

OFFICE OF THE ARIZONA STATE TREASURER

1700 WEST WASHINGTON STREET
PHOENIX, ARIZONA
85007

STATE SERVICING BANK
AND
MERCHANT CARD PROCESSING
REQUEST FOR PROPOSAL #11-01

ISSUED: MARCH 7, 2011

DUE: 2:00 P.M. MST, APRIL 25, 2011

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OFFICE OF THE ARIZONA STATE TREASURER

REQUEST FOR PROPOSAL

SERVICING BANK CONTRACT AND

MERCHANT CARD PROCESSING

This document constitutes a Request for Proposal via competitive sealed bids, from qualified organizations to perform the Scope of Work set forth herein.

Any bank qualified to act as the state servicing bank pursuant to A.R.S. 35-315(A) is hereby invited to submit a bid (Appendix A) to provide services as contained in this Request for Proposal and by virtue of its bid agrees to abide by all terms and conditions contained herein. The qualified bank meeting the qualifications set forth herein and providing the highest value to the state, may be designated as the servicing bank pursuant to A.R.S. 35-315(C). Any merchant card processing firm is invited to submit a bid for only merchant card processing services, and by virtue of its bid agrees to abide by all terms and conditions contained herein as they relate to merchant card processing.

The successful proposer to be the State's Servicing Bank and/or Merchant Card Processor will enter into a contract with the State Treasurer for the period from January 1, 2012 through December 31, 2014 (initial contract term is three years), with two possible one-year extensions thereafter by mutual agreement. All formal inquiries or requests for significant or material clarification or interpretation must be directed in writing or by e-mail to: Carlton Woodruff, Arizona State Treasurer's Office, 1700 West Washington, Phoenix, Arizona 85007, carltonw@aztreasury.gov.

OFFER AND ACCEPTANCE

Offer

The undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, scope of work and amendments to the solicitation.

Merchant Card Processing

Servicing Bank

By: _____

By: _____

Title _____

Title _____

Company _____

Company _____

Date _____

Date _____

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

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The bidder shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-09 or A.R.S. 41-1461 through 1465.
3. The bidder has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. None of the provisions of the Agreement may be waived, changed or altered except in writing signed by both parties.

Acceptance

The Offer is hereby accepted.

Board of Investment

Office of the State Treasurer

By: _____

By: _____

Title _____

Title _____

Date _____

Date _____

SPECIAL INSTRUCTIONS TO BIDDERS

1 Pricing

- 1.1 During the course of the contract period, bank accounts will be added and deleted according to the business requirements of the State Treasurer and state agencies. All current accounts and any new accounts will be charged for services using the bid prices contained herein for the term of the contract. The bid allows for two methods of compensation, and implementation will be determined by the State Treasurer, with a minimum 60-day notice prior to any change. Bid A is payment for services by a compensating balance left in a collateralized account at the servicing bank; and, Bid B is based upon monthly cash payments for services and will be used to pay for merchant card and cash services. Under a Bid B scenario, a compensating balance will not be left overnight in servicing accounts. Service volumes provided on the bid form reflect actual service usage during the last year and are for computational purposes only. They are not an estimate of future volumes.

Each bank shall submit with their bid a description of the method used to calculate earnings credit on compensating balances. Each bank shall submit with their bid a copy of a current deposit availability schedule and shall immediately institute any acceleration made available by their institution or the Federal Reserve during the course of the contract.

2 Bid Submittals

- 2.1 Bids are due at the address listed below on or before 2:00 p.m. (MST) on Monday, April 25, 2011. Responses must include original plus six (6) additional copies that will be used in the evaluation process. The original copy of the bid should be clearly labeled "ORIGINAL". The material should be in sequence and related to the Request for Proposal. Bids received after the date and time specified herein will not be considered. Bids shall be opened publicly at the time and place designated on the cover page of this document. The name of each bidder shall be read publicly and recorded. All other information contained in the bids shall be confidential. Prices will **NOT** be read. Bids will not be subject to public inspection until after contract award. Bids shall be irrevocable offers for sixty (60) days after the due date.

Office of the State Treasurer
Attn: Carlton Woodruff, Deputy Treasurer of Operations
1700 W. Washington
Phoenix, AZ 85007

3 Evaluation

In accordance with the A.R.S. 35-315(C), award(s) shall be made to the responsible bidder whose bid is determined in writing to meet the qualifications, provide the highest value to the state and conforms to the requirements and criteria set forth in this document. *The bidder is cautioned that it is the bidder's sole responsibility to submit all required information and that the State of Arizona is under no obligation to solicit such information if it is not included with the bidder's bid. Failure of the bidder to submit such information may cause an adverse impact on the evaluation of the bidder's bid as to the responsiveness of the bid and the responsibility of the bidder.*

Cost	30%
Conformance to Scope of Work	25%
Method of Approach	25%
Experience	20%

- 3.1 Cost. The bidder must provide a firm, fixed price for all requirements set forth in this Request for Proposal. A merchant card processing firm may submit a bid for only merchant card processing services. All firm, fixed prices must be shown on the pricing schedule of this RFP which must be

completed, signed, and returned with bidder's bid.

3.1.1 Pricing

- a. Provide a price schedule for this service using those items listed on the bid form (Appendix A). The only fees that will be accepted as a valid bid are those called for on the bid form.

3.2 Conformance to Scope of Work. The bidder must present a written narrative which demonstrates the method or manner in which the bidder proposes to satisfy the requirements of the Scope of Work. The language of the narrative should be straight forward and limited to fact, solutions to problems and plans of proposed action. The written narrative should include specific responses to the items listed below in addition to addressing the requirements contained in the Scope of Work.

3.2.1 Transaction Reporting

- a. What report options are available?
- b. What online system is available?
- c. What type of transaction reporting service do you provide?
- d. What type of output media is available for transaction reporting?

3.2.2 Transaction Reconciliation Paper Report

- a. What is your business' standard cut-off for statements and/or paper reports?
- b. How soon after the cut-off date will the following be sent or made available?
 1. Statements
 2. Reconciliation information

3.3 Method of Approach.

3.3.1 Competitive Position and Future Commitment

- a. What differentiates your service from other providers?
- b. How do you plan to keep services current and competitive?
 1. What approach is the business taking in the development of new services?
 2. What new services or features does the business plan to offer, and within what time frame?

3.3.2 Outsourcing

- a. Are any applications outsourced to a third party? If so, name this vendor(s), and describe the application(s).
- b. Describe the role of any third-party vendor used by the business to provide this service.

3.3.3 Cut-off Times

- a. What are the open hours and cut-off times in Mountain Standard Time for processing transactions?

3.3.4 Technical Capabilities

- a. What security procedures are in place (e.g., encryption/authentication)?
- b. How do you plan to keep this product current and competitive as it relates to changes in technology?
- c. Does the bank utilize Internet capabilities as a method of information delivery? If yes, explain. If no, are there plans to introduce Internet capabilities?
- d. What technical capabilities can be utilized throughout state government to improve the efficiency, effectiveness, and productivity of transactional processes?

3.3.5 Disaster Recovery

- a. What disaster recovery plans does the bank have to avoid interruptions in service?
- b. Describe the business' disaster recovery plan in detail.

- c. Where are the off-site facilities located? Are they “hot” sites? Describe the location and capabilities. Is there an alternative backup site? If yes, describe the location and capabilities.
- d. How quickly can the hot site be implemented in the event of an emergency?

3.3.6 Customer Service and Quality

- a. Indicate your business’ customer service organizational structure.
- b. Will a specific customer service representative be assigned to handle this business?
- c. Describe the responsibilities of customer service personnel, including the chain of command for problem resolution.
- d. What are the hours of operation of the customer service unit in Mountain Standard Time?
- e. Does your business provide technical customer support for application and communication problems?
- f. Does the business have a formal quality improvement program for this service? If yes, please describe.

3.3.7 Implementation

- a. Provide a copy of all agreements that will be required to initiate services.
- b. Provide a detailed description of the implementation process, including testing, and a sample implementation schedule.
- c. What is the average lead time required for implementation?
- d. Describe materials available and/or any on-site training that you provide.
- e. Do you assign an implementation team?

3.4 Experience and reliability. Please submit any information which documents successful and reliable experience in past performances related to the required services contained herein. Also provide any information which documents unsuccessful efforts within the past 36 months.

3.4.1 Personnel

- a. Please list names, titles, phone numbers, and e-mail address and provide brief biographies of business contact personnel.
- b. Identify the primary contact assigned to our account.
- c. How many employees do you have in key areas providing the service?

3.4.2 Experience

- a. How long has your business offered the service being requested?
- b. Specify the number of government/business customers using this service.
- c. Provide names and phone numbers of three references, preferably governments who are currently using the service requested. Select a mix of long-standing and recent customers.
- d. Provide any additional information which you believe to be relevant to your capabilities to provide the services requested, e.g., product brochures, articles in trade journals, etc.

3.5 Submittal Requirement. All responses to specific questions contained within the RFP shall be submitted as a separate document together with the bid form (Appendix A).

UNIFORM INSTRUCTIONS TO BIDDERS

A. **Definition of Terms.** As used in these Instructions, the terms listed below are defined as follows:

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

B. **Inquiries**

1. Duty to Examine. It is the responsibility of each Bidder to examine the entire Solicitation, seek clarification in writing (inquiries), and examine its’ Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
2. Solicitation Contact Person. Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Solicitation contact person. The Bidder shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.
3. Submission of Inquiries. The State Treasurer or the person identified in the Solicitation as the contact for inquiries requires that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time. *The State shall*

consider the relevancy of the inquiry but is not required to respond in writing.

4. Timeliness. Any inquiry or exception to the solicitation shall be submitted as soon as possible and should be submitted at least seven days before the Offer due date and time for review and determination by the State. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
5. No Right to Rely on Verbal Responses. A Bidder shall not rely on verbal responses to inquiries. A verbal reply to an inquiry does not constitute a modification of the solicitation.
6. Solicitation Amendments. The Solicitation shall only be modified by a Solicitation Amendment.
7. Pre-Offer Conference. If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. Bidders should raise any questions about the Solicitation or the procurement at that time. A Bidder may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
8. Persons With Disabilities. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.

C. Offer Preparation

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

5. Subcontracts. Bidder shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
6. Cost of Offer Preparation. The State will not reimburse any Bidder the cost of responding to a Solicitation.
7. Solicitation Amendments. Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a Solicitation Amendment may result in rejection of the Offer.
8. Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.
9. Provision of Tax Identification Numbers. Bidders are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number in the space provided on the Offer and Acceptance Form.
 - 9.1 Employee Identification. Bidder agrees to provide an employee identification number or social security number for the purposes of reporting to appropriate taxing authorities, monies paid under this contract. If the federal identifier of the Bidder is a social security number, this number is being requested solely for tax reporting purposes and will be shared only with appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041A.
10. Identification of Taxes in Offer. The State of Arizona is subject to all applicable state and local transaction privilege taxes. All applicable taxes shall be included in the pricing offered in the solicitation. At all times, payment of taxes and the determination of applicable taxes are the sole responsibility of the contractor.
11. Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Bidder shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Bidder shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
12. Solicitation Order of Precedence. In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
 - 12.1 Special Terms and Conditions;
 - 12.2 Uniform Terms and Conditions;
 - 12.3 Statement or Scope of Work;
 - 12.4 Specifications;
 - 12.5 Attachments;
 - 12.6 Exhibits;
 - 12.7 Special Instructions to Bidders;
 - 12.8 Uniform Instructions to Bidders;
 - 12.9 Other documents referenced or included in the Solicitation.
13. Delivery. Unless stated otherwise in the Solicitation, all prices shall be F.O.B. Destination and shall include all freight, delivery and unloading at the destination(s).

D. Submission of Offer

1. Sealed Envelope or Package. Each Offer shall be submitted to the submittal location identified in this Solicitation. Offers should be submitted in a sealed envelope or container. The envelope or container should be clearly identified with name of the Bidder and Solicitation number. The State may open envelopes or containers to identify contents if the envelope or container is not clearly identified.
2. Offer Amendment or Withdrawal. An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
3. Public Record. All Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State. If a Bidder believes that information in its Offer should remain confidential, it shall indicate as confidential the specific information and submit a statement with its Offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise. The State shall determine whether the identified information is confidential pursuant to the Arizona Procurement Code.
4. Non-collusion, Employment, and Services. By signing the Offer and Acceptance Form or other official contract form, the Bidder certifies that:
 - i. The Bidder did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
 - ii. The Bidder does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

E. Evaluation

1. Unit Price Prevails. In the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
2. Prompt Payment Discount. Prompt payment discounts of thirty (30) days or more set forth in an Offer shall be deducted from the offer for the purposes of evaluating that price.
3. Late Offers. An Offer submitted after the exact Offer due date and time shall be rejected.
4. Disqualification. A Bidder (including each of its principals) who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall have its offer rejected.
5. Offer Acceptance Period. A Bidder submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred-twenty (120). If a Best and Final Offer is requested pursuant to a Request for Proposals, a Bidder shall hold its Offer open for one hundred-twenty (120) days from the Best and Final Offer due date.
6. Waiver and Rejection Rights. Notwithstanding any other provision of the Solicitation, the State reserves the right to:
 - 6.1 Waive any minor informality;
 - 6.2 Reject any and all Offers or portions thereof; or
 - 6.3 Cancel the Solicitation.

F. Award

1. Number or Types of Awards. The State reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, or regional awards, whichever is most advantageous to the State. If the State Treasurer determines that an aggregate award to one Bidder is not in the State's best interest, "all or none" Offers shall be rejected.
2. Contract inception. An Offer does not constitute a Contract nor does it confer any rights on the Bidder to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the State Treasurer's (or designee) signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
3. Effective Date. The effective date of this Contract shall be the date that the State Treasurer (or designee) signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

G. Protests.

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

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

SPECIAL TERMS AND CONDITIONS

1 Term of Contract

- 1.1 The term of contract shall commence from January 1, 2012 and shall remain in effect for a period of three (3) years thereafter unless terminated, canceled or extended as otherwise provided herein.
- 1.2 The State reserves the right to extend contract up to a maximum of twenty-four (24) months.
- 1.3 The contract shall not bind nor purport to bind, the State for any contractual commitment in excess of the original contract period. The State Treasurer shall have the right, at its sole option, to renew the contract for two (2) one-year renewals. If the State Treasurer exercises such rights, all terms, conditions and provisions of the original contract shall remain the same and apply during the renewal period.

2 Project Management

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

3 Insurance

- 3.1 The servicing bank and merchant card processor shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance. The servicing bank shall furnish the State certification from insurer(s) for coverage of bank employees with limits of liability not less than those stated below.

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

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

The policy shall be endorsed to include the following additional insured language:

“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor”.

Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

4 Deposit Collateral

- 4.1 Prior to deposit of State monies, the Board of Directors of the servicing bank shall pass a resolution, (similar to Appendix L), covering collateral pledged for the State's accounts. The collateral or safekeeping deposit receipts for all state deposits at the servicing bank in excess of any amounts covered by Federal Deposit Insurance shall be deposited in a separate trust account located at our custodial bank to be held under the sole control of, and for the benefit of the State Treasurer. Acceptable collateral is limited to those items listed in A.R.S. 35-313, paragraphs 1, 3, 4, and 5, State Treasurer's warrant notes and safekeeping receipts issued by Federal Reserve banks pursuant to A.R.S. 35-312(A)3.
- 4.2 The State Treasurer shall retain unconditional rights to any pledged collateral. These rights include the right to liquidate the collateral in the event of default by the servicing bank and the right to demand additional collateral if the market value of the collateral falls below the required level (A.R.S. 35-312(B)). The automatic stay provision of the Federal Bankruptcy Code shall not apply. The agreement covering pledge of collateral shall be as included in exhibit 5 or via some other comparable method.
- 4.3 The percentage of market value, and the frequency and method of determining market value of collateral securities shall be subject to the provisions of A.R.S. 35-312, as amended, and the policy of the State Treasurer. Collateral may be adjusted daily as warranted by changes in the market value and deposit ledger balance. Collateral shall be valued at its market price, plus accrued interest. When items pledged as collateral mature or are called for redemption, the cash received shall be held in place of the matured or called securities until the custody institution has obtained a signed substitute securities transfer/release form from the State Treasurer.
- 4.4 The servicing bank shall report to the State Treasurer monthly and upon demand the total deposits, held under the State of Arizona taxpayer ID, listing the individual accounts and corresponding balances for which collateral has been pledged.
- 4.5 Repurchase Agreement (Repo) Collateral where the servicing bank acts as a dealer providing collateral, shall be handled by a “delivery vs. payment” arrangement with the State Treasurer's custody institution (see exhibit 5 for sample agreement).

5 Federal Immigration and Nationality Act

- 5.1 The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. This includes but is not limited to the compliance requirements contained ARS 41-4401 and E-Verify. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.

6 Designated State Accounts Manager

6.1 The servicing bank shall designate a primary contact representative for the State Treasurer's account; in addition, two secondary contacts shall be identified. The bank shall provide an organizational chart with the names, titles, departments, e-mail addresses and telephone numbers of the manager and other departmental personnel assigned to the State Treasurer under this contract, and bank departments performing any of the required services as contained in the contract. The servicing bank shall not substitute key personnel assigned to the performance of the required services without written approval of the Office of the Arizona State Treasurer. The bank's staff shall provide:

- Collection assistance with letters of credit drawn on the U.S. Treasury.
- Incoming wire confirmation assistance and provide same day notice of deposit receipt.
- Timely research and response to inquiries relating to deposit corrections, i.e., 24-hour notification of deposit differences.
- Return failed deposit items for the servicing account to the State Treasurer, after presenting them for deposit a second time. The physical items will be returned to the State Treasurer for payment together with an electronic listing the items the bank is presenting for payment.
- Any other banking services deemed necessary by the State Treasurer.

7 Optional Services

The State of Arizona is interested in evaluating the possibility of utilizing the services listed below. If these services are available, the bidder should describe the services in detail and present a separate cost proposal for each. The optional services will not be used in the evaluation process or in determining the award for core services outlined in the scope of work section of this document.

- 7.1 Statewide Remote Deposit
- 7.2 Advanced Remittance Lockbox Services
- 7.3 Payroll Card
- 7.4 Purchasing Card
- 7.5 Travel Card
- 7.6 EBT (Electronic Benefit Transfer)
- 7.7 E - Check

8 Authority

8.1 Pursuant to A.R.S. 35-315(F), *any* additional banking services (not covered in the servicing bank contract) must be authorized by the State Treasurer's Office prior to obtaining/performing such services. Any services requiring amendment(s) to the State servicing bank contract require prior authorization by the State Treasurer.

9 Third Party Arrangements

9.1 Third party arrangements are not acceptable for core banking services. Core banking services shall be provided by the Bidder. The Bidder shall have the capacity to provide services to a substantial number of State locations (Exhibit 1) and shall include Phoenix and Tucson. The bidder shall have

a banking center within a 25 mile radius of the following locations: State Capitol in Phoenix, 1700 W. Washington Phoenix, Arizona 85007 and the DOA Building at 400 W. Congress Tucson, Arizona 85701.

Third party arrangements are acceptable for services such as armored car, courier services, and merchant card processor. Any third party arrangements or outsourcing shall be pre-approved by the State Treasurer's Office. A description of the role for any third party vendor/processor shall be provided.

10 Technical Capabilities

- 10.1 The successful bidder is required to ensure that the State receives electronic access to banking information via a properly secured method. Such a method must include encryption methods to ensure the confidentiality of information during transit; a method to provide for non-repudiation of transaction information; and an authentication mechanism sufficient to ensure use of the system is restricted to authorized persons. Usage of the system must create sufficient audit trail to provide the information necessary to identify specific transactions, their source, affect and modification.

Any electronic banking system provided by the successful bidder must remain current with changes in the security protocols.

The electronic banking system provided by the successful bidder must be capable of reporting on information from other banks (either domestic or international). This information must be made available to the State of Arizona in the same format and utilizing the same interfaces as information for accounts held by the successful bidder directly.

The successful bidder must be able to provide the State of Arizona with various reporting formats for banking information. These formats must include reports available in the following formats: BAI; ANSI; NACHA; Comma-Separated Value; and formatted reports.

11 Disaster Recovery

- 11.1 The successful bidder is required to maintain a tested disaster recovery and business continuity plan throughout the term of the contract resulting from this RFP. This plan, along with any modifications or testing results will be available for review by the Arizona State Treasurer's Office with notice.

At a minimum, such disaster recovery plan will include information regarding the steps taken to avoid interruptions in service availability to the State of Arizona. The plan must address the recovery time objective (RTO), the recovery point objective (RPO), the establishment of a minimum level of critical support, and a maximum tolerable downtime. Additionally, the plan will include information regarding at least one alternative processing facility, its capacity and capability levels, along with specific methods to provide access to banking information if the primary electronic banking system is out of service.

12 Pandemic Contractual Performance

- 12.1 The State shall require a written plan that illustrates how the contractor shall perform up to contractual standards in the event of a pandemic. The state may require a copy of the plan at anytime prior or post award of a contract. At a minimum, the pandemic performance plan shall include:

a) Key succession and performance planning if there is a sudden significant decrease in contractor's workforce.

b) Alternative methods to ensure there are products in the supply chain.

- c) An up to date list of company contacts and organizational chart.

In the event of a pandemic, as declared by the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this contract impossible or impracticable, the State shall have the following rights:

- a) After the official declaration of a pandemic, the State may temporarily void the contract(s) in whole or specific sections if the contractor cannot perform to the standards agreed upon in the initial terms.
- b) The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized pursuant to § 41-2537 of the Arizona Procurement Code.
- c) Once the pandemic is officially declared over and/or the contractor can demonstrate the ability to perform, the State, at its sole discretion may reinstate the temporarily voided contract(s).

13 Global Security Risk

- 13.1 The Contractor certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this section the term “scrutinized business operations” shall have the meanings set forth in A.R.S. 35-391 and or 35-393 as applicable. If the State of Arizona or the Office of the State Treasurer determines that the Contractor submitted a false certification, the Office of the State Treasurer may impose remedies as provided by law including cancellation or termination of this agreement.

14 SAS-70

- 14.1 The successful bidder must provide the most current report by its independent auditors of its internal controls. The SAS-70 report must cover the services provided by the contractor resulting from this document.

UNIFORM TERMS AND CONDITIONS

1 Definition of Terms. As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

- 1.1 “Attachment” means any item the Solicitation requires the Bidder to submit as part of the Offer.
- 1.2 “Contract” means the combination of the Solicitation, including the Uniform and Special Instructions to Bidders, the Uniform and Special Terms and Conditions, and the Specifications and Statement of Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 1.3 “Contract Amendment” means a written document signed by the State Treasurer that is issued for the purpose of making changes in the Contract.
- 1.4 “Contractor” means any person who has a Contract with the State.
- 1.5 “Days” means calendar days unless otherwise specified.
- 1.6 “Exhibit” means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.7 “Gratuity” means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.8 “Materials” means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
- 1.9 “Procurement Officer” means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
- 1.10 “Services” means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
- 1.11 “Subcontract” means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.12 “State” means the State of Arizona and Department or Agency of the State that executes the Contract.
- 1.13 “State Fiscal Year” means the period beginning with July 1 and ending June 30.

2 Contract Interpretation

- 2.1 Arizona Law. Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.

- 2.3 Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
- 2.3.1 Special Terms and Conditions;
 - 2.3.2 Uniform Terms and Conditions;
 - 2.3.3 Statement or Scope of Work;
 - 2.3.4 Specifications;
 - 2.3.5 Attachments;
 - 2.3.6 Exhibits;
 - 2.3.7 Documents referenced or included in the Solicitation.
- 2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6 No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.
- 3 Contract administration and operation.**
- 3.1 Records. Pursuant to A.R.S. 35-214 and 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3 Audit. Pursuant to A.R.S. 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4 Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractors facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines noncompliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor

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

- 3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the State Treasurer.
- 3.7 Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.8 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract (“Intellectual Property”), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of the contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

4 Costs and Payments

- 4.1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2 Delivery. Unless stated otherwise in the Contract, all prices shall be FOB Destination and shall include all freight delivery and unloading at the destination.
- 4.3 Applicable Taxes.
 - 4.3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
 - 4.3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
 - 4.3.3 Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker’s Compensation.
 - 4.3.4 IRS W9 Form. In order to receive payment, the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.

- 4.4 Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.
- 4.5 Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:
- 4.5.1 Accept a decrease in price offered by the, contractor;
 - 4.5.2 Cancel the Contract;
 - 4.5.3 Cancel the Contract and re-solicit the requirements.

5 Contract changes

- 5.1 Amendments. This Contract is issued under the authority of A.R.S. 35-315 and the State Treasurer (or designee) who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the State Treasurer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the State Treasurer (or designee). The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- 5.3 Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the State Treasurer (or designee). The State shall not unreasonably withhold approval.

6 Risk and Liability

- 6.1 Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- 6.2 Indemnification
- 6.2.1 Contractor/Vendor Indemnification (Not Public Agency). The parties to this contract agree that the State of Arizona, its' departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for its' own negligence. Each party to this contract is responsible for its' own negligence. Notwithstanding any provision of the Agreement to the contrary, a department of the State of Arizona is not authorized to indemnify Bank.
 - 6.2.2 Public Agency Language Only. Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials,

agents, employees, or volunteers.

6.3 Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. 41-621, this section shall not apply.

6.4 Force Maieure.

6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2 Force Majeure shall not include the following occurrences:

6.4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

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

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

7 Warranties

7.1 Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

7.2 Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

7.2.1 Of a quality to pass without objection in the trade under the Contract description;

- 7.2.2 Fit for the intended purposes for which the materials are used;
 - 7.2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
 - 7.2.4 Adequately contained, packaged and marked as the Contract may require; and
 - 7.2.5 Conform to the written promises or affirmations of fact made by the Contractor.
- 7.3 Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
- 7.4 Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
- 7.5 Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.
- 7.6 Survival of Rights and Obligations after Contract Expiration or Termination.
- 7.6.1 Contractors Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. 12-510, except as provided in A.R.S. 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S. Title 12, Chapter 5.
 - 7.6.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the State Treasurer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.
- 8 State's Contractual Remedies**
- 8.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the State Treasurer (or designee) may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2 Stop Work Order.
- 8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
 - 8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The State Treasurer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

- 8.4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- 8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9 Contract Termination

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

9.5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

9.6 Continuation of Performance through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10 **Arbitration.** The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. 12-1518, except as may be required by other applicable statutes (Title 41).

SCOPE OF WORK

1 Statewide Deposit Requirements

- 1.1 The State Treasurer requires that the servicing bank operate a branch banking system in Arizona that will facilitate banking services statewide for state agencies. State facilities are located throughout Arizona (exhibit 1).

2 Dedicated Bank Account Services

- 2.1 For each participant receiving inbound payments, servicing bank shall provide a separate Deposit Demand Account (DDA) to settle the electronic payments received (ACH and wire transfers). In most cases of State participants, the DDA will be a zero balance account (ZBA) that sweeps to the master account.
- 2.2 For each participant requiring a revolving account, servicing bank shall provide a separate Deposit Demand Account (DDA). Statements will vary depending on needs of participant.
- 2.3 Servicing bank shall provide ACH debit blocks or filtering on the DDA accounts to prevent fraudulent transactions as well as optional positive or reverse positive pay.

3 Information Reporting Services

- 3.1 Provide previous day DDA account transaction activity, both summary and detailed depending on need.
- 3.2 Provide previous day ACH origination transaction activity.
- 3.3 Provide ACH returns/rejects report including notifications of change.
- 3.4 Provide current day EFT transactions reports, both ACH and wire transfers. Reporting shall allow for multiple reporting periods per day.
- 3.5 Provide access for historical transaction inquires.
- 3.6 Provide global access to the State Treasurer for all accounts established for State participants. In addition, provide individual access for each State participant account.

4 Warrant Reconciliation

- 4.1 The servicing bank shall act as the clearing bank for all warrants drawn against the State Treasurer. There are 14 distinct warrant types (exhibit 2).
- 4.2 The servicing bank shall send by electronic data transmission (EDT) daily, information related to paid warrants from the previous business day in the format specified by the State Treasurer's Office (see appendices G, H). This EDT must be electronically transmitted to the State of Arizona Data Center at 100 N. 15th Ave, Phoenix, AZ 85007 each business day, no later than 7:00 a.m. (MST).
- 4.3 The balance information on daily warrants paid, together with ledger and collected balance must be available to the State Treasurer by fax, telephone or other electronic retrieval system no later than 5:00 a.m. (MST) each business day. Additionally, the bank shall provide two copies of a daily printout (Appendix B or equivalent) that contains the following information: date cleared; warrant type; warrant number; amount paid and bank reference number for all paid warrants from the previous business day. The printout must list the warrants and provide totals, by account, for each of the fourteen warrant types. The account recap must provide the following information:

- a. The number of output items by warrant type
- b. The total amount of all output items

All totals within the printout must be reconciled to the EDT mentioned earlier. Neither the warrant printout nor the EDT shall contain warrants listed with either zero warrant numbers or zero dollar amounts. Both copies of the daily printout must be delivered to the Department of Administration General Accounting Office File Room located at 100 N. 15th Ave., Suite 302, Phoenix, AZ 85007.

The servicing bank must prepare and submit daily a printed warrant transmittal to the State Treasurer after reconciling the processed warrants, the EDT and the daily printout. The warrant transmittal must be in a form substantially similar to the one illustrated in Appendix C. The warrant transmittal must indicate the following information:

- a. Separate totals for all warrant types
- b. Combined totals for all warrant types

4.4 The servicing bank will be required to handle the daily cancellation and sorting of all warrants. The following procedures must be strictly adhered to in the processing and returning of warrants:

- a. All warrants must be canceled with the proper paid date.
- b. Cancellation dates and warrant numbers must be legible on electronic data imaging.
- c. Warrants must be sorted by type in serial number sequence.
- d. Rejected warrants must be merged with those above.
- e. Mutilated items must be taped and placed in separate envelopes.

The warrants processed by the bank must be delivered to the Department of Administration, General Accounting Office File Room located at 100 N. 15th Ave., Suite 302, Phoenix, AZ 85007 no later than 10:30 a.m. daily (MST).

Warrants appearing on the EDT and daily printout that have been incorrectly encoded will be returned to the servicing bank (Appendix D or equivalent) to be credited for the amount charged on the printout/EDT. The bank shall correct the encoding and resubmit them to the State Treasurer for payment in the next warrant EDT.

4.5 The state's servicing bank shall cash all state warrants at no cost to payee. All state warrants paid by the servicing bank must be presented to the State Treasurer's Office prior to the void date on the face of the warrant. The servicing bank will be provided a monthly listing by EDT of all expired warrants.

In accordance with the provisions of the Arizona Revised Statutes, warrants that have been destroyed, damaged or lost; may be replaced with duplicates upon notice to the Department of Administration, General Accounting Office.

4.6 The current servicing bank shall provide a listing of current "warrant stop payments" to the new servicing bank for processing use in any transition period.

The Arizona Department of Administration, General Accounting Office will provide an up-to-date EDT file of "warrant stop payments". This EDT will give the warrant number, stop date, and amount of each "stopped" warrant in the file layout provided in a format similar to Appendix I. The information in this EDT must replace the initial file in the servicing bank's processing system and become the current "warrant stop payments" processing file. In processing the "warrant stop payments", the entire nine-digit warrant number must be utilized.

The state will provide a daily EDT of all "warrant stop payments" to be processed by the servicing bank. This EDT will be available each day at 7:30 a.m. (MST). The state will also provide a monthly EDT of all "expired warrants" to be processed by the servicing bank. This EDT will be

available once a month at 9:30 a.m. (MST).

The servicing bank shall report to the State within 12 hours of receipt of the warrant stop payment and release of stop payment of EDT items accepted or rejected. This shall be delivered as an EDT file to the Department of Administration, General Accounting Office, Operation Section.

- 4.7 The servicing bank must document the release and acceptance of EDT files to/from the State of Arizona. The documentation must include the date, time, and location. This will acknowledge receipt and sending of EDT files. Mutually agreeable procedures for EDT control and documentation will be formalized prior to utilizing EDT. Automatic electronic feedback is desired on successful and unsuccessful file transfers.

5 Direct Deposit of State Employee Paychecks

- 5.1 The servicing bank shall provide for the direct deposit of State employees' paychecks in accordance with the National Automated Clearing House Association specifications, as adopted by the Arizona Bankers Association (SUREPAY). Employees' paychecks deposited in this manner must be available for withdrawal, as elected by the employee, on the first business date immediately following receipt of the SUREPAY file by the servicing bank. On that date, the State Treasurer shall pay by a warrant or an authorized debit to the bank in the amount of the file.

6 Warrant Imaging

- 6.1 Cleared warrants, received on a daily basis, are retained by the State of Arizona (General Accounting Office file room) for a minimum of two months.

The bank shall place images of the front and back of each paid warrant on an electronic file (TIFF format) to be sent electronically to the Data Center, 100 N. 15th Ave., Phoenix, AZ 85007. Some agencies may require the images for specific warrant types to be placed on either a CD or DVD. The quality of these images must be acceptable to be used in court in place of the original warrant. The CD, DVD or electronic file must be delivered to the State of Arizona General Accounting Office. The CD, DVD or electronic file will be tested by the State for quality and accuracy.

During the interim period, the bank shall retain the physical warrant. The State will notify the bank that the CD, DVD or electronic file is satisfactory and the warrants can be destroyed.

The servicing bank must be "Check 21" compliant and provide those images to the state in the same file, CD or DVD that all other warrants are in for that specific cancellation date.

Images must also be retained by the servicing bank for 7 years.

7 ACH -Vendor Payments

- 7.1 The State's operating system generates three types of ACH transactions:

- a. Pre-notes,
- b. ACH Payments (in CTX and CCD+ format),
- c. ACH Reversals

The state will FTP through VPN to servicing bank (following a processing schedule) a file containing these ACH transactions. The file will also include CTX and CCD+ format records. The servicing bank will verify the data is readable and will either send a confirmation file (Appendix N or equivalent) back to the state or notify the state of problems within 15 minutes of the transmission. The servicing bank is responsible for converting the transmitted data into proper format and processing the transactions through the ACH network.

If the bank accesses the State's file prior to 5:00 p.m., the disbursements can be posted to the State's bank account the next banking day. If the bank accesses the State's file after 5:00 p.m., the posting of the disbursements must be delayed one additional banking day.

Two separate bank accounts are established to handle the transaction types for which they are named:

- a. ACH Disbursements (regular vendor payments),
- b. ACH Returned Items and Reversals

The servicing bank must submit an email to vendors@azdoa.gov of ACH Returned Items and Reversals, ACH Refused Reversals and rejected pre-note information to the State of Arizona, General Accounting Office (602.542.5749).

7.2 Return Item Processing

7.2.1 ACH returns shall be processed within 24 hours of sent receipt.

7.2.2 ACH reversals shall be processed within 24 hours of receipt of the item. If a reversal can not be completed, notification shall be received within 24 hours with the reason of the uncompleted transaction.

7.2.3 The State shall receive a separate record for each returned and reversed item, which shall include the type of item being returned or reversed and the following information:

- a. Transaction number
- b. Transaction date
- c. Transaction amount
- d. Reason and code
- e. Account and ABA number
- f. Full name on transaction
- g. Original deposit date

7.2.4 Upon request the bank shall provide the depositing location.

7.3 Transaction Research

7.3.1 Transaction correction adjustments shall include the following information:

- a. correction amount
- b. total transactions amount
- c. date
- d. account number
- e. reason for correction
- f. copy of the source document
- g. copy of any vault or processor backup documentation
- h. agency name if known

7.3.2 The State shall receive requested copies or documentation within 48 hours.

8 **Electronic Funds Transfers**

All electronic fund transfers provided shall be in accordance with and governed by the National Automated Clearing House Association (NACHA) Operating Rules, Federal Reserve Bank Regulations and Uniform Commercial Code.

8.1 Outgoing. The bank shall process repetitive and non-repetitive outgoing wire transfers from the servicing bank account. The bank must follow the following procedures:

- a. All wires shall be executed by the servicing bank within 15 minutes of receipt, unless other instructions are provided. Notification to the bank shall be by electronic data transmission and it is mandatory that the bank accept this transmission via a PC or web based system. Emergency notification may also be made by telephone contact from authorized personnel in the Treasurer's Office.
- b. Transfers designated as "repetitive" by the Treasurer's Office may be submitted for delayed processing to the servicing bank using PC Data Transmission by 4:00 p.m. (MST), to be executed no later than 10:00 a.m. (MST), the following working day. Intra-bank transfers presented in repetitive format may be processed in the same manner.
- c. The amount, source, and destination of wire transfers shall be verified by the servicing bank. Errors shall be reported to the Treasurer's Office within 15 minutes of discovery and shall be corrected the same day. If the servicing bank makes the error, the bank shall pay any interest earning loss incurred by the correct payee. Interest shall be earned at the current Local Government Investment Pool (LGIP) rate.
- d. The servicing bank shall provide confirmation of paid wires via a PC or web based system or FAX. The PC or web based system or FAX must provide the following information for each transfer:
 - 1. The date and time of execution
 - 2. The state's transfer number
 - 3. The amount paid
 - 4. The destination account
 - 5. The fed or bank wire reference number

8.2 Incoming. The bank shall process incoming wire transfers for the servicing bank account. The bank must strictly adhere to the following procedures:

- a. Within 15 minutes of receipt of any incoming wire transfers, transaction information will be made available to the State Treasurer by telephone, facsimile transmission (FAX) or real time bank link, and incoming wire transfers shall be immediately credited to the servicing bank account, with immediate availability.

8.3 ACH Payments. It is the intention of the State Treasurer's Office to use ACH payments as the primary method of electronic disbursement. The bid sheet calls for a bid on each ACH transmission.

In order to comply with the Cash Management Improvement Act (CMIA), the State Treasurer must have next day notification of Federal ACH receipts. The bank shall notify the State of each specific ACH payment to be memo posted to the State's account no later than 8:00 a.m. (MST) of each business day. Upon notification of a memo post, the State will immediately initiate a wire out of funds.

8.4 Debit ACH Requirements. Provide debit ACH touch-tone collection of payments due to the State to be deposited in a separate account. Allow the addition of new remittance processing as required statewide for state agencies through the State Treasurer.

8.5 Data Exchange. The bank shall have the electronic capability to transmit encrypted ACH files to the State Department of Revenue (DOR) and other State agencies at the current best practices for the banking industry. It shall also be capable of downloading or accepting ACH files from the state and state authorized vendors for electronic revenue processing in a secured environment.

9 Courier Service

9.1 The bidder shall provide courier service at various state locations (exhibit 3). Items delivered and

picked up from the State Treasurer's Office must be signed for; and include date, time and number of items dropped off or picked up by the servicing bank. Courier service requirements are subject to change during the contract period.

10 Armored Car Service

- 10.1 The bidder shall provide armored car service with pickup at various state locations (exhibit 4). Pickups shall be Monday through Friday, unless otherwise indicated. Armored car service requirements are subject to change during the contract period.

11 Merchant and Debit Card Processing Services

- 11.1 Credit and Debit Card Deposit Activity. The State Treasurer requires merchant bank card accounts for various state agencies. Separate merchant identification is required for each agency.
- 11.2 Credit Card Discount Rate and Debit Card per Transaction Fee. Provide a schedule of discount rates and all other fees associated with processing credit card payments on the BID FORM.
- 11.3 Purchase/Rental of EDC Terminals. The State currently uses EDC terminals throughout the year at various agency locations.
- 11.4 Touch Tone Credit Card Payment Systems. The State may employ telephone systems to allow citizens to make payments by phone with credit or debit cards. The systems will be connected on-line with the servicing bank with agencies as separate merchants.
- 11.5 Return Item Processing
- 11.5.1 ACH returns shall be processed within 24 hours of sent receipt.
- 11.5.2 ACH reversals shall be processed within 24 hours of receipt of the item. If a reversal can not be completed, notification shall be received within 24 hours with the reason of the uncompleted transaction.
- 11.5.3 The State shall receive a separate record for each returned and reversed item, which shall include the type of item being returned or reversed and the following information:
- a. transaction number
 - b. transaction date
 - c. transaction amount
 - d. reason and code
 - e. account and ABA number
 - f. full name on transaction
 - g. original deposit date
- 11.5.4 Upon request the bank shall provide the depositing location.
- 11.6 Transaction Research
- 11.6.1 Transaction correction adjustments shall include the following information:
- a. correction amount
 - b. total transactions amount
 - c. date
 - d. account number
 - e. reason for correction
 - f. copy of the source document
 - g. copy of any vault or processor backup documentation
 - h. agency name if known

11.6.2 The State shall receive requested copies or documentation within 48 hours.

11.7 Transaction Processing and Settlement

11.7.1 The bidder shall be able to process VISA and MasterCard, Discover, American Express and Diners Club.

11.7.2 The bidder shall arrange for and support any agreements required to process debit transactions.

11.7.3 The bidder shall provide for the authorization and settlement of transactions through the appropriate authorization and settlement network.

11.7.4 The bidder shall provide research and problem resolution related to transaction and or settlement discrepancies. Customer service shall be available 24 hours seven days a week.

11.8 Transaction Reporting

11.8.1 Daily reporting shall provide totals and count by card type, by terminal ID and or Merchant ID, total summary transaction count by card type rolling up all terminal ID and or Merchant ID numbers to an association level.

11.8.2 Daily reporting shall identify any transactions activity considered miscellaneous.

11.8.3 Daily reporting shall give total transaction count and amount by card type for all locations.

11.8.4 Daily settlement reporting by terminal ID and or merchant ID and or association level.

11.9 Deposit and Reporting of Credit Card and Debit Card Transactions. All accepted credit and debit card transactions are to be deposited into credit card accounts located in Arizona with the state servicing bank. All bids are to indicate the availability of deposits from credit card transactions, e.g., all EDC paperless transactions before a specified time credited to the Treasurer's account that day.

On-line daily statements of credit sales must be available for downloading. Vendor must identify each batch by State agency. The last four (4) digits of a State agency identification number and where applicable, the three digit state agency AFIS code shall appear in the on-line daily statements to identify the State agency.

Credit and debit card sales processed in the same batch should be posted to the credit card account as a single batch amount. Any splitting of these batches for purposes of charging the "per transaction debit card fee" should be accomplished separately as part of the billing process and not through the deposit process. Detailed backup must be provided for all miscellaneous credits and debits. All fees shall be charged on a monthly basis.

11.10 Other Credit Cards. The State Treasurer may enter into separate arrangements for the acceptance of credit/charge cards with MasterCard/Visa, Discover, American Express, or Diners Club.

11.11 Safety and Soundness. All service providers shall identify key measures of the business financial strength, e.g. capital ratios, market capitalization, total assets.

11.12 The merchant card processor shall provide:

A bundled bid (inclusive of the interchange costs) resulting in a single rate for VISA/MC transactions. This requirement directly impacts existing third party contracts where reimbursement agreements exist.

An alternative unbundled bid pricing structure.

Electronic access by the State Treasurer globally to statewide merchant account activity reported daily and monthly.
Electronic access by the responsible agency to the merchant account activity of their field sites reported daily and monthly.

Electronic access by the field site to their activity reported daily and monthly.

Reporting must meet or exceed current service levels.

Same day settlement on merchant card activity processed on the same day.

(VISA, MC, Discover, AMEX), or a mutually agreeable settlement arrangement.

Electronic access to all activity including sales, discounts, equipment charges, and miscellaneous credit/debit items for use in reconciling site and merchant activity.

A designated primary accounts manager with two secondary personnel designated. An organization chart shall be provided with the bid listing names, titles, department(s), e-mail addresses and telephone numbers.

12 Technology

12.1 Definitions. In this Request for Proposal, technology, system and security methods are used as a common point of reference. They should be interpreted to include the use of any newer technology, system or security enhancements available.

12.2 Transmission Methods. The State of Arizona currently utilizes various bank account and transactional information methods. These include user-to-machine and machine-to-machine access methods.

The successful respondent shall provide the State of Arizona with web-based user-to-machine access. Such access shall provide for the following:

- a. Direct real-time access to banking information.
- b. The ability to segregate access and service availability by user, department, account and application, with access approval being administered and controlled by an authorized Arizona State Treasurer's Office official.
- c. The use of appropriate security and encryption technologies.
- d. The availability of system user support (e.g., telephone help line).
- e. Support of any standard current web-browser software.

The successful bidder shall provide the State of Arizona with machine-to-machine data access methods. Such access methods shall include the following methods:

- a. FTP (File Transfer Protocol)
 1. Must use additional encryption technology
- b. HTTPS (Hypertext Transfer Protocol with SSL)
- c. Magnetic tape
- d. Asynchronous modem access

All methods must include security technologies sufficient to provide for the confidentiality of the information during transmission and for non-repudiation. Any additional software required to provide this security must be made available to the State of Arizona by the successful bidder.

12.3 Technology Enhancements. Due to the nature of technological advancement in the financial services area, the successful bidder is expected to have a commitment to ongoing service innovation using new technologies. The State of Arizona is interested in obtaining service and cost

information on these new services and technologies as they become available, for possible use during the contract period. If the State of Arizona makes the determination that a new service will be used, the services and charges as stipulated in the bid will be applied and they will be provided pursuant to this servicing bank contract.

Bidders are encouraged to demonstrate how its technological capabilities can be utilized to improve the efficiency, effectiveness, and productivity of a variety of statewide transaction processes.

- 12.4 Transition. The successful bidder shall make reasonable efforts to ensure a smooth transition from the current servicing bank provider. In order to facilitate this transition, the successful bidder shall make such personnel as needed available to complete the conversion plan.

During this process, the State of Arizona and the Bank will discuss and agree upon the data exchange methods, connectivity, transmission schedules, testing and implementation dates. The successful bidder will establish and manage the transition project plan to ensure minimal disruption of services.

EXHIBIT 1

State Facility Locations

Ajo	Anthem	Arizona City	Ashfork	Apache Junction
Avondale	Benson	Bisbee	Black Canyon	Buckeye
Bullhead City	Camp Verde	Casa Grande	Chandler	Chinle
Chino	Clarkdale	Clifton	Colorado City	Coolidge
Cottonwood	Dewey	Douglas	Duncan	Eager
Ehrenberg	El Mirage	Eloy	Flagstaff	Florence
Fountain Hills	Fredonia	Ft. Defiance	Glendale	Ganado
Gila Bend	Gilbert	Globe	Goodyear	Green Valley
Guadalupe	Heber	Higley	Holbrook	Kayenta
Kearny	Kykotsmovi	Kingman	Lake Havasu	Lakeside/Pinetop
Litchfield Park	Littlefield	Lukeville	Mammoth	Marana
Mesa	Naco	New River	Nogales	Oak Creek
Oro Valley	Overgaard	Page	Paradise Valley	Parker
Patagonia	Payson	Peoria	Peridot	Phoenix
Polacca	Prescott	Prescott Valley	Quartzite	Queen Creek
Riviera	Sacaton	Safford	Sanders	San Carlos
San Luis	San Manuel	San Simon	Sasabe	Scottsdale
Sedona	Seligman	Sells	Show Low	Sierra Vista
Snowflake	Somerton	Springerville	St George	St Johns
Sun City	Superior	Surprise	Taylor	Tec Nos Pos
Tempe	Tolleson	Tombstone	Topock	Tuba City
Tucson	Wellton	Wickenburg	Whippoorwill	Whiteriver
Wilcox	Williams	Window Rock	Winslow	Yuma

EXHIBIT 2

Warrant Types

07	Arizona Industrial Commission
08	Economic Security Clearing
21	General Expenditures
22	Payroll
23	DOR Tax Refund
24	NAU Payroll
25	U of A Payroll
26	ASU Payroll
28	DES Energy, Employment, and Rehabilitation
29	DES Day Care
30	Aging and Adult Assistance
31	Rehabilitation Services Administration
32	DCYF - Division of Child, Youth and Families
33	Jobs - Employment & Training

EXHIBIT 3

Courier Locations

State of Arizona Courier Service

COURIER 1 (A.M. RUN)	DAY	TIME
ADOA GAO File Room, 100 N. 15TH Ave., 3rd Floor	M-F	9:30
State Treasurer, 1700 W. Washington, 1st Floor	M-F	9:45
DES Unemployment, 1789 W. Jefferson, 2nd Floor	M-F	9:55
COURIER 2 (P.M.RUN)	DAY	TIME
State Treasurer, 1700 W. Washington, 1st Floor	M-F	1:00
DES, 1924 E. University Dr.	M-F	1:10
DES Unemployment, 1789 W. Jefferson, 2nd Floor	M-F	1:50
COURIER 3 (NORTH CENTRAL RUN)	DAY	TIME
DES Child Support, 3443 N. Central, 15th Floor	M-F	12:00
AZ State Retirement, 3300 N. Central, 5th Floor	M-F	12:30

EXHIBIT 4

Armored Car Pick Up Locations

Agency	Location	Service Day	Time
1. Coliseum	1826 W McDowell Phoenix		12 noon
2. Corrections, Department of	ASPC-Lewis 26700 S Highway 85 Buckeye	T & Th	9:00 am
3. Corrections, Department of	ASPC-Douglas 6911 N BDT Blvd Douglas	W & F	9:30 am
4. Corrections, Department of	ASPC-Eyman 4374 E Butte Ave Florence	Tue	12 noon
5. Corrections, Department of	ASPC-Florence 1305 E Butte Ave Florence	Tue	12 noon
6. Corrections, Department of	ASPC-Florence 915 E Diversion Dam Rd Florence	Tue	12 noon
7. Corrections, Department of	ASPC-Fort Grant Spur Route 266 15500 S Fort Grant Rd Fort Grant	Tue	8:00 am
8. Corrections, Department of	ASPC-Globe 1000 Fairgrounds Rd Globe	Mon	8:00 am
9. Corrections, Department of	ASPC-Perryville 2014 Citrus Rd Goodyear	M & Th	9:00 am
10. Corrections, Department of	Main Office 1645 W Jefferson Phoenix	T & F	4:00 pm
11. Corrections, Department of	ASPC-Phoenix 2500 E Van Buren Phoenix	Thu	4:00 pm
12. Corrections, Department of	Parole-Phoenix 363 N 1st Ave Phoenix	Tue	4:00 pm
13. Corrections, Department of	ASPC-Safford 896 S Cook Rd Safford	Tue	10:30 am
14. Corrections, Department of	ASPC-Yuma 23115 South Ave B Somerton	Fri	2:00 pm
15. Corrections, Department of	ASPC-Tucson 10000 S Wilmot Rd Tucson	M & W	11:00 am
16. Corrections, Department of	ASPC-Winslow 2100 S Highway 87 Winslow	Wed	9:30 am
17. Arizona Lottery	4740 E University Dr Phoenix		1:00 pm

EXHIBIT 4 (cont.)

18. Arizona Lottery	4010 E Grant Rd Tucson		3:00 pm
19. DES Child Support Enforcement	2323 N Walgreen St Flagstaff	Tue/Fri	5:00 pm
20. DES Child Support Enforcement	8910 N 43rd Ave Glendale		1:00 pm
21. DES Child Support Enforcement	519 E Beals St Kingman	Tue/Fri	1:00 pm
22. DES Child Support Enforcement	1255 W Baseline Mesa		1:00 pm
23. DES Child Support Enforcement	2222 W Encanto Phoenix		1:00 pm
24. DES Child Support Enforcement	3443 N Central Phoenix		1:00 pm
25. DES Child Support Enforcement	1938 Thatcher Blvd Safford	Tue	1:00 pm
26. DES Child Support Enforcement	1310 S 3rd Ave Yuma	Tue/Fri	3:00 pm
27. DES Unemployment Tax	3225 N Central, Suite 1411 Phoenix		2:30 pm
28. Arizona Game & Fish Dept	2222 W Greenway Rd Phoenix		9:00 am
29. Environmental Quality, Dept of	4040 E 29th St Tucson		1:00 pm
30. MVD - Motor Vehicle Division	950 East Van Buren Avondale		9:30 am
31. MVD - Motor Vehicle Division	100 N Apache Rd Buckeye		9:00 am
32. MVD - Motor Vehicle Division	50 South Beck Ave Chandler		2:00 pm
33. MVD- Motor Vehicle Division	16380 N 59 th Ave Glendale		1:00 pm
34. MVD - Motor Vehicle Division	14730 W Van Buren Goodyear		9:00 am
35. MVD - Motor Vehicle Division	4123 E Valley Auto Mesa	Tue-Sat	1:00 pm
36. MVD - Motor Vehicle Division	1840 S Mesa Drive Mesa		2:30 pm
37. MVD - Motor Vehicle Division	7631 E Main Mesa		1:00 pm
38. MVD - Motor Vehicle Division	20626 N 26th Ave Phoenix		1:00 pm
39. MVD - Motor Vehicle Division	2739 E Washington Phoenix		11:00 am
40. MVD - Motor Vehicle Division	1789 W Jefferson Phoenix		4:00 pm
41. MVD - Motor Vehicle Division	4005 North 51st Ave Phoenix	Tues-Sat	12 noon
42. MVD - Motor Vehicle Division	221 E Olympic Dr Phoenix	Tues-Sat	8:30 am
43. MVD - Motor Vehicle Division	575 N Idaho Apache Junction		1:00 pm
44. MVD - Motor Vehicle Division	15023 N 75 th St Scottsdale		1:00 pm

EXHIBIT 4 (cont.)

45. MVD - Motor Vehicle Division	13009 W Bell Rd Surprise		11:30 am
46. MVD - Motor Vehicle Division	1703 W Larkspur Ln Tempe		1:00 pm
47. MVD - Motor Vehicle Division	400 N 7 th St Phoenix		12 noon
48. MVD - Motor Vehicle Division	3565 S Broadmont Tucson	Tues-Sat	2:00 pm
49. MVD - Motor Vehicle Division	1850 S Milton Flagstaff	Mon/Fri	9:00 am
50. MVD - Motor Vehicle Division	2165 E Gila Ridge Rd Yuma		11:00 am
51. Health Services - Vital Records	1818 W Adams St Phoenix, AZ		11:00 am
52. Revenue, Department of	1600 W Monroe Phoenix		noon & 4:00 pm (April 15-30)
53. Revenue, Department of	402 W Congress Tucson		9:00 am
54. Treasurer's Office	Capitol Building 1700 W Washington Phoenix		4:00 pm

EXHIBIT 5

TRI-PARTY COLLATERAL MANAGEMENT AGREEMENT (Collateralized Public Deposits)

This AGREEMENT made and executed as of _____ between the Office of the Arizona State Treasurer ('Public Entity'), _____, ('Bank') and _____ ('Custodian').

WITNESSETH

WHEREAS, Public Entity desires to maintain or continue to maintain public deposits with Bank;

WHEREAS, Bank desires to obtain or continue to maintain such deposits and to provide security therefore as required by applicable statute, regulation or rule;

WHEREAS, Bank has pledged to Public Entity and granted Public Entity a security interest in certain securities to secure Public Entity's uninsured deposits with Bank as required by applicable law, regulation or statute;

WHEREAS, Custodian agrees to provide safekeeping services and to hold any securities pledged by Bank to Public Entity in a separate custodial account maintained by Custodian in the name of Bank for the benefit and subject to the control of Public Entity as secured party pursuant to this Agreement;

NOW, THEREFORE, in consideration of the mutual promises set forth hereafter the parties hereto agree as follows:

1. Security Requirements

(a) Bank, to secure the timely payment of Uninsured Deposits heretofore or hereafter made by Public Entity has deposited with Custodian certain Securities as more fully described in the initial Confirmation of such deposit delivered by Custodian to Bank and Public Entity respectively. Custodian shall act as an agent of Public Entity and, to the extent not inconsistent therewith, hold Securities as a securities intermediary in accordance with the provisions hereof. Bank shall deliver Securities to Custodian in the manner prescribed in Section 2 of this Agreement.

(b) Custodian, as agent of Public Entity, shall determine that the Securities to be transferred to the Account constitute Eligible Collateral and that any physical Securities are in negotiable form. Securities which are not Eligible Collateral and physical Securities which are not in negotiable form shall not be transferred to the Account.

(c) Each Business Day on which Public Entity has Uninsured Deposits with Bank, Bank agrees to deliver or cause to be delivered to Custodian for transfer to the Account Eligible Collateral having an Aggregate Margin Value equal or greater than the Collateral Requirement.

(d) On each Business Day, Bank will notify Custodian electronically of the amount of Uninsured Deposits as of the close of business on the immediately preceding Business Day (the "Collateral Requirement"). Custodian will determine on each Business Day the Aggregate Margin Value of the Eligible Collateral provided pursuant to this Agreement. If the Aggregate Margin Value of such Eligible Collateral on any Business Day is less than the Collateral Requirement for such day, Custodian will so notify Bank as soon as possible on such day, and Bank shall, upon receipt of such notice, be required to deliver additional Eligible Collateral having an Aggregate Margin Value equal to or greater than such deficiency as soon as possible but no later than the close of business of Custodian on the Business Day on which Bank received such notice. If Custodian notifies Bank on any Business Day that the Aggregate Margin Value of the Eligible Collateral provided pursuant to this Agreement exceeds the Collateral Requirement for such day, Custodian shall, at the direction of Bank, transfer from the Account to or for the benefit of Bank Eligible Collateral having an Aggregate Margin Value no greater than such excess amount. Custodian shall update its records of the Account as soon as possible and issue a Confirmation to Public Entity in accordance with the requirements of paragraph (f) below.

(e) Any Eligible Collateral previously provided pursuant to this Agreement may be substituted by Bank with any other Eligible Collateral ("Substitute Collateral"), so long as the Substitute Collateral has a Margin Value equal to or greater than the Collateral which it will replace. Bank shall give Oral or Written Instructions to Custodian with respect to any substitution. If the Substitute Collateral described in such Oral or Written Instructions consists exclusively of Eligible Collateral having sufficient Margin Value, Custodian, at the direction of Bank, shall transfer the Eligible Collateral out of the Account against delivery to the Account on the same Business Day of the Substitute Collateral.

EXHIBIT 5 (cont.)

(f) Custodian shall promptly issue a Confirmation to Public Entity on any Business Day on which Eligible Collateral is transferred to and from the Account. For the avoidance of doubt, it is understood and agreed that Confirmations may be combined to identify more than one transaction of any one Business Day and Custodian shall not be required to issue more than one Confirmation to Public Entity on any Business Day.

2. Custody of Securities

(a) Bank and Public Entity hereby appoint Custodian as custodian of all Securities and all Proceeds at any time delivered to or received by Custodian pursuant to this Agreement. Custodian hereby accepts appointment as such Custodian, agrees to establish and maintain the Account in the name of Bank for the benefit and subject to the control of Public Entity, and agrees to maintain appropriate records identifying the Securities and Proceeds as pledged by Bank to Public Entity. Securities and Proceeds in the Account shall be kept separate and apart from the general assets of Custodian on Custodian's books and records and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or liability of Custodian or any other person or entity. Subject to the terms hereof, Custodian, in performing its duties and responsibilities pursuant to this Agreement, shall act as custodian for, and agent of, Bank and Public Entity, as their respective interests may appear in the Account. The parties agree that all Securities held in the Account shall be treated as financial assets. The security interest of Public Entity in Securities and all Proceeds thereof shall terminate upon the transfer of such Securities or Proceeds from the account.

(b) Bank and Public Entity agree that Securities and Proceeds delivered to or received by Custodian for Deposit in the Account may be in the form of credits to the accounts of Custodian at the Book Entry System or a Depository or by delivery to Custodian of physical certificates in a form suitable for transfer to Custodian or with an assignment in bank. Bank and Public Entity hereby authorize Custodian on a continuous and ongoing basis to deposit in the Book Entry System and/or the Depositories all Securities and Proceeds that may be deposited therein and to utilize the Book Entry System and/or Depositories and the receipt and delivery of physical Securities or any combination thereof in connection with its performance hereunder. Securities and Proceeds credited to the Account and deposited in the Book Entry System or Depositories will be represented in accounts that include only assets held by Custodian or its agent(s) for third parties, including but not limited to accounts in which assets are held in a fiduciary, agency or representative capacity. Securities that are not held in the Book Entry System or Depositories will be held in Custodian's vault and physically segregated from securities and other non-cash property belonging to Custodian.

(c)(i) Upon the initial and each subsequent deposit of Eligible Collateral and Proceeds into the Account (including but not limited to any deposit of Eligible Collateral as part of an Approved Substitution), Custodian shall promptly provide Public Entity with a Confirmation. In addition, Custodian shall provide Public Entity periodic Account statements identifying all eligible Collateral in the Account, the Aggregate Margin Value thereof, and the applicable Collateral Requirement. Additional customized Account statements may be available upon mutual agreement of Public Entity and Custodian.

(c)(ii) Public Entity agrees that it shall promptly review all Confirmations and Account statements delivered to it by Custodian and shall promptly advise Custodian by Oral Instruction or Written Instruction of any error, omission or inaccuracy in such statements. In the event that Custodian receives such an Oral Instruction or Written Instruction identifying a specific concern with respect to the Aggregate Margin Value or any other matter connected with the Account, Custodian shall undertake to correct any errors, failures or omissions, provided that Custodian determines in its sole discretion that such error, failure or omission actually occurred and shall notify Public Entity of its action concerning each such error, failure, or omission.

(d) The Account shall not be subject to any security interest, lien or any right of set-off by Custodian.

(e) Public Entity agrees that, with respect to all Securities held in the Account, Custodian by itself, or through the use of the Book Entry System or the appropriate Depository, shall, unless otherwise instructed to the contrary by Bank or as provided in Section 3 hereof: (i) collect all payments reflecting interest and principal on the Securities in the Account and credit such amounts to the Account pending receipt from Bank, for deposit to the Account of additional Eligible Collateral having a Margin Value equal to or greater than the Margin Value of such payments; (ii) forward to Bank copies of all information or documents that it may receive from an issuer of Securities which, in the opinion of Custodian, is intended for the beneficial owner of the Securities including, without limitation all proxies and other authorizations properly executed and all proxy statements, notices and reports; (iii) execute, as Custodian, any certificates of ownership, affidavits, declarations or other certificates under any tax laws now or hereafter in effect in connection with the collection of bond and note coupons; (iv) hold directly, or through the Book Entry System or Depository, all rights issued with respect to any Securities held by Custodian hereunder; and (v) upon receipt of Written Instructions from Bank, Custodian will exchange Securities held hereunder for other securities and/or cash in connection with (A) any conversion privilege, reorganization, recapitalization; redemption in kind, consolidation, tender

EXHIBIT 5 (cont.)

offer or exchange offer, or (B) any exercise, subscription, purchase or other similar rights; provided, however, such exchanged securities shall continue to be held by Custodian hereunder for the benefit of Public Entity if such exchanged securities constitute Eligible Collateral. Upon receipt of additional Eligible Collateral as provided in clause (i) in the immediately preceding sentence, Custodian shall transfer from the Account to or for the benefit of Bank principal and interest payments collected with respect to Securities in the Account.

(f) Custodian hereby agrees that Public Entity may inspect, at any time during regular business hours of Custodian, Custodian's books and records with respect to the Account and any physical Securities on deposit in the Account if applicable.

3. Collection of Securities

If Public Entity certifies in writing to Custodian that (a) Bank is in default under any underlying pledge or security agreement between Public Entity and Bank and (b) Public Entity has satisfied any notice or other requirement to which Public Entity is subject pursuant to the Depository Agreement between Public Entity and Bank, then Public Entity may give Custodian written instructions to transfer specific amounts and issues of Securities held in the Account and, if applicable, specific amounts of the Proceeds held in the Account which have not previously been released to Bank, to designated accounts of Public Entity and to cease releasing to an account of Bank any Proceeds reflecting interest and principal on Securities in the Account as provided in paragraph (e) of Section 2.

- (i) Representation and Warranties
- (ii) Representations of Bank. Bank represents and warrants, which representations and warranties shall be deemed to be continuing, that:
 - (iii) this Agreement has been legally and validly entered into and is enforceable against Bank in accordance with its terms;
 - (ii) The performance by Bank of its obligations under this Agreement does not and will not violate any statute or regulation applicable to Bank;
 - (iv) Bank is the owner of, or has the right to pledge, Securities deposited in the Account;
 - (iv) this Agreement was executed by an officer of Bank who was authorized by Bank's board of directors or a committee thereof to do so and will at all times be maintained as an official record of Bank;
 - (v) Bank is a bank or trust company duly authorized to do business in the state where it is located; and
 - (vi) all acts, conditions and things required to exist, happen or to be performed on its part precedent to and in the execution and delivery of this Agreement by it exist or have happened or have been performed.

(b) Representations of Public Entity. Public Entity hereby represents and warrants which representations and warranties shall be deemed to be continuing, that:

- (v) this Agreement has been legally and validly entered into, does not and will not violate any statute or regulation applicable to it and is enforceable against Public Entity in accordance with its terms;
- (vi) the appointment of Custodian has been duly authorized by Public Entity and this Agreement was executed by an officer of Public Entity duly authorized to do so;
- (vii) (A) all Securities identified on the Schedule Of Eligible Collateral, attached hereto as Exhibit A, may be used to secure Public Entity's Uninsured Deposits under applicable statutes and regulations, (B) the applicable Margin Percentage for each such Security meets the requirements of such applicable statutes and regulations, (C) the governing board of Public Entity has approved a collateral policy which authorizes all such Securities to be used as Eligible Collateral, and (D) such collateral policy complies with all applicable statutes and regulations;

EXHIBIT 5 (cont.)

- (iv) it will not sell transfer, assign convey, pledge, or otherwise dispose in whole or in part its interests in or the rights with respect to any Securities deposited in the Account, or the Proceeds thereof, except as permitted in Section 3 of this Agreement; and
- (v) all acts, conditions and things required to exist, happen or to be performed on its part precedent and in the execution and delivery of this Agreement exist or have happened or have been performed.

Concerning Custodian

(a) Custodian shall not be liable for any loss or damage including counsel fees, resulting from its action or omission to act or otherwise, except for any loss or damage arising out of its own negligence or willful misconduct, and shall have no obligation hereunder for any loss or damage, including counsel fees, which are sustained or incurred by reason of any action or inaction by the Book Entry System or any Depository. In no event shall Custodian be liable to Public Entity, Bank or any third party for special, indirect or consequential damages, or lost profits or loss of business, arising in connection with this Agreement. Custodian may, with respect to questions of law, apply for and obtain the advice and opinion of counsel and shall be fully protected with respect to anything done or omitted by it in good faith and conformity with such advice or opinion. Both Public Entity, to the extent permitted by law, and Bank agree to indemnify custodian and to hold it harmless against any and all costs, expenses, damages, liabilities or claims, including reasonable fees and expenses of counsel which Custodian may sustain or incur with respect to any third party claim or which maybe asserted by a third party against Custodian by reason of or as a result of any action taken or omitted by Custodian in connection with operating under this Agreement, except those costs, expenses, damages, liabilities or claims arising out of the negligence or willful misconduct of Custodian or any of its employees or duly appointed agents. This indemnity shall be a continuing obligation of Public Entity and Bank notwithstanding the termination of this Agreement.

(b) Custodian shall not be responsible for, or considered to be custodian of, any Securities or Proceeds received by it for deposit in the Account until Custodian actually receives and collects such Securities or Proceeds directly or by the final crediting of Custodian's account on the books of the Book Entry System or the appropriate Depository. Custodian will be entitled to reverse any credits to the Account where such credits have been previously made and the Securities or Proceeds are not finally collected.

(c) Custodian shall have no duties or responsibilities whatsoever except such duties and responsibilities as are specifically set forth in this Agreement and no covenant or obligation shall be implied against Custodian in connection with this Agreement.

(d) Public Entity's and Bank's authorized officers upon reasonable notice shall each have access to Custodian's books and records maintained with respect to Public Entity's and Bank's respective interests in the Account during Custodian's normal business hours. Upon the reasonable request of Public Entity or Bank, copies of any such books and records shall be provided by Custodian to the requesting party's authorized officer at the requesting party's expense.

(e) In performing hereunder, Custodian may enter into subcontracts, agreements and understandings with third parties whenever and on such terms and conditions as it deems necessary or appropriate. If any of such subcontracts, agreements, or understandings with third parties are for the deposit of Eligible Collateral for the benefit of Public Entity, (i) Custodian shall cause such third party to provide records to Custodian evidencing the deposit of Eligible Collateral with such third party and (ii) records of the third party relating to such Eligible Collateral will at all times state the name of Custodian. No such subcontract agreement or understanding shall discharge Custodian from its obligations hereunder.

(f) Reliance on Pricing Services. Custodian is authorized to utilize one or more generally recognized pricing information services (including brokers and dealers of securities) in order to provide Market Values hereunder, and Bank and Public Entity agree that Custodian shall not be liable for any loss, damage, expense, liability or claim (including attorneys' fees) incurred as a result of errors or omissions of any such pricing information service, broker or dealer.

(g) Force Majeure. Custodian shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God, earthquakes, fires, floods, wars, civil or military disturbances, sabotage, epidemics, riots, loss or malfunctions of utilities, computer (hardware or software) or

EXHIBIT 5 (cont.)

communications service, labor disputes, acts of civil or military authority, or governmental, judicial or regulatory action; provided however, that Custodian shall use its best efforts to resume normal performance as soon as practicable under the circumstances.

6. Termination.

Any of the parties hereto may terminate this Agreement by giving to the other parties a notice in writing specifying the date of such termination, which shall be the earlier of (i) not less than 90 days after the date of giving such notice; or (ii) the date on which the Deposits are repaid in full. Such notice shall not affect or terminate Public Entity's Security interest in the Eligible Collateral and Proceeds in the Account. Upon termination hereof, Custodian shall follow such reasonable Written Instructions of Bank and Public Entity concerning the transfer of custody of Securities and Proceeds in the Account, collateral records and other items. Upon the date set forth in the termination notice, this Agreement shall terminate except as otherwise provided herein and all obligations of the parties to each other hereunder shall cease.

7. Confidentiality.

Custodian agrees to hold in strict confidence all information furnished to or obtained by Custodian in the course of providing custodial services under this Agreement except to the extent (a) such information was in the possession of Custodian prior to receipt thereof by Custodian under this Agreement and not subject to an agreement of confidentiality, (b) such information was in the public domain prior to receipt thereof by Custodian under this Agreement, (c) subsequent to receipt by Custodian such information becomes available in the public domain through no fault of Custodian, (d) disclosure or release is required by law or otherwise compelled by judicial or administrative process, (e) in the opinion of Custodian's counsel disclosure of such information is required to be made to regulatory or self-regulatory authorities having authority to regulate any aspect of Custodian's business in connection with the exercise of such authority, (f) disclosure made to Custodian's officers, employees, directors, agents, counsel, or auditors having a need to know such information and who have been informed of the requirements of this section and have agreed to be bound thereby, (g) disclosure is made in accordance with the written consent of the party disclosing such information to Custodian, or (h) the name, address, securities position and other information of Bank or Public Entity or both are required to be disclosed by the rules of any stock exchange, the Book-Entry System or any Depository or the terms of the organizational documents of the issuer of any Security or the terms of any Security itself.

8. Miscellaneous.

(a) Public Entity and Bank each agree to furnish to Custodian a new Certificate substantially in the form of Exhibit B and Exhibit C, respectively, attached hereto in the event that any present Authorized Person ceases to be an Authorized Person or in the event that any other Authorized Persons are appointed and authorized. Until such new Certificate is received, Custodian shall be fully protected in acting upon Oral instructions or Written Instructions or signatures of the present Authorized Persons.

(b) Custodian shall be entitled to rely upon any Certificate, Written or Oral instruction actually received by Custodian and reasonably believed by Custodian to be duly authorized and delivered. Bank and Public Entity each agree to send to Custodian Written Instructions confirming Oral Instructions by the close of business of the same day that such Oral Instructions are given to Custodian. Bank and Public Entity each agree that the fact that such confirming Written Instructions are not received or that contrary Written Instructions or Oral Instructions are received by Custodian shall in no way affect the validity or enforceability of the transactions previously authorized and effected by Custodian.

(c) Any Written Instructions or other instrument in writing authorized or required by this Agreement shall be given to Custodian and shall be sufficiently given if sent to Custodian by regular mail to its offices at _____, or at such other place as Custodian may from time to time designate in writing.

(d) Any notice or other instrument in writing authorized or required by this Agreement to be given to Bank shall be sufficiently given if sent to Bank by regular mail to its offices at _____, or at such other place as Bank may from time to time designate in writing.

(e) Any notice or other instrument in writing authorized or required by this Agreement to be given to Public Entity shall be sufficiently given if sent to Public Entity by regular mail to its offices at _____ or at such other offices as Public Entity may from time to time designate in writing.

(f) In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any

EXHIBIT 5 (cont.)

jurisdiction, the validity, legality and unenforceability of the remaining provisions or obligations shall not in any way be affected or impaired thereby and if any provision is inapplicable to any person or circumstances, it shall nevertheless remain applicable to all other persons and circumstances.

(g) This Agreement may not be amended or modified in any manner except by written agreement executed by all of the parties hereto.

(h) This Agreement shall extend to and be binding upon the parties hereto and their respective successors and assigns provided however, that this Agreement shall not be assignable by any party without the written consent of the other parties.

This Agreement shall be construed in accordance with the substantive laws of the State of Arizona, without regard to conflicts of laws principles thereof. Bank, Public Entity and Custodian hereby consent to the non-exclusive jurisdiction of a state or federal court situated in the county in which the capitol of Public Entity's state of domicile is located in connection with any dispute arising hereunder. Bank, Public Entity and Custodian hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such proceeding brought in such a court and any claim that such proceeding brought in such a court has been brought in an inconvenient forum. Bank, Public Entity and Custodian each hereby irrevocably waives any and all rights to trial by jury in any legal proceeding arising out of or relating to this Agreement.

9. Waiver of Immunity. To the extent that in any jurisdiction any party may now or hereafter be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, each party irrevocably agrees, to the extent permitted by law, not to claim, and it hereby waives, such immunity in connection with this Agreement.

10. Definitions.

Whenever used in this Agreement, the following terms shall have the following meanings:

(a) "Account" shall mean the separate custodial account established with Custodian in the name of Bank and for the benefit and subject to the control of Public Entity as secured party in accordance with this Agreement.

(b) "Aggregate Margin Value" shall mean for each Business Day the sum of the Margin Values of the Securities and Proceeds comprising the Eligible Collateral in the Account at the time of Custodian's determination.

(c) "Authorized Person" shall be any officer of Public Entity or Bank, as the case may be, duly authorized to give Oral Instructions or Written Instructions on behalf of Public Entity or Bank, such persons to be designated in a Certificate substantially in the form of Exhibit "B" for Public Entity or Exhibit "C" for Bank attached hereto as such exhibits may be amended from time to time.

(d) "Approved Substitution" shall have the meaning set forth in paragraph (e) of Section 1 of this Agreement.

(e) "Book Entry System" shall mean the Federal Reserve/Treasury Book Entry System for receiving and delivering U.S. Government Securities.

(f) "Business Day" shall mean any day on which Custodian and Bank are open for business and on which the Book Entry System and/or the Depositories are Open for business.

(g) "Certificate" shall mean the Certificate attached hereto as Exhibit "B" or Exhibit "C".

(h) "Collateral Requirement" shall have the meaning set forth in paragraph (d) of Section 1 of this Agreement.

(i) "Confirmation" shall mean each advice or confirmation of transaction, including a written or electronically delivered advice or confirmation of transaction, which identifies the Eligible Collateral that is the subject of the transaction and states the Market Value thereof.

(j) "Depository" or Depositories shall mean the Depository Trust Company and other securities

EXHIBIT 5 (cont.)

depositories and clearing agencies (and their successors and nominees) registered with the Securities and Exchange Commission as a clearing agency or otherwise regulated by appropriate federal or state agencies as a clearing corporation.

(k) "Deposits" shall mean all deposits by Public Entity in Bank, including all accrued interest thereon, that are available for all uses generally permitted by Bank to Public Entity for actually and finally collected funds under the Bank's account agreement or policies.

(l) "Eligible Collateral" shall mean any Securities of the types enumerated in the Schedule of Eligible Collateral (which types are in compliance with the collateral policy adopted and approved by the governing body of Public Entity (attached hereto as Exhibit "A"), as such exhibit may be amended from time to time pursuant to a written amendment signed by each of the parties hereto, and any Proceeds thereof.

(m) "Margin Percentage" shall mean the percentage indicated on Exhibit "A" attached hereto with respect to particular types of Eligible Collateral, as such exhibit may be amended from time to time pursuant to a written amendment signed by each of the parties thereto.

(n) "Margin Value" means for each Security and Proceeds thereof held in the Account, the Market Value of such Security and Proceeds divided by the applicable Margin Percentage.

(o) "Market Value" shall mean (i) with respect to any Security held in the Account, the market value of such Security as made available to Custodian by a generally recognized source selected by Custodian plus, if not reflected in the market value, any accrued interest, or, if such source does not make available a market value, the market value shall be as determined by Custodian in its sole discretion based on information furnished to Custodian by one or more brokers or dealers and (ii) with respect to any cash held in the Account, the face amount of such cash.

(p) "Oral Instructions" shall mean verbal instructions actually received by Custodian from an Authorized Person or from a person reasonably believed by Custodian than to be an Authorized Person.

(q) "Proceeds" shall mean any principal or interest payments or other distributions made in connection with Eligible Collateral and anything acquired upon the sale, lease, license, exchange or other disposition of Eligible Collateral.

(r) "Security" shall include, without limitation, any Security held in the Book Entry System or at a Depository, common stock and other equity securities, bonds, debentures and other debt securities, notes, mortgages or other obligations, and any instruments representing rights to receive, purchase, or subscribe for the same, or representing any other rights or interests therein.

(s) "Substitute Collateral" shall have the meaning set forth in paragraph (e) of Section 1 of this Agreement.

(t) "Uninsured Deposits" shall mean that portion of Public Entity's Deposits with Bank which exceeds the insurance coverage available from the Federal Deposit Insurance Corporation.

(u) "Written Instructions" shall mean written communications actually received by Bank or Custodian from an Authorized Person or from a person reasonably believed by Bank or Custodian to be an Authorized Person by a computer, telex, telecopy or any other system whereby the receiver of such communications is able to verify by codes or otherwise with a reasonable degree of certainty the identity of the sender of such communication.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective Officers thereunto duly authorized and their respective seals to be hereunto affixed, as of the day and year first above written.

Office of the Arizona State Treasurer

COMPANY (name)

By: _____

By: _____

Date: _____

Date: _____

COMPANY (name)

By: _____

Date: _____

EXHIBIT 5 (cont.)

**EXHIBIT A
SCHEDULE OF ELIGIBLE SECURITIES**

Custodial undertaking in connection with Tri-Party custodian agreement dated as of _____, among _____ ("Public Entity"), _____ ("Bank") and _____ ("custodian").

Security Type	Margin
US Treasury Bills	102%
US Treasury Bonds	102%
US Treasury Notes	102%
US Treasury Inflation-Indexed Notes	102%
US Treasury Inflation-Indexed Bonds	102%
GNMA - all	102%
Agency Notes/Bonds - all	102%
Agency Mortgage - Backed Pass Through-Fixed Rate	102%
Agency Mortgage - Backed Pass Through-Adj. Rate	102%
Muni Notes and Bonds - G.O. Bonds (AZ only)	102%
Muni Notes and Bonds - Revenue Bonds (AZ only)	102%

Public Entity acknowledges and agrees that if a class of security contains new issues of securities; such new issues of securities shall be deemed to be eligible securities.

Office of the State Treasurer

By: _____

Title: _____

Date: _____

Bank (name)

By: _____

Title: _____

Date: _____

Custodian (name)

By: _____

Title: _____

Date: _____

APPENDICES

Appendix A - Consolidated Bid Form

Appendix B - Two Part Daily Warrant Printout

Appendix C - Reconciled Warrant Transmittal

Appendix D - Returned Warrants Form

Appendix E - Deposit Slips Volume

Appendix F - Endorsement Stamps Volume

Appendix G - Bank Paid Warrant Batch Header Layout

Appendix H - Bank Paid Warrant Record Layout

Appendix I - Stop Paid Warrant Record Layout

Appendix J - Expired Warrant Record Layout

Appendix K - Bank Listing Of Stop/Expired Warrants

Appendix L - Collateral Resolution and Certification

Appendix M - NSF Checks

Appendix N - ACH File Format

Appendix O - Forgery Transmittal

Appendix P - Daily Settlement of Warrants and Returned Checks

Appendix A - Servicing Bank Consolidated Bid Form

Service Description	Approx. Monthly Units	Bid A Unit Price	Bid B Unit Price	Bid A Price	Bid B Price
Balance Related Services					
Coll Overdraft interest charge	0				
FDIC Assessment	105,085,406				
Other required costs					
Depository Services					
Setup	0				
Account Maintenance	241				
Banking Center Deposit	3,410				
QBD/Night Drop Deposit	119				
Bank By Mail Deposit	0				
Vault Deposit	5,477				
Item Processing Deposit	382				
Debits Posted-Other	41				
Deposit Correction-Non-Cash	62				
General Checks Paid Truncated	14,079				
General Check Paid Not Truncated	25,561				
Direct DDA Statement Per Account	195				
Gen Disb Cks Pd - IS Front IMG	14				
Direct Stop Pay Inquiry	1				
Direct Paid Item Inquiry	50				
ZBA master Account Maintenance	3				
ZBA Subsidiary Account Maintenance	120				
Returns-ERIN	773				
Returns-ERIN +	551				
Returns-ERIN + Keystrokes	56,953				
Returns-Chargeback	229				
Returns-Reclear	232				
Returns-Buyback	2				
Returns-Email Images	181				
Returns-Single Item Advice Fee	115				
Returns-Maker Required	115				
Returns-Alternate Charge	21				
Returns-Single Item Advice	115				

Returns-Special Delivery	18			
Returns-Notification Fax Fee	1			
Returns-Notification Photocopy Fee	1			
Returns-Special Delivery Fee	1			
Checks Deposit Pre-Encoded Items	13,294			
Checks Deposited	438,849			
Checks Deposited Rejects	1			
Image Deposit	390			
IRD Deposited Items - ICL	73			
Image Deposited Items - ICL	77,921			
Transmission Maintenance	1			
IRD Deposited Items - RDSO	12			
Image Deposited Items - RDSO	10,875			
Electronic Check Deposit	1			
Stop Pay Automated<=12 Months	73			
Stop Pay Automated>12 Months	19			
Debits Posted-Electronic	1,136			
Credits Posted-Other	7			
Credits Posted-Electronic	156,820			
Additional Paper Statements	0			
Stop Pay Manual<=12 months	3			
Facsimile Transmission	13			
Direct Account Transfer	140			
Other required costs				
Lockbox Services				
Setup	0			
WLBX Image Web Maintenance	3			
WLBX Image LBX Maintenance	1			
WLBX Negotiability Review	1,441			
WLBX Deposit Prep per Deposit	74			
WLBX STD US Mailout per Item	7,534			
WLBX Overnight Courier	3			
WLBX Package Prep Per Month	1			
WLBX Correspondence	143			
WLBX Data Tran Maint 1 st Box	2			
WLBX Data Trans Per Item	11,399			
WLBX Data Capture	139,648			
WLBX Image Process Per Item	12,840			

WLBX Scannable Sort Per Item	8,963			
WLBX Scannable Sort Maint	2			
WLBX Unidentified Mail Proc	1			
WLBX 11-20 Acceptable Payees	11,399			
WLBX Cash/Gift Cert/Coupon	4			
WLBX Walk In Deposit	16			
WLBX Scannable Process Invoice	7,738			
WLBX Image Documents Imaged	37,971			
WLBX Image CD ROM per Disk	28			
WLBX Scannable LBX Maint	2			
WLBX Image Web per Image	37,971			
WLBX Non-depositable Trans	48			
Other required costs				
Commercial Deposits-Cash Vault				
Setup	0			
Currency/Coin Depo/\$100-QBD-ND	3,675			
Currency/Coin Depo/\$100-Banking Center	39,401			
Currency/Coin Depo/\$100-Vault	36,983			
Dep Conditioning - Surchg - Vault	25			
Coin Deposit-Non Standard Bag-Vault	1			
Change Order - Standing VLT	22			
Currency Supply/\$100-NonStandard-Vault	465			
Deposit Correction-Cash	9			
Coin Supplied/Roll-Box-Vault	4			
Fax Notification - Receipt - VLT	32			
Fax Notification - DCN - VLT	5			
Mail Notification - Receipt - VLT	22			
Coin Supplied-Roll-Banking Center	454			
Change Order Vault	15			
Change Order Banking Center	85			
Currency Supplied/\$100-Standard-Vault	350			
Currency Supplied/\$100-Banking Center	355			
Other required costs				
General ACH Services				
Setup	0			
ACH Optional Reports-Electronic	143			
ACH Optional Reports-Fax	54			

ACH Delete/Reversal	24			
ACH Return Item	8,246			
ACH Output file	3			
ACH Monthly Maintenance	43			
ACH Input - Echannel	22			
ACH Input File	143			
ACH Blocks Auth Instructions	147			
ACH Input Batch	87			
ACH Blocks Authority Maintenance	56			
ACH Originated Addenda	63,860			
ACH Output File Posted Items	199,394			
ACH Delete/Reversal Batch/File	2			
ACH Notif of Change (NOC)	2,996			
ACH Standard Reports - Fax	93			
ACH Standard Reports - Mail	1			
ACH Standard Reports - Electronic	87			
ACH Consumer On US Credits	53,988			
ACH Consumer Off US Credits	794,279			
ACH Consumer On US Debits	1,105			
ACH Consumer Off US Debits	4,421			
ACH Corporate On US Credits	95,441			
ACH Corporate Off US Credits	397,487			
ACH Corporate On US Debits	438			
ACH Corporate On US Debits	13,267			
ACH Corporate Off US Debits	1,432			
ACH Corporate Off US Debits	46,184			
ACH Credit Received Item	156,178			
ACH Debit Received Item	1,546			
Other required costs				
Wire Transfer				
Setup	0			
Wire Module Maintenance Services	8			
Electronic Wire Out-Domestic	317			
Electronic Wire Out-Book DB	314			
Electronic Wire Out-Dom Repair	4			
Incoming Domestic Wire	300			
Wire Advice-Mail	34			
Wire Advice-Fax	4			

Phn Wire Rept Template Storage	1			
Elec Wire BK MNT Temp Storage	582			
Incoming FX Intl Wire - Chg Our	2			
Book Credit	316			
Manual Account Transfers	26			
Other required costs				
Account Reconciliation				
Setup	0			
ARP Full Recon Input File	57			
Arp Full Recon Maint - PPR Rpts	5			
ARP Partial Maint - Paper Rpts	5			
Check Sorting Maintenance	8			
Deposit Recon Maintenance	3			
Check Sorting Per Item	24,583			
ARP Online Stmt Long Term	9			
Deposit Recon Per Item	17,486			
ARP Full PPay Account	3			
ARP Full PPay Paid Item	25,268			
ARP Partial PPay Account	1			
ARP Partial PPay Per Item	4,682			
ARP Full Recon Input Per Item	27,756			
ARP Recon Transmission	58			
ARP Partial Recon Per Item	13,244			
ARP Dep Rec Output - Transm	2			
ARP Partial Recon Output File	33			
Other required costs				
Information Services				
Setup	0			
CPO Subscription Online	21			
GCS Transaction History	4			
Network Maintenance	2			
Direct Previous Day Acct	266			
Direct Current Day Acct	212			
Direct Previous Day Max Item	377,387			
Mainframe Trans - CDR Item	514			
Mainframe Trans - PDR Item	38			
Mainframe Trans - PDR Acct	4,728			

Direct IDX Previous Day Acct	16				
Direct Previous Day Std Item	83,119				
Direct Current Day Std Item	267,755				
Direct Previous Day Ext Item	38,140				
Direct IDX Previous Day Ext Item	4,555				
Direct IDX Current Day Acct	1				
Mainframe Trans - CDR Acct	4				
Mainframe Trans - IDX PDR Acct	6				
Mainframe Trans - IDX PDR Item	3,266				
Security Access	1				
Other required costs					
Payable Thru Drafts					
Setup	0				
PTD Maintenance	1				
PTD Warrant Stop Payments	0				
PTD Per Item	162,217				
Other required costs					
EDI Services					
Setup	0				
RPO Maintenance	6				
RPO Transaction Pricing	4,861				
RPO MAM File Support	3				
RPO Notification - Postcard	60				
RPO Notification - Email	3,093				
Direct EDI Report Per Acct	14				
Receiving - Advising - Fax - Maint	1				
ECM-ACH Maintenance	1				
EDI Invoices Received	648				
PCG Monthly Maintenance	1				
PCG Billing File Maintenance	3				
PCG Transactions	2,160				
PCG Touch Tone IVR Charges	7,099				
PCG V+bills Enrolled Maintenance	1				
PCG V+tps Monthly Maintenance	1				
Receivables Network Maint	2				
The Payment Network Maint	2				
Elec Transaction Reported	954				

Rcvg Remit Adv - Online Trans	855			
Receiving - Advising - Online	6			
Orig - Payment - Per Item	5,159			
Other required costs				
International				
Setup	0			
Electronic Wire Out-USD International	6			
Elec Wire Out-International FX-Charge Our	3			
Electronic Wire Out-International FX	0			
Manual Wire Out-International FX	0			
Other required costs				
CashPay Services				
Setup	0			
CashPay Web User Fee	1			
Cashpay Elec - Enrollment	26			
Other required costs				
Remote Deposit Services				
Setup	0			
Remote Dep - Account Maintenance	3			
Remote Dep CK Image Processing	10,888			
RDSOL - Item Storage	482,714			
Med Volume Scanner Maint	1			
Scanner Maintenance	1			
Other required costs				
Image Services				
Setup	0			
CD ROM Maintenance	8			
CD ROM Per Image	31,177			
CD ROM Disk	123			
PP Image Requested - Direct	53			
Image Archive - 90 days	4,379			
Image Maintenance - Direct	17			
Bulk Image Trans Per Item	81,679			
Image Retrieval BA Direct	648			
Other required costs				

Miscellaneous					
Courier Charges	4				
Check Copy	210				
Cashier Checks/Official Checks	5				
Check Printing/Supplies	5				
Check Order Fee	1				
Money Orders	0				
CPA Confirmations Per Request	0				
Other required costs					

Appendix A - Merchant Card Processing Consolidated Bid Form

Description	Bid Amount
Monthly Service/Maintenance Charge	
On-Line Debit Card - Regional Interchange	
On-Line Debit Card - National Interchange	
Other?	
Special Merchant Card Services	
Merchant Card Imprinters	
Merchant Card Point-of-Sale (POS) Terminal	
Merchant Card Printer	
Debit Card Personal Identifications Number Keypad	
Merchant Card Service - Leased Line	
Keyboard Swipe	
Other?	
Merchant Card Software	
Merchant Card Software - Maintenance	
Merchant Card Software - Usage	
Merchant Card Software - Sale/License	
Merchant Card Software - Upgrades	
Other?	

Appendix A - Merchant Card Processing

Worksheet for Credit Card Discount Rate

	Visa/MasterCard	Discover	American Express
Information Interchange			
Credit Card Assessment Rate			
Unbundled Price			
Estimated % Sales			
Bundled Price			
Bank's Processing Transaction Fee			
Modified Bundled Price			
Bank Contract-Credit Card Settlement Service- Automated Transmission			
Acquirer Fees			
Settlement Institution Fee			
Other?			

Appendix A - Merchant Card Processing Activity

<u>Merchant Name</u>	<u>Number of Monthly Transactions</u>	<u>Monthly \$ totals</u>
AZ GAME FISH I&E	700	\$45,734
AZ GAME FISH RGN II	295	\$18,283
AZ GAME FISH RGN III	179	\$12,979
AZ GAME FISH RGN IV	106	\$6,605
AZ GAME FISH RGN V	379	\$23,185
AZ GAME FISH RGN VI	573	\$33,000
AZ GAME-FISH RGN 1	206	\$11,452
AZ GAME-FISH, BASF	634	\$9,152
BASF CLAY TARGET CENTER	55	\$13,642
STATE OF ARIZONA ARIZONA GAME	736	\$50,250
STATE OF AZ	2,003	\$105,852
STATE OF AZ	1,943	\$148,548
ABANDONED VEHICLES	105	\$5,350
APACHE JUNCTION MVD	1,707	\$155,397
AVONDALE MVD	3,217	\$261,124
BUCKEYE MVD	543	\$56,353
BULLHEAD CITY MVD	1,016	\$124,076
CASA GRANDE	1,154	\$100,062
CASA GRANDE CDL	28	\$730
CHANDLER MVD	4,030	\$344,905
CLIFTON MVD	105	\$17,737
COLLECTIONS DCK/MVD	73	\$15,145
COLLECTIONS MC1/MVD	9	\$8,091
COLLECTIONS MC2/MVD	8	\$2,792
COOLIDGE MVD	568	\$47,727
COTTONWOOD MVD	1,095	\$110,857
DAVIS MONTHAN AFB/MVD	355	\$20,758
DOUGLAS MVD	403	\$32,382
EAST MESA MVD	0	\$0
FLAGSTAFF MVD	1,775	\$142,328
FLAGSTAFF MVD/CDL	56	\$1,497
FLEET / MVD	45	\$31,849
GLENDALE MVD	4,681	\$356,482
GLOBE ENFORCEMENT/MVD	0	\$0
GLOBE MVD	415	\$31,547
GOODYEAR MVD/CDL	724	\$17,464
GREEN VALLEY MVD	806	\$85,848
HOLBROOK MVD	255	\$16,083
IFTA/MVD	328	\$69,335
KEARNY MVD	0	\$0
KINGMAN MVD	1,077	\$109,924

KINGMAN MVD/CDL	72	\$1,812
LAKE HAVASU CITY MVD	1,066	\$139,211
MESA MVD	3,336	\$222,753
MOTOR CARRIER /IRP/MVD	92	\$206,767
MVD YUMA	2,004	\$169,099
MVR DESK/MVD	172	\$4,051
MVRRS/MVD	94	\$10,248
NOGALES MVD	605	\$53,845
NORTHWEST MVD	4,386	\$386,641
OUT OF STATE DSK/MVD	2	\$2,382
PAGE MVD	268	\$26,344
PAGE MVD/POE	1	\$0
PARKER MVD	297	\$34,309
PAYSON MVD	556	\$61,005
PHOENIX COMM UNIT/MVD	1,063	\$25,586
PHOENIX COURTHOUSE MVD	396	\$8,293
PIMA CTY JUSTICE COURT MVD	80	\$2,342
PRESCOTT MVD	2,013	\$167,962
SAFFORD MVD	749	\$85,480
SAN MANUEL MVD	243	\$26,590
SANDERS MVD/POE	340	\$29,334
SCOTTSDALE MVD	5,591	\$672,003
SHOW LOW MVD	914	\$81,736
SIERRA VISTA MVD	1,552	\$132,328
SOUTH MOUNTAIN MVD	1,939	\$148,343
SOUTHEAST MESA MVD/CDL	410	\$10,176
SOUTHEAST REGIONAL MVD	5,104	\$407,174
SPRINGVILLE MVD/POE	0	\$0
ST GEORGE MVD/POE	630	\$42,169
SUPERIOR MVD	0	\$0
SURPRISE MVD	3,142	\$298,878
TEEC NOS POS MVD/POE	73	\$4,327
TEMPE MVD	4,168	\$308,195
TITLE PRODUCTION MVD	10	\$969
TOPOCK MVD/POE	150	\$12,289
TUCSON CITY COURT MVD	268	\$7,840
TUCSON COMM UNIT/MVD	618	\$15,377
TUCSON EAST MOTOR MVD	3,582	\$260,420
TUCSON MOTOR CARRIER/MVD/IRP	12	\$48,604
TUCSON MVD	3,469	\$196,986
TUCSON MVD/CDL	252	\$5,101
TUCSON NORTH MVD	3,958	\$317,313
WEST PHOENIX MVD	2,628	\$149,362
WICKENBURG MVD