



ARIZONA STATE TREASURER'S OFFICE

Request for Proposal # 21-09

AZ529 ADVISOR-SOLD PROGRAM MANAGER

Sealed Written Proposals will be accepted until
2:00 P.M. Arizona time, Friday, October 8, 2021

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SECTION 1. EXECUTIVE SUMMARY

TITLE

The Arizona State Treasurer Office (“ASTO”) hereby issues a request for competitive proposals (“RFP”) from qualified firms (“Institution”) interested in being a Program Manager for the AZ 529, Arizona’s Education Savings Plan (AZ529) Trust Fund Advisor Plan (“Advisor Plan” and the “Program”).

BACKGROUND AND PURPOSE

The Treasurer and the Arizona State Board of Investment (Board), which the Treasurer chairs, are the Trustees of the plan. Currently, there are three program managers in the AZ 529: 1) a direct-sold plan offered by Fidelity Investments; 2) an advisor-sold plan offered by Macquarie Asset Management (MAM) via its acquisition of Waddell & Reed Financial, Inc. (W&R) and Ivy Distributors, Inc.; and 3) an FDIC-insured savings and CD plan offered by College Savings Bank, a division of NexBank. **This RFP is only seeking bids for the advisor-sold plan assets, which as of June 30, 2021, totaled \$776.9 million across 36,159 accounts.**

The Treasurer is seeking a Program Manager to provide the highest quality advisor-sold Program possible for families saving for education needs. Specifically, the Program Manager must work with the Treasurer and Staff to develop and offer distribution of the Advisor Plan with quality underlying funds. The Treasurer will consider a plan with a breadth of investment options consisting of best of breed, low-cost underlying funds from one or more mutual fund and ETF providers. **The proposal must include age-based options as well as offer clean share options for RIA fiduciary advisors.** While the Treasurer and the Board would prefer to continue the Advisor Plan, they will consider rolling the existing plan into the AZ 529 Direct-Sold Plan if a bid is not received that, in the Treasurer and the Board’s discretion, satisfies the stated goals of the plan and demonstrates growth of the Advisor-Sold Plan in Arizona and across the nation.

The Program Manager should also provide the highest quality customer service possible and a state-of-the-art platform for recordkeeping and administration. Additionally, the Treasurer seeks a program manager that will implement robust marketing campaigns and distribution of the funds nationwide with traditional advisors and RIAs with the goal of growing the AZ 529 Plan. Finally, the Treasurer seeks a firm with flawless transition experience with assuming management of assets from another provider, either in the 529 arena or similar benefit plans, and a demonstrated success in transitioning record-keeping services and maintaining assets in the transition.

The responding firm (the “Program Manager”) must provide all required services, including program administration and compliance, customer service and recordkeeping, investment management, marketing and distribution, transition (including if necessary subsequent transition services in the future) and implementation (collectively, the “Services”) as specified in Section 8. of the Scope of Services of this Request for Proposals (“RFP”). The Treasurer will not accept proposals that offer one or several, but not all Services. The Treasurer will accept proposals that include several firms, but each proposal must designate one lead Program Manager that accepts responsibility for the provision of all the Services. The Program Manager ultimately selected by the Treasurer will serve as the Program Manager for the Advisor-sold AZ 529 Plan.

The Treasurer intends to execute a Program Management Agreement (the “Management Agreement”) for an initial term of five years with an optional two-year renewal for a combined maximum term of seven years as allowed by A.R.S. § 15-1874(G). The initial term is expected to commence no later than March 1, 2022.

A.R.S. § 15-1874(C) requires the Treasurer and Board to select one or more AZ529 program managers that can demonstrate the most advantageous combination, both to potential program participants and this state.

529 plans are so named because they are governed by section 529 of the Internal Revenue Code. AZ529, Arizona’s Education Savings Plan (AZ529), formally known as the Arizona Family College Savings Program, was authorized by the Arizona Legislature (Legislature) in 1997 and launched in 1999. AZ529 was transferred to the Office of the Arizona State Treasurer (Treasurer) on October 1, 2020, as the state agency responsible for administering the program. The Arizona State Board of Investment (Board), chaired by the Treasurer, serves as Trustee for the Trust Fund created under Arizona law for the AZ529 Plan. The Legislature formally changed the legal name of the Arizona Family College Savings Program to match its current marketing name, AZ529, Arizona’s Education Savings Plan. This name change will go into effect on September 29, 2021.

Tax Benefits

For designated beneficiaries who are Arizona residents, funds are not subject to state income taxes when used to pay qualified education expenses of the designated beneficiary. Effective September 29, 2021, for Tax Year 2021 and after, the state of Arizona offers a tax deduction each year for investing in any state’s 529 Plan of up to \$4,000 per beneficiary for married tax filers who file a joint return and up to \$2,000 per beneficiary for individual tax filers. Previously, the tax deduction was limited to a total deduction of \$4,000 for married couples or \$2,000 for singles each year.

Investments in an AZ529 account are neither insured nor guaranteed by the State of Arizona, the Board, or the Treasurer.

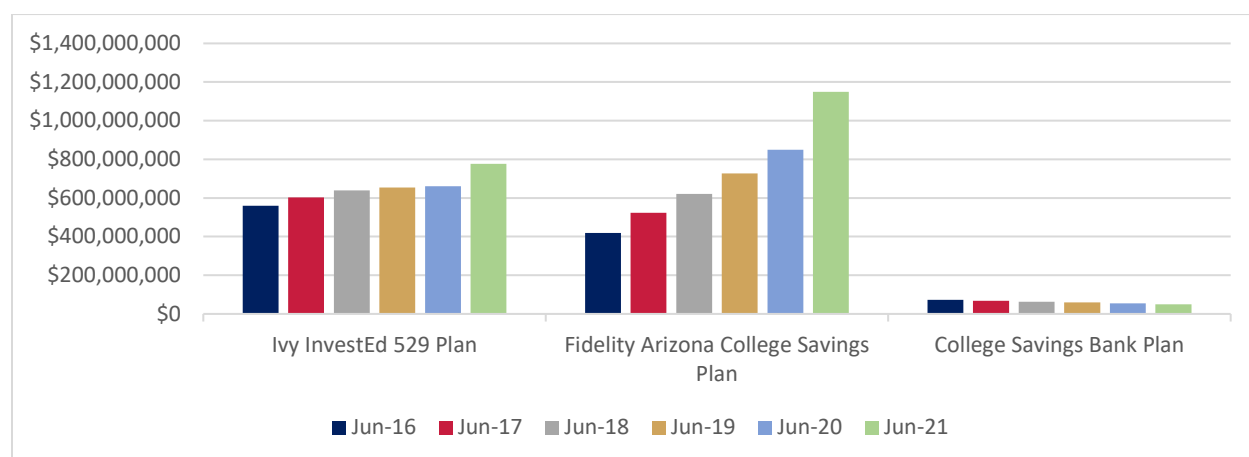
Currently, Macquarie Asset Management (MAM) via its acquisition of Waddell & Reed Financial, Inc. (W&R) and Ivy Distributors, Inc. serves as Program Manager for the Advisor Plan, which is offered through professional financial advisors. The Program is offered nationally. The current Program Manager opens individual accounts for each of the account owners and their beneficiary each year, facilitates withdrawals from the accounts and delivers a 1099Q form to each account owner.

The following table provides summary information on Program assets and accounts as of June 30, 2021:

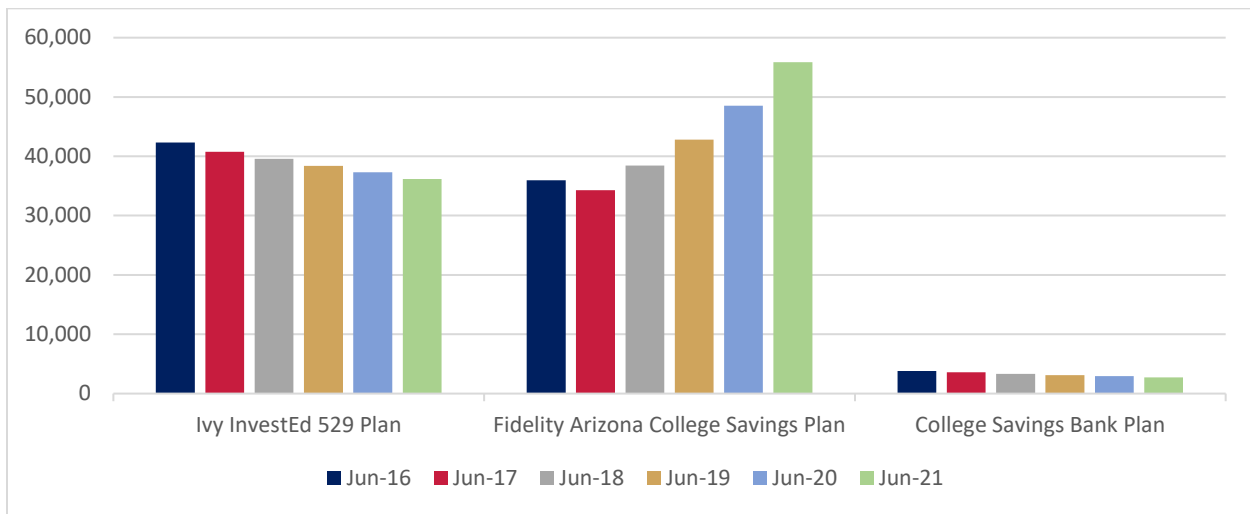
	Assets	Accounts
Direct Plan	\$1,149,927,190	55,855
Advisor Plan	\$776,924,122	36,159
Bank FDIC Plan	\$49,654,858	2,709
Total	\$1,976,506,170	94,723

The following charts show the growth of Program assets and accounts since June 30, 2016:

AZ529 Plan Total Assets Over the Last 6-Year Period



AZ529 Plan Total Accounts Over the Last 6-Year Period



The following tables highlight top selling firms of the Advisor Plan as of December 31, 2020.

	Sales (\$M)	% of Sales
Former Waddell & Reed (now LPL)	28.9	67.9
LPL Financial	3.5	8.2
Morgan Stanley	1.7	4.1
Ameriprise	1.6	3.9
Wells Fargo Advisors	1.1	2.6

	AUM (\$M)	% of AUM
Former Waddell & Reed (now LPL)	522.9	70.9
LPL Financial	52.6	7.1
Morgan Stanley	17.8	2.4
Wells Fargo Advisors	17.1	2.3
Ameriprise	16.9	2.3

AUTHORITY

The AZ529 Plan is a qualified tuition program under Section 529 of the Internal Revenue Code of 1986, as amended from time to time ("Section 529" and the "Code," respectively), and established under Title 15, Chapter 14, Article 7, Sections 15-1871-1879, Arizona Revised Statutes (A.R.S.), as amended.

SECTION 2. OFFER AND ACCEPTANCE

OFFER

The undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, scope of work and amendments to the solicitation. The person signing must be a senior executive who has managerial control over the deliverables required under the scope of work with the ability to terminate vendors or employees for failure to perform the duties of the contract.

Authorized Signature: _____ Date: _____

Name: _____ Title: _____

Company: _____

Federal TIN: _____ or AZ TPT: _____

By signature in the offer section above, the bidder certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The bidder shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 99.4, or A.R.S. § 41-1461 through 1465.
3. The bidder has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. None of the provisions of the Agreement may be waived, changed or altered except in writing signed by both parties.
5. In accordance with A.R.S. § 35-393.01, the Bidder hereby certifies that the Bidder is not currently engaged in and agrees for the duration of the contract to not engage in a boycott of Israel as specified in Exhibit L.

ACCEPTANCE

The Offer is hereby accepted.

Arizona State Treasurer's Office

Authorized Signature: _____ Date: _____

Name: _____ Title: _____

SECTION 3. SPECIAL INSTRUCTIONS TO OFFERORS

TERMS AND DEFINITIONS

For the purpose of this RFP and the ensuing contract, the following terms and definitions will apply:

1. "ASTO" means the Arizona State Treasurer's Office.
2. "Attachment" means any item the Solicitation requires a Bidder to submit as part of the Offer.
3. "Contract" means the combination of the Solicitation, including the Uniform and Special Instructions to Bidders, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work, the Offer and any Best and Final Offers, and any Solicitation Amendments or Contract Amendments.
4. "Contract Amendment" means a written document signed by the ASTO that is issued for the purpose of making changes in the Contract.
5. "Contractor" means any person who has a Contract with the State.
6. "Days" means calendar days unless otherwise specified.
7. "Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
8. "Offer" means bid, proposal or quotation.
9. "Bidder" means a vendor who responds to a Solicitation.
10. "Solicitation" means an Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
11. "Solicitation Amendment" means a written document that is signed by the ASTO and issued for the purpose of making changes to the Solicitation.
12. "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.

13. "State" means the State of Arizona and Department or Agency of the State that executes the Contract.

PROPOSAL

1. Deliverables: Responses must include one ORIGINAL printed copy and three (3) complete electronic versions of the proposal on a USB drive, that will be used in the evaluation process. The original copy of the proposal should be clearly labeled "ORIGINAL." The material should be in sequence and related to the Request for Proposal.

Proposals are due at the following address on or before 2:00 p.m. Arizona time on Friday, October 8, 2021. All questions should be sent to RFPproposal@aztreasury.gov and must include "RFP 21-09 AZ529 Advisor-Sold Program Manager" in the subject line of the email.

Office of the State Treasurer

Attn: Deputy Treasurer

1700 W. Washington

1st Floor Room 102

Phoenix, AZ 85007

Proposals received after the date and time specified herein will not be considered. Proposals shall be opened publicly at the time and place designated on the cover page of this document. The name of each bidder shall be read publicly and recorded. All other information contained in the proposals shall be confidential so as to avoid disclosure of contents prejudicial to competing bidders during the process of negotiation. Prices will **NOT** be read. Proposals will not be subject to public inspection until after contract has been awarded and signed. Proposals shall be irrevocable offers for sixty (60) days after the proposal due date.

2. Proposed Timeline:

Figure 1: Schedule	
Event	Date
Distribution of RFP	August 27, 2021
Pre-Bid Conference	TBD, Treasurer's Conference Room
Deadline for Questions	September 17, 2021
Date for Answers to Questions	September 24, 2021. Posted to AZTreasury.gov

Proposals Due (no later than 2 p.m. Arizona time)	October 8, 2021
Finalist Presentations (if necessary)	TBD
Due Diligence & Site Visits (if necessary)	TBD
Award Business	TBD
Contract Start Date	On or before March 1, 2022

SECTION 4. EVALUATION CRITERIA

MINIMUM CRITERIA

These minimum criteria must be met for a Proposal to be considered for award:

- The offer must be submitted by the deadline;
- The Offeror must provide a completed contract;
- The Offeror must state its ability to meet these qualifications and as applicable all partner and subcontractors.
- Offeror's answers to Section 8 – Exhibits and Attachments, Exhibits A through L must be responsive and complete.

The Offeror's eligible to submit an offer must demonstrate, either by itself, or with partners and subcontractors:

- \$5 billion or more of current AUM and a 10-year track record of managing similar asset allocation portfolios as indicated under the current Advisor-sold Plan.
- At least 5 years' experience of recordkeeping services and all services outlined in Section 8 scope of services.
- Successfully completed a transition of assets from a previous provider in either the 529 space, or retirement plan.
- Has sufficient capital to assume responsibility of and provide ongoing Services to the Program.
- Will comply with the College Savings Plans Network ("CSPN") Disclosure Principles and will continue to do so throughout the term of the agreement.
<https://www.collegesavings.org/wp-content/uploads/2015/06/CSPN-Disclosure-Principles-Statement-No.-6.pdf>.
- Has sufficient capital to assume responsibility of and provide ongoing Services to the Program.
- Will maintain sufficient procedures and capabilities to ensure the timely and accurate backup and full recovery for all computers and other data storage systems related to the Program.

EVALUATION

An award shall be made to the responsible Offeror whose proposal is determined in writing to be the most advantageous to the State based upon the evaluation criteria listed in Figure 2: Weightings. The Offeror is cautioned that it is the Offeror's sole responsibility to submit information related to the evaluation categories and that the State of Arizona is under no obligation to solicit such information if it is not included with the Offeror's proposal. Failure of the Offeror to submit such information may cause an adverse impact on the evaluation of the Offeror's proposal as to the responsiveness of the proposal and the responsibility of the Offeror.

Figure 2: Weightings		
Scope of Services	Exhibit A	20%
Offeror Questionnaire: Firm Information	Exhibit B	20%
Personnel Information	Exhibit C	20%
Fees/Cost of Services	Exhibit D	20%
Performance	Exhibit E	20%
Total		100%

PRICING

Exhibit D: Provide a price schedule for the total cost of providing all services necessary under this proposal based on the amount of AUM on an annual basis.

CONFORMANCE TO SCOPE OF SERVICES

Exhibit A: Scope of Services, Exhibit B: Offeror Questionnaire/Firm Information, Exhibit C: Personnel Information, and Exhibit E: Performance require the Offeror to submit a written narrative which demonstrates the method or manner in which the Offeror proposes to satisfy the requirements of the Scope of Services. The language of the narrative should be straight forward and limited to fact, solutions to problems, and plans of proposed action. The written narrative should include specific responses to the items listed in the scope of services.

ABILITY TO PERFORM THE SCOPE OF SERVICES

The Offeror should present a proposed method of satisfying the requirements of the Scope of Services as specified herein. The narrative should describe a logical progression of tasks and

efforts starting with the initial steps or tasks to be accomplished and continuing until all proposed tasks are fully described.

Indicate the number of full-time dedicated resources (individuals) you will provide in support of the ASTO account if awarded the contract. Also, specify if the person managing these resources will be exclusively assigned and responsible for this contract only. If the account manager is working on other accounts, specify the percent of time this individual will dedicate to this contract.

Describe how your firm will organize, as a team, to optimize its responsiveness to the ASTO. Include how work is reviewed from junior to senior to executive level staff.

