G. Tate Florida Prepaid College Program as a result of imprudent investing by the Manager, the Manager agrees to be liable for the Board's obligations. Investments made in accordance with the Comprehensive Investment Plan adopted by the Board will not be considered imprudent. The agreement and obligation of the Manager under this provision shall survive the termination of this Agreement.

17. PERSONNEL.

The Board may interview the personnel assigned by the Manager to perform the services required under this Agreement. The Board may require the replacement of any personnel of the Manager believed to be unable to carry out the responsibilities of the contract at any time. The Manager shall warrant that personnel assigned to perform tasks under the Agreement will not be replaced or reassigned except as is reasonably necessary.

18. MODIFICATION OF CONTRACT.

This Agreement represents the entire agreement of the parties. Any alterations, variations, changes, modifications or waivers of provisions of this Agreement will 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 Agreement.

19. SUBCONTRACTOR.

The Manager may enter into written subcontracts for performance of its duties under this Agreement. All subcontractors will be subject to the prior written approval of the Board. The Board may disapprove any subcontractor 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 Manager and any subcontractor. No subcontract which the Manager enters into with respect to performance under this Agreement will in any way relieve the Manager of any responsibility for performance of duties stipulated in this Agreement. The Board reserves the right to communicate directly with any subcontractor's Project Manager regarding performance of tasks required under this Agreement.

20. OWNERSHIP OF MATERIALS.

All materials and data produced for the Board under this Agreement will be owned by the Board unless otherwise agreed to in writing by the Board.

21. APPROVAL OF WORK.

- A. All work produced for distribution by the Manager that is specifically related to the Board must be approved in advance in writing by the Board or the Board's representative.
- B. Each phase of the services provided by the Manager will require the approval of the Board or the Board's representative.
- 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. Notwithstanding "prior approval" requirements which may be reserved to the Board under this Agreement and Part IV, Chapter 1009, Florida Statutes, such requirement does not relieve or mitigate Manager's ultimate responsibility for ensuring and guaranteeing the quality and timeliness of work and services to be provided under this Agreement. The Manager is solely responsible for performing the services specified herein to the satisfaction of the Board.

22. TAXES.

The Board bears no responsibility for the payment of any federal, state, or local taxes which become payable by the Manager or its subcontractor as the result of this Agreement.

23. PUBLIC ACCESS TO RECORDS and CONFIDENTIALITY.

A. 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 Trustee 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 Agreement.

B. Manager agrees not to use or disclose any information concerning a recipient of services under this Contract for any purpose not in conformity with state and federal law or regulations except upon written consent of the recipient, or his responsible parent or guardian when authorized by law, if applicable.

C. If the Manager has access to confidential information in order to fulfill Contractor's obligations under this Contract, Manager agrees to abide by all applicable Board Information Technology Security procedures and policies. Manager (including its employees, sub-contractors, agents, or any other individuals to whom Contractor exposes confidential information obtained under this Contract), shall not store, or allow to be stored, any confidential information on any portable storage media (e.g., laptops, thumb drives, hard drives,

etc.) or peripheral device with the capacity to hold information. Failure to strictly comply with this provision shall constitute a breach of contract.

D. Manager shall notify the Board in writing of any disclosure of unsecured confidential information of Board by Manager, its employees, agents or representatives which is not in compliance with the terms of the Contract (of which it becomes aware). Manager also shall report to Board any Security Incidents of which it becomes aware, including those incidents reported to Manager by its sub-contractors or agents. For purposes of this Contract, "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of Board information in Manager's possession or electronic interference with Board operations; however, random attempts at access shall not be considered a security incident. Manager shall make a report to the Agency not more than seven (7) business days after Manager learns of such use or disclosure. Manager's report shall identify, to the extent known: (i) the nature of the unauthorized use or disclosure, (ii) the confidential information used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what Manager has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and (v) what corrective action Manager has taken or shall take to prevent future similar unauthorized use or disclosure.

24. WAIVER.

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

25. GENERAL CONDITIONS.

A. The Board may cancel this Agreement if the Manager refuses to allow public access to any documents, papers, letters, or other materials subject to the provisions of Chapter 119, Florida Statute, and made or received by the Manager in conjunction with the Agreement.

B. The Board will operate the Florida Prepaid College Plan in compliance with the requirements of s. 529 of the Internal Revenue Code and the federal securities laws.

C. Notwithstanding "prior approval" requirements which may be reserved to the Board under this Agreement and Part IV, Chapter 1009, Florida Statutes, such requirement does not relieve or mitigate Manager's ultimate responsibility for ensuring and guaranteeing the quality and timeliness of work and services to be provided under this Agreement. The Manager is solely responsible for performing the services specified herein to the satisfaction of the Board.

D. 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.

E. The Manager 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 statute, or which in any way relate to the Manager's activities. Except at publicly noticed meetings of the Board or any of its committees, all communication by the Manager 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 Manager receives any communication from any member of the Board, the Manager 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 statute, until advised by the Executive Director.

F. Throughout the term of the Agreement, the Manager 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 Agreement these laws, regulations, rules or ordinances are amended, the Manager shall revise its services as necessary to preserve such compliance at no additional cost to the Board.

G. The Board reserves the right to inspect the Manager's facilities at any time with prior notice.

H. 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.

26. AUDIT OF CONTRACT PROCEDURES.

The Board shall have the right to audit or inspect the Manager's, and any subcontractors', procedures and financial and accounting records, including, but not limited to, records, reports, and documents and such other supporting evidence necessary to verify compliance with the terms of this Agreement, using Board employees, its designees or other state agencies as provided by law. The Manager shall include a provision substantially similar to the preceding sentence in all agreements between the Manager and its subcontractors that are related to or for the provision of goods or services under this Agreement. If the Board exercises its right to audit, the Manager and its subcontractors shall provide the Board or its auditors, adequate and appropriate work space as well as access to photocopy machines and the right to interview current employees and contact information for former employees. The provisions of this Paragraph shall survive the termination of this Agreement.

27. INVOICES

Any invoices submitted by the Manager seeking payment for services rendered under the terms of this Contract will be submitted to the Board in sufficient detail to ensure proper pre-audit and post-audit thereof.

28. INTENT

The parties agree that time is of the essence in undertaking the provisions of this Agreement and mutually express their good faith in the execution of its terms.

29. INTERPRETATION, VENUE AND DISPUTE RESOLUTION.

A. The validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of Florida. This Agreement shall be subject to the rules of the Florida Prepaid College Board.

B. The sole and exclusive manner of resolution of all claims, disputes or controversies related to or arising under or from this Agreement 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 Agreement shall be instituted in accordance with subparagraph (b) in Leon County, Florida. All appeals shall be to the First District Court of Appeals 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 Manager. The decision shall be final and conclusive unless within twenty one (21) days from the date of receipt, the Manager files with the Board a petition for administrative hearing. The Board's decision on the petition shall be final, subject to the Manager's right to review pursuant to Chapter 120 of the Florida Statutes. Exhaustion of administrative remedies is an absolute condition precedent to the Manager'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. The provisions of this Paragraph shall survive the termination of this Agreement.

30. INSOLVENCY OF THE MANAGER.

A. In the event the Manager files for protection or reorganization or a petition for involuntary bankruptcy is filed against the Manager, under the United States Bankruptcy Code, the Board may determine that it will require certain periodic financial reports and certain operational reports from the Manager. The Manager shall supply said reports as requested by the Board.

B. Notwithstanding Paragraph 13.A, if the Manager files for protection or reorganization or a petition for involuntary bankruptcy is filed against the Manager, under the United States Bankruptcy Code, during the term of the contract, the term of this Agreement shall automatically convert to a single one-year contract terminating on the next June 30, after the bankruptcy petition is filed. In such event, the Board shall have the option to renew the Agreement or any portion of this Agreement in accordance with this Agreement or such conditions as may be negotiated between the parties for a number of one-year Agreement extensions which shall be equal to the number five minus the number of years remaining under the term of the Agreement pursuant to Paragraph 13.A., prior to the filing of the bankruptcy petition. Each such one-year Agreement renewal shall be contingent upon, among other things, availability of funds, continued need, and satisfactory performance by the Manager. Such Agreement extensions shall be subject to an annual performance evaluation of the Manager.

31. TERMINATION.

The continuation of this Agreement shall be contingent upon the satisfactory performance and evaluation of the Manager by the Board. The Board may terminate this Agreement, without penalty or cost to the Board, at its convenience and such termination will be effective at such time as is determined by the Board. If both parties agree, this Agreement or any part of an Agreement resulting from the ITN may be terminated on an agreed date prior to the end of this Agreement without penalty to either party. In the event of termination, the Manager shall provide to the Board all materials produced in connection with this Agreement within 10 days of notice of termination.

32. BOARD AUTHORITY

This Agreement and all payments provided herein are subject to the provisions of Part IV, Chapter 1009, Florida Statutes, or any successor statute, and the rules of the Board. All references in this Agreement to Part IV, Chapter 1009, Florida Statutes, include all successor statutes.

33. ANNUAL APPROPRIATIONS.

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

34. SEVERABILITY

If any provisions of this Agreement are held invalid or unenforceable, such invalidity or unenforceability will not affect any other provisions, and this Agreement will be construed and enforced as if such provisions had not been included.

35. STATE HOLIDAYS.

The staff of the Manager assigned to this Agreement shall observe only official State holidays or holidays which the New York Stock Exchange is closed.

36. TITLES.

All titles, headings or captions respecting the sections or paragraphs of this Agreement are for convenience of reference only, and will not be construed as a part or limitation of those provisions to which they refer.

37. NOTICES.

All notices, requests, instructions, other advice, or documents required hereunder will be in writing and delivered personally or mailed by first-class mail, postage prepaid, as follows:

If to the Board: Kevin Thompson, Executive Director
Florida Prepaid College Board
1801 Hermitage Blvd., Suite 210
Tallahassee, Florida 32308
Telephone: (850) 488-8514
Facsimile: (850) 488-3555

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

If to the Manager:

e-mail:
Telephone:
Facsimile:

With a copy to:

e-mail:
Telephone:
Facsimile:

IN WITNESS THEREOF, the parties have caused this Agreement 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: _____
Its: Executive Director

Witness _____

STATE OF FLORIDA

COUNTY OF _____

Before me, the undersigned authority, personally came and appeared KEVIN THOMPSON, EXECUTIVE DIRECTOR of the FLORIDA PREPAID COLLEGE BOARD, who is personally known to me _____ or who has produced _____ as identification and who executed the foregoing CONTRACT on behalf of the FLORIDA PREPAID COLLEGE BOARD and who also acknowledged before me that he is authorized to execute the same on behalf of said Board.

In witness whereof, I have placed my hand and seal in the county and state last aforesaid, this _____ day of _____, 20____.

Notary Public, State of Florida at Large
Printed Name:
My Commission Expires:

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

Attested to by _____

By: _____
Its: _____

Witness _____

STATE OF _____

COUNTY OF _____

Before me, the undersigned authority, personally came and appeared _____, of _____, who is personally known to me _____ or who has produced _____ as identification and who executed the foregoing CONTRACT on behalf of _____, and who also acknowledged before me that he or she is authorized to execute the same on behalf of said limited liability partnership.

In witness whereof, I have placed my hand and seal in the county and state last aforesaid, this _____ day of _____, 20____.

Notary Public
Printed Name:
My Commission Expires: