

Invitation to Negotiate (IIN)

Mutual Fund Family for Florida ABLE, Inc.

Florida ABLE, Inc.

Issue Date:	July 24, 2015
Questions Deadline:	August 4, 2015, 12:00PM ET
Responses to Questions Posted:	August 10, 2015
Response Deadline:	August 19, 2015, 12:00PM ET
Anticipated Contract Start:	December 2015

IIN 15-02

Commodity Codes

84121700
84121704

84121701
93151603

84121703

MEMORANDUM

To: Prospective Respondents; IIN 15-02
Date: July 24, 2015
Subject: IIN 15-02 Mutual Fund Family for Florida ABLE, Inc.

BACKGROUND

Florida ABLE, Inc., a direct support organization of the Florida Prepaid College Board and the administrator of the Florida ABLE Program, seeks to enter into an agreement with one or more large investment management firms to gain access to a family of mutual fund options from which to provide some or all of the investment options for Florida ABLE Program participants. An agreement will be pursued with the Respondent(s) to this solicitation deemed to offer the best value by Florida ABLE, Inc. The resulting agreement(s) will be strictly limited to investment management. While the Florida Prepaid College Board is soliciting this IIN, all prospective Respondents should be aware and understand that this IIN does not in any way create a relationship or access to the Florida Prepaid College Board's 529 Savings Plan, Prepaid Plan or any of the assets under management for such plans.

Initially, Florida ABLE, Inc. intends to offer the following investment options to participants pursuant to a Comprehensive Investment Plan enclosed herein: (1) a balanced investment option, (2) a money market investment option, (3) a fixed income investment option, (4) a U.S. equities investment option, and (5) an international equities investment option. These options will be continually evaluated and may change over time. Please note, at this time, Florida ABLE, Inc. is not a Qualified Institutional Buyer and, therefore, is not permitted to invest in Collective Investment Trusts.

MANDATORY REQUIREMENTS

To be considered for award, Respondents must complete the enclosed Invitation to Negotiate Response form in its entirety, including providing the required documents as requested in the form. Complete responses must be delivered to the headquarters of Florida ABLE, Inc. by 12:00PM ET on August 19, 2015.

In their response, Respondents must affirm that, as of March 31, 2015, the Respondent has greater than \$10 billion in discretionary assets under management in each asset class proposed by the Respondent.

Any Respondent that does not satisfy the requirements will be rejected.

QUESTIONS

Any questions relating to the conditions and/or specifications of this solicitation must be addressed in writing using the Request for Clarification form enclosed. Please follow the directions provided on the form and complete the form in its entirety. Questions and/or communications that are received in a manner other than as directed may not receive a response.

REQUEST FOR CLARIFICATION FORM [OPTIONAL]**DEADLINE: AUGUST 4, 2015, 12:00PM ET**Solicitation: **IIN 15-02**Title: **Mutual Fund Family for Florida ABLE, Inc.**

Each Respondent shall complete this form to address questions relating to the conditions and/or specifications of this solicitation. The completed form shall be submitted in accordance with the instructions provided in Section 5.1 of the solicitation document. Should you need additional space, please use an additional copy of this form.

Please return completed forms to: IINinfo.Prepaid@MyFloridaPrepaid.com

Company Name: _____

Question	Section	Page	Question/ Comment
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			

Authorized Signature: _____ Date: _____

Printed Name & Title: _____

The following form, and the content requested within, is REQUIRED.

Respondents shall deliver one (1) complete hard copy AND four (4) complete electronic copies of their Response on four (4) USB hard drives – one copy per drive. All documents and materials provided in response to this solicitation must be included on the drive. Respondents shall not refer to web-based materials or locations. Notwithstanding, web-links that may be provided within a statutory prospectus which a Respondent provides on the drive and/or in hard copy will not be considered a violation of this requirement.

All Responses must be executed and submitted in a sealed package. The face of the package must contain the number of the IIN to which the Response applies and the date and time of the Response opening (see Section 4.0).

All Responses are subject to the conditions specified in this IIN; Responses which do not comply with these conditions are subject to rejection.

INVITATION TO NEGOTIATE RESPONSE [REQUIRED]
DEADLINE: AUGUST 19, 2015, 12:00PM ET

 Solicitation: **IIN 15-02**

 Title: **Mutual Fund Family for Florida ABLE, Inc.**

This sheet and the accompanying documents constitute an offer from the Respondent. By completing and signing this form, on behalf of the Respondent, I represent that I will be the primary contact for negotiation and agree to abide by all conditions of this negotiation. I certify that I am authorized to sign this Response and that the offer is in compliance with all requirements of the Invitation to Negotiate, including but not limited to, the Mandatory Requirements.

Respondent/ Firm Name: _____

Contact Person: _____

Address: _____ City, State, Zip: _____

Telephone: _____

E-mail Address: _____

MANDATORY REQUIREMENT AFFIRMATION
(INITIAL)

- (1) I affirm that, as of March 31, 2015, the Respondent has greater than \$10 billion in discretionary assets under management in each asset class proposed by the Respondent.

ATTACHMENTS (SEE SECTION 5.0)	PROPOSED FUND NAME	TOTAL ANNUAL OPERATING FEE*
(1a) Balanced	_____	_____ bps
(1b) Money Market	_____	_____ bps
(1c) Fixed Income	_____	_____ bps
(1d) U.S. Equity	_____	_____ bps
(1e) International Equity	_____	_____ bps

(2) Statement of financial Condition

(3) [OPTIONAL] Respondent may provide supplemental comments or additional information – including, but not limited to, proposed contract language.

Authorized Signature: _____ Date: _____

Printed Name & Title: _____

**The proposed Annual Operating Fee should be based on the fee assessed for Institutional Shares.*

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1.0 BACKGROUND

1.1 Florida ABLE, Inc.

The Stephen Beck, Jr. Achieving a Better Life Experience (“ABLE”) Act, which became federal law on December 19, 2014, authorizes each state to establish a Qualified ABLE Program to offer savings and investment options to individuals with a disability and their families for disability-related expenditures. Earnings in these accounts are tax-free under Section 529A of the Internal Revenue Code (“IRC”) provided the funds are used to pay for qualified disability expenditures that include education, health, financial management services, housing, and transportation of a Beneficiary, as defined by the IRC. An ABLE account is intended to supplement, but not replace, the benefits provided through private insurances, Medicaid, Social Security Disability Insurance (SSDI), Supplemental Security Income (SSI), the Beneficiary’s employment, and other sources. Assets in an ABLE account and distributions for qualified disability expenses are either disregarded or given special treatment when determining eligibility for most federal means-tested benefits.

The Florida legislature passed the Florida Achieving a Better Life Experience Act, which was signed into law by the Governor on May 21, 2015. The state law established Florida ABLE, Inc. (“Florida ABLE”), and the Florida ABLE Program. Florida ABLE, which administers the Florida ABLE Program, is a direct-service organization of the Florida Prepaid College Board, which administers Florida’s Qualified Tuition Programs under Section 529 of the IRC. Florida ABLE operates under the direction of a five member board, which includes the Chair of the Florida Prepaid College Board, an appointee of the Florida Prepaid College Board, and one member appointed by each of the following state officials: the Governor, the Speaker of the House, and the President of the Senate. Florida ABLE operates under a written contract with the Florida Prepaid College Board, which pursuant to statute provides that the Florida Prepaid College Board shall solicit these services for and on behalf of Florida ABLE.

To establish an ABLE account, the Beneficiary must be an Eligible Individual. An individual is an Eligible Individual if during the taxable year, the individual is entitled to benefits based on blindness or disability under Title II or XVI of the Social Security Act and such blindness or disability occurred before the date on which the individual attained age 26. An individual may also qualify as an Eligible Individual if the individual files a disability certification under rules currently being developed by the IRS. An Eligible Individual may have only one ABLE account.

The maximum annual contribution limit to an ABLE account is based on the federal gift tax limit, currently \$14,000. The maximum aggregate contribution limit is based on the state limit for Qualified Tuition Programs, currently \$418,000 in Florida.

For more information about Florida ABLE, please visit: www.myablesavings.com.

1.2 Market Survey

Florida ABLE completed a preliminary survey of the target market for the Florida ABLE Program in June of 2015. The survey inquired about investment experience and preference. The results were considered in the development of the Comprehensive Investment Plan, attached herein as Appendix A.

In general, the respondents to the survey characterized themselves as:

- The parent or legal guardian of a person with a disability.
- An inexperienced investor who typically does not consult a financial advisor when investing.
- Planning to invest less than \$5,000 annually into an ABLE account.
- Targeting medium- to long-term needs (6 or more years in the future).

1.3 Solicitation Purpose

This Invitation to Negotiate (“IIN”) is being issued to obtain Responses from qualified firms (“Respondents”) to provide investment management services for a family of funds that support some or all of the initial investment options to be offered for the Florida ABLE Program. Currently, the initial investment options include: (1) a balanced investment option, (2) a money market investment option, (3) a fixed income investment option, (4) a U.S. equities investment option, and (5) an international equities investment option. These options will be continually evaluated by Florida ABLE and may change over time. Please be advised, at this time, Florida ABLE, Inc. is not a Qualified Institutional Buyer and, therefore, is not permitted to invest in Collective Investment Trusts.

Florida ABLE seeks to enter into an agreement with one or more large investment management firms to gain access to a family of mutual fund options and intends to provide one or more of those mutual funds to program participants in the future. An agreement, such as that outlined in Appendix B, will be pursued with the selected Respondent(s) to this solicitation deemed to offer the best value. The resulting agreement(s) will be limited to investment management. The administration of the Florida ABLE Program will be the sole responsibility of Florida ABLE.

To be considered for award, Respondents **must meet** the standards and requirements set forth in Section 5.0 Response Requirements. Any Respondent that does not satisfy these requirements will be rejected.

2.0 DESCRIPTION OF SERVICES

The Respondent(s) with whom Florida ABLE enters into agreement, pursuant to this solicitation, shall perform comprehensive investment management services, employing either an active or passive management style, for one or more of the investment options offered by Florida ABLE. Services shall include but may not be limited to:

1. Serve as an agent of Florida ABLE to manage and invest assets at the discretion of Florida ABLE.
2. Provide access to a family of funds available to Florida ABLE for investment of any amount, in any fund, on any trading day at the discretion of Florida ABLE.
3. Provide gross and net of fee investment performance for monthly, quarterly and/or annual statements.
4. Provide approved logos, trademarks and disclosure materials that may be included in marketing materials created by Florida ABLE for one or more funds included in, or the entire, family of funds.
5. Upon request, and for a negotiated fee, make presentations to the Florida Prepaid College Board and Florida ABLE Board on investment topics including, but not limited to: strategy, mechanics, environment, performance and projections upon request.

3.0 IIN PROCESS

The IIN process is divided into two (2) phases, the Evaluation Phase and the Negotiation Phase. The Evaluation Phase involves the initial evaluation of replies. During the Evaluation Phase, all responsive replies will be evaluated against the evaluation criteria set forth in this document. Florida ABLE intends to select the three highest-ranked Respondents (“shortlist”), but may adjust the quantity to accommodate a competitive range, for negotiation.

Florida ABLE intends to initially negotiate concurrently with the Respondents on the shortlist. However, Florida ABLE reserves the right, after posting notice thereof and in its sole discretion, to expand the shortlist to include additional responsive Respondents for negotiation or change the method of negotiation (e.g., order of ranking versus concurrent), if it determines that to do either would be in the best interest of Florida ABLE. A Respondent will be deemed responsive unless determined to be nonresponsive pursuant to the terms of this document.

The Negotiation Phase will involve at least one (1) telephone conference with each selected shortlist Respondent. During the Negotiation Phase, Florida ABLE may request supplemental information and/or best and final offers based on the negotiations or supplemental information. Following negotiations, Florida ABLE will post a Notice of Intent to Award, identifying the Respondent(s) that provides the best value to Florida ABLE. Be advised, Respondents will not be eliminated from the IIN process until posting of the Notice of Intent to Award.

All Respondents shall be accorded fair and equal treatment.

3.1 Official Notices

All notices, revisions, decisions, intended decisions, addenda and other matters relating to this IIN will be electronically posted on the Department of Management Services (DMS) Vendor Bid System (VBS) website located at: http://myflorida.com/apps/vbs/vbs_main_menu.

Please utilize the following search criteria to view this information on the aforementioned website:

Agency: State Board of Administration
Title: IIN 15-02.

It is the responsibility of prospective Respondents to check the VBS for revisions, addenda, notices of decisions, and other information or clarifications to this IIN.

3.2 Public Records

All Responses to this IIN shall result in a Respondent’s waiver of any and all rights relating to confidentiality, or claims thereof, upon delivery to Florida ABLE. All electronic and written communications pertaining to this IIN, whether sent from or received by Florida ABLE and all Responses to this IIN including, without limitation, administrative information, proposed services/commodities and cost information will be subject to disclosure after the contract award as required under Chapter 119 of the Florida Statutes (Florida Public Records Law).

3.3 Legal Requirements

Applicable provisions of all federal, state, county, and local laws will govern development, submittal, and evaluation of all Responses received and will govern any and all claims and disputes that may arise between persons submitting a Response and Florida ABLE. Lack of knowledge by any Respondent will not constitute a cognizable defense against the legal effect of any such provision.

3.4 Protests and Disputes

Any protest concerning this solicitation shall be made in accordance with Sections 120.57(3) and 287.042(2) of the Florida Statutes, and Chapter 28-110 of the Florida Administrative Code. Failure to file a protest within the time prescribed in Section 120.57(3) of the Florida Statutes, or failure to post the bond or other security required by law within the time allowed for filing a bond shall constitute a waiver of proceedings under Chapter 120 of the Florida Statutes.

Section 120.57(3)(b), Florida Statutes and Section 28-110.003, Florida Administrative Code require that a notice of protest of the solicitation documents shall be made within seventy-two (72) hours after the posting of the solicitation.

3.5 Limitations on Contacting Personnel and Others

Respondents to this solicitation or persons acting on their behalf may not contact, between the release of the solicitation and the end of the seventy-two-hour (72) period following the agency posting the notice of intended award, excluding Saturdays, Sundays, and state holidays, any employee or officer of the executive or legislative branch concerning any aspect of this solicitation, except in writing to the IIN Administrator or as provided in the solicitation documents. Violation of this provision may be grounds for rejecting a Response.

3.6 Cost of Developing and Submitting Responses

Neither Florida ABLE, the Florida Prepaid College Board nor the State of Florida is liable for any of the costs incurred by the Respondent in preparing and/or submitting a Response.

4.0 SCHEDULE

The following time schedule, provided as Table 1, is set forth for informational and planning purposes. Florida ABLE reserves the right to change any of the dates or times.

ACTION	DATE & TIME	ADDRESS
Notice of issuance of IIN is published in Florida Administrative Register	July 24, 2015	
IIN Issued	July 24, 2015	
Written requests for clarification from Respondents about the IIN are due to Florida ABLE	August 4, 2015 12:00PM ET	
Florida ABLE responds to written requests for clarification about the IIN on the Vendor Bid System (VBS)	August 10, 2015	
Deadline for written responses to the IIN	August 19, 2015 12:00PM ET	1801 Hermitage Boulevard Suite 210 Tallahassee, FL 32308
*All responses publicly opened at Florida ABLE headquarters	August 19, 2015 1:00PM ET	1801 Hermitage Boulevard Tallahassee, FL 32308
*Meeting for Validation of Evaluator Scoring at Florida ABLE headquarters	October 6, 2015 11:00AM ET	1801 Hermitage Boulevard Tallahassee, FL 32308
Negotiation Period	Oct. 7 – Nov. 6, 2015	
*Meeting to recommend contract award(s) at Florida ABLE headquarters	November 9, 2015 2:00PM ET	1801 Hermitage Boulevard Tallahassee, FL 32308
Notice of intent to award	November 9, 2015	
Anticipated contract date	December 2015	

All Respondents are hereby notified that the events noted with an asterisk above () are public meetings open to the public and may be electronically recorded by any member of the audience.

5.0 MANDATORY REQUIREMENTS

5.1 Requests for Clarification

Any questions concerning the conditions and/or specifications of this IIN must be addressed in the form of written questions submitted by Respondents pursuant to the schedule in Section 4.0 and using the form provided as page ii of this document. Written questions must be legible, to the point, and identify the Respondent submitting the question. Written questions must be submitted to:

Casey Fisher
IIN Administrator
Florida ABLE, Inc.
Email: IINinfo.Prepaid@MyFloridaPrepaid.com

Written requests for clarification, along with corresponding responses, will be posted as Official Notice pursuant to Section 3.1 of this document. Respondents unable to download responses should notify the IIN Administrator at the email address provided above.

No interpretations other than those responded to as described in this section will be considered binding. Florida ABLE does not guarantee the validity or reliability of information obtained from other sources.

5.2 Mandatory Qualifications

Respondents must be able to affirmatively respond to the following statement in order to be considered for this award.

1. As of March 31, 2015, the Respondent has greater than \$10 billion in discretionary assets under management in each asset class proposed by the Respondent.

Further, to be considered, each Response must meet the standards and requirements set forth in Section 5.0 Response Requirements. Failure to comply with these requirements may be sufficient cause to reject the Response without further consideration.

Any Respondent that does not satisfy all of the criteria in this section shall be rejected.

5.3 Submission of Responses

All Responses must be executed and submitted in a sealed package. The face of the package must contain the number of the IIN to which the Response applies and the date and time of the Response opening (see Section 4.0). All Responses are subject to the conditions specified in this IIN; Responses which do not comply with these conditions may be rejected subject to the reservation of rights by Florida ABLE as specified in Section 6.1.

Respondents shall deliver one (1) complete hard copy AND four (4) complete electronic copies of their Response on four (4) USB hard drives – one copy per drive. All documents and materials provided in response to this solicitation must be included on the drive. Respondents shall not refer to web-based materials or locations. Notwithstanding, web-links that may be provided within a statutory prospectus which a Respondent provides on the drive and/or in hard copy will not be considered a violation of this

requirement. All electronic files must be in one of the following formats. Alternate file types, including web-based materials, will not be considered.

Documents – PDF or any Microsoft Office Suite files are the required file types for all documents.

Images – JPG or PNG are the required file types for images.

Video – MP4 or MOV are the required file types for videos.

Audio – MP3 is the required file type for audio.

The Respondent is responsible for the timely and proper delivery of its Response to Florida ABLE. Responses which, for any reason, are not delivered and received in the Florida ABLE offices by the deadline established in Section 4.0 of this IIN will not be considered. Late Responses will be retained in the Florida ABLE offices. Responses or offers by facsimile, telephone or email are not acceptable.

A Response may not be altered after it is delivered to Florida ABLE. At its discretion, Florida ABLE may request supplemental Responses from the Respondents; all other supplemental Responses are prohibited.

5.4 Response Format and Content

Florida ABLE, Inc. has established certain mandatory requirements which must be included in a Response to this IIN. The use of “shall”, “must”, or “will” (except to indicate simple futurity) in this IIN indicates a mandatory requirement or condition. The words “should” or “may” in this IIN indicate desirable attributes or conditions, but are permissive in nature. Deviation from, or omission of, such a desirable attribute will not by itself cause rejection of a proposal. Only those Respondents who have met the mandatory requirements of this IIN will be considered; any Respondent who has not done so will be rejected. The right is reserved to reject any or all bids. Failure to meet any contractual obligations may result in cancellation of any award.

Each Response shall be prepared simply and economically providing a straightforward, concise delineation of the Respondent’s capabilities to satisfy the requirements of this IIN. Fancy bindings and promotional material are not desired nor expected.

A Response must be complete as to all terms and conditions, including the appendices, on the date it is delivered to Florida ABLE. Additional information submitted after the Response or separate from the Response will not be considered unless specifically requested by Florida ABLE and then only to the extent requested. Incomplete Responses may be eliminated from further consideration.

In its Response, a Respondent shall expressly indicate its willingness to comply with, provide satisfactory evidence of its ability to meet and expressly respond to each requirement and information request contained in the following mandatory provision(s) of this IIN.

A copy of this IIN in Microsoft Word format may be downloaded from:

www.myfloridaprepaid.com/who-we-are/about-the-board/board-reports-and-plans/.

5.4.1 [REQUIRED] Invitation to Negotiate Response Form

The Invitation to Negotiate Acknowledgment Response form, included as page iv of this document, must be completed in its entirety, including providing the required documents as requested in the form. The form must be signed by an officer or agent of the Respondent who is empowered to bind it in a contract. If an agent signs, written authorization empowering the agent to bind the Respondent must accompany the documents signed by the agent.

5.4.2 [REQUIRED] Attachment 1: Statutory Prospectus Documents for Proposed Fund Options

The Respondent shall provide no more than one (1) complete statutory prospectus for each of the following investment options. The information provided for any one option shall represent the available investment vehicle which the Respondent recommends for that option. During the Evaluation Phase of this solicitation, the Respondent will be evaluated, in part, based on the materials provided for the investment options below; additional investment options may be considered during the Negotiation Phase.

- 1a. Balanced Investment Option
- 1b. Money Market Investment Option
- 1c. Fixed Income Investment Option
- 1d. U.S. Equity Investment Option
- 1e. International Investment Option

Each prospectus provided must be marked to indicate the option for which it is being proposed (1a, 1b, 1c, 1d, or 1e). Respondents are not required to provide a prospectus for every option above. At a minimum, a Respondent must supply one (1) statutory prospectus for one (1) of the options above to satisfy this requirement. Not providing a prospectus for any one option, or not marking a prospectus appropriately, may affect the evaluation of the response.

Summary prospectus documents will not be accepted in Attachment 1.

5.4.3 [REQUIRED] Attachment 2: Statement of Financial Condition

The Respondent shall provide a Statement of Financial Condition completed and signed by a Registered Public Accounting Firm. The effective date of this statement shall not be before January 1, 2014.

5.4.4 [OPTIONAL] Attachment 3: Supplemental Information

The Respondent may provide supplemental comments or additional information. This may include, but is not necessarily limited to, such items as: an organizational overview, information relating to the portfolio management team(s) for the proposed investment options and recent changes thereof, information relating to other investment options within the fund family that Florida ABLE may consider as options for the Florida ABLE Program, and proposed contract language.

6.0 EVALUATION AND NEGOTIATION

6.1 Evaluation

Only responses that meet the mandatory requirements of this IIN will be considered by Florida ABLE. Responses will be independently evaluated by each member of an Evaluation Team (“Evaluation Team”) on the basis of written Responses to this IIN and additional written information as requested. The Evaluation Team may consider information received from Callan Associates, Inc. (Callan), an investment consultant for Florida ABLE. Callan may provide factual information relating to the historical investment performance of the Respondent, including investment returns for the portfolio attributes and consistency of performance. Callan may also provide factual information related to the experience, background, and staffing of the Respondent. Any information provided by Callan will be based on the responsive replies to this IIN and information possessed by Callan through a normal course of business. Callan will not make any decisions on behalf of Florida ABLE.

Florida ABLE reserves the right to determine which Responses meet the mandatory requirements of this IIN, and whether any deviation from the specifications, terms, or conditions contained herein is merely minor or technical in nature; **the right to accept Responses which deviate in a minor or technical fashion is also reserved by Florida ABLE and Florida ABLE reserves the right to accept or reject any and all Responses and to award the contract in the best interests of Florida ABLE.**

Responses will be evaluated in a multi-step, progressive, process as follows; Respondents may be removed from consideration in each step based on the criteria documented in this IIN:

6.1.1 *Evaluation Step 1: Evaluation of Mandatory Requirements*

The evaluation process will begin with a review of the mandatory requirements for Responses set forth in Section 5.0. Any Response that does not meet the mandatory requirements of Section 5.0 will be rejected, subject to Florida ABLE’s reservation of rights. The determination in this evaluation step is pass/fail. Respondents that satisfy the mandatory requirements will be moved to the next evaluation step. Respondents that do not satisfy the mandatory requirements will be removed from consideration. No points will be awarded in this evaluation step.

6.1.2 *Evaluation Step 2: Evaluation of Responsive Replies*

Each prospectus document provided in Attachment 1 (items “1a” through “1e” as provided) by the Respondent will be independently evaluated by each member of an Evaluation Team and points will be awarded in the following areas: (1) investment performance considering investment philosophy and strategy, (2) organizational experience, and (3) annual fees. In addition, based on all documents and materials provided in a Response, the (4) financial stability of the Respondent and (5) the Respondent’s ability to meet the needs of Florida ABLE will also be evaluated.

Table 2 represents the maximum initial point values that may be awarded per evaluator by criteria.

Scoring Criteria	Score (a)	Possible (b)
1a Balanced Investment Option		
Did Respondent provide a prospectus for this option? (YES = 100, NO = 0)		100
If the answer above is YES, the following elements will be evaluated:		
(1) Investment performance given investment strategy	40	
(2) Experience	20	
(3) Fees	40	
1b Money Market Investment Option		
Did Respondent provide a prospectus for this option? (YES = 100, NO = 0)		100
If the answer above is YES, the following elements will be evaluated:		
(1) Investment performance given investment strategy	40	
(2) Experience	20	
(3) Fees	40	
1c Fixed Investment Option		
Did Respondent provide a prospectus for this option? (YES = 100, NO = 0)		100
If the answer above is YES, the following elements will be evaluated:		
(1) Investment performance given investment strategy	40	
(2) Experience	20	
(3) Fees	40	
1d U.S. Equity Investment Option		
Did Respondent provide a prospectus for this option? (YES = 100, NO = 0)		100
If the answer above is YES, the following elements will be evaluated:		
(1) Investment performance given investment strategy	40	
(2) Experience	20	
(3) Fees	40	
1e International Equity Investment Option		
Did Respondent provide a prospectus for this option? (YES = 100, NO = 0)		100
If the answer above is YES, the following elements will be evaluated:		
(1) Investment performance given investment strategy	40	
(2) Experience	20	
(3) Fees	40	
Subtotal (1), (2), and (3)	500	500
(4) Financial Stability – Score (c)		
		15
(5) Ability to meet the needs of Florida ABLE – Score (d)		
		25

The Total Annual Operating fees for each investment option proposed by the Respondent (in bps), as provided in the Invitation to Negotiate Response form, will be evaluated and points will be awarded for each fee based on the following formula. The maximum of 40 total points will be awarded for the lowest fee proposed for a given investment option. The fee score for any investment option for which a Respondent does not reply shall be zero (0). Please note that shareholder fees and/or other fee or fee structure information provided in the Response will be considered when scoring the Respondent's ability to meet the needs of Florida ABLE.

Formula to Determine Fee Score

$(X/N) \times 40 = Z$; where:

X = Lowest Fee;

N = Proposed Fee;

Z = Points awarded points

The total score for the Respondent will be awarded based on the formula provided in Table 3 below. A maximum of 100 total points, per evaluator, may be awarded.

Formula	Maximum Points (See Table 2)
Score (a) / Possible (b) = Multiplier	500 / 500 = 1.00
Multiplier x 60 = Score (a/b)	1.00 x 60 = 60
Score (a/b) + Score (c) + Score (d) = Total Score	60 + 15 + 25 = <u>100</u>

For any and all scores determined by calculation, including the calculation to determine fee scores, the points awarded will be rounded to the nearest whole number. Decimal values less than 0.50 will be rounded down to the next whole number; decimal values greater than, or equal to, 0.50 will be rounded up to the next whole number. For example, a value of 20.49 would be rounded to 20. A value of 20.50 would be rounded to 21. The minimum possible calculated points awarded will be 0.

6.1.3 Evaluation Step 3: Ranking and shortlisting

After the Response evaluations are complete, the total score awarded by each Evaluation Team member will be validated pursuant to the schedule in Section 4.0 and then aggregated. The Respondents will be ranked based on their aggregate scores.

Florida ABLE intends to select the three highest-ranked Respondents ("shortlist"), but may adjust the quantity to accommodate a competitive range, for negotiation. Florida ABLE reserves the right, after posting notice thereof, to expand the shortlist to include additional responsive Respondents. Florida ABLE expressly reserves the right to accept or reject any and all Responses and to award the contract in the best interests of Florida ABLE.

Be advised, Respondents will not be eliminated from the IIN process until posting of the Notice of Intent to Award.

6.2 Negotiation**6.2.1 Negotiation Meeting(s)**

Florida ABLE intends to participate in at least one (1) telephone conference with each of the selected Respondent(s) scheduled pursuant to Section 4.0. During the Negotiation Phase, Florida ABLE may request supplemental information and/or best and final offers based on the negotiations. Further information, including a scope and agenda for the call(s), will be provided with the Notice of Intent to Negotiate to the Respondent(s) selected to the shortlist. Florida ABLE prefers that the Respondent representation participating in the call include the portfolio manager(s), but this is not required. At a minimum, the representative(s) shall be familiar with the portfolio(s).

The Negotiation Team may consider information received from Callan Associates, Inc. (Callan), an investment consultant for Florida ABLE. Callan may provide factual information relating to the historical investment performance of the Respondent, including investment returns for the portfolio attributes and consistency of performance. Callan may also provide factual information related to the experience, background, and staffing of the Respondent. Any information provided by Callan will be based on the responsive replies to this IIN and information possessed by Callan through a normal course of business. Callan will not make any decisions on behalf of Florida ABLE.

6.2.2 Contract Negotiation

Florida ABLE intends to initially negotiate with the shortlist Respondent(s) concurrently. However, Florida ABLE reserves the right, after posting notice thereof, to expand the shortlist to include additional responsive Respondents for negotiation or change the method of negotiation (e.g., concurrent versus by order of ranking), and evaluation criteria if it determines that to do such would be in the best interest of Florida ABLE. When negotiations have been completed, Florida ABLE will award the contract(s) to the responsive and responsible Respondent(s) that Florida ABLE determines will provide the best value. Florida ABLE will post its Notice of Intent to Award or its notice informing of its decision that all Responses have been rejected pursuant to Section 3.1.

Florida ABLE reserves the right to change the members of the Negotiation Team in its sole discretion.

6.2.3 Florida ABLE Rights During Negotiations

At any time during the negotiation process, the reserved rights of Florida ABLE include but are not limited to:

1. Schedule additional negotiating sessions with any or all Respondent(s);
2. Require any or all Respondent(s) to provide additional or revised replies and detailed written proposals addressing specified topics;
3. Require any or all Respondent(s) to provide a written best and final offer;
4. Require any or all Respondent(s) to address services, prices, or conditions offered by any other Respondent;
5. Pursue a contract with one or more Respondent(s) for the services encompassed by this solicitation, any addenda thereto, and any request for additional or revised detailed written proposals or request for best and final offers;
6. Arrive at an agreement with any Respondent, finalize principal contract terms with such Respondent and terminate negotiations with any or all other Respondents, regardless of the status of or scheduled negotiations with such other Respondent(s);
7. Decline to conduct further negotiations with any Respondent;
8. Reopen negotiations with any Respondent;
9. Take any additional administrative steps deemed necessary in determining the final award, including additional fact-finding, evaluation, or negotiation where necessary and consistent with the terms of this IIN;
10. Review and rely on relevant information contained in the replies received;
11. Review and rely on relevant portions of the evaluations conducted pursuant to Section 6.0; and
12. Seek factual information from Callan as it pertains to Callan's investment consultant services provided to Florida ABLE and the Florida Prepaid College Board.

Florida ABLE has sole discretion in deciding whether and when to take any of the foregoing actions, the scope and manner of such actions, the Respondent(s) affected, and whether to provide concurrent public notice of such decision.

6.2.4 *Negotiation Meetings Not Open to Public*

Negotiations between Florida ABLE and a Respondent are exempt from being held as public meetings by Section 286.0113(2)(a) of the Florida Statutes. Furthermore, negotiation strategy meetings of the Florida ABLE Negotiation Team are exempted by Section 286.0113(2)(a) of the Florida Statutes.

7.0 GENERAL INFORMATION**7.1 Glossary of Terms**

1. "Contract" means the document developed as a result of this IIN, which will incorporate, among other provisions, the contents of this IIN, questions and answers regarding this IIN, the Respondent's response to this IIN, and any amendments to the response.
2. "Day" means a calendar day unless a different meaning is otherwise indicated.
3. "Fiscal Year" means the fiscal year of Florida ABLE. Each fiscal year begins July 1 and ends the next June 30.
4. "IIN" means this Invitation to Negotiate.
5. "Respondent" means any firm, group, or person who submits a Response to Florida ABLE in response to this IIN.
6. "Response" means all materials and documents submitted by the Respondent pursuant to this IIN.
7. "State" means the State of Florida and its departments, boards, commissions, officials, and employees.
8. "Trust Fund" means the Florida ABLE Program Trust Fund.

Throughout this IIN and where deemed appropriate by Florida ABLE, the singular may be read as the plural and the plural as the singular.

7.2 Responsibility for Services

The Respondent(s) whose response is selected by Florida ABLE shall establish and assume direct responsibility for the services awarded. Accordingly, the Respondent(s) shall designate a Contract Manager whose primary responsibility is to work with Florida ABLE, Inc. in making certain that all contract terms are strictly observed. At any time during the term of the contract, Florida ABLE reserves the right to reject the Respondent's choice of Contract Manager and may terminate the contract if a Contract Manager acceptable to Florida ABLE cannot be made available by the Respondent.

7.3 Contract

The terms and conditions for a contract resulting from this IIN process, indicating the respective duties of the successful Respondent and Florida ABLE are included with this solicitation as Appendix B. Florida ABLE reserves the right to modify existing language and to consider proposed language by the Respondent as it may arise from negotiations.

7.4 Order of Precedence

In the event of any conflict, in the opinion of Florida ABLE between any provision of the Contract and the IIN, the Questions and Answers regarding the IIN, or the Response, the Contract shall govern the conduct of Florida ABLE and the Respondent. In the event of any conflict, in the opinion of Florida ABLE between the IIN and the Respondent's Response, the IIN shall govern the conduct of Florida ABLE and the Respondent. In the event of any conflict, in the opinion of Florida ABLE between the IIN and the Questions and Answers regarding the IIN, the Questions and Answers regarding the IIN shall govern the

conduct of Florida ABLE and the Respondent. In the event of any conflict, in the opinion of Florida ABLE between the Questions and Answers regarding the IIN and the Response, the Questions and Answers regarding the IIN shall govern the conduct of Florida ABLE and the Respondent.

7.5 Confidentiality of Account Information

Section 1009.987 of the Florida Statutes provides that all personal financial and health information of a consumer held by the Florida Prepaid College Board, Florida ABLE, Inc., or the Florida ABLE program, or an agent or service provider thereof, relating to an ABLE account or a participation agreement or any information that would identify a consumer is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

7.6 Property of Florida ABLE

All Responses to this IIN shall result in a Respondent's waiver of any and all proprietary rights, or claims thereto, upon delivery to Florida ABLE. Any and all materials delivered shall become the property of Florida ABLE and will not be returned to the Respondents. Without limitation, Florida ABLE has the right to use any and all materials, data, ideas and/or adaptations thereof contained in any response to this IIN, regardless of copyright, trademark or other protected status. A Respondent shall not submit any information in its response which the Respondent does not own or otherwise have the right to waive any and all proprietary rights or claims relating to such information. The Respondent shall indemnify Florida ABLE to the fullest extent permitted by law against any and all claims by any third party relating to or arising from any claim of ownership or any proprietary rights to any information submitted by Respondent in response to this IIN. Selection or rejection of the Response will not affect this right.

All materials and data produced for Florida ABLE under the contract(s) resulting from this IIN will be owned by Florida ABLE unless otherwise agreed to in writing by the Florida ABLE, Inc.

7.7 Response Tenure

All Responses are valid for one hundred eighty (180) days from the Response due date. The period of time during which Responses are valid will be tolled during the pendency of any proceeding related to any contract awarded pursuant to this IIN.

7.8 News Releases

Florida ABLE, Inc. and the Florida Prepaid College Board are the only entities authorized to issue news releases relating to this IIN, Responses submitted in response to this IIN, and any contract resulting from this IIN.

8.0 APPENDICES

APPENDIX A C O M P R E H E N S I V E I N V E S T M E N T P L A N F O R T H E F L O R I D A A B L E P R O G R A M

Florida ABLE, Inc.
Comprehensive Investment Plan
for the
Florida ABLE Program June 25, 2015

AUTHORITY

Florida ABLE, Inc. is a direct support organization of the Florida Prepaid College Board. All investments made under this Comprehensive Investment Plan ("CIP") are made under the authority granted Florida ABLE, Inc. ("Corporation") by the Florida Prepaid College Board and Sections 1009.985 - .988, Florida Statutes.

PURPOSE

The CIP for the Florida ABLE Program ("Program") serves as the primary statement of the Corporation's investment policy regarding their statutory responsibilities and authority to establish and operate a savings plan for participants in the Program. The Program provides a medium through which eligible families and individuals may save private funds to help persons with disabilities cover costs that support their health, independence and quality of life. The Program is administered by the Corporation which was created pursuant to Section 1009.986, Florida Statutes.

ABLE CORPORATION RESPONSIBILITIES

The Corporation has the authority and responsibility to:

- ☐ Establish and maintain the CIP for the Program in accordance with state and federal law.
- ☐ Approve investment managers for the Program in accordance with the CIP.
- ☐ Request the Florida Prepaid College Board to solicit proposals, to contract or subcontract, or to amend contractual service agreements for the benefit of the Program.
- ☐ Review the investment options and fees for the Program on a periodic basis.
- ☐ Review periodically the performance of investment managers/investment options.
- ☐ Ensure that investment policies of the Corporation are strictly followed and that investment procedures are in place and properly followed.
- ☐ Utilize the services of a professional investment consultant for advice in the pursuit of investment objectives.

FLORIDA PREPAID COLLEGE BOARD RESPONSIBILITIES

The Florida Prepaid College Board has the authority and responsibility to:

- ☐ Approve the CIP, and any changes thereto, for the Program.
- ☐ Respond to requests from the Corporation made in accordance with the provisions of the CIP.
- ☐ Solicit proposals, to contract or subcontract or to amend contractual service agreements of the Florida Prepaid College Board for the benefit of the Program.

INVESTMENT OBJECTIVES

The Program shall seek the following objectives:

- Offer a diversified mix of investment options that span the risk-return spectrum and give participants the opportunity to accumulate savings to maintain health, independence and quality of life.
- Offer investment options that avoid excessive risk, have a prudent degree of diversification relative to broad market indices and provide a long-term rate of return that seek to achieve or exceed the returns on comparable market benchmark indices.
- Offer participants meaningful, independent control over the assets in their account with the opportunity to:
 - Obtain sufficient information about their account and investment alternatives to make informed investment decisions;
 - Direct contributions and account balances between approved investment options with a frequency that is consistent with state and federal law, as applicable;
 - Remove monies from an account without undue delay or penalties, subject to the contract and all applicable laws governing the operation of the Program.

INVESTMENT MANAGER RESPONSIBILITIES

Investment managers are responsible for following the provisions of this CIP. However, notwithstanding any provisions to the contrary, with regard to commingled/mutual funds the specific duties and responsibilities of each investment manager are to manage the assets under their supervision in accordance with the guidelines and objectives outlined in their respective prospectuses, participation agreements or other governing documents (e.g., Investment Management Agreement).

Managers should be responsive to the Corporation, Executive Director and/or investment consultant and provide information as necessary for monitoring the performance of the Program.

INVESTMENT OPTIONS

The number and range of investment options offered to Program participants will be reviewed by the Corporation periodically. The decision to offer additional options will take into account the growth of the Program, industry trends, administrative feasibility, diversification and costs associated with adding options. Permitted investment vehicles for any of the investment options include, but are not limited to a separately managed account, a pooled or commingled account, or a mutual fund.

If the Florida Prepaid College Board utilizes the same investment option as the Program, then the Program will use the Florida Prepaid College Board's investment manager for that investment option unless the Florida Prepaid College Board approves otherwise in advance. Specific commingled/mutual funds offered by the Program must also be approved in advance by the Florida Prepaid College Board.

The Corporation has authorized the following investment options that may be offered to Program participants:

Option 1 – a balanced investment option which will consist of a 60/40 mix of U.S. equity (Option 4) and fixed income (Option 3). Option 1 will be rebalanced to the targeted asset mix on a periodic basis, according to the parameters outlined in the rebalancing section of this CIP.

Option 2 – a money market investment option designed to provide exposure to liquid short-term fixed income instruments.

Option 3 – a fixed income investment option designed to track the broad domestic bond market.

Option 4 – a U.S. equities investment option designed to track the broad U.S. equities market.

Option 5 – an international equities investment option designed to provide exposure to international equities in developed markets.

REPORTING

The Executive Director will cause monthly flash reports and detailed quarterly reports of the investment performance for each investment option to be prepared for review by the Corporation and the Florida Prepaid College Board.

Investment results for each investment option will be reported each quarter for the most recent completed quarter, calendar year-to-date, most recent twelve month period and cumulatively from inception showing returns relative to appropriate market benchmarks. Returns will be reported on a time weighted basis. At a minimum, the report will contain the following items:

1. Performance Measurement and Attribution

- ☐ Performance of each investment option relative to its stated benchmark will be reported.
- ☐ The performance of each underlying sub-portfolio will be reported relative to its stated benchmark.
- ☐ An attribution analysis of each investment option and sub-portfolio will be provided.
 - Fixed income attribution will include effects of changes in interest rates, sector and quality decisions and reinvestment rate.
 - Equity attribution will include such factors as sector and industry weights, beta, company size, yield and growth in earnings.
 - The attribution analysis will also account for any deviations in asset class or style weights from the targeted portfolio weights.
- ☐ Returns for each manager will also be evaluated on a risk-adjusted basis.

2. Qualitative Issues

- ☐ Ownership changes (e.g. key people “cash out”)
- ☐ Departure of key investment professionals
- ☐ Changes in the decision-making process
- ☐ Changes in investment philosophy
- ☐ Involvement in material litigation or fraud

3. Compliance and Monitoring

- ☐ The allocation of each investment option will be reported to ensure allocation guidelines are met.
- ☐ Asset holdings will be reported to ensure investments are being made only in authorized securities and investment vehicles.
- ☐ Each manager will certify monthly that their portfolio is in compliance with the terms of this CIP and their specific investment mandate, as well as any applicable prospectus and Statement of Additional Information. Any exceptions to policy will be noted and a statement provided indicating the steps to be taken to bring the portfolio back into compliance with the policy.
- ☐ Each manager will be monitored based upon the performance objectives as outlined in this CIP.
- ☐ For each investment option which is implemented using a commingled/mutual fund, the manager will submit to the Corporation for approval any proposed changes to the prospectus or other governing documents in advance of making the changes.
- ☐ Each manager shall immediately disclose to the Corporation in writing any instance which a member of the investment manager's Board of Directors, an officer of the investment management firm, or a member of the portfolio management staff is also a member of the Board of Directors, an officer of, or a significant shareholder of 5% or more in stocks of a company in which they propose to invest the Corporation's funds. In addition, the Corporation's investment consultant and the trustee/custodian shall annually certify that no conflicts of interest exist with respect to the services they provide to the Program and shall annually provide the Corporation with a copy of the firm's policy governing conflicts of interest. The requirements of this paragraph do not apply with respect to the common stock of the manager responsible for investment of the U.S. equities investment option (or the common stock of the manager's holding company) when the manager's common stock (or that of its holding company) is included in the Russell 3000, or another recognized broad market index; provided that, prior to the initial purchase of the manager's common stock (or that of its holding company), the manager notifies the Corporation in writing that the manager's common stock (or that of its holding company) is included or has been included, in the Russell 3000.

AUTHORIZED INVESTMENT VEHICLES

Funds managed by the Program may be placed in the following accounts or investments:

1. Deposit accounts and certificates of deposit in banks.
2. Obligations of United States Treasury.
3. Obligations of agencies of the United States Government (not restricted to full faith and credit obligations).
4. Commercial paper of prime quality of the highest letter and numerical rating established by a nationally recognized rating service.
5. Bankers' acceptances that are accepted by a member bank of the Federal Reserve System.
6. Corporate debt obligations preferred stock, mortgage and asset-backed securities, provided the obligations meet the minimum credit criteria set forth elsewhere in this CIP.
7. Institutional investment products including fixed annuities, variable annuities and guaranteed insurance contracts that are obligations of United States insurance companies.
8. Common and preferred stocks traded on domestic exchanges, including over-the-counter markets and recognized third and fourth markets.
9. Common stock of foreign-domiciled companies traded on non-U.S. exchanges including over-the-counter markets.
10. Collateralized repurchase agreements for which the underlying securities are obligations of the United States Treasury or agencies of the United States Government.
11. Commingled investment funds and mutual funds.
12. American Depositary Receipts and Yankee bonds (including sovereign bonds issued in USD).
13. Municipal Bonds issued or guaranteed by U.S. local, city and state governments and agencies including Build America Bonds (BABs).
14. Exchange Traded Funds (ETF's), traded on domestic exchanges, so long as consistent with the investment mandate, and guidelines.
15. Mortgage TBAs ("To Be Announced") securities. These securities require an equivalent amount of cash equivalents set aside for future settlement of the forward agreement.

16. Derivatives: In general, the following uses of derivatives are approved for portfolio management purposes, although specific written permission must be granted to each manager on a case-by-case basis in formal written account guidelines.

- ☐ Substitute for physical
- ☐ Duration management
- ☐ Risk control

Before a derivative security or derivative strategy is used by an investment manager, one or more of the following benefits must be demonstrated to the Board:

- ☐ Increased liquidity.
- ☐ Stabilized and enhance portfolio returns.
- ☐ Lower transaction costs, including market impact costs.
- ☐ Reduction in the time required to change the mix of the portfolio.

Before any such derivative strategy is used by an investment manager, written permission for such use must be obtained from the Executive Director of the Program. However, in recognition of the balances that may exist in the early stages of the ABLE Program, the use of derivatives for portfolio management purposes will be permissive during the first twelve months of the launch of the ABLE Program.

PROHIBITED INVESTMENT VEHICLES AND GENERAL INVESTMENT RESTRICTIONS

1. Assets may not be invested in the securities of any foreign-domiciled entities, except to the extent those securities are registered in the United States and traded on one of the domestic exchanges or markets, and otherwise meet the limitations of this comprehensive investment plan, with the exception of the international equities investment option.
2. Short selling of securities is prohibited
3. Maximum investment in the securities of any issuer, except U.S. Treasury or Agency or repurchase agreements collateralized by U.S. Treasury or Agency securities, is the greater of 5% of the market value of the fund, or 2% greater than the appropriate benchmark weight.
4. Debt obligations and preferred stock may not be rated less than BAA/BBB. Rating from each service must meet or exceed the required rating. (As established by two nationally recognized rating services.)
5. The following derivative strategies and derivative instruments are considered inappropriate and therefore not permitted for use in the managing of assets for the Florida ABLE Program:
 - ☐ Derivatives use for speculative purposes.
 - ☐ Derivatives that leverage the account (except as described in the section on leverage).
 - ☐ Commodity options, swaps or other derivatives based on commodities.

INVESTMENTMANAGER SELECTION AND EVALUATION

Appropriate selection criteria will be used in the process of selecting investment managers/funds. Though not exhaustive, below is a list of considerations:

- ☐ Impact on asset class diversification. The characteristics of the potential investment option(s) relative to the characteristics of the existing options will be evaluated to determine the impact on participants' ability to diversify within a risk/reward spectrum.
- ☐ Adherence to designated style.
- ☐ Reasonable and competitive expense levels.
- ☐ Investment performance characteristics. Funds will have a record of performing well compared to peer groups and relevant published market indices. A minimum of a three year performance history is desirable for the assessment of manager skill.

The performance of each investment option will be evaluated in the context of its role in the array of options offered to Program participants. The Corporation shall evaluate investment performance over a sufficient time horizon, and in the context of the prevailing market environment, in order to properly assess the investment manager's success or failure. In general, a three- to five-year time horizon will be used to evaluate a manager's attainment of agreed-upon goals. On an interim basis, portfolio risk and investment performance will be monitored continually to ensure that the management of Program assets remains consistent with the style and objective for each investment option.

At a minimum, investment manager reviews will include a quarterly quantitative performance review conducted by the Program's consultant. Specific evaluation criteria are stated in the investment guidelines that have been individually prepared for each investment option pursuant to its specific role in the Program. As necessary, the evaluation may also include an annual site visit to review each portfolio manager's operations.

REBALANCING

In order to maintain the level of risk the Corporation has established, the asset class allocation within Option 1 will be monitored monthly and rebalanced to the specified target when the allowable ranges are exceeded. The portfolio should be brought back into compliance within five business days. The following ranges will apply:

<u>Option 1</u>	<u>Targeted Weight</u>	<u>Allowable Range</u>
Fixed Income (Option 3)	40%	35% – 45%
Broad Market U.S. Equity (Option 4)	60%	55% – 65%

IMPLEMENTATION

All assets invested for the Program by the investment managers after the adoption of this CIP shall conform to this CIP, as amended from time to time.

The following portfolio-specific guidelines have been established to:

1. Ensure that the managers continually adhere to all regulations administered by any regulatory authority charged with oversight responsibility.
2. Limit the Program's exposure to unintended risks.
3. Ensure that each investment option adheres to its specific objectives.
4. Communicate objective, reasonable criteria of the Corporation's expectations to the managers.

The following sections contain the investment guidelines and policies for each option of the Program.

**OPTION 1
BALANCED
INVESTMENT GUIDELINES**

OBJECTIVE

The objective of the balanced investment option is to provide participants with an opportunity to generate both long-term capital growth and income.

ASSET ALLOCATION

The balanced investment option will be a blend of fixed income (Option 3) and U.S. equities (Option 4) and is expected to be fully invested at all times. Allocations to the underlying fixed income and equity portfolios will be rebalanced periodically according to the rebalancing guidelines specified in the rebalancing section of this CIP.

INVESTMENT GUIDELINES

The investment guidelines under Options 3 and 4, above, will apply to each respective portion of Option 1.

PERFORMANCE OBJECTIVES

The performance objectives specified in Options 3 and 4, below, will apply to each respective portion of Option 1.

**OPTION 2
MONEY MARKET
INVESTMENT GUIDELINES**

OBJECTIVE

The money market option seeks income consistent with liquidity, interest income and capital preservation. The money market investment option will be actively managed and will primarily invest in high quality, liquid, short-term instruments to control credit risk and interest rate sensitivity.

ASSET ALLOCATION

The portfolio is expected to be invested at all times.

INVESTMENT GUIDELINES

The money market option may invest in highly liquid money market instruments and fixed income securities with maturities not to exceed two years. The average portfolio maturity is not to exceed 6 months, notwithstanding the objective of preservation of capital. The minimum rating criteria for securities to be purchased in this paper are A1/P1 or an equivalent rating by two nationally recognized rating services.

PERFORMANCE OBJECTIVES

The performance of the money market investment option shall be reviewed against a composite 91 Day Treasury Bills index and a universe of other money market funds. The fund is expected to maintain a net asset value (NAV) of \$1/share.

OPTION 3
FIXED INCOME
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the fixed income option is to provide participants with exposure to the broad fixed income market.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times. However, cash holdings may represent an integral part of the manager's desired portfolio structure. Therefore, for purposes of this constraint, cash will be defined as securities with a duration of less than three months and the manager shall be allowed a maximum cash position of not more than five percent.

INVESTMENT GUIDELINES

- ☐ Fixed income investments will be made only in dollar-denominated securities traded in domestic markets.
- ☐ The portfolio shall maintain a coefficient of determination (R^2) to the Barclays Capital Aggregate Index of not less than .90 over any rolling five-year time horizon calculated using monthly data.

RESTRICTED INVESTMENTS

Use of margin is prohibited except as may be required in the use of futures, options and swaps.

Other than futures, options and swaps, the use of derivative securities that have not been specifically approved by the Corporation is prohibited.

Convertible securities shall not be considered for investment.

PERFORMANCE OBJECTIVES

Manager performance shall be reviewed relative to the Barclays Capital Aggregate Index over any three- to five-year period, taking into consideration the following:

Passive Managers

- ☐ For passive managers, the manager's performance, gross of fees, is expected to meet the Barclays Capital Aggregate Index.
- ☐ Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 15 basis points.

Active Managers

- ☐ For active managers, the manager's performance, net of fees, is expected to exceed the Barclays Capital Aggregate Index, taking into consideration the degree of risk.
- ☐ The active manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.
- ☐ The effectiveness of the manager's duration, sector and security allocations will be reviewed to determine if the manager has demonstrated, on a total return basis, the ability to add value above the Index.
- ☐ The portfolio shall maintain at all times a duration of no less than 75% and greater than 125% of the index duration.

OPTION 4
U.S. EQUITIES
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the U.S. equities investment option is to provide participants an opportunity for meaningful growth of capital over a long investment horizon through participation in the broad U.S. equities market.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of not more than five percent.

INVESTMENT GUIDELINES

1. The manager shall be permitted to invest in any securities which are a part of the Russell 3000 index, without regard for the constraint within this policy prohibiting or restricting the ownership of companies with less than a 3 year publicly available operating history. If the manager's common stock (or the common stock of the manager's holding company) is included in the Russell 3000, the manager is permitted to purchase, retain and sell the manager's common stock (or the common stock of the manager's holding company), consistent with the other requirements, guidelines, restrictions and performance objectives applicable to this portfolio and the reporting requirements imposed on managers.
2. The manager shall be permitted to invest in any securities which are a part of the Russell 3000, without regard for the preference within this policy for investments to be made in United States based corporations. There shall be no limit on the percent of the portfolio held in American Depository Receipts, provided those same companies are included in the Russell 3000 as American Depository Receipts.
3. The manager may temporarily invest in companies outside of the index in the case of additions or deletions, with the goal of minimizing tracking error and/or reducing trading costs.

RESTRICTED INVESTMENTS

1. The use of futures will be permitted subject to the restrictions imposed in the "Authorized Investment Vehicles" section.
2. Use of margin is prohibited except as may be required in the use of futures.
3. Convertible securities shall not be allowed for investment purposes.

PERFORMANCE OBJECTIVES

Manager performance shall be reviewed relative to the Russell 3000 Index, or other agreed-upon investible benchmark over any three to five year period, taking into consideration the following:

Passive Managers

- ☐ A passive manager's performance, gross of fees, is expected to meet the Russell 3000 Index, or other agreed-upon investible benchmark representing the broad U.S. equity market.
- ☐ The beta of the portfolio over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.
- ☐ Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

Active Managers

- ☐ An active manager's performance, net of fees, is expected to exceed the Russell 3000 Index, or other agreed-upon investible benchmark representing the broad U.S. equity market.
- ☐ The active manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

OPTION 5
INTERNATIONAL EQUITIES
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the international equities investment option is to provide participants an opportunity for meaningful growth of capital over a long investment horizon through participation in international equities in developed markets.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of not more than five percent.

INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to five percent of the portfolio in initial public offerings that have been spun off by a company for which there is adequate history of audited financial statements. If, through spin-offs or other activities of the companies held, the portfolio exceeds five percent of holdings with less than three years operating history, the manager will bring the portfolio into compliance within a six-month period.
2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the MSCI EAFE Index of not less than .80 over any rolling five-year time horizon calculated using monthly data.
3. Equity investments shall be made only in securities domiciled outside of the United States. Country classification of a security will be based upon the country of domicile, not based on the country in which the security is listed or traded.

RESTRICTED INVESTMENTS

1. The use of currency futures and currency forwards will be permitted subject to the restrictions imposed in the "Authorized Investment Vehicles" section.
2. Use of options, futures, forwards or any other types of derivative securities that are not used for currency hedging purposes are prohibited.
3. Use of margin is prohibited except as may be required in the use of currency futures or forwards.

PERFORMANCE OBJECTIVES

Manager performance shall be reviewed relative to the MSCI EAFE Index, over any three or more year period of time, taking into consideration the following:

Passive Managers

- ☐ A passive manager's performance, gross of fees, is expected to meet the MSCI EAFE Index, or other investible benchmark representing the broad developed international equity markets.
- ☐ The beta of the portfolio relative to the index over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.
- ☐ Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index, of less than 35 basis points.

Active Managers

- ☐ The manager's performance, net of fees, is expected to exceed the MSCI EAFE Index or other investible benchmark representing the broad developed international equities market, taking into consideration the degree of risk.
- ☐ The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

APPENDIX B CONTRACT

INVESTMENT MANAGEMENT AGREEMENT

This Investment Management Agreement (the "Agreement"), is entered into this ____ day of _____, 20____, by and between the FLORIDA ABLE, INC. (the "Florida ABLE"), a Direct Service Organization of the Florida Prepaid College Board, an agency of the State of Florida, and _____ (the "Manager"), a corporation operating under the laws of the State of _____ and doing business in the State of Florida to provide Investment Management Services to the Florida ABLE Program (the "Program").

BACKGROUND

An Invitation to Negotiate, Mutual Fund Family for Florida ABLE, Inc., IIN 15-02, (the "IIN") was issued by the Florida Prepaid College Board on or about July 24, 2015. The Florida Prepaid College Board determined that the Manager has the expertise, organizational capacity, financial resources, and ability to perform services for Florida ABLE as required pursuant to this agreement.

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

I. SERVICES**A. REPRESENTATIONS AND WARRANTIES**

The Manager represents and warrants that:

1. It is a duly registered investment adviser under the Investment Advisers Act of 1940, as amended, and further represents, warrants, and agrees that it will continue at all times during the term of this Agreement to be an investment adviser and manager, as well as a fiduciary as described in paragraph 2 of this Section and that it will comply with all federal and state security laws, rules and regulations, as well as all other state and local laws referenced by this Agreement and all rules adopted hereafter; and

2. It is an "investment manager" as such term is defined in the Employees Retirement Income Security Act ("ERISA"), 29 U.S.C. § 1002(38), with respect to the Account Assets and, by reason thereof, a fiduciary as such term is defined in ERISA. Nothing in this paragraph incorporates any other term or provision of ERISA and the terms and provisions of ERISA are not applicable to this Agreement; and

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

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

5. It has taken all actions necessary to authorize the execution, delivery, and performance of this Agreement, and this Agreement is a valid and binding obligation of the Manager enforceable

against it in accordance with its terms except as may be limited by federal and state laws affecting the rights of creditors generally and except as may be limited by legal equitable remedies; and

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

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

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

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

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

B. DESCRIPTION OF SERVICES

1. Florida ABLE hereby appoints the Manager as an investment manager with the power to invest and manage assets as allocated at the discretion of the Florida ABLE (the "Account Assets") in accordance with the Statutory Prospectus set forth in Exhibit "B".

2. The Manager will provide Florida ABLE with access to a family of funds for investment of any amount, in any fund, on any trading day at the discretion of Florida ABLE.

3. The Manager will provide access as may be required by Florida ABLE to data and reporting of gross and net of fee investment performance; this may include monthly, quarterly and/or annual statements.

4. The Manager will provide Florida ABLE with approved logos, trademarks, copyrights and other similar identifying symbols or descriptive statements, that may be included in marketing materials created by Florida ABLE for one or more funds included in, or the entire, family of funds to the extent permitted by law.

5. The Manager will provide disclosure materials concerning each investment option within the family of funds as may be required by Florida ABLE for inclusion in any prospectus or disclosure booklet for the Florida ABLE Program.

6. Upon request, and for a negotiated fee, the Manager will make presentations to the Florida ABLE Board and the Florida Prepaid College Board, or as otherwise requested by Florida ABLE on investment topics including but not limited to investment strategy, mechanics, environment, performance and projections.

7. All services provided under this Agreement related to the Florida ABLE Program shall be provided in accordance with the IIN. All provisions of the IIN, the Questions and Answers regarding the IIN, and the Manager's Proposal submitted in response to the IIN are incorporated by reference and attached to this Agreement as Composite Exhibit "A."

8. The Manager agrees to discharge its duties, as investment manager and fiduciary, with respect to the Account Assets solely in the interest of the Board and the beneficiaries thereunder and (a) with the care, skill, prudence, and diligence that a prudent man acting in the like capacity and familiar with such matters, under the then present circumstances, would use in the conduct of an enterprise of a like character and with like aims, and (b) in accordance with the investment instructions as Florida ABLE may furnish to the Manager in writing from time to time and with this Agreement.

C. DURATION AND CONSIDERATION

1. The duration of this Agreement shall be for five (5) years beginning _____, 20____, and continuing through _____, 20____. Florida ABLE reserves the right, in its discretion and in consultation with the Florida Prepaid College Board, to renew this Agreement for five (5) additional years under the terms and conditions set forth herein or under such terms and conditions as the parties may mutually agree upon. The renewal may be divided into increments or may be for a complete term. Any renewal or extension will be in writing and executed by both parties to this Agreement.

2. The continuation of this Agreement shall be contingent upon the satisfactory performance and evaluation of the Manager by Florida ABLE. Florida ABLE may terminate this Agreement or any part of this Agreement, without penalty or cost, at its convenience at any time and for any reason. Such termination will be effective at such time as is determined by Florida ABLE.

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

4. The Manager will be compensated pursuant to the Statutory Prospectus for the investment options in which Florida ABLE has invested. Florida ABLE shall pay the fees associated with holding Institutional Shares.

5. The Manager shall be compensated for services set forth in B.6 in such manner as will be agreed upon, from time to time, by the Manager and Florida ABLE.

6. All out-of-pocket expenses of the Manager, including without limitation, mailing and telephone expenses, travel expenses, salaries, and overhead costs, are to be paid for by the Manager.

7. Any invoices submitted by the Manager seeking payment for services rendered under the terms of this Agreement shall be submitted to Florida ABLE in sufficient detail to ensure proper pre-audit and post-audit thereof.

D. NONEXCLUSIVE RIGHTS

1. By this Agreement, Florida ABLE does not intend to grant any firm the exclusive rights to provide all materials or services required by Florida ABLE during the period covered by the Agreement.

E. SEVERABILITY

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

F. NO ASSIGNMENTS

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

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II. SPECIAL TERMS

A. OWNERSHIP OF MATERIALS

1. Florida ABLE owns all materials developed and produced for Florida ABLE under this Agreement, unless otherwise agreed to in writing by Florida ABLE. The provisions of this Paragraph shall survive the termination of this Agreement.

B. PUBLIC RECORDS

1. Section 1009.987(2), Florida Statutes, provides that the personal financial and health information of a consumer held by the Florida Prepaid College Board, the Florida ABLE, Inc., or the Florida ABLE program, or an agent or service provider thereof, relating to an ABLE account or a participation agreement or any information that would identify a consumer is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I 35 of the State Constitution. All other documents, papers, letters or other materials relating to this Agreement that are made or received by the Manager in conjunction with this Agreement, and which are required by law to be maintained, must be available for public inspection and for audit purposes for a period of three (3) years after the expiration of this Agreement. Said records shall be maintained pursuant to Chapter 119, Florida Statutes, and other applicable Florida statutes. Florida ABLE may cancel this Agreement if the Manager refuses to allow public access to any documents, papers, letters, or other materials subject to the provisions of Chapter 119, Florida Statutes, and made or received by the Manager in conjunction with this Agreement. The provisions of this Paragraph shall survive the termination of this Agreement.

C. INTERPRETATION AND DISPUTE RESOLUTION

1. In the event of any conflict, in the opinion of Florida ABLE, between any provision of this Agreement and the IIN, the Questions and Answers regarding the IIN or the Response, this Agreement shall govern the conduct of Florida ABLE and the Manager. In the event of any conflict, in the opinion of Florida ABLE, between the IIN and the Response, the IIN shall govern the conduct of Florida ABLE and the Manager. In the event of any conflict, in the opinion of Florida ABLE, between the IIN and the Questions and Answers regarding the IIN, the Questions and Answers regarding the IIN shall govern the conduct of Florida ABLE and the Manager. In the event of any conflict, in the opinion of Florida ABLE, between the Questions and Answers regarding the IIN and the Response, the Questions and Answers regarding the IIN shall govern the conduct of Florida ABLE and the Manager.

2. The validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of Florida.

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

4. Any and all litigation arising under this Agreement shall be brought in accordance with subparagraph 3 in a court of competent jurisdiction in Leon County, Florida. All appeals shall be to the First District Court of Appeals of the State of Florida.

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

D. INDEMNIFICATION

1. The Manager shall act as an independent contractor and not as an employee of Florida ABLE in the performance of the tasks and duties, which are the subject of this Agreement.

2. The Manager shall be liable, and agrees to be liable for, and shall indemnify, defend and hold Florida ABLE harmless from:

i. All claims, suits, judgments, or damages (including litigation costs and reasonable attorney's fees) arising directly from fraud, gross negligence or willful misconduct in the Manager's performance, or any subcontractor's performance, of the tasks and duties which are the subject of this Agreement. "Misconduct" means violation of Florida law, Florida ABLE rules or directives, Florida ABLE's Comprehensive Investment Plan, state or federal securities laws and rules or regulations implementing such laws.

ii. All claims, suits, judgments, or damages (including litigation costs and reasonable attorney's fees) relating to bodily injury, death of any person or damage to any real or tangible personal property arising from the Manager's performance, or any subcontractor's performance, of the tasks and duties which are the subject of this Agreement.

iii. All third-party claims, suits, judgments, or damages (including litigation costs and reasonable attorney's fees) arising from the Manager's performance, or any subcontractor's performance, of the tasks and duties which are the subject of this Agreement.

3. The Manager shall notify Florida ABLE in writing immediately of any such claim or suit. The Manager shall not settle, compromise, mediate, agree to dismiss, or voluntarily agree to the entry of any judgment, temporary injunction or permanent injunction, in any claim or suit against the Manager arising from or related to the Manager's tasks and duties which are subject of this Agreement without the prior written authorization of Florida ABLE. Nothing in this Agreement authorizes the Manager to waive Florida ABLE's immunity from suit under the Eleventh Amendment to the United States Constitution or any application of sovereign immunity recognized by federal or state courts.

4. Federal and state securities laws may impose liabilities under certain circumstances on investment advisers, managers or fiduciaries who act in good faith, and nothing herein shall constitute a waiver or limitation of any right that Florida ABLE may have under any such federal or state securities laws.

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

E. PROHIBITION OF COMMUNICATION

1. The Manager shall not initiate any communication with any member of the Florida ABLE Board or Florida Prepaid College Board, on any matter related to this Agreement or related to the duties of Florida ABLE under Chapter 1009, Florida Statutes, or which in any way relate to the Manager's

activities. Except at publicly noticed meetings of the aforementioned boards or any of their committees, all communication by the Manager directed to Florida ABLE, or any member of the boards, shall only be sent to the Executive Director of Florida ABLE who will forward same to the appropriate party. If the Manager receives any communication from any member of the boards, the Manager shall notify the Executive Director of Florida ABLE immediately, and shall take no further action on any matter related to this Agreement or any other matter related to the duties of Florida ABLE under Chapter 1009, Florida Statutes, until advised by the Executive Director.

F. NOTICES

- Where notice is to be sent, it shall be addressed to:

FLORIDA ABLE

Kevin Thompson

Executive Director

1801 Hermitage Boulevard, Suite 210

Tallahassee, FL 32308

Telephone: (850) 488 - 8514

Facsimile: (850) 488 - 3555

THE MANAGER

With copy to:

Gray Robinson, P.A.

Attention: Jason Unger, Esq.

301 S. Bronough Street, Suite 600

Tallahassee, FL 32301

Telephone: (850) 577 - 9090

Facsimile: (850) 222 - 3494

G. TITLES

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

H. BINDING EFFECT

- This Agreement shall be binding upon the parties, their related or resulting organizations, successors or transferees, administrative staff, agents, and attorneys.

I. WAIVER

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

J. INVOICES

1. Any invoices submitted by the Manager seeking payment for services rendered under the terms of this Agreement will be submitted to Florida ABLE in sufficient detail to ensure proper pre-audit and post-audit review time.

K. ENTIRE AGREEMENT; AMENDMENTS

1. This Agreement constitutes the entire agreement between the parties and supersedes any prior written or oral agreements between them. No modification or waiver of this agreement is valid unless written and properly executed by both parties.

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

FLORIDA ABLE, INC.

By: _____

Attested to by _____

Its: Executive Director

Witness _____

(Seal)

STATE OF FLORIDA

COUNTY OF _____

Before me, the undersigned authority, personally came and appeared KEVIN THOMPSON, EXECUTIVE DIRECTOR OF FLORIDA ABLE, INC., who is personally known to me or who has produced _____ as identification.

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

Notary Public, State of Florida at Large

Printed Name: _____

My Commission Expires: _____

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

By: _____

Attested to by

Its: _____

Witness

(Seal)

STATE OF FLORIDA
COUNTY OF _____

Before me, the undersigned authority, personally came and appeared _____, of _____, who is personally known to me or who has produced _____ as identification.

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

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

EXHIBIT A
INVITATION TO NEGOTIATE

EXHIBIT B
PROSPECTUS

EXHIBIT C
MARKETING AND TRADEMARK MATERIALS