The offeror should present examples of similar governmental processes and similar governmental clients that will indicate successful relationships between the offeror and client.

EXPERIENCE AND RELIABILITY

Please submit any information which documents successful and reliable experience in past performances related to the required services contained herein. The State will evaluate the Offeror's experience and expertise based on the responses to the Firm Information attached as Exhibit B, Personnel Information as Exhibit C, Fees/Cost of Services as Exhibit D, and Performance attached as Exhibit E.

SECTION 5. UNIFORM INSTRUCTIONS TO OFFERORS

DEFINITION OF TERMS

As used in these instructions, the terms listed below are defined as follows:

1. "Attachment" means any item the Solicitation requires an Offeror to submit as part of the offer.
2. "Contract" means the combination of the Solicitation, including the Special and Uniform Instructions to Offeror's, the Special and Uniform Terms and Conditions, and the Specifications and Statement or Scope of Services; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
3. "Contract Amendment" means a written document signed by the ASTO that is issued for the purpose of making changes in the Contract.
4. "Contractor" means any person who has a Contract with the State.
5. "Days" means calendar days unless otherwise specified.
6. "Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
7. "Offer" means bid, proposal or quotation.
8. "Offeror" means a vendor who responds to a Solicitation.
9. "Solicitation" means an Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
10. "Solicitation Amendment" means a written document that is signed by the ASTO and issued for the purpose of making changes to the Solicitation.
11. "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or services required for the performance of the Contract.

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12. "State" or "State Treasurer" or "ASTO" means the State of Arizona and Department or Agency of the State that executes the Contract.

INQUIRIES

1. Duty to Examine. It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing (inquiries), and examine the Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
2. Solicitation Contact Person. Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Solicitation contact person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.
3. Submission of Inquiries. The ASTO or the person identified in the Solicitation as the contact for inquiries requires that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time. The State shall consider the relevancy of the inquiry but is not required to respond in writing.
4. Timeliness. Any inquiry or exception to the solicitation shall be submitted as soon as possible and should be submitted at least seven (7) days before the Offer due date and time for review and determination by the State. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
5. No Right to Rely on Verbal Responses. An Offeror shall not rely on verbal responses to inquiries. A verbal reply to an inquiry does not constitute a modification of the solicitation.
6. Solicitation Amendments. The Solicitation shall only be modified by a Solicitation Amendment.
7. Pre-Offer Conference. If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. Offerors should raise any questions about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference.

Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.

8. Persons with Disabilities. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.

OFFER PREPERATION

1. Forms: No Facsimile, Telegraphic or Electronic Mail Offers. An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation must be legible and contain the same information requested on the forms unless the solicitation indicates otherwise. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected if submitted in response to requests for proposals or invitations for bids.
2. Typed or Ink; Corrections. The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
3. Evidence of Intent to be Bound. The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature (or acknowledgement for electronic submissions, when authorized) by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of intent to be bound, such as an original signature, shall result in rejection of the Offer.
4. Exceptions to Terms and Conditions. All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the ASTO in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
5. Invitation for Offers. An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.
6. Request for Proposals. All exceptions that are contained in the Offer may negatively affect the State's proposal evaluation based on the evaluation criteria stated in the Solicitation or

result in rejection of the Offer. An offer that takes exception to any material requirement of the solicitation may be rejected.

7. Subcontracts. The successful Offeror shall not subcontract any of its responsibilities in the Offer without the prior written consent of the State.
8. Cost of Offer Preparation. The State will not reimburse any Offeror the cost of responding to a Solicitation.
9. Solicitation Amendments. Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a Solicitation Amendment may result in rejection of the Offer.
10. Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.
11. Provision of Tax Identification Numbers. Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number in the space provided on the Offer and Acceptance Form.
12. Employee Identification. Offeror agrees to provide an employee identification number or social security number for the purposes of reporting to appropriate taxing authorities, monies paid under this contract. If the federal identifier of the Offeror is a social security number, this number is being requested solely for tax reporting purposes and will be shared only with appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041A.
13. Identification of Taxes in Offer. The State of Arizona is subject to all applicable state and local transaction privilege taxes. All applicable taxes shall be included in the pricing offered in the solicitation. At all times, payment of taxes and the determination of applicable taxes are the sole responsibility of the contractor.
14. Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant

circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.

15. Solicitation Order of Precedence. In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:

- Special Terms and Conditions;
- Uniform Terms and Conditions;
- Statement or Scope of Services;
- Offeror Questionnaire;
- Product Information;
- Performance;
- Special Instructions to Offerors;
- Uniform Instructions to Offerors; and
- Other documents referenced or included in the Solicitation.

SUBMISSION OF OFFER

1. Sealed Envelope or Package. The submission of offer must one (1) ORIGINAL printed copy and three (3) complete electronic versions of the proposal on a USB drive, that will be used in the evaluation process. Each Offer shall be submitted to the submittal location identified in this Solicitation. Offers should be submitted in a sealed envelope or container. The envelope or container should be clearly identified with the name of the Offeror and Solicitation number. The State may open envelopes or containers to identify contents if the envelope or container is not clearly identified
2. Offer Amendment or Withdrawal. An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
3. Public Record. All Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State. If an Offeror believes that information in its Offer should remain confidential, it shall indicate as confidential the specific information and submit a statement with its Offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise. The State shall determine whether the identified information is confidential pursuant to the Arizona Procurement Code.
4. Non-collusion, Employment, and Services. By signing the Offer and Acceptance Form or another official contract form, the Offeror certifies that:

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- The Offeror did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
 - The Offeror does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable federal, state and local laws and executive orders regarding employment.

MISCELLANEOUS CONSIDERATIONS FOR EVALUATION

1. Unit Price Prevails. In the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
2. Prompt Payment Discount. Prompt payment discounts of thirty (30) days or more set forth in an Offer shall be deducted from the offer for the purposes of evaluating that price.
3. Offer Acceptance Period. An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred-twenty (120). If a Best and Final Offer is requested pursuant to a Request for Proposal, an Offeror shall hold its Offer open for one hundred-twenty (120) days from the Best and Final Offer due date.

WAIVER OF REJECTION RIGHTS

Notwithstanding any other provision of the Solicitation, State reserves the right to:

- Waive any minor informality;
- Reject any and all Offers or portions thereof; or
- Cancel the Solicitation.

AWARD

1. Contract inception. An Offer does not constitute a Contract, nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the ASTO's (or designee) signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
2. Effective Date. The effective date of this Contract shall be the date that the ASTO or designee signs the Offer and Acceptance form or another official contract form.

PROTESTS

A protest shall comply with and be resolved according to A.R.S Title 41, Chapter 23, Article 9 and rules adopted there under. Protests shall be in writing and be filed with the ASTO. A protest of a Solicitation shall be received by the ASTO before the Offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:

- The name, address and telephone number of the protester;
- The signature of the protester or its representative;
- Identification of the purchasing agency and the Solicitation or Contract number;
- A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
- The form of relief requested.

SECTION 6. SPECIAL TERMS AND CONDITIONS

TERM OF CONTRACT

1. The term of contract shall commence on or before March 1, 2022, and shall remain in effect for a period of five (5) years with one two (2) year extension for a maximum contract term of seven (7) years thereafter unless terminated, canceled or extended as otherwise provided herein.
2. The contract shall not bind nor purport to bind the State for any contractual commitment in excess of the original contract period.

PROJECT MANAGEMENT

1. The Contractor shall appoint a project manager to be responsible for the planning; conducting progress; and successful completion of all activities during the contract period.
2. The Contractor shall, within seven (7) days after the award of the contract, submit a written identification and notification to the ASTO of the name, title, address, and telephone number of one (1) individual within its organization as a duly authorized representative to whom all correspondence, official notices, and requests related to the contractor's performance pursuant to the contract shall be addressed. The Contractor shall have the right to change or substitute the name of the individual described above as deemed necessary with written approval of the ASTO.
3. The ASTO shall provide the contractor with the name of a contact person who will coordinate all information to and/or from the Contractor.

INSURANCE

1. The Contractor shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.
 - The insurance requirements herein are minimum requirements for this Contract and in no way, limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

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2. Commercial General Liability (Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.)

General Liability	
General Aggregate	\$2,000,000
Products – Completed Operation Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability – Written/Oral	\$1,000,000
Fire Legal Liability	\$50,000
Each Occurrence	\$1,000,000

3. The policy shall be endorsed, as required by this written agreement, to include:
- “The State of Arizona, and its departments, agencies, boards, commissions, universities and its officers, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor”.
 - Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
4. Business Automobile Liability
- Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Business Automobile Liability	
Combined Single Limit (CSL)	\$1,000,000

- Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor, involving automobiles owned, leased, hired and/or non-owned by the Contractor.
- Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

5. Worker's Compensation and Employers' Liability

Worker's Compensation and Employer's Liability	
Worker's Compensation	Statutory
Each Accident	\$1,000,000
Disease-Each Employee	\$1,000,000
Disease-Policy Limit	\$1,000,000

- Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. 23-901, and when such contractor or subcontractor executes the appropriate waiver form (Sole Proprietor/Independent Contractor).

6. Professional Liability (Errors and Omissions Liability)

Errors and Omissions Liability	
Each Claim	\$2,000,000
Annual Aggregate	\$2,000,000

7. Commercial Crime Policy or Blanket Fidelity Bond

Commercial Crime Policy or Blanket Fidelity Bond	
Coverage Amount	\$35,000,000

Coverage should include but is not limited to:

- a. Employee Dishonesty (to include coverage for theft and mysterious disappearance and inventory shortage)
- b. Money & Securities Inside/Outside
- c. Computer Fraud
- d. Funds Transferred (if applicable)
- e. Forgery or Alteration

- f. The policy shall be endorsed to include the State of Arizona (and the respective agency) as Loss Payee
- g. The policy shall not contain a condition requiring a conviction or arrest in order to file a claim

8. Technology Errors & Omissions Insurance – Required as applicable to the services provided.

Technology Errors and Omissions Liability	
Each Claim	\$2,000,000
Annual Aggregate	\$2,000,000

- Such insurance shall cover any, and all errors, omissions, or negligent acts in the delivery of products, services, and/or licensed programs under this contract.
- Coverage shall include copyright infringement, infringement of trade dress, domain name, title or slogan.
- In the event that the Tech E&O insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years, beginning at the time work under this Contract is completed.

9. Network Security (Cyber) and Privacy Liability – Required as applicable to the services provided.

Network Security (Cyber) and Privacy Liability	
Each Claim	\$2,000,000
Annual Aggregate	\$2,000,000

- Such insurance shall include, but not be limited to, coverage for third party claims and losses with respect to network risks (such as data breaches, unauthorized access or use, ID theft, theft of data) and invasion of privacy regardless of the type of media involved in the loss of private information, crisis management and identity theft response costs. This should also include breach notification costs, credit remediation and credit monitoring, defense and claims expenses, regulatory defense costs plus fines and penalties, cyber extortion, computer program and electronic data restoration expenses coverage (data asset protection), network business interruption, computer fraud coverage, and funds transfer loss.
- In the event that the Network Security and Privacy Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date

under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

- The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to vicarious liability of the insured arising out of the activities performed by or on behalf of the Contractor.
- Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its department, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

10. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include the following provisions:

- The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 E
- Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

11. NOTICE OF CANCELLATION: Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the Arizona State Treasurer's office if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission to:

Arizona State Treasurer's Office
1700 W. Washington Street
Suite 102
Phoenix, AZ 85007
Fax: (602) 542-7176
Email: info@aztreasury.gov

12. ACCEPTABILITY OF INSURERS: Contractor's Insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance and Financial Institutions List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants

that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

13. VERIFICATION OF COVERAGE: Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.
- All such certificates of insurance and policy endorsements must be received by the State before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.
 - Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.
 - All such certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.
14. SUBCONTRACTORS: Contractors' certificate(s) shall include all subcontractors as insured under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of this contract, proof from the Contractor that its subcontractors have the required coverage.
15. APPROVAL and MODIFICATIONS: The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.
16. EXCEPTIONS: In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of self-insurance. If the Contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.
17. INDEMNIFICATION: To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to

as “Indemnitee”) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys’ fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as “Claims”) for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers’ Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgement costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona. This indemnification will survive the termination of the above listed contract with the Contractor.

This indemnity shall not apply if the Contractor or sub-contractor(s) is/are an agency, board, commission or University of the State of Arizona.

18. If the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
19. The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.

DISASTER RECOVERY

1. The successful Offeror is required to maintain a tested disaster recovery and business continuity plan throughout the term of the contract resulting from this Request for Proposal. This plan, along with any modifications or testing results will be available for review by the ASTO with notice.
2. At a minimum, such disaster recovery plan will
 - a. Include information regarding the steps taken to avoid interruptions in service availability to the State of Arizona.
 - b. The plan must address the recovery time objective (RTO)
 - c. The recovery point objective (RPO)
 - d. The establishment of a minimum level of critical support

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- e. A maximum tolerable downtime.
 - f. Information regarding at least one alternative processing facility, its capacity and capability levels, along with specific methods to provide access to information if the primary system is out of service.

SSAE-18

The successful bidder must provide its most current report by its independent auditors of its internal controls. The SSAE-18 report must cover the services provided by the contractor resulting from this document.

PANDEMIC CONTRACTUAL PERFORMANCE

1. The State shall require a written plan that illustrates how the contractor shall perform up to contractual standards in the event of a pandemic. The state may require a copy of the plan at any time prior or post award of a contract. At a minimum, the pandemic performance plan shall include:
 - a. Key succession and performance planning if there is a sudden significant decrease in contractor's workforce.
 - b. Alternative methods to ensure there are products in the supply chain.
 - c. An up-to-date list of company contacts and organizational chart.
2. In the event of a pandemic, as declared by the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this contract impossible or impracticable, the State shall have the following rights:
 - a. After the official declaration of a pandemic, the State may temporarily void the contract(s) in whole or specific sections if the contractor cannot perform to the standards agreed upon in the initial terms.
 - b. The State shall not incur any liability if a pandemic is declared, and emergency procurements are authorized pursuant to § 41-2537 of the Arizona Procurement Code.
 - c. Once the pandemic is officially declared over and/or the contractor can demonstrate the ability to perform, the State, at its sole discretion may reinstate the temporarily voided contract(s).

CONFIDENTIALITY OF RECORDS

The Contractor shall establish and maintain procedures and controls acceptable to the State for the purpose of assuring that information or data in its possession is not mishandled, misused, released, disclosed, or used in an inappropriate manner by it, its agents, officers, or employees. This includes information contained in its records obtained from the State or others, necessary

for contract performance. The Contractor shall take all reasonable steps and precautions to safeguard this information and data and shall not divulge the information or data to parties other than those needed for the performance of duties under the contract.

FINANCIAL SOUNDNESS

The State must be notified in writing of any substantial change in the Offeror's financial condition during the term of the Contract. Failure to notify the State of such a substantial change in financial condition will be sufficient grounds for terminating the Contract.

SECTION 7. UNIFORM TERMS AND CONDITIONS

DEFINITION OF TERMS

As used in these instructions, the terms listed below are defined as follows:

1. Acceptance. "Acceptance" means the document headed "Offer and Acceptance Form" bearing the State contract number once Procurement Officer has signed it to signify (1) State's formal acceptance of the Accepted Offer and (2) the formation of the Contract.
2. Accepted Offer. If State did not request a Revised Offer, then "Vendor Offer" means the Initial Offer.
 - If State did request a Revised Offer but not a Best and Final Offer, then "Accepted Offer" means the latest Revised Offer.
 - If State requested a Best and Final Offer, then "Accepted Offer" means the latest Best and Final Offer.
3. Arizona Procurement Code. A.R.S.; A.A.C. The "Arizona Procurement Code, "A.R.S.," and "A.A.C." refers to Arizona Revised Statutes ("A.R.S.") § 41-2501, et seq., and the rules promulgated thereunder, Arizona Administrative Code ("A.A.C.") R2-7-101, et. seq.
4. Arizona TPT. "Arizona TPT" means Arizona Transaction Privilege Tax. For information, refer to the Arizona Department of Revenue (DOR) website at: <https://www.azdor.gov/business/transactionprivilegetax.aspx>
5. Attachment. "Attachment" means any item that:
 - The Solicitation required Offeror to submit as part of the relevant Offer (e.g., Initial Offer, Revised Offer, or BAFO);
 - Was attached to an Offer when submitted; and
 - Was included in the Accepted Offer.
6. Contract. "Contract" means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments or authorized Purchase Orders.
7. Contract Amendment. "Contract Amendment" means a document signed by Procurement Officer that has been issued for the purpose of making changes to the Contract after execution. Only the Procurement Officer responsible for this Contract has the authority to modify or amend this Contract.
8. Contract Terms and Conditions. "Contract Terms and Conditions" means the Special Terms and Conditions and these Uniform Terms and Conditions taken collectively.

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9. Contractor. “Contractor” means the Person identified on the Accepted Offer who has entered into the Contract with State.
 10. Contractor Indemnitor. “Contractor Indemnitor” means Contractor or any of its owners, officers, directors, agents, employees, volunteers or Subcontractors.
 11. Days. “Days” means calendar days unless otherwise specified.
 12. Exhibit. “Exhibit” means any items labeled as an Exhibit in the solicitation or placed in the Exhibits section of the Solicitation.
 13. Gratuity. “Gratuity” means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
 14. Indemnified Basic Claims. “Indemnified Basic Claims” means any and all claims, actions, liabilities, damages, losses, or expenses, including court costs, attorney fees, and costs of claim processing, investigation and litigation, for bodily injury or personal injury, including death, or loss or damage to any real or tangible or intangible personal property, collectively. See paragraph 6.2.
 15. Instructions to Offerors. “Instructions to Offerors” is Section 3-a of Part 3 of the Solicitation Documents.
 16. Materials. “Materials” has the meaning given in A.R.S. § 41-2503(7). Materials includes software, except that if software is sold or provided as a service, then to the extent it consists of encoded information or computer instructions it is included in “Materials” and to the extent it is a service it is described in “Services” below.
 17. Offer: Initial Offer; Revised Offer; Best and Final Offer (BAFO).
 - “Initial Offer” means, per A.A.C. R2-7-101(33), Offeror’s proposal submitted to State in response to the Solicitation, as initially submitted;
 - “Revised Offer” means any revised versions of the Initial Offer that Offeror has submitted to State at State’s request as permitted under A.A.C. R2-7-C314 and R2 7-C315;
 - “Best and Final Offer” (“BAFO”) means, per A.A.C. R2-7-101(8), the Revised Offer submitted after negotiations have been completed that contain Offeror’s most favorable terms for price, service, and products to be delivered.
 - Reference to “an Offer, “the Offer,” or “your Offer” means any of the Initial Offer, a Revised Offer, or the Best and Final Offer.
 18. Pricing Document. “Pricing Document” means Section 8, Exhibit C of the RFP, provided that, if there is no such Section in the Contract, then “Pricing Document” is to be construed as referring to whatever item in the Contract contains the contracted pricing and payment provisions.
 19. Procurement Officer. “Procurement Officer” means the person, or his or her designee, who has been duly authorized by the State to enter into and administer the Contract and to make

written determinations with respect to the Contract. Procurement Officer is as identified on the Acceptance unless subsequently changed by Contract Amendment.

20. Purchase Order. "Purchase Order" means the instrument by which State authorizes Contractor to perform some or all of the Work. Whether the Contract will have one Purchase Order, or many Purchase Orders depends the scope of the Contract and how State will use it. The Special Terms and Conditions provide that information. Any of the following is to be construed as being a "Purchase Order":
21. Services. "Services" has the meaning given in A.R.S. § 41-2503(35), Services include the service aspects of software described in the definition of "Materials" above.
22. Specification. "Specification" has the meaning given in A.R.S. § 41-2561. Specifications (if any are included in the Contract), are indexed in the Scope of Work and could be bound separately from the other documents forming the Contract.
23. State. With respect to the Contract generally, "State" means the State of Arizona and its department, agency, university, commission, or board that has executed the Contract. With respect to administration or rights, remedies, obligations and duties under the Contract for a given Purchase Order, "State" means each of Eligible Agency or Co Op Buyer who has issued the Purchase Order.
24. State Fiscal Year. "State Fiscal Year" means the period beginning with July 1 and ending June 30.
25. State Indemnitees. "State Indemnitees" means, collectively, the State of Arizona, its departments, agencies, universities, commissions, and boards and, and their respective officers, agents, and employees.
26. Subcontract. "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party, delegating, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
27. Subcontractor. "Subcontractor" has the meaning given in A.R.S. § 41-2503(38).
28. Work. "Work" means the totality of the provision of Materials and the Services and all the acts of administration, creation, production, and performance necessary to fulfill and incidental to fulfilling all of Contractor's obligations and duties under the Contract in conformance with the Contract and applicable laws.

CONTRACT INTERPRETATION

1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement

Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.

2. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
3. Contract Order of Precedence:
 - Complementary Documents. All documents forming the Contract are complementary and all provisions are to be interpreted as a single, united Contract. If certain work, requirements, obligations, or duties are set out only in one but not in another, Contractor shall carry out the Work as though the relevant work, requirements, obligations, or duties had been fully described in all, consistent with the other documents forming the Contract and as is reasonably inferable from them as being necessary to produce complete results.
 - Conflicts. In case of any inconsistency, conflict, or ambiguity among the documents forming the Contract and their provisions, the Contract documents and their provisions are to prevail in the following order, descending from most dominate to most subordinate, provided that, among categories of documents or provisions within the same sub-section below, the document or provision with the latest date prevails. Information being identified in one document but not in another is not to be considered a conflict or inconsistency.

The Solicitation Documents, in the order:

- Special Terms and Conditions;
 - Exhibits to the Special Terms and Conditions;
 - Uniform Terms and Conditions;
 - Scope of Work;
 - Exhibits to the Scope of Work;
 - Pricing Document;
 - Exhibits to the Pricing Document;
 - Specifications; and
 - Any other documents referenced or included in the Solicitation;
 - Orders, in reverse chronological order; and
 - Accepted Offer.
4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.

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5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
 6. No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
 7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.
 8. Arbitration. The parties to this Agreement agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518 except as may be required by other applicable statutes.
 9. Counterparts. The parties may execute this Agreement in two or more counterparts, each of which shall be deemed an original and together which shall constitute one and the same document.

CONTRACT ADMINISTRATION AND OPERATION

1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
2. Non-Discrimination. Contractor shall comply with Executive Order 2009-9, which mandates that all persons, regardless of race, color, religion, sex, age, or national origin not mentioned in Order shall have equal access to employment opportunities, and all other applicable state and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. Contractor shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.
3. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
4. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless

otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.

5. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the ASTO.
6. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
7. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of the contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.
8. Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.

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9. E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.
 10. Offshore Performance of Work Prohibited. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

COSTS AND PAYMENTS

1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, net thirty (30) days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
2. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
3. Applicable Taxes.
 - Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
 - State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
 - Tax Indemnification. Contractor and all subcontractors shall pay all federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
 - IRS W9 Form. In order to receive payment, the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.
4. Availability of Funds for the next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the

part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

5. Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations for any reason and these goods or services are not funded, the State may take any of the following actions:
 - Accept a decrease in price offered by the contractor;
 - Cancel the Contract; and
 - Cancel the Contract and re-solicit the requirements.

CONTRACT CHANGES

1. Amendments. This Contract is issued under the authority of the ASTO. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the ASTO in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the ASTO. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
3. Assignment and Delegation. Contractor acknowledges that Contractor's experience and expertise is a substantial consideration in the ASTO's review of the Offer. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the ASTO.

RISK AND LIABILITY

1. Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
2. Indemnification
 - Contractor/Vendor Indemnification (Not Public Agency). The parties to this contract agree that the State of Arizona, its' departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for

its' own negligence. Each party to this contract is responsible for its' own negligence. Notwithstanding any provision of the Agreement to the contrary, a department of the State of Arizona is not authorized to indemnify Bank.

- Public Agency Language Only. Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers.
3. Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.
4. Force Majeure.
- a. Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
 - b. Force Majeure shall not include the following occurrences:
 - i. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
 - ii. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
 - iii. Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
 - c. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable

and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

- d. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services applied by third parties to the Contractor, toward fulfillment of this Contract.

WARRANTIES

1. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.
2. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one (1) year after acceptance by the State of the materials, they shall be:
 - Of a quality to pass without objection in the trade under the Contract description;
 - Fit for the intended purposes for which the materials are used;
 - Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
 - Adequately contained, packaged and marked as the Contract may require; and
 - In conformance to the written promises or affirmations of fact made by the Contractor.
3. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor and shall be fit for all purposes and uses required by the Contract.
4. Inspection/Testing. The warranties are not affected by inspection or testing of or payment for the materials by the State.
5. Compliance with Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.
6. Survival of Rights and Obligations after Contract Expiration or Termination.
 - Contractors Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as

provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S. Title 12, Chapter 5.

- Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the ASTO, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.
7. Contractors with no operations in Arizona. Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.
8. Contractors with Operations in Arizona.
- By entering into the contract, the contractor warrants compliance with the Federal immigration and Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. The contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act), for all Employees performing work under the contract. I-9 forms are available for download at USCIS.GOV.
 - Compliance requirements for A.R.S. § 41-4401—immigration laws and E-Verify requirement.
 - Contractors warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.)
 - A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and the Contractor may be subject to penalties up to and including termination of the Agreement.

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- The Department retains the legal right to inspect the papers of any employee who works on the Agreement to ensure that Contractor is complying with the warranty.

STATE'S CONTRACTUAL REMEDIES

1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to or is unable to perform or continue performing under this Contract, the ASTO may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
2. Stop Work Order.
 - The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
 - If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The ASTO shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
4. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code or pursue any other right or remedy available to it.
5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

CONTRACT TERMINATION

1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38- 511.
2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
3. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
4. Termination for Convenience. The State reserves the right to terminate the Contract in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed, and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.
5. Termination for Default.
 - In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition

of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The ASTO shall provide written notice of the termination and the reasons for it to the Contractor.

- Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
 - The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.
6. Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.
7. Contract Cancellation (Immediate). This contract is critical to ASTO, and the agency reserves the right to immediately cancel the whole or any part of this contract due to failure of the Contractor to carry out any material obligation, term or condition of the contract. The ASTO shall issue a written notice of default effective at once and not deferred by any interval of time. Default shall be for acting or failing to act in any of the following:
- The Contractor provides material that does not meet the specifications of the contract;
 - The Contractor fails to adequately perform the services set forth in the specifications of the contract;
 - The Contractor fails to complete the work required or furnish the materials required within the time stipulated in the contract;
 - The Contractor fails to make progress in the performance of the contract and/or gives the ASTO reason to believe that the Contractor will not or cannot perform to the requirements of the contract.
8. The ASTO may resort to any single or combination of the following remedies:
- Cancel any contract;
 - Reserve all rights or claims to damage for breach of any covenants of the contract;
 - Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material non-compliance with the specifications, any reasonable expense of testing shall be borne by the Contractor.

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- In case of default, the ASTO reserves the right to purchase materials or to complete the required work in accordance with the Arizona Procurement Code.

9. The Procurement officer may recover reasonable excess costs from the Institution by:

- Deduction from an unpaid balance;
- Collection against the bid and/or performance bond; or
- Any combinations of the above or any other remedies as provided by law.

SECTION 8. EXHIBITS AND ATTACHMENTS

EXHIBIT A: SCOPE OF SERVICES

The Program Manager is expected to provide the following key services:

- Program Administration and Compliance
- Customer Service and Recordkeeping
- Investment Management
- Marketing and Distribution
- Transition and Implementation

Program Administration and Compliance

The Treasurer is seeking a partner who will maintain an open flow of communication and provide necessary reporting to ensure the Treasurer meets its fiduciary responsibilities to the Program. The Program Manager shall provide all administrative and fund management services needed for the effective operation of the Program in compliance with all applicable federal and state laws, requirements, and regulations.

- a. Manage the Program in compliance with Section 529 and all other applicable state and federal statutes, rules and regulations, including those promulgated by the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”).
- b. Monitor for changes in legal and regulatory environment that may materially affect the Program, advise the Treasurer on those changes, and make recommendations for amendments or supplements to Program offering materials.
- c. Administer and operate the Program in accordance with rules and regulations adopted by the Board and the Treasurer.
- d. Have a formal privacy policy in place that adheres to the most stringent privacy policy standards in the industry including state and federal standards that protect the confidentiality of account information.
- e. Report contributions, distributions and any other Program activity as may be required to be reported to the Internal Revenue Service (the “IRS”), the SEC, the MSRB or any other federal, state or local agency of competent jurisdiction; or to CSPN or other entity as directed by the Treasurer.
- f. Submit data or other information required to maintain applicable Program information on the CSPN website on a timely basis.

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- g. Act as custodian of Program assets and provide custodial, fund administration and fund accounting services.
 - h. Create and produce all applicable Program documents, including enrollment and account maintenance forms and offering documents, with the approval of the Treasurer and in compliance with all state and federal regulations, and in compliance with the CSPN Disclosure Principles as currently written and as may be modified in the future, and general Section 529 or mutual fund best practices. Materials shall be available online and in print.
 - i. Provide the Treasurer and Board with reports on all aspects of the Program as will be specified in the Management Agreement and other ad hoc reports that may be requested.
 - j. Be available to attend monthly Board meetings and prepare and deliver monthly reports on the Program and Program activities.
 - k. With approval from the Treasurer, the Program Manager shall (a) prepare governmental financial statements; and (b) engage a certified public accounting firm of national reputation to conduct an annual audit of the financial statements of the Program in accordance with generally accepted auditing standards and practices. An annual SOC 1 and SOC2 Type 2 report will also be required of any applicable service provider. These audits will be provided at no expense to the Program or the Treasurer by March 31st of each year. The current advisor-sold plan operates on a calendar year basis.
 - l. Implement a fraud prevention program.

Customer Service and Recordkeeping

The Program Manager shall provide excellent customer service support and recordkeeping services for account owners, beneficiaries, prospective account owners and interested parties in accordance with all federal and state laws, requirements and regulations, and in compliance with at least the minimum Performance Standards that will be negotiated and included in the Program Management Agreement.

Recordkeeping

- a. Provide recordkeeping services in accordance with Program rules, regulations and procedures as established jointly between the Board, Treasurer and the Program Manager.
- b. Generate and mail all applicable tax reports, including 1099Q forms to the appropriate recipients.

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- c. Maintain responsibility for applicable Program correspondence including, but not limited to, confirmation statements, quarterly and annual statements, and make available current account information when requested.
 - d. Maintain recordkeeping of employer plan accounts.
 - e. Work with the Treasurer to develop a robust and user-friendly gifting platform with the goal of growing Arizona accounts.
 - f. If applicable, provide a seamless transition of account information and processes for account owners, as applicable.

Call Center

- a. Maintain a comprehensive call center located in the United States, staffed with enough call center representatives who are licensed or registered in accordance with applicable law. Maintain toll free telephone number(s) for the Program, with representatives available from 7 a.m. to 6 p.m. Arizona time on Business Days.
- b. Enable Program prospects to obtain or request enrollment materials online or through the call center and work with account owners and advisors to facilitate account services.
- c. Have a method to identify, track and report on all call interactions with an account owner or advisor, including the time and date of a call, the identity of the call center representative who spoke with the caller, the reason for the call, and the call's resolution.

Customer Service

- a. Act as the first and main point of contact for all account owners or advisors.
- b. Maintain the ability to receive mail, at a minimum, each day the New York Stock Exchange and US Postal Service are open for business, through a PO Box whose location is mutually acceptable to the Treasurer and the Program Manager.
- c. Maintain a unique address for overnight mail.
- d. Establish and maintain accounts, collect payments, process withdrawals daily, and provide accurate, easy to understand confirmation, quarterly and annual account statements and other customer communications.
- e. Maintain the ability to receive contributions via mail, ACH, direct deposit, payroll deduction, NSCC and through a gifting platform.
- f. Allow account owners to request withdrawals via telephone, online and mail.
- g. Maintain robust quality control procedures to minimize error rates.

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- h. Ensure the confidentiality and privacy of all prospects, account owners and beneficiaries, as applicable.
 - i. Manage all incoming and outgoing correspondence for the Program.
 - j. Provide access to enrollment materials through an automated fulfillment system.
 - k. Evaluate customer satisfaction on a regular basis and provide results to the Treasurer in a timely manner.
 - l. Provide and maintain and update a website for the Advisor-sold Plan allowing financial advisors to make contributions, view statements, etc.

Investment Management

The Program Manager will manage investments as a fiduciary for the Treasurer and Board, account owners and beneficiaries in accordance with the Program's Investment Policy Statement ("IPS") and the Management Agreement.

- a. Develop and recommend, for Treasurer and Board approval, investment options with fee structures that appeal to a wide range of investors with various risk tolerance levels and contribution levels.
- b. Develop and recommend, for Treasurer and Board approval, an appropriate asset allocation strategy for each age- and risk-based portfolio.
- c. Monitor the performance of each portfolio and underlying investment in accordance with monitoring standards adopted by the Treasurer and Board and make recommendations to the Treasurer and Board on the findings of the monitoring.
- d. Recommend investment funds to the Treasurer and Board for consideration when existing investment funds need to be replaced or when there is a need for additional investment options.
- e. Enable meetings between the Treasurer and Board and portfolio/underlying fund managers (or their direct staff) as may be appropriate to review, at a minimum, market conditions, strategy and investment performance.
- f. Collaborate with the Treasurer and Board's investment consultant as needed on investment-related issues for the Programs.
- g. Offer "clean shares" for those advisors who are under an asset fee compensation model. Regularly review the fee structures in place to ensure that the Program provides competitive fees.

Marketing and Distribution

The Program Manager will develop and implement a marketing strategy that will provide the broadest visibility across potential investors nationwide and within Arizona.

- a. Develop all promotional materials, subject to the Treasurer's approval, and assure compliance with all applicable laws relating to such materials.
- b. Provide professional or financial resources to market the Program to financial advisors nationally and within Arizona.
- c. Develop and execute a multi-year marketing plan dedicated to the promotion of the Program in Arizona and nationwide, subject to the Treasurer's approval.
- d. Develop and maintain applicable websites to provide current Plan information.
- e. Execute selling agreements with broker dealer firms, registered investment advisors, and other financial service providers that currently offer the Plan and expand the sales and distribution channels within Arizona and nationally.
- f. Develop benchmarks and research to measure the effectiveness of outreach efforts, marketing initiatives, activities and literature.

Transition and Implementation

The new Program Manager will provide transition-related services from the existing advisor-sold provider and be expected to:

- a. Develop a detailed timeline for conversion of assets.
- b. Provide a detailed communication plan to ensure timely communications to existing account owners during the transition period.
- c. Provide a seamless transition of account information and processes for account owners.
- d. Reconcile cash and NAVs to ensure all assets are accounted for prior to and after conversion.
- e. Provide resources, as necessary, to ensure that current assets are continuously invested throughout the conversion and implementation process.
- f. Engage a transition manager at its expense if required by the Treasurer and Board.
- g. Take all steps necessary to achieve a transition date that is agreed upon by the Treasurer and the Program Manager.

EXHIBIT B: OFFEROR QUESTIONNAIRE

Firm Information

Please provide the following information:

1. Firm name and date of firm inception.
2. Firm business address.
3. Firm telephone number, including country code.
4. Name of individual(s) completing the questionnaire.
5. Individual(s) telephone number(s), including country code(s), and address(es).
6. Individual(s) fax number(s), including country code(s).
7. Individual(s) e-mail address(es).
8. Date questionnaire completed (Day/Month/Year).
9. Firm classification:
 - Bank
 - Insurance Company
 - SEC-Registered Investment Adviser
 - Non-U.S. Registered Investment Manager (country and entity registered with: _____)
 - Other; please explain_____.
10. A brief history of the firm, including ownership, with an emphasis on any material developments in the past three years. Please include prior names and the length of time your organization has been in business under its present name and ownership.
11. Organizational chart of the firm.
12. Firm's current succession plans.
13. Name of parent firm (if any) and the name of affiliations or subsidiaries (if any).
14. Location of nearest office to the Arizona State Treasurer's Office.

15. Please confirm that the entity submitting the response to this RFP will be the same to execute the Management Agreement.
16. Please include: (a) the most recent Annual Report; (b) any regulatory filings for the current fiscal year; and (c) the audited financial statements for the last two fiscal years for the contracting party.
17. List all subcontractors, partners or affiliates that will perform the Services required in Section 8 of this RFP, including any applicable registrations (e.g., registered broker-dealer, transfer agent, investment adviser, etc.). Please identify the Services to be provided by each entity and confirm that the Program Manager will be responsible for all costs associated with these Services and for any negligence or misconduct in the delivery of Services.
18. Please complete the following table, as applicable, as of December 31, 2020, for each 529 program for which the Program Manager has served as Program Manager or service provider. If the Program Manager does not have previous experience with 529s, please respond to this question with similar experience that would enable you to satisfy the Minimum Qualifications set forth in Section 8 of this RFP.

Program (Detail Direct- or Advisor-Sold)	Contract Term	Service Provided	Total Managed		Total Converted	
			AUMs	Accounts	AUMs	Accounts

19. Please indicate whether the Program Manager is a member of these or similar trade organizations: National Association of State Treasurers, State Financial Officers Foundation, College Savings Foundation, Investment Company Institute or Securities Industry and Financial Markets Association.
20. Provide at least three references that the Treasurer may contact to confirm your qualifications to serve as Program Manager using the following table. The Treasurer reserves the right to contact any person or entity it believes prudent to inquire about the Program Manager.

Name	Reference 1	Reference 2	Reference 3
Title			
Agency or Company			
Office Phone			
Email Address			
Services Provided			

Client Service

1. Please include a description of how client servicing/communication responsibilities are divided between portfolio managers and client service/marketing personnel.
2. List the administrative reports that you propose to provide including the types of data and frequency necessary to keep the Treasurer apprised of the progress of the Program. Samples of these reports should be included in your response.
3. At termination, what costs and expenses would be incurred by the Treasurer?

Compliance

1. Please describe the firm's compliance process with:
 - a. Section 529, applicable IRS and SEC regulations and MSRB Rules
 - b. Arizona laws and regulations
 - c. CSPN Disclosure Principles
 - d. Industry best practices
2. To whom does the chief compliance officer report?
3. Name of regulatory body overseeing the firm, and the dates of registration, as appropriate.
4. When was your firm's last regulatory inspection? Please provide a summary of the inspection results.
5. Has any regulatory body or market authority issued any orders or other sanctions against your firm in the last five years? If yes, please describe.
6. Is your firm or any affiliate the focus of any pending or ongoing litigation, formal investigation, or administrative proceedings related to money management activities? If yes, please describe.
7. Have the principals, managers or staff of your firm been under investigation in the last five years? If yes, please explain.
8. Provide copies of the most recent SOC1 and/or SOC2 reports covering the activities of the applicable Services to the Program under the proposal. In addition, list any substantive issues raised in these reports and steps taken to address such issues. If your response includes

subcontractors, please describe your oversight and risk management procedures to ensure each subcontractor's operating effectiveness with respect to Controls Over Financial Reporting as well as Trust Services Principles. To the extent the Program Manager or its applicable subcontractor(s) do not have either of the SOC1 or SOC2 reports, please explain why and describe the Program Manager's plans and timing to provide such information in the future.

9. Describe your firm's cyber security plan?

Governance

1. Please provide a summary of your firm's internal control structure.
2. Please provide a short biography or resume of the person(s) who is (are) responsible for the overall risk management of your firm.
3. Identify the banking institution you will use to process contributions and withdrawals.
4. Please describe any potential conflicts of interest your firm may have in the management of this account. If there are conflicts, please describe how they are addressed.

Customer Service and Recordkeeping

1. Describe the recordkeeping systems, database software and system security that would be used for the Program.
2. Provide the following information with respect to data backup procedures:
 - a. Detailed description of your daily backup procedures
 - b. Description of your business continuity, business recovery and disaster control plans including the location of any disaster recovery facilities
 - c. The testing schedule and the date you last performed a disaster recovery test
3. Describe how you modify your operating system for enhancements mandated by changes in applicable rules and regulations, or to improve customer service and operational efficiencies. Would you absorb the costs of all such changes?
4. What do you propose as the minimum initial and subsequent investments in the Program? Please specify whether different minimum initial and subsequent investments apply to accounts with automatic contributions.

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5. Do you offer account enrollment through the workplace? If so, please describe how contributions are processed (i.e., through payroll deduction, direct deposit or clearinghouse transactions), and provide the number of programs using workplace enrollment, the total number of participants, the total number of accounts by process and the monthly average contribution.
 6. Is there a size threshold for payroll deduction? Would you require an employer to pay any costs associated with offering the Program through payroll deduction?
 7. Provide a complete outline of your process for facilitating third-party contributions through a gifting platform.
 8. Where is your United States-based customer service center located and how many customer service representatives work there? How do you handle peak volume periods?
 9. Please confirm your ability to use a toll-free phone number at your expense.
 10. Describe the process used to handle incoming customer calls. Specify, does a live representative answer the call, and if not, how you provide call routing to speak to live representatives and the ability to leave messages for return calls.
 11. How many customer service representatives will be specifically dedicated to this Program?
 12. Describe your training process for customer service representatives (call center and processing staff) and others. Do these individuals have professional licenses?
 13. Describe the systems and processes used to route, track and respond to all customer inquiries, requests, complaints and items awaiting resolution.
 14. Provide samples of customer communications, such as account statements, confirmations, email, and distribution checks for programs currently managed by the Program Manager in Appendix 3. Please indicate how communications can be customized for each of the Plans in the Program.
 15. Describe any previous experience providing customer service for a 529 (or similar retail program) and indicate whether dedicated customer service staff will be assigned to the Program.
 16. Use the following table to provide 12 months of call center statistics for any program for which you currently provide services like those described in this RFP.

Month and Year	Abandonment Rate	Average Talk Time	Percent Answered within 20 seconds	Other statistics

17. Provide the past 12-month statistic for the following, if applicable:

- Number of days to process a new account
- Number of days to process 99% of withdrawal requests
- Maximum time the system was not available during peak hours (7am-6pm), and during non-peak hours
- Number of days to fulfill customer requests for information
- Percent of contribution by check processed within one business day

18. Describe your security methods in use for protecting personal identifying data and account owner financial information obtained via online account opening or account inquiries.

19. Provide a complete outline of the services you will make available on the self-servicing section of the website. Provide examples if you currently manage a 529 program.

20. Provide your suggested minimum Performance Standards to be included in the Management Agreement.

21. Please provide details regarding your omnibus recordkeeping capabilities including, if applicable, your plan to implement omnibus recordkeeping and estimated availability date(s). If you do not plan to offer omnibus recordkeeping for the Advisor Plan, please describe why.

Investment Management

1. Please provide the investment options you propose for the Advisor-sold Plan. See table under Transition and Implementation on page 58.

2. For each investment option listed above, please provide the following information, as applicable, for each underlying investment. For each age-based and risk-based portfolio please also provide the weighted average expense ratio and blended benchmark. Note: A weighted average investment expense must be provided for each age-band within an age-based track.

Underlying Fund or Strategy	Investment Option	Asset Class	Share Class	Ticker	Expense Ratio	Benchmark	AUM	Morningstar Rating

3. If you propose a stable value, guaranteed or cash option, please describe in detail the structure of the offering and the current yield as well as the liquidity provisions.
4. If you propose to include a bank product or other FDIC-insured investment option, indicate information regarding this product.
5. Please provide monthly historical performance net-of-fees as of (12/31/2020) for each of the proposed underlying investments and their corresponding benchmarks for the last 5 years. This data should be provided in a separate Excel file.
6. For the age-based options, please provide a detailed description of the glidepath and asset allocation for each of the age-based portfolios. Please discuss the rationale and approach for glidepath development of the age-based options. Detail whether the glidepath utilizes a progressive (target date) or step-down approach.
7. For the risk-based options, please provide a detailed description of the asset allocation for each of the options. Please discuss rationale and approach for asset allocation development of risk-based-options.
8. Discuss the team within your organization that is responsible for setting the glidepath and determining the asset allocation of the age-based and risk-based portfolios. Describe the portfolio monitoring process including the monitoring frequency and analytical tools used. How frequently do you anticipate formally reviewing the glidepath and asset allocation with the Treasurer and Board?
9. Please describe your approach for rebalancing the age-based and risk-based portfolios.
10. Discuss your use of passively and/or actively managed investments in constructing the proposed investment options.
11. Are the underlying investment funds proprietary, non-proprietary or a mix of both? If you use proprietary funds, are there certain investments that are required to be proprietary? Is there a certain percent of the assets that are required to be invested in the proprietary funds?
12. Describe your manager/fund selection process for the underlying funds of the age-based and risk-based portfolios. Do you have a separate team dedicated to manager research? If not, who is responsible for investment manager/fund selection?
13. Describe your risk management oversight and the integration of risk management across your organization. Detail the reporting chain for the risk team when issues are identified. Describe

the role of senior management in risk management and the establishment of formal risk limits for the portfolios being offered.

14. What are the main reasons that your investment approach will help the Program be successful in Arizona and nationally?
15. What proxy rights will the Treasurer and Board have with respect to the underlying funds? How and when would the Treasurer be notified of such proxies?
16. Indicate if any of the investment funds you propose to be utilized in the Program have experienced a net cash outflow of 20% or higher over the last 12-months as of December 31, 2020.
17. What is your viewpoint on the Morningstar 529 Plan ratings and what is your strategy for maintaining or improving the current ratings?

Marketing and Distribution

1. Provide your marketing and distribution strategy for the Program.
2. Describe the professional or financial resources you will provide for dedicated field representatives to assist in marketing to financial professionals, employers, community groups, and technical audiences.
3. Complete the following table showing the Program Manager's annual marketing commitment to the Program for the expected 5-year term of the Management Agreement:

Marketing Commitment		
Year	Direct Plan	Advisor Plan
1		
2		
3		
4		
5		

Please note that the annual marketing commitments are not to be applied to overhead or to other costs attributable to the administration or maintenance of the Program (e.g., printing of information for account owners). Any amounts not expended in one year will remain available over the term of the Management Agreement.

4. Complete the following table showing the Program Manager's projected yearly growth rates for assets and accounts.

Projection of Growth Rates		
	Direct Plan	Advisor Plan

Year	AUMs	Accounts	AUMs	Accounts
1				
2				
3				
4				
5				

5. Provide samples of web pages, marketing material for 529 plans (or similar plans) currently managed by the Program Manager or list a website address from which these can be viewed.
6. How would you use the gifting platform described in your response to Question 8 under Customer Service and Recordkeeping to promote growth in Arizona accounts?
7. Does the Program Manager have a retail presence in Arizona? If so, provide the specific locations, and indicate whether there are any plans to expand in Arizona. If not, describe how you currently market 529 or other consumer-facing products and services in Arizona.
8. Confirm that you will not cross-market any non-529 products to Arizona's current account owners, contributors, or beneficiaries without prior approval from the Treasurer (which the Treasurer may withhold without reason).
9. If the Program Manager manages a 529 program for another state, how will you differentiate the Program from the other(s) that you manage?
10. Provide the number and location of wholesalers in the Program Manager's firm who cover Arizona. How many broker-dealers or other distribution agents do they reach in Arizona and nationwide?
11. How many selling agreements does the Program Manager currently have? Will the Program Manager require a new selling agreement with broker-dealers and other distribution agents before distributing the Advisor Plan or will your current selling agreement cover 529 products?
12. Describe the process for evaluating the success of your marketing efforts. Do you have benchmarks to assess the success of marketing campaigns? If so, please describe.

Transition and Implementation

1. Provide a detailed transition implementation schedule to successfully transition to a new Program Manager, as applicable, by March 1, 2022.
2. Are there any transition issues that could delay an orderly transition from Macquarie Asset Management to your firm?

3. How would you communicate transition issues and news with existing financial professionals and account owners? What is the appropriate timetable for communications with existing financial professionals and account owners?
4. Describe the procedures you will follow to ensure that current assets are continuously invested throughout a transition to ensure a smooth transfer of assets that does not result in losses to the Program or its account owners.
5. Will you use the services of a transition manager? If so, identify the firm or entity you plan on using.
6. Complete the table below to show the mapping of current Portfolios to new Portfolios in each Plan. Add as many rows as necessary. Additionally, please restate the investment expenses proposed for each fund.

Portfolio	Style	Proposed Fund	Proposed Expense
InvestEd 90 Portfolio	Age-Based Portfolios		
InvestEd 80 Portfolio	Age-Based Portfolios		
InvestEd 70 Portfolio	Age-Based Portfolios		
InvestEd 60 Portfolio	Age-Based Portfolios		
InvestEd 50 Portfolio	Age-Based Portfolios		
InvestEd 40 Portfolio	Age-Based Portfolios		
InvestEd 30 Portfolio	Age-Based Portfolios		
InvestEd 20 Portfolio	Age-Based Portfolios		
InvestEd 10 Portfolio	Age-Based Portfolios		
InvestEd 0 Portfolio	Age-Based Portfolios		
InvestEd 90 Portfolio	Static Portfolios		
InvestEd 80 Portfolio	Static Portfolios		
InvestEd 70 Portfolio	Static Portfolios		
InvestEd 60 Portfolio	Static Portfolios		
InvestEd 50 Portfolio	Static Portfolios		
InvestEd 40 Portfolio	Static Portfolios		
InvestEd 30 Portfolio	Static Portfolios		
InvestEd 20 Portfolio	Static Portfolios		
InvestEd 10 Portfolio	Static Portfolios		
InvestEd 0 Portfolio	Static Portfolios		
Ivy Core Equity	U.S. Equity Funds		
Ivy ProShares SP500 Div Arist Index	U.S. Equity Funds		
Ivy Large Cap Growth	U.S. Equity Funds		

Ivy Mid Cap Growth	U.S. Equity Funds		
Ivy ProShares Russell 2000 Div Gr Idx	U.S. Equity Funds		
Ivy Small Cap Growth	U.S. Equity Funds		
Ivy International Core Equity	Global/International Equity Funds		
Ivy ProShares MSCI ACWI Index	Global/International Equity Funds		
Ivy Global Equity Income Fund	Global/International Equity Funds		
Ivy Securian Core Bond	Fixed Income Funds		
Ivy High Income	Fixed Income Funds		
Ivy ProShares Interest Rate HY Index	Fixed Income Funds		
Ivy ProShares S&P 500 Bond Index	Fixed Income Funds		
Ivy Limited-Term Bond	Fixed Income Funds		
Ivy Govt Money Market	Fixed Income Funds		
Ivy Securian Real Estate Securities	Specialty Funds		
Ivy Asset Strategy	Specialty Funds		
Ivy Natural Resources	Specialty Funds		
Ivy Science & Technology	Specialty Funds		

EXHIBIT C: PERSONNEL INFORMATION

Personnel

Please provide a list of all key personnel involved who will be involved as Program Manager, including the lead investment managers, marketing personnel, and client relationship managers. For the lead investment managers, please include the size and quantity of portfolios they currently manage and any other strategies they work on. For each individual, please answer in the format below and attach biographies. Add as many rows as necessary.

Name	Title	Education	Role at Firm	Total Inv. Exp. (years)	Tenure with Firm (years)

EXHIBIT D: FEES/COST OF SERVICES

Please propose the Advisor Plan pricing schedule. Share class options that meet a variety of advisor needs are preferred, including: 1) a traditional A-type share class option that has a front-end sales charge for commission-based advisors, and 2) an Institutional/Clean share class option for fee-only financial advisors. Please note that AZ 529 will not accept any product options that charge Contingent Deferred Sales Charges (CDSC) or “back-end” fees (as outlined in the Plan’s Investment Policy Statement).

The State fee currently is 15 basis points for all assets after November 18, 2006, in the IVY InvestEd plan (there is approximately \$171 million of pre-11.18.2006 AUM that IVY pays to a prior provider); and then 10 basis points for first \$100 million of Ivy Funds and 5 basis points after that. On net, the State is receiving about 10 basis points on ALL AUM and is willing to reduce that fee in negotiations. The AZ 529 Plan also, per rule, requires a Program Manager to remit \$10 for each new account opening to administer the program that is not paid for by investors but rather by the Program Manager.

Indicate whether proposed fees will be reduced as AUM increases. If so, please provide the breakpoint for all fees.

1. Complete the following chart for each investment option and share class being proposed. Please copy the chart for each share class offering and add/delete rows if needed.

Share Class:	Estimated Underlying Investment Expense	Program Management Fee	Distribution and Marketing Fee	State Administration Fee	Total Annual Asset-Based Fee	Maximum Initial Sales Charge
Age-Based Portfolio						
Static (Target-Risk Portfolio)						
Individual Portfolio						

2. If you are proposing Annual Account Fees, specify any exceptions or waivers to the Fees.
3. Indicate whether your proposal includes a “most-favored-nations” provision.
4. Specify any additional charges in connection with your proposal to provide the services. Any fees or expenses not identified in this Exhibit will not be considered.
5. If you currently receive fees from the managers of underlying investments, identify those fees. If you have proposed non-proprietary underlying investments, do you expect to receive fees from those managers? Will you consider sharing any fees received with the State or otherwise using them to offset the cost of the Program?
6. In what instances would fees be reduced during the term of the Management Agreement?
7. Have you or will you pay a finder’s fee to any third party for business related to this account?

EXHIBIT E: PERFORMANCE

Performance

1. If your firm is GIPS® compliant, please attach a GIPS-compliant presentation for similarly managed accounts.
2. If your firm is NOT GIPS compliant, please either attach a chart detailing your firm's performance for similarly managed accounts for at least the past five (5) years, including as much detail as possible beyond merely performance data, OR fill out the following table:

Year	Gross of Fees Return (%)	Net of Fees Return (%)	Benchmark Return (%)	Number of Portfolios	Total Public Account Composite Assets	Total Firm Assets
2020						
2019						
2018						
2017						
2016						

GIPS Compliance

Please respond to Questions 1– 2 if your firm is GIPS compliant:

1. How many years has your firm been GIPS compliant?
2. Has your firm been verified? Please specify the name of your verifier and provide a verification letter. Please provide the number of years your firm has been verified.
3. Please respond to question below if your firm is NOT GIPS compliant:
 - Please name and define the composite for the strategy that is the subject of this RFP.
 - When presenting gross of fees returns, please disclose if any other fees are deducted in addition to trading expenses.
 - When presenting net of fees returns, please disclose exactly what other fees are deducted in addition to the investment management fees and trading expenses.
 - If your firm uses a custom benchmark, please describe the benchmark and the process and rationale behind the creation of this benchmark.
 - Please disclose the policy used to allocate cash to disburse returns, if applicable.
 - Please disclose the use of any sub adviser(s) and the periods used.

-
- Is there a minimum asset level below which portfolios are not included in a composite? If so, what is that level?
 - Is additional information regarding policies for calculating and reporting returns available upon request?
 - Please disclose if your firm does not value portfolios at the end of each month (i.e., either the last day of the month or the last business day of the month). If so, please explain why not.

EXHIBIT F: ASTO INVESTMENT POLICY

Statement

1. Click or copy and paste link below to see the Arizona State Treasury's 529 Investment Policy Statement.

<https://tinyurl.com/db7tmm8>

EXHIBIT G: Invest Ed Fund BALANCES (as of June 30, 2021)

Fund	Style	Market Value	% of Plan Assets
InvestEd 90 Portfolio	Age-Based Portfolios	\$6,102,213	0.8%
InvestEd 80 Portfolio	Age-Based Portfolios	\$16,069,096	2.1%
InvestEd 70 Portfolio	Age-Based Portfolios	\$19,913,943	2.6%
InvestEd 60 Portfolio	Age-Based Portfolios	\$27,445,592	3.5%
InvestEd 50 Portfolio	Age-Based Portfolios	\$34,899,560	4.5%
InvestEd 40 Portfolio	Age-Based Portfolios	\$41,116,674	5.3%
InvestEd 30 Portfolio	Age-Based Portfolios	\$45,655,599	5.9%
InvestEd 20 Portfolio	Age-Based Portfolios	\$56,889,600	7.3%
InvestEd 10 Portfolio	Age-Based Portfolios	\$51,371,215	6.6%
InvestEd 0 Portfolio	Age-Based Portfolios	\$41,834,105	5.4%
InvestEd 90 Portfolio	Static Portfolios	\$8,204,213	1.1%
InvestEd 80 Portfolio	Static Portfolios	\$833,976	0.1%
InvestEd 70 Portfolio	Static Portfolios	\$101,785,946	13.1%
InvestEd 60 Portfolio	Static Portfolios	\$40,285,564	5.2%
InvestEd 50 Portfolio	Static Portfolios	\$988,306	0.1%
InvestEd 40 Portfolio	Static Portfolios	\$17,300,692	2.2%
InvestEd 30 Portfolio	Static Portfolios	\$1,110,539	0.1%
InvestEd 20 Portfolio	Static Portfolios	\$5,303,223	0.7%
InvestEd 10 Portfolio	Static Portfolios	\$861,984	0.1%
InvestEd 0 Portfolio	Static Portfolios	\$6,083,063	0.8%
Ivy Core Equity	U.S. Equity Funds	\$19,125,378	2.5%
Ivy ProShares SP500 Div Arist Index	U.S. Equity Funds	\$2,329,298	0.3%
Ivy Large Cap Growth	U.S. Equity Funds	\$34,341,716	4.4%
Ivy Mid Cap Growth	U.S. Equity Funds	\$21,626,178	2.8%
Ivy ProShares Russell 2000 Div Gr Idx	U.S. Equity Funds	\$525,127	0.1%
Ivy Small Cap Growth	U.S. Equity Funds	\$15,398,009	2.0%
Ivy International Core Equity	Global/International Equity Funds	\$8,140,038	1.0%
Ivy ProShares MSCI ACWI Index	Global/International Equity Funds	\$888,007	0.1%
Ivy Global Equity Income Fund	Global/International Equity Funds	\$5,215,427	0.7%
Ivy Securian Core Bond	Fixed Income Funds	\$4,851,746	0.6%
Ivy High Income	Fixed Income Funds	\$9,228,650	1.2%
Ivy ProShares Interest Rate HY Index	Fixed Income Funds	\$173,756	0.0%
Ivy ProShares S&P 500 Bond Index	Fixed Income Funds	\$942,731	0.1%
Ivy Limited-Term Bond	Fixed Income Funds	\$7,680,588	1.0%
Ivy Govt Money Market	Fixed Income Funds	\$11,053,033	1.4%
Ivy Securian Real Estate Securities	Specialty Funds	\$2,885,736	0.4%
Ivy Asset Strategy	Specialty Funds	\$40,996,933	5.3%
Ivy Natural Resources	Specialty Funds	\$2,705,669	0.3%
Ivy Science & Technology	Specialty Funds	\$64,605,466	8.3%
		\$776,768,591	100.0%

EXHIBIT H: COPY OF A.A.C. R2-7-103 (CONFIDENTIAL INFORMATION) AS WAS CURRENT AT TIME OF SOLICITATION ISSUANCE

PROVIDED FOR REFERENCE ONLY

1. If a person wants to assert that a person's offer, specification, or protest contains a trade secret or other proprietary information, a person shall include with the submission a statement supporting this assertion. A person shall clearly designate any trade secret and other proprietary information, using the term "confidential". Contract terms and conditions, pricing, and information generally available to the public are not considered confidential information under this Section.
 - Until a final determination is made under subsection (C), an agency chief procurement officer shall not disclose information designated as confidential under subsection (A) except to those individuals deemed by an agency chief procurement officer to have a legitimate state interest.
 - Upon receipt of a submission, an agency chief procurement officer shall make one of the following written determinations:
2. The designated information is confidential, and the agency chief procurement officer shall not disclose the information except to those individuals deemed by the agency chief procurement officer to have a legitimate state interest;
3. The designated information is not confidential; or
4. Additional information is required before a final confidentiality determination can be made.
 - If an agency chief procurement officer determines that information submitted is not confidential, a person who made the submission shall be notified in writing. The notice shall include a time period for requesting a review of the determination by the state procurement administrator.
5. An agency chief procurement officer may release information designated as confidential under subsection (1) if:
 - A request for review is not received by the state procurement administrator within the time period specified in the notice; or
 - The state procurement administrator, after review, makes a written determination that the designated information is not confidential.

EXHIBIT I: CONFIDENTIAL INFORMATION DESIGNATION

All materials submitted as part of a response to a solicitation are subject to Arizona public records law and will be disclosed if there is an appropriate public records request at the time of or after the award of the contract. Recognizing there may be materials included in a solicitation response that are proprietary or a trade secret, a process is set out in A.A.C. R2-7-103 (copy can be found at: <https://www.azsos.gov/rules/arizona-administrative-code>) that will allow qualifying materials to be designated as confidential and excluded from disclosure. For purposes of this process the definition of “trade secret” will be the same as that set out in A.A.C. R2-7-101(50).

Complete this form. Return it with your Offer along with the appropriate supporting information to assist State in making its determination as to whether any of the materials submitted as part of your Offer should be designated confidential because the material is proprietary or a trade secret and therefore not subject to disclosure.

STATE WILL NOT CONSIDER ANY MATERIAL IN YOUR OFFER “CONFIDENTIAL” UNLESS DESIGNATED ON THIS FORM.

Check one of the following – if neither is checked, State will assume that as equivalent to “DOES NOT”:

<input type="checkbox"/>	This response DOES NOT contain proprietary or trade secret information. I understand that my entire response will become public record in accordance with A.A.C. R2-7-C317.
<input type="checkbox"/>	<p>This response DOES contain trade secret information because it contains information that:</p> <p>Is a formula, pattern, compilation, program, device, method, technique or process, AND</p> <p>Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; AND</p> <p>Is the subject of efforts by myself or my organization that are reasonable under the circumstances to maintain its secrecy?</p>

NOTE: Failure to attach an explanation may result in a determination that the information does not meet the statutory trade secret definition. All information that does not meet the definition of trade secret as defined by A.A.C. R2-7-101(50) will become public in accordance with A.A.C.

R2-7-C317. State may make its own determination on materials in accordance with A.A.C. R2-7-103.

If State agrees with Offeror's designation of trade secret or confidentiality and the determination is challenged, the undersigned hereby agrees to cooperate and support the defense of the determination with all interested parties, including legal counsel or other necessary assistance.

By submitting this response, Offeror agrees that the entire Offer, including confidential, trade secret and proprietary information may be shared with an evaluation committee and technical advisors during the evaluation process. Offeror agrees to indemnify and hold State, its agents and employees, harmless from any claims or causes of action relating to State's withholding of information based upon reliance on the above representations, including the payment of all costs and attorney fees incurred by State in defending such an action.

_____ Offeror Company Name	_____ Signature of Authorized Person
_____ Address	_____ Printed Name
_____ City State Zip	_____ Title

EXHIBIT J: CONFORMANCE STATEMENTS

ASTO WILL NOT CONSIDER ANY EXCEPTIONS UNLESS DESIGNATED ON THIS FORM. READ THE INSTRUCTIONS TO OFFERORS BEFORE TAKING ANY EXCEPTIONS – TAKING EXCEPTIONS CAN BE GROUNDS FOR STATE REJECTING OR DOWN-GRADING YOUR OFFER IN EVALUATION.

CONFORMANCE TO THE INSTRUCTIONS

Check one of the following – if neither is checked, State will assume that as equivalent to “YES”:

- ☐ YES – Offeror acknowledges that it has read and understands the Instructions to Offerors of the Solicitation Documents and attests that its Offer complies.
- ☐ NO – Offeror acknowledges that it has read and understands the Instructions to Offerors of the Solicitation Documents, and attests that its Offer complies with both EXCEPT FOR the exceptions listed in **Exhibit J Supplement 1**.

CONFORMANCE TO THE SCOPE

Check one of the following – if neither is checked, State will assume that as equivalent to “YES”:

- ☐ YES – Offeror acknowledges that it has read and understands the Scope Document of the Solicitation Documents and attests that its Offer complies.
- ☐ NO – Offeror acknowledges that it has read and understands the Scope Document in Part 2 of the Solicitation Documents and attests that its Offer complies EXCEPT FOR the exceptions listed in **Exhibit J Supplement 2**.

CONFORMANCE TO THE CONTRACT TERMS AND CONDITIONS

Check one of the following – if neither is checked, State will assume that as equivalent to “YES”:

- ☐ YES – Offeror acknowledges that it has read and understands the Special Terms and Conditions and the Uniform Terms and Conditions, along with their respective Exhibits of the Solicitation Documents and attests that its Offer complies with both.
- ☐ NO – Offeror acknowledges that it has read and understand the Special Terms and Conditions and the Uniform Terms and Conditions, along with their respective Exhibits of the Solicitation Documents and attests that its Offer complies with both EXCEPT FOR the exceptions listed in **Exhibit J Supplements 3 & 4**.

EXHIBIT J – SUPPLEMENT 1: EXCEPTIONS TO INSTRUCTIONS

Article / Paragraph or Exhibit Reference	Proposed Changes / Alternate Language	Rationale for Proposed Change
No.1: Instructions to Offerors		

Company Name

Signature of Person Authorized to Sign

EXHIBIT J – SUPPLEMENT 2: EXCEPTIONS TO SCOPE OF WORK

Article / Paragraph or Exhibit Reference	Proposed Changes / Alternate Language	Rationale for Proposed Change
No.2: Scope of Work		

Company Name

Signature of Person Authorized to Sign

EXHIBIT J – SUPPLEMENT 3: EXCEPTIONS TO CONTRACT TERMS AND CONDITIONS

Article / Paragraph or Exhibit Reference	Proposed Changes / Alternate Language	Rationale for Proposed Change
No.3: Special Terms & Conditions		

Company Name

Signature of Person Authorized to Sign

EXHIBIT J – SUPPLEMENT 4: EXCEPTIONS TO UNIFORM TERMS AND CONDITIONS

Article / Paragraph or Exhibit Reference	Proposed Changes / Alternate Language	Rationale for Proposed Change
No.4: Uniform Terms & Conditions		

Company Name

Signature of Person Authorized to Sign

EXHIBIT K: BOYCOTT OF ISRAEL DISCLOSURE

Please note that if any of the following apply to this Solicitation, Contract, or Contractor, then the Offeror shall select the “Exempt Solicitation, Contract, or Contractor” option below:

- The Solicitation or Contract has an estimated value of less than \$100,000;
- Contractor is a sole proprietorship;
- Contractor has fewer than ten (10) employees; OR
- Contractor is a non-profit organization.

Pursuant to A.R.S. §35-393.01, public entities are prohibited from entering into contracts “unless the contract includes a written certification that the company is not currently engaged in and agrees for the duration of the contract to not engage in, a boycott of goods or services from Israel.”

Under A.R.S. §35-393:

1. "Boycott" means engaging in a refusal to deal, terminating business activities or performing other actions that are intended to limit commercial relations with entities doing business in Israel or in territories controlled by Israel, if those actions are taken either:
 - (a) Based in part on the fact that the entity does business in Israel or in territories controlled by Israel.
 - (b) In a manner that discriminates on the basis of nationality, national origin or religion and that is not based on a valid business reason.
2. "Company" means an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate, that engages in for-profit activity and that has ten or more full-time employees.
3. "Public entity" means this State, a political subdivision of this State or an agency, board, commission or department of this State or a political subdivision of this State.

The certification below does not include boycotts prohibited by 50 United States Code Section 4842 or a regulation issued pursuant to that section. See A.R.S. §35-393.03.

In compliance with A.R.S. §§35-393 et seq., all offerors must select one of the following:

- ☐ The Company submitting this Offer **does not** participate in, and agrees not to participate in during the term of the contract, a boycott of Israel in accordance with A.R.S. §§35-393 *et seq.* I understand that my entire response will become public record in accordance with A.A.C. R2-7-C317.
- ☐ The Company submitting this Offer **does** participate in a boycott of Israel as described in A.R.S. §§35-393 *et seq.*
- ☐ **Exempt Solicitation, Contract, or Contractor.**

Indicate which of the following statements applies to this Contract:

- ☐ Solicitation or Contract has an estimated value of less than \$100,000;
- ☐ Contractor is a sole proprietorship;
- ☐ Contractor has fewer than ten (10) employees; and/or
- ☐ Contractor is a non-profit organization.

Company Name

Signature of Person Authorized to Sign

Address

Printed Name

City State Zip

Title

EXHIBIT L: SAMPLE OF CONTRACT PROPOSAL

ARIZONA FAMILY COLLEGE SAVINGS PROGRAM MANAGEMENT AND ADMINISTRATIVE
SERVICES AGREEMENT

Agreement Number ____

This Agreement is entered into by and between _____, and the Office of the Arizona State Treasurer (the "Treasurer") in the exercise of its authority with respect to the AZ529, Arizona's Education Savings Plan (the "Plan") and the Trust Fund as "AZ529, Arizona's Education Savings Plan Trust Fund" (the "Trust"); on behalf of the Arizona State Board of Investment (the "Board") as trustee (the "Trustee") of the Plan and the Trust.

WHEREAS, the State of Arizona (the "State") has adopted legislation, codified as A.R.S. § 15-1871 et seq. (the "Authorizing Legislation") that creates the Trust, as a governmental trust, a public instrumentality of the State for the public purpose of establishing the Plan and holding all contributions to the Trust and earnings on contributions to the Trust;

WHEREAS, the State has created the Plan and the Trust to allow participants ("Participants") to establish accounts with the Trust (the "Accounts") for the purpose of saving assets to fund the costs of higher education expenses and up to \$10,000 per taxable year per beneficiary to fund the costs of tuition in connection with enrollment at a public, private, or religious elementary or secondary educational institution in a manner benefiting from the tax incentives provided for qualified tuition programs under Section 529 ("Section 529") of the United States Internal Revenue Code of 1986, as amended from time to time (the "Code");

WHEREAS, the Authorizing Legislation allows contributions to be made to the Trust by Participants who have executed a tuition savings agreement with the Trust in exchange for interests issued by the Trust ("Trust Interests") which are "municipal fund securities" as defined in Rule D-12 of the Municipal Securities Rulemaking Board ("MSRB") and exempted securities as defined in Section 3(a)(2) of the Securities Act of 1933, as amended ("1933 Act"), and the Plan provides for the administration and investment of such contributions;

WHEREAS, the Authorizing Legislation, as amended by Laws 2020, Chapter 88, authorizes the Administrator, on approval by the Trustee, to enter into one or more contracts with financial institutions to act as managers and depositories of the Plan providing services to the Trust, including the administration and investment of assets of the Trust;

WHEREAS, based upon all factors the Trustee considered relevant, in accordance with the Authorizing Legislation and the recommendation of the Administrator, the Trustee selected _____ as a financial institution to provide the various investment, management, underwriting, administration and other services for the Trust as more fully referred to and described below (collectively, the "Services") in the implementation and operation of investment

options to be offered by the Plan (such options and related services referred to hereinafter as the "_____ 529 Plan"); and

WHEREAS, the Administrator and _____ wish to enter into this Agreement to provide for the terms of the Services to be provided by _____ to the Trust, which shall include among others, the underwriting of the Trust Interests by _____ and the investment of the assets of the Trust, in accordance with the standards prescribed by applicable laws and regulations, including federal and state securities laws, and the rules and regulations of the Securities and Exchange Commission ("SEC"), the MSRB, the Administrator and the Trustee;

NOW, THEREFORE, the parties do hereby agree as follows:

1. APPOINTMENT OF _____ AS SERVICE PROVIDER; SERVICES TO BE PROVIDED

1.1 The Administrator hereby appoints _____ to provide all services necessary to implement the marketing, distribution, investment management, administration, custody and record-keeping aspects of the _____ 529 Plan, as described in this Agreement (the "Services"). The parties agree that the Administrator may, in its sole discretion and without the consent of _____, from time to time, at the Trust's expense, hire any such auditors, advisers or consultants as the Administrator may in its sole discretion deem appropriate to review, evaluate or otherwise advise regarding the _____ 529 Plan, or any aspect of the _____ 529 Plan, or the performance of the Services by _____. _____ agrees that it shall cooperate with any such auditors, advisers, attorneys or consultants hired by the Trust provided such cooperation does not unreasonably interfere with the performance of the Services.

1.2 _____ will provide the investment options and related Services to the Trust with respect to the investment of money in the Accounts in the Trust. Such investment options shall include the portfolios offered by _____ and such other investment options agreed to between _____ and the Administrator (the "Investment Options") (See Schedule B, which is attached hereto and incorporated herein). _____ will invest the assets of the _____ 529 Plan held in the Trust as a fiduciary and investment agent of the Administrator. _____ shall develop, implement and operate the _____ 529 Plan at the Administrator's direction. The Administrator is authorized to direct the Trust so that the financial instruments within the Trust perform consistent with the Trustee's fiduciary duty. Directing the Trust includes selecting the Investment Options, as hereafter defined, available to Participants in the _____ 529 Plan. During the term of this Agreement, the Investment Options as listed in Schedule B are to be reviewed annually with the Administrator and evaluated on their ability to meet stated investment objectives and performance benchmarks as set forth in the Plan's Investment Policy Statement. The Administrator, on behalf of the Board as Trustee, is entitled to require that _____ replace or revise, or

cause to be replaced or revised, one or more Investment Options with other Investment Options available through _____ as are acceptable to the Administrator. The parties may consult with each other and may thereafter propose revised Investment Options consistent with the Plan's Investment Policy Statement as deemed appropriate. Within 60 days of receipt of _____'s recommendations, the Administrator shall notify _____ of its approval or revisions to _____'s recommendations. The parties agree to work in good faith to implement the Administrator's approved changes. In accordance with the Board's fiduciary obligations as Trustee of the Trust, the Treasurer's obligations as Administrator of the Trust and _____'s obligations as Program Manager, _____ and the Administrator may each review the Investment Options annually and propose in writing changes to the Investment Options. In the event of any agreed change adopted by the Administrator, _____ shall have a commercially reasonable period of time to implement such changes, including, without limitation, divestitures and acquisitions of securities directed by the Administrator on behalf of the Trustee, taking into consideration relevant market factors and the benefits to Account Owners of minimizing transaction costs, subject to the requirements of applicable law. _____ agrees to periodically review the fees and expenses of the Investment Options and take commercially reasonable measures to keep such fees and expenses competitive with those of other comparable advisor-sold 529 plans identified in the Plan's Investment Policy Statement as having a target of annual asset-based expenses in the 75th percentile or better versus an appropriate peer group of advisor-sold 529 plans over a rolling three-year time period. All monies received as contributions to the Trust shall be deposited by _____ into the Trust's Investment Options and invested in the Trust's Investment Options designated by the participant in the _____ 529 Plan Account application and subsequent instructions. The assets of the Trust shall be preserved, invested and expended by _____ pursuant to and for the purposes of the Trust. In making investment decisions for each account, _____ shall comply with all applicable laws and regulations, including applicable securities laws and regulations, and shall take into account such information concerning account owners and beneficiaries as it believes may be consistent with the requirements of Section 529 and any guidance thereunder provided by the U.S. Treasury Department and/or the Internal Revenue Service.

1.3 _____ will create and implement a statewide and national marketing program for the _____ 529 Plan, and will sell Trust Interests, which _____ acknowledges are municipal fund securities as defined in Rule D-12 of the MSRB Rules. Trust Interests may be held in accounts through _____. Sales and marketing Services may include, in the best judgment of _____, any or all of the following: (1) advertisements by means of direct mail, radio, television, Internet or any other medium; (2) education of the public and the financial press through press releases, informational brochures, etc.; (3) in person support at Plan events or activities throughout the year; (4) _____ 529 Plan educational training and marketing support resources for investment professionals; (5)

development of free publicity (earned media) for the _____ 529 Plan; and (6) such other activities as _____ may deem advisable. _____ shall present such marketing program and materials to the Administrator for approval prior to using such marketing program and materials, which approval shall not be unreasonably withheld. On an annual basis, which date shall be mutually agreed upon by the parties, _____ shall submit, in writing, a proposed marketing plan for the _____ 529 Plan to the Administrator, which shall set forth a detailed outline of proposed marketing and promotional activities for the following calendar year as well as a summary report of the results of the prior calendar year's marketing plan. The proposed marketing plan shall include but not be limited to sample advertising materials and a specific plan for the organization and management of direct mail, digital, multi-media and/or print campaigns designed to maximize participation in the _____ 529 Plan. Prior to implementation, each marketing plan must be satisfactory to the Administrator. The annual marketing budget for the _____ 529 Plan upon which the proposed marketing plan shall be based, will be a minimum of _____ each calendar year.

1.4 _____ and/or its affiliated companies shall perform all administration and record-keeping services required by law and/or necessary to carry out the purposes of the _____ 529 Plan, including, but not limited to, the following: (1) maintaining records showing account balances, contributions, investments, tax basis, etc.; (2) tax reporting services, including (a) producing and furnishing original 1099-Q tax forms to _____ 529 Plan contributors and beneficiaries and providing such data to the Office of the Arizona State Treasurer, which is the party responsible for filing the original 1099-Q tax form reporting with the Internal Revenue Service, and (b) producing and furnishing corrected 1099-Q tax forms to _____ 529 Plan contributors and beneficiaries and providing such corrected 1099-Q tax form data to the Office of the Arizona State Treasurer, which is the party responsible for electronically filing the corrected 1099-Q tax form reporting with the Internal Revenue Service; (3) collecting from each account all required fees and all daily and annual charges, and disbursing that portion of such collected fees as is payable to the Trust pursuant to this Agreement to appropriate accounts as may be designated by the Administrator from time to time; and (4) maintaining compliance of the _____ 529 Plan with all applicable state and federal laws and regulations, including but not limited to filing any applications, statements or notices as the case may be with any federal or state governmental authority.

1.5 The performance of the Services shall be carried out by employees of _____ and/or its affiliated companies. _____ and/or its affiliated companies shall at its own expense provide all personnel necessary to perform the Services. _____ warrants that all personnel engaged in the Services shall be qualified to perform the Services and shall be properly licensed and otherwise authorized to do so under all applicable laws. _____ shall not hire, and shall permit no subcontractor or other person, firm or corporation with

whom it is engaged in a combined effort to perform the Services, to hire any person who is a State officer or employee, elected or appointed. Notwithstanding anything in this Agreement to the contrary, _____ may subcontract with its corporate affiliates that are companies in the _____ to provide services that will enable it to perform the services described in paragraphs 1.3 or 1.4 or may otherwise utilize the employees of such companies. The entering into of any such contract shall not absolve _____ of any of its liabilities or responsibilities under this Agreement.

1.6 _____ shall prepare and declare an offering document or documents for the _____ 529 Plan, and create a form of tuition saving agreement for an _____ 529 Plan Account between the Trust and _____ 529 Plan contributors ("Offering Materials") which meet the requirements of applicable law and regulations, including, without limitation the rules of the MSRB applicable to municipal fund securities. The Offering Materials shall also be in substantial compliance with the most recent version of the College Savings Plans Network Disclosure Principles Statement originally adopted December 2004, as amended from time to time. In addition to other requirements, the Offering Materials shall meet the format, content, and other standards applicable to the prospectuses, advertisements and other materials used for the offer and sale of shares of mutual funds, adjusted as necessary to reflect differences between the Trust Interests as municipal fund securities and mutual fund shares. _____ shall present such Offering Materials to the Administrator for approval prior to using such Offering Materials, which approval shall not be unreasonably withheld.

1.7 _____ shall act as the underwriter of the Trust Interests in accordance with the requirements of the federal securities laws, SEC and MSRB rules and other applicable laws and regulations. It is understood that references to applicable laws and regulations shall also include rules of self-regulatory organizations having jurisdiction over _____.

1.8 _____ shall assist the Trustee, the Administrator and the AZ 529 Advisor Plan in developing and implementing changes to the Trustee's or Administrator's administrative rules, codified as A.A.C. Title 7, Chapter 3, §R7-3-101, et seq., as may be required from time to time to ensure compliance of the _____ 529 Plan with applicable state and federal laws, including the Authorizing Legislation and applicable provisions of the Code and regulations promulgated thereunder.

1.9 _____ shall (i) hold all Accounts for the benefit of the Trust and the Account Owners; (ii) provide the Administrator with copies of all regulatory filings and reports made by _____ in connection with the administration of the _____ 529 Plan until the Termination Date of this Agreement or while it is holding any Accounts other than confidential filings or reports that will not become part of the Plan and reports of chief

compliance officers of the Investment Options. _____ shall make available for review by the Administrator the results of any periodic examination of _____ by any state or federal regulator related to the _____ 529 Plan, except to the extent that such report or reports may not be disclosed under applicable law or regulation.

1.10 _____ shall perform the Services, and discharge its responsibilities, duties and obligations under the Agreement with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

2. REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 The Trustee or Administrator, as applicable, hereby represents and warrants as follows:

- (a) the Trust is a trust duly organized, validly existing and in good standing under the laws of the State of Arizona;
- (b) the Administrator, on behalf of the Trustee, has the full legal right, power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby;
- (c) the execution, delivery and performance of this Agreement has been duly and validly approved by the Trustee and Administrator, as applicable, in accordance with all applicable state laws including the Authorizing Legislation;
- (d) no consents, licenses or approvals of any agency or instrumentality of the State of Arizona or of any third party are necessary in connection with the execution and delivery by the Administrator, on behalf of the Trustee, of this Agreement and the consummation of the transactions contemplated hereby; and
- (e) to the best of the Administrator's knowledge, the execution and delivery of this Agreement and performance of this Agreement will not conflict with or constitute on the part of the Administrator a breach or default under any agreement or other instrument to which the Administrator is a party or any existing law, administrative regulation, court order or consent decree to which the Administrator is subject.

2.2 _____ hereby represents and warrants as follows:

- (a) _____ is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction under whose laws it is organized;
- (b) _____ has the full legal right, power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby;
- (c) _____ has obtained all necessary corporate actions approving the execution, delivery and performance of this Agreement and each person signing this Agreement below on behalf of _____, as indicated above such person's signature, is duly

-
- authorized to enter into this Agreement on behalf of _____ and is empowered to bind _____ respectively, to the terms and conditions of this Agreement;
- (d) no consents, licenses or approvals of or filings or registrations with any court, administrative agency or commission or other governmental authority or instrumentality or with any third party are necessary in connection with the execution and delivery by _____ of this Agreement and the consummation of the transactions contemplated hereby; and
- (e) to the best of _____'s knowledge, the execution and delivery of this Agreement and performance of this Agreement will not conflict with or constitute on the part of _____ a breach or default under any agreement or other instrument to which _____ is a party or any existing law, administrative regulation, court order or consent decree to which _____ is subject;

2.3 _____ covenants as of the date hereof that:

- (a) The Offering Materials will not include any untrue statement of a material fact or omit to state any material fact required to be stated in the Offering Materials or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the foregoing representation and warranty shall not apply to statements in the Offering Materials made in reliance upon and in conformity with the information furnished to _____ in writing by the Administrator expressly for use in the Offering Materials; and
- (b) It will comply with all applicable law and regulation in the offering and sale of Trust Interests and the performance of the other Services.

2.4 _____ represents and warrants that it is and will continue to be a broker-dealer registered as such with the SEC and the various states, including Arizona, a municipal securities underwriter registered as such with the MSRB and a member in good standing of FINRA.

2.5 _____ represents and warrants that its directors, officers, employees, and other individuals or entities dealing with the money and/or securities of the Trust are and shall continue to be at all times covered by a blanket fidelity bond or similar coverage in an amount not less than that required currently by rule 17g-(1) of the Investment Company Act or related provisions as may be promulgated from time to time. The aforesaid bond shall include coverage for larceny and embezzlement and shall be issued by a reputable bonding company. _____ represents and warrants that it is covered by an errors and omissions insurance policy in an amount not less than \$10 million and that it will continue to maintain such coverage or similar coverage during the term of this Agreement.

2.6 _____ represents, warrants and covenants as of the date hereof that:

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- (a) each of the Investment Options in which the Trust shall invest is and shall at all times remain a registered open-end management investment company and its registration with the SEC as an investment company under the Investment Company Act, as amended and 1933 Act, as amended, is and shall at all times remain in full force and effect;
 - (b) each Investment Option has investment policies, fees, and expenses that are and shall always remain in compliance with applicable law and regulations, if any;
 - (c) its operations are and shall always remain in compliance with applicable law to the extent required to perform this Agreement;
 - (d) each Investment Option is and shall always remain in material compliance with the requirements of the Investment Company Act;
 - (e) _____ has not been named in any regulatory or legal proceedings ("Proceedings") relating to the management, administration or distribution of the Mutual Funds that would have an adverse material effect on the _____ 529 Plan or qualified tuition programs qualified under Section 529, and shall promptly provide to the Administrator notice of the commencement of any other Proceedings and such information as the Administrator may request concerning such Proceedings; and
 - (f) Except for money market funds, the board of trustees of each Mutual Fund has adopted policies and procedures designed to discourage excessive trading of Fund shares.
 - (g) _____ will not offer any Investment Options in _____ 529 Plan that charge Contingent Deferred Sales Charges (CDSC) or "back-end" fees, it being understood that pro-rated Account Maintenance Fees, as specified in Section 4.3, are not considered CDSCs or "back-end" fees.

2.7 _____ Names and contact information for the chief compliance officer(s) of _____, and the Investment Options have been provided to the Administrator, and _____ agrees to notify the Administrator promptly of any changes in such information. _____ shall arrange for meetings of the Administrator or its representative with such chief compliance officers upon request by the Administrator.

2.8 _____ will continue the public offering of interests in the _____ 529 Plan.

2.9 _____ covenants that it will promptly deliver to the Administrator each year the annual audited financial statements of _____ and the Investment Options within the _____ 529 Plan when issued and will respond to questions that the Trustee may reasonably request concerning such statements.

2.10 _____ will share a current copy of its information technology policies and procedures manual with the Administrator each year. _____ has a robust information security technology program, with ongoing internal reviews. _____ reviews its

information technology security program and takes appropriate action to remedy any material IT security weaknesses. _____ will notify the Administrator or its designated representative, if any breach impacts the accounts in the _____ 529 Plan, to report any material security defects, and report on remedial actions taken.

3. STRUCTURING OF PROGRAM

3.1 _____ shall use its best judgment in structuring all activities under the _____ 529 Plan so that the _____ 529 Plan may constitute a "qualified tuition program" under Section 529 of the Internal Revenue Code. _____ shall consult with such legal advisers as it deems appropriate with respect to issues concerning federal and state tax and securities laws. After consultation with the Administrator, _____ may, in accordance with its best judgment, seek such legal comfort concerning the status of the _____ 529 Plan under federal and state tax and securities laws as it deems advisable. This may include some, all or none of the following: seeking or obtaining (1) a private letter ruling from the IRS, (2) no-action letters from the U.S. SEC and/or from state securities regulators, (3) opinions of counsel, or (4) other legal rulings or advice; provided, however, that _____ shall obtain the consent of the Administrator prior to seeking any legal ruling or advice from a federal or state governmental agency concerning the _____ 529 Plan.

3.2 _____ shall provide operational performance measurement reports to the Administrator on a quarterly basis within 45 days after the end of each calendar quarter. Each such report shall provide data regarding the operation of the _____ 529 Plan with respect to the operational performance measurements agreed upon by the Administrator and _____. In performing the Services, _____ shall seek to achieve the operational performance measurement results as agreed upon. (b) _____ shall keep adequate records of each Account, keep each Account segregated from each other Account, compile financial information necessary for it to prepare, and prepare and deliver to the Administrator on a timely basis, the following reports and statements:

- (a) within twenty (20) Business Days immediately following the end of each calendar quarter, reports on the holdings and performance of each of the Investment Options in a form mutually satisfactory to the Administrator and _____; and
- (b) within forty (40) days immediately following the end of each calendar quarter, quarterly and, following the fourth quarter annual, statements of assets and liabilities, operations and changes in net assets in a form mutually satisfactory to the Administrator and _____.
- (c) _____ shall prepare and deliver to each Participant within thirty (30) days immediately following the end of the period to which they pertain, or such shorter period as may be required by law, trade confirmations, calendar quarter and calendar year statements containing all information required by applicable law.

3.3 _____ and the Administrator agree to execute an agreement complying with the requirements of Rule 15c2-12 of the Securities and Exchange Act of 1934. A form of agreement, as amended from time to time, is attached hereto as Schedule D.

4. COSTS AND EXPENSES

4.1 _____ shall bear all of its direct and indirect costs and expenses in connection with the _____ 529 Plan and none of such costs or expenses shall be paid from or reimbursed out of the _____ 529 Plan, except for such costs and expenses related to the Investment Options as are set forth in the prospectuses for the Investment Options or as otherwise set forth in the Offering Materials. These costs and expenses include, without limitation, the costs and expenses associated with (1) developing and implementing a marketing plan for the _____ 529 Plan, including all costs of printing, mailing and otherwise distributing advertisements and informational materials; (2) developing and implementing legal agreements between the _____ 529 Plan and contributors and beneficiaries of the _____ 529 Plan; (3) providing administrative and record-keeping services for the _____ 529 Plan; (4) developing and implementing any _____ 529 Plan documents and contracts, including legal agreements between _____ and the Trust for the provision of the Services by _____ to the _____ 529 Plan; and (5) all costs and expenses associated with providing the Services.

4.2 Unless otherwise agreed to by _____ in writing, the Trust shall bear all the costs of formation of the Trust, any costs related to the compensation of the Administrator or employees of the Office of the Administrator who may from time to time perform services with respect to the Trust, insurance, if any, for the Administrator, meetings of the Administrator, etc. _____ and the Administrator may negotiate an arrangement under which _____ will distribute to the Administrator in advance of the date when such funds would otherwise be distributed to the Administrator the Account Charges which are payable to the Administrator under this Agreement, as may be reasonably determined to be necessary to cover administrative expenses incurred by the Trust. In no event shall the Administrator pay _____ any fee, interest or other return on any funds distributed in advance to the Administrator pursuant to this paragraph 4.2. Funds distributed in advance to the Administrator pursuant to this paragraph 4.2 shall be deducted from later fees paid to the Administrator over such period of time as the Administrator and _____ shall mutually determine based on the revenues from the _____ 529 Plan and the expenses of the Trust.

4.3 During the term of this Agreement, the payment by the Trust of such compensation (the "Fee") as provided in this Agreement, if any, shall be the only, and the complete, reimbursement to _____ by the Trust for all expenses, of whatever nature,

incurred by _____ in the performance hereof, and shall be the only and the complete compensation to _____ by the Trust for the Services, it being understood that _____ and/or its affiliated companies shall be compensated by Participants and the Investment Options as set forth in the Offering Materials for the _____ 529 Plan, as amended from time to time. (See Schedule C, which is attached hereto and incorporated herein). The Trust, the Trustee, the _____ 529 Plan, the Plan, the Administrator and the State shall have no liability to _____ for fees or compensation for the Services or any other payment whether for expense or otherwise other than such compensation which shall be payable solely from assets of the _____ 529 Plan held in the Trust. Except as authorized by the Administrator in writing, no fee, charge or penalty shall be imposed in connection with the establishment or maintenance of any Account or any transaction therein, distributions or withdrawals therefrom or transfers thereof. (See Schedule C.) _____ acknowledges and agrees that _____ 529 Plan fees may be modified by changes in applicable state law and regulation. Upon any termination of this Agreement, _____ 529 Plan account-holders will not incur any closure or transfer fees or charges. _____ is authorized to charge a prorated Account Maintenance Fee to _____ 529 Plan accountholders who are not otherwise eligible for an Account Maintenance Fee Waiver. The Account Maintenance Fee will be prorated through the date of termination. _____ shall not act as underwriter of the portfolios of any other state's 529 Plan if the asset based charges assessed against such portfolios, and account level fees assessed against accounts investing in such portfolios (less the difference between the fee to be paid to the Administrator pursuant to Section 4.5 below and the comparable fee paid to such other state, if any), are less than the charges made against Investment Options and Accounts distributed through the same distribution channel within the _____ 529 Plan.

4.4 Each month the Administrator shall receive from _____ the New Account Fees, in the amount of ten dollars (\$10) (or such lesser or greater amount as may be determined in accordance with R7-3-502 of the Rules) for each account opened in the preceding calendar month. In lieu of the monthly Administrative Fee and the annual Marketing Fee as delineated in the applicable state regulations, the Administrator shall receive from _____ a monthly fee as specified in Section 4.5 and _____ shall spend an annual minimum marketing budget as specified in Section 1.3.

4.5 _____ will pay to the Administrator a fee calculated at an annual rate of: (a) 0.xx% of the average value of the assets invested in shares of all accounts opened by _____ on or after, 2021 pursuant to the _____ 529 Plan. The fee shall be calculated by _____ and paid to the Administrator monthly in arrears. The average value shall be determined monthly by adding the aggregate value of _____ 529 Plan assets as of the first Business Day of the month and the last Business Day of such month and dividing the resulting sum by two. For purposes of this section,

"Business Day" shall mean each day the New York Stock Exchange is open for trading. Upon any termination of this Agreement, _____'s obligation to pay the fee provided herein shall terminate and the amount owed shall be prorated through the date of termination; provided however, after termination, _____ shall continue to pay such fee monthly to the Administrator on all assets _____ has obtained under management in connection with the _____ 529 Plan so long as such assets remain on the books of _____ and its successors and assigns. The fee shall be prorated for any partial month during the term of this Agreement. Administrator agrees that the fees paid by _____ pursuant to this Section 4.5 will not exceed fees paid by any financial institution acting as a manager or depository of the Plan that offers Trust interests on other than a direct-sold basis (a "Broker-Sold Provider"). In the event a Broker-Sold Provider is paying fees to the Administrator that are less than those paid by _____, then the Administrator shall immediately provide _____ with written notice of such lower fees and will reduce _____'s fees to correspond with the lower fee paid by such Broker-Sold Provider. _____ will hold any fees payable pursuant to this Section 4.5 for the Administrator until such time that the Trustee puts in place the legal construct to collect said fees.

5. _____ COMMITMENT TO THE _____ PLAN

_____ will use its best efforts to obtain selling agreements with introducing broker-dealers who will obtain Participants for the _____ 529 Plan. Nothing in this paragraph shall be construed to require _____ to do anything that would, in its reasonable judgment, contravene any requirements of applicable law or regulation.

6. MUTUAL COOPERATION

The parties recognize that mutual cooperation is essential for the functioning of the _____ 529 Plan and understanding of the risks involved and agree to consult fully and freely with each other on matters of mutual concern. Each party agrees to cooperate fully with the other to ensure that the _____ 529 Plan qualifies under Section 529 of the Internal Revenue Code and remains in compliance with all applicable laws and regulations. The Administrator and the _____ 529 Plan will undertake their best efforts to ensure that the State does not take any action that might jeopardize the status of the program under Section 529 of the Code. Without limiting the generality of the foregoing, each party agrees to furnish the other with such financial, operational and other information, on a timely basis, as may be reasonably requested by the other. The parties further agree that, during the term of this Agreement, they shall maintain a Rule 15c2-12 Compliance Agreement, in substantially the form attached hereto as Schedule D and incorporated herein, setting forth their respective obligations with respect to complying with SEC Rule 15c2-12. When _____ acts as the Trust's designated agent for purposes of furnishing information or reports to external entities, _____ agrees to provide

to the Trust timely copies of all such data as provided. The parties shall establish a regular schedule of meetings to discuss operational, legal and other developments that might reasonably be expected to impact the _____ 529 Plan. The Administrator's representative and an individual appointed by _____ shall serve as contact persons for the purpose of carrying out this Agreement. The contact persons shall meet as frequently as any of them deem advisable and at least monthly during the first six calendar months of the Initial Term, and thereafter at least once during each calendar quarter. Such meetings shall be held in Phoenix, Arizona or, if mutually agreeable to the parties, by telephone. To ensure clear communication of goals, _____ will participate in the Plan's Annual Provider Review process which consists of two parts: (1) _____ will produce a written annual performance report regarding the _____ 529 Plan; and (2) _____ will provide an in-person presentation followed by an interview session with the Treasurer. The written report is to be provided on a mutually agreed upon date in a format that follows the Provider Review Guidelines as established by the Treasurer. Elements requested may include but are not limited to the following: product offerings, product performance, benchmarks, expense fees, industry evaluations, audited financial statements, compliance, customer service/satisfaction, IT security, marketing, communications, commitment to improvement, partnership support and responsiveness.

7. TERM OF AGREEMENT; TERMINATION; EFFECT OF TERMINATION

7.1 Effective Date. This Agreement shall be effective as of _____, 2021.

7.2 Term. This Agreement shall remain in effect for a term ending on _____, 2026 (the "Initial Term").

7.3 Renewal. This Agreement may be renewed up to one time for an additional two-year period upon the mutual consent of the Trustee, on the recommendation of the Administrator, and _____ in a written instrument executed by the parties. The total duration of this Agreement, including the Initial Term and Renewal Terms, shall not exceed seven years.

7.4 Termination. This Agreement may be terminated at any time, whether before or after the conclusion of the Initial Term, by mutual consent of the Trustee, on the recommendation of the Administrator, and _____ in a written instrument executed by the parties. This Agreement may also be terminated subject to and in accordance with the following paragraphs of this Section 7.4.

- (a) Termination by the Trustee with Cause. Subject to the provisions of this Section 7.4(a), this Agreement may be terminated at any time by the Trustee, on the recommendation of the Administrator, whether before or after the conclusion of the Initial Term, upon the occurrence of any one of the following events:
 - i. if _____ shall have committed a material breach of any of its covenants or agreements set forth herein or shall have failed to materially perform the

Services in accordance with the terms of the Agreement, provided, that if such breach or failure is capable of being cured, such breach or failure remains uncured for more than 120 days following written notice from the Administrator of such breach;

- ii. if _____ has produced investment performance with respect to the assets of the Trust that is substantially below levels of investment performance with respect to assets of similar type and amount that are invested in investments similar to those authorized under this Agreement and such substantial underperformance shall have continued for a period of 24 months;
- iii. if, at any time after the date of this Agreement, _____ has engaged in any activities which, in the Administrator's assessment, make the Trustee's continued involvement in the _____ 529 Plan economically unsound;
- iv. if _____ commences a voluntary case or other proceeding seeking rehabilitation, liquidation, reorganization or other relief with respect to itself or its debts under any rehabilitation, bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, rehabilitator, receiver, liquidator, custodian or other similar official of it or substantially all of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or file an answer admitting the material allegations of a petition filed against it in any such proceeding or fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;
- v. an involuntary case or other proceeding shall be commenced against _____ seeking rehabilitation, liquidation, reorganization or other relief with respect to it or its debts under any rehabilitation, bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or
- vi. if the Trustee, on the recommendation of the Administrator, should determine in its sole discretion that subsequent legislation, whether state, federal or otherwise, makes the continued operation of the _____ 529 Plan uneconomic or not in the best interests of its contributors and/or beneficiaries.

In addition to giving written notice of breach or failure pursuant to Section 7.4(a)(I), the Administrator may suspend payments to be made to _____ under this Agreement,

and, provided, that if such breach or failure is capable of being cured, such breach or failure is not cured within 90 days following written notice from the Administrator of such breach, the Administrator may order that the portion of the payments which would otherwise accrue to _____ during the period from the date of such notice until such time as the Administrator has determined that _____ has not cured the breach or failure shall never be paid to _____. Nothing in this Section 7.4(a) or any other provision of this Agreement shall limit the Administrator's right or ability to pursue any other remedy available to it at law or in equity or both.

(b) Termination by _____ with Cause. Subject to the provisions of this Section 7.4(b), this Agreement may be terminated at any time by _____, whether before or after the conclusion of the Initial Term, upon the occurrence of any one of the following events:

- i. if the Trust shall have committed a material breach of any of its covenants or agreements set forth herein; provided, that if such breach or failure is capable of being cured, breach remains uncured for more than 120 days following written notice from _____ of such breach; or
- ii. if, at any time after the date of this Agreement, the State, the Trustee, the Trust, the Administrator or any other instrumentality of the State that is involved in the management, direction or control of the business of the _____ 529 Plan has engaged in any activities or there has been a change in federal law which make _____'s continued involvement in the _____ 529 Plan economically unsound;

(c) Termination upon Expiration of the Initial Term without Cause. This Agreement shall be terminated upon expiration of the Initial Term unless prior to the expiration date the parties shall have agreed to renew this Agreement for an additional term pursuant to Section 7.3 hereof.

7.5 Effect of Termination

- (a) Except as specifically provided elsewhere in this Agreement and in this Section 7.5, upon termination of this Agreement, it shall immediately become void and shall have no effect.
- (b) Notwithstanding any termination of this Agreement, no party shall be relieved or released from any liabilities or damages arising out of its breach of any provision of this Agreement.
- (c) (c) If the _____ 529 Plan is to continue in operation after termination of this Agreement, _____ shall make all reasonable efforts and shall perform such services as the Administrator in its sole discretion shall determine are necessary and appropriate to enable the transition of the Trust and its assets from administration

and management by _____ to administration and management by the Administrator or its designated representative or representatives (the "Transition Services"). _____, the Administrator and Trustee agree that: (i) any such transition shall be performed in a manner which is in the best interests of Participants and Designated Beneficiaries as reasonably determined by the Trustee, on the recommendation of the Administrator; (ii) any Transition Services provided by _____ to the Accounts or the Trust shall continue to be subject to the control of the Board as the Trustee with responsibility for all Accounts of the _____ 529 Plan; and (iii) unless superseded by a later written agreement between the parties, the Transition Services will continue to be subject to the same standards prescribed for similar Services during the term of this Agreement. _____'s obligation to provide and complete the Transition Services shall survive and continue after the termination of this Agreement until the earlier of the following two dates: (i) such date, if any, as is communicated in writing by the Administrator to _____ that Transition Services no longer need be provided; and (ii) twenty-four months from the effective date of termination. This provision shall survive termination of this Agreement.

7.6 Solicitation of Accounts After Termination. If this (i) Agreement is terminated in accordance with Section 7.4 hereof, (ii) the Trustee is terminating the Plan, including all Investment Options offered by the Plan, after such termination of this Agreement, and (iii) the Agreement has not been terminated by the Trustee, on the recommendation of the Administrator, for cause, _____ may, with the prior consent of the Administrator, make direct solicitation of any Participant or beneficiary of a Trust account requesting such Participant or beneficiary to transfer of such account to another _____ 529 Plan qualified under Section 529 of the Code (a "Solicitation Request"). _____ shall submit any proposed Solicitation Request to the Administrator for its review at least three weeks before such material's intended use. If the Administrator objects to the form of the proposed Solicitation Request in writing to _____ within fifteen (15) business days following submission of the proposed Solicitation Request, then _____ will not use such materials and _____ and the Administrator shall cooperate to develop a mutually acceptable format for the Solicitation Request. If the Administrator does not object to the form of the proposed Solicitation Request within fifteen (15) business days, then _____ may use such materials.

8. INDEMNIFICATION

_____ shall indemnify, defend, save and hold harmless the State, its departments, agencies, boards, commissions, universities, the Plan, the _____ 529 Plan, the Trustee, the Administrator and each of their respective officers, officials, agents, and employees (each hereinafter referred to as "Indemnatee") from and against any and all claims, actions,

liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of _____ or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of _____ to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by _____ from and against any and all claims. It is agreed that _____ will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this Agreement, _____ agrees to waive all rights of subrogation against the State, its officers, officials, agents and employees for losses arising from the work performed by _____ for the State. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this Agreement.

9. MISCELLANEOUS

9.1 In the performance of this Agreement, _____ is in all respects an independent contractor and is neither an agent nor an employee of the State. Neither _____ nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, worker's compensation or other emoluments provided by the State to its employees.

9.2 In connection with the performance of the Services, _____ shall comply with all statutes, laws, regulations and orders of federal, state, county or municipal authorities which impose any obligation or duty upon _____, including but not limited to civil rights and equal opportunity laws. During the term of this Agreement, _____ shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap or national origin and will take affirmative action to prevent such discrimination.

9.3 _____ shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the Administrator.

9.4 On or after the effective date of this Agreement, all Data (defined below) developed, produced or obtained by _____ shall be the property of the State, and shall be returned to the State upon termination of this Agreement for any reason. All Data shall be kept confidential and not disclosed by _____ or any agent, subcontractor or

subconsultant, or other person or entity that obtains Data in conjunction with the performance of this Agreement without the prior written consent of the Administrator, except as otherwise required by law or this Agreement. _____ agrees to undergo a review of its information and technology security program and take appropriate action if the reviews identify any IT security weaknesses and report these results and outcomes to the Trustee's Administrator. As used in this Agreement, the word "Data" shall mean all information and things developed or obtained during performance of or acquired or developed by reason of this Agreement, including but not limited to studies, reports, files, drawings, analyses, designs, all marketing materials of any kind, the _____ 529 Plan logo, any slogan developed for the _____ 529 Plan, all trademarks, service marks and trade names developed for the _____ 529 Plan, copyrighted materials, computer printouts, notes, letters, customer lists, memoranda, papers and documents, whether finished or unfinished and all Data of any kind relating to Accounts maintained with the Trust or the _____ 529 Plan. The Administrator acknowledges that this Agreement does not involve the acquisition by the Administrator of any computer programs or other internal administrative systems developed by _____ and used to enable _____ to provide the Services required hereunder. All trademarks, service marks and trade names owned by _____, any Data relating to _____ customers except as such Data relates to Accounts maintained with the Trust or the _____ 529 Plan, and any proprietary administrative, computer or technical programs or systems developed and used by _____ to enable _____ to provide the Services required hereunder is and shall remain the property of _____. This provision shall survive the termination of this Agreement.

9.5 All Confidential Information (as defined below) shall be proprietary and confidential and held in strict confidence and not be disclosed to any third party that is not affiliated with the Trustee or Administrator, _____ or a delegate of any of them (except for disclosures to Participants or beneficiaries of Confidential Information relating to them or their Accounts and disclosures of Confidential Information to institutions of higher education required in accordance with applicable law), unless written authorization to make such disclosure has been given by the appropriate party. Any Confidential Information acquired during the course of this Agreement shall continue to be treated as Confidential Information for a period of six (6) years; provided, however, that any Confidential Information relating to any Participant or beneficiary ("Nonpublic Personal Information") shall continue to be treated as Confidential Information for as long as required in accordance with federal and state privacy and other applicable laws. "Confidential Information" shall mean any information obtained by any party hereto from, or disclosed to such party by, the other party, or created by a party that relates to their past, present or future activities relating to the _____ 529 Plan or the Trust, including, without limitation, financial statements and financial data, Participant lists, investments and transactions of and in the Trust, client information or

related information, actuarial and other technical data, specifications and the Services. Notwithstanding the foregoing, "Confidential Information", other than Nonpublic Personal Information, does not include any information:

- (a) that was previously known by the recipient without any obligation of confidence; or
- (b) that was previously disclosed in a lawful manner to the recipient without breach of this Agreement or of any other applicable agreement, and without any requirement of confidentiality; or
- (c) that was or is rightfully received from a third party without obligations of confidence or from publicly available sources without obligation of confidence; or
- (d) that is, or in the normal course has become, in the public domain; or
- (e) in the case of the Administrator, but solely as between _____, on the one hand, and the Administrator on the other, _____ 529 Plan records.

This Section 9.5 shall not restrict any disclosure required to be made by applicable law or regulation, or to employees and agents of the parties to the extent necessary to carry out the terms and purposes of this Agreement in accordance with applicable law. In the event any party is ordered to disclose Confidential Information of the other parties, such party shall afford to the other parties a reasonable opportunity to participate and object, at the other parties' expense, to any such disclosure. The requirement of confidentiality under this Agreement also applies to the agents of any party and employees and agents of the parties hereto and such agents. This provision shall survive termination of this Agreement.

9.6 If any Data or Confidential Information as defined in section 9.4 or 9.5 is acquired by an unauthorized party due to _____'s misconduct or negligence, _____ will notify the Administrator immediately, act to remedy the breach, take all steps to prevent any future breaches, be responsible for any losses caused by such breach and indemnify the State of Arizona and other State entities as required in Section VIII.

9.7 _____ shall ensure that, at other than the Trust's expense, annual financial statements are prepared for the Investment Options related to the assets of the Trust and cause such statements to be audited by a nationally recognized firm of independent certified public accountants selected in accordance with generally accepted accounting principles, and shall thereafter provide such audited annual financial statements to the Administrator within 90 days following the end of the fiscal year for each Investment Option. The Administrator shall be entitled to conduct other financial audits with respect to the _____ 529 Plan, and performance audits with respect to _____ and its delegates, from time to time, at the Trust's expense. The Administrator may provide that an audit shall be conducted of the operations and financial position of the _____ 529 Plan and _____ at any time if the Administrator has any reason to be concerned about the financial position, the recordkeeping practices, or the status of accounts of such _____ 529 Plan or _____. The Administrator shall give reasonable notice of such an audit and _____

shall give, and direct its agents to give, to the persons performing the audit its full cooperation and access to all _____ 529 Plan related records.

9.8 No failure by the Administrator or the Trust to enforce any provisions hereof after any breach or failure to perform shall be deemed a waiver of its rights with regard to such event, or any subsequent breach or failure to perform. No such failure to enforce any provision hereof shall be deemed a waiver of the right of the Administrator or the Trust to enforce each and all of the provisions hereof upon any further or other default on the part of _____.

9.9 This Agreement shall be construed in accordance with the laws of the State of Arizona, without regard to its conflict of laws principles, and is binding upon and inures to the benefit of the parties and their respective successors and assigns.

9.10 The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

9.11 _____ agrees to comply with the Standard Arizona Contract Terms ("Standard Clauses"), copies of which are attached hereto as Schedule A and incorporated herein.

9.12 This Agreement, including all Schedules attached hereto, together with the Plan's Investment Policy Statement which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes, replaces and terminates all prior agreements and understandings relating hereto.

9.13 During and for a reasonable period, but in no event less than five years, or such other longer period as the law may allow, after a transition period following the termination of the Agreement as described in Section 7.5(c), _____ shall permit the Administrator or its agents (including but not limited to independent public accountants or consultants of any kind selected by the Administrator) at any reasonable times during business hours, to inspect, at the expense of the Trust, the Data (defined above) created and maintained pursuant to this Agreement for reasonable audit and inspection by the Administrator; provided, that the Data will be returned to the Administrator or its designated agent upon termination of this Agreement as may be directed by the Administrator.

9.14 This Agreement may be amended, waived or modified only by an instrument in writing signed by the parties hereto.

9.15 The parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the

parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.

9.16 This Agreement, including all Schedules attached hereto, together with the Plan's Investment Policy Statement, and the attached schedules constitute the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement.

10. NOTICES

Any notice, instruction, request, consent, demand or other communication required or contemplated by this Agreement shall be in writing and shall be deemed duly given if personally delivered or upon the third business day after mailing if sent by registered or certified mail, postage prepaid, and upon receipt if sent by reputable courier addressed as follows:

If to the Trustee or Administrator:

AZ529, Arizona's Education Savings Plan

Office of the Arizona State Treasurer

1700 West Washington Street, Suite 102

Phoenix, Arizona 85007

If to _____:

with copies sent to:

provided that each party shall, by written notice, promptly inform the other party of any change of address.

IN WITNESS WHEREOF, the parties have set their hand as of _____, 2021.

By: _____

Name:

Title:

Acknowledgment: State of _____, County of _____

On _____, 2021, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public: _____

(seal)

OFFICE OF THE ARIZONA STATE TREASURER,

in the exercise of its authority with respect to the AZ529, Arizona's Education Savings Plan and as Administrator of the AZ529, Arizona's Education Savings Plan Trust Fund

By: _____

Name: The Honorable Kimberly Yee

Title: State Treasurer and Chair, Arizona State Board of Investment

STANDARD ARIZONA CONTRACT TERMS

For purposes of the following uniform terms and conditions and special terms and conditions, the term "Contractor" means any person who has a Contract with the State. _____ Distributors, Inc. ("_____") constitutes the Contractor for purposes of the following uniform terms and conditions and special terms and conditions, and the terms "Contractor" and "_____ Distributors, Inc. or _____" shall be used interchangeably.

UNIFORM TERMS AND CONDITIONS**I. NON-AVAILABILITY OF FUNDS**

Every payment obligation of the State under this Contract is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of the Contract, this Contract may be terminated by the State at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

II. AUDIT OF RECORDS

Pursuant to A.R.S. § 35-214, Contractor shall retain and shall contractually require each subcontractor to retain all data, books and other records ("records") relating to this Contract for a period of five years after completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce the original of any or all such records.

III. CANCELLATION FOR CONFLICT OF INTEREST

Pursuant to A.R.S. § 38-511, the State, its political subdivisions or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. A cancellation made pursuant to this provision shall be effective when Contractor receives written notice of the cancellation unless the notice specifies a later time.

IV. NON-DISCRIMINATION

Contractor shall comply with Arizona Executive Order 2009-09 which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. Contractor shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

V. IMMIGRATION LAWS AND REGULATIONS; E-VERIFY

Contractor warrants compliance with all federal immigration laws and regulations relating to its employees. Contractor warrants its compliance with A.R.S. § 23-214, subsection A. A breach of warranty regarding compliance with federal immigration laws and regulations or a breach of warranty regarding compliance with A.R.S. § 23-214, subsection A, shall be deemed a material breach of the contract and Contractor may be subject to penalties up to and including termination of the contract. The Office of the Arizona State Treasurer retains the legal right to inspect the papers of any Contractor employee or subcontracted employee who works on the contract to ensure that Contractor and the subcontractors that work on the contract are in compliance with all federal immigration laws and regulations that relate to their employees and that Contractor and the subcontractors that work on the contract are in compliance with A.R.S. § 23-214, subsection A. Failure to comply with a State audit process to randomly verify the employment records of Contractor or its subcontractors shall be deemed a material breach of the contract and Contractor may be subject to penalties up to and including termination of the contract. The Office of the Arizona State Treasurer shall not deem Contractor or its subcontractors in material breach of contract if Contractor and its subcontractors establish compliance with the employment verification provisions prescribed by §§ 274a and 274b of the federal immigration and nationality act and thee-verify requirements prescribed by A.R.S. § 23-214, subsection A.

VI. ARBITRATION

The parties to this Contract agree to resolve all disputes arising out of or relating to this Contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes.

VII. CONTRACT INTERPRETATION

- A. Arizona Law: This Contract shall be governed and interpreted by the laws of the State of Arizona.
- B. Implied Contract Terms: Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.

VIII. COMPLIANCE WITH APPLICABLE LAWS

The materials and services supplied under this Contract shall comply with all applicable federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.

IX. FACILITIES INSPECTION

The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract.

X. SUBCONTRACTS

The Contractor shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of the Office of the Arizona State Treasurer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

XI. APPLICABLE TAXES

- A. Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
- B. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
- C. Tax Indemnification. The Contractor and all subcontractors shall pay all federal, state and local taxes applicable to its operation and any person employed by the Contractor. Contractor shall hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under federal, or state and local laws and regulation and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation. The Contractor shall require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under federal or state and local laws and regulation and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
- D. IRS W9 Form. In order to receive payment, the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.

XII. FORCE MAJEURE

- A. Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means

-
- an occurrence that is beyond the control of the party affected and occurs without the fault or negligence of the party. Without limiting the foregoing, force majeure includes but is not limited to acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
- B. Force Majeure shall not include the following occurrences:
- i. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with the force majeure term and condition of this Contract; or
 - ii. Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- C. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period equal to the time that results, or effects of such delay prevent the delayed party from performing in accordance with this Contract.
- D. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

XIII. CONTRACTOR'S REPRESENTATIONS AND WARRANTIES

All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.

XIV. STATE'S CONTRACTUAL REMEDIES

A. Right to Assurance

If the State in good faith has reason to believe that the Contractor does not intend to or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent

to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.

B. Stop Work Order

- i. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- ii. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

C. Non-exclusive Remedies

The rights and the remedies of the State under this Contract are not exclusive.

D. Nonconforming Tender

Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code or pursue any other right or remedy available to it.

E. Right to Offset

The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

XV. GRATUITIES

The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.

XVI. SUSPENSION OR DEBARMENT

The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.

XVII. TERMINATION FOR DEFAULT

- A. In addition to the rights reserved in the Contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
- B. Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
- C. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

SPECIAL TERMS AND CONDITIONS-INSURANCE PROVISIONS-INVESTMENT MANAGERS
HANDLING STATE ASSETS

I. INDEMNIFICATION CLAUSE

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona.

II. INSURANCE REQUIREMENTS

Contractor and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

A. Minimum Scope and Limits of Insurance

Contractor shall provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability - Occurrence Form

Policy shall include bodily injury, property damage and broad form contractual liability coverage.

• General Aggregate	\$2,000,000
• Products - Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Damage to Rented Premises	\$ 50,000
• Each Occurrence	\$1,000,000

a. The policy shall be endorsed, as required by this written agreement to include the State of Arizona, the Office of the Arizona State Treasurer and the State Board of Investment shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.

b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, the Office of the Arizona State Treasurer and the State Board of Investment for losses arising from work performed by or on behalf of the Contractor.

2. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.

Combined Single Limit (CSL) \$1,000,000

a. Policy shall be endorsed, as required by this written agreement, to include the State of Arizona and the Office of the Arizona State Treasurer as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor, involving automobiles owned, hired and/or non-owned by the Contractor.

b. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona and the Office of the Arizona State Treasurer for losses arising from work performed by or on behalf of the Contractor.

3. Workers' Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	

Each Accident	\$1,000,000
Disease - Each Employee	\$1,000,000
Disease - Policy Limit	\$1,000,000

a. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona and the Office of the Arizona State Treasurer for losses arising from work performed by or on behalf of the Contractor.

b. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

4. Professional Liability (Errors and Omissions Liability)

Each Claim \$2,000,000

Annual Aggregate \$2,000,000

a. In the event that the Professional Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised, for a period of two (2) years beginning at the time work under this Contract is completed.

b. The policy shall cover professional misconduct or negligent acts for those positions defined in the Scope of Work of this contract.

B. Additional Insurance Requirements

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

1. The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Office of the Arizona State Treasurer or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).

2. Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

C. Notice of Cancellation

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty

(30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the **Office of the Arizona State Treasurer** and shall be mailed, emailed, hand delivered or sent by facsimile transmission to **1700 W. Washington St., Ste. 102, Phoenix, AZ 85007**, AZ529@aztreasury.gov or fax number **(602) 542-7176**.

D. Acceptability of Insurers

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance and Financial Institutions List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A-VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. Verification of Coverage

Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

All such certificates of insurance and policy endorsements must be received by the State before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.

Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to **the Office of the Arizona State Treasurer at 1700 W. Washington St., Ste. 102, Phoenix, Arizona 85007**. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

F. Subcontractors

Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Office of the Arizona State Treasurer reserves the right to require, at any time throughout the life of this contract, proof from the Contractor that its subcontractors have the required coverage.

G. Approval and Modifications

The Office of the Arizona State Treasurer, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

H. Exceptions

In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

15c2-12 COMPLIANCE AGREEMENT

RULE 15c2-12 COMPLIANCE AGREEMENT

BETWEEN

and

OFFICE OF THE ARIZONA STATE TREASURER

acting as administrator of the

AZ529, Arizona's Education Savings Plan

WHEREAS, the AZ529, Arizona's Education Savings Plan Trust Fund ("Trust") issues units of interest in a number of investment portfolios to members of the public; and

WHEREAS, _____. (_____) has entered into a Management and Administrative Services Agreement (and subsequent amendments) with the Trust under which _____ is obligated to create and implement a marketing program to offer Trust units to the public; and

WHEREAS, _____ is required under the Management and Administrative Services Agreement to ensure compliance with all applicable laws and regulations of every kind; and

WHEREAS, _____ is engaged in the distribution of units on behalf of the Trust; and WHEREAS, in order to assure that _____ complies with Rule 15c2-12 under the Securities

Exchange Act of 1934 in the distribution of units of interest issued by investment portfolios of the Trust,

there must be a written agreement in place among the parties to this Agreement providing for certain commitments as enumerated under Rule 15c2-12;

THEREFORE, in consideration of the mutual covenants contained in the Management and Administrative Services Agreement, as amended, and the mutual covenants contained herein below, the parties hereby agree as follows:

1. _____ agrees that it will prepare and maintain sufficient quantities of the Program Overview, prospectuses for the investment options and applications for the _____ 529 Plan (such documents comprising the preliminary and final "Official Statement" for purposes of Rule 15c2-12 for the investment portfolios described therein) to provide a copy thereof to each potential customer, on request, and to comply with the rules of the Municipal Securities Rulemaking Board. If the Management and Administrative Services Agreement is terminated or expires, the Administrator will contract with a successor administrative or marketing agent to perform the obligations of _____ under this paragraph or will perform such obligations itself.
2. The Trust hereby agrees that it will provide to the Municipal Securities Rulemaking Board annual financial information for the investment portfolios of the Trust and an annually updated Official Statement for the _____ 529 Plan. The financial information provided for each investment portfolio shall include at least a balance sheet and a statement of operations, prepared in accordance with generally accepted accounting principles, which can be found in the Annual Reports of the investment options available in the _____ 529 Plan. Such information shall be as of the end of the Trust's fiscal year and shall be furnished to the Municipal Securities Rulemaking Board no later than 150 days following the end of each fiscal year of the Trust. In recognition of the fact that certain investment portfolios are designed to cease to exist and be merged into other investment portfolios, information need be provided only for investment portfolios in existence at the end of a fiscal year.
3. The Trust agrees to furnish in a timely manner to the Municipal Securities Rulemaking Board notice of any of the following events with respect to the securities issued by the Trust, if material:
 - a. Delinquencies in payments requested by security holders (the Participants under their Participation Agreements with the Trust), whether to the Participant or to a third party, such as an institution of higher education.
 - b. Non-payment related defaults.
 - c. Unscheduled draws on debt service reserves reflecting financial difficulty (if such reserves for units are ever established).

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- d. Unscheduled draws on credit enhancement reflecting financial difficulty (if credit enhancement is ever provided for units).
 - e. Substitution of credit or liquidity providers or their failure to perform (if credit or liquidity support is ever provided for units).
 - f. Adverse tax opinions or events affecting the tax-exempt status, if any, of the units of interest offered by the Trust.
 - g. Modifications to the rights of Participants
 - h. Calls by the Trust of Trust units for redemption (if such call rights are ever retained). Release, substitution or sale of property securing repayment of the Trust units (if any).
 - i. Rating changes of units, should they ever be rated (currently the units are unrated).
 - j. Failure to provide annual financial information when due in accordance with paragraph 2.
4. So long as the Management and Administrative Services Agreement shall remain in effect, _____ shall be the Trust's designated agent for purposes of furnishing the information described in paragraphs 1, 2 and 3 above. The Administrator acknowledges that, pursuant to the Management and Administrative Services Agreement, _____ may arrange with another entity within the _____ to furnish such information on behalf of any of the investment portfolios of the Trust, but no such action shall diminish the responsibility of _____ to the Administrator.
 5. This Agreement shall be effective as of the ____ day of _____, 2021, and shall continue in effect thereafter indefinitely. The Trust agrees that in the event the Management and Administrative Services Agreement is no longer in effect, it will continue to provide the information and make the disclosures set forth above, either directly or through a designated agent. The obligations of _____ under this Agreement shall continue until the earlier of (a) such time as the Trust shall have entered into a 15c2-12 agreement with another firm, or (b) two years from the termination of the Management and Administrative Services Agreement.
 6. The parties agree that this Agreement is for the benefit of, and shall inure at a given time to, (a) the parties hereto, (b) any broker, dealer, or municipal securities dealer engaged to distribute units of the investment portfolios of the Trust, (c) the Participants who at such time have in effect Participation Agreements with the Trust, and (d) to any successors or heirs to Participants described in (c) or any other beneficial owners of their units.

IN WITNESS WHEREOF, the parties have set their hands as of the ____ day of _____, 2021

In the exercise of its authority with respect to the AZ529, Arizona's Education Savings Plan A and as Administrator of the AZ529, Arizona's Education Savings Plan Trust Fund

By: _____

Name: The Honorable Kimberly Yee

Title: State Treasurer and Chair, Arizona State Board of Investment

By: _____

Name:

Title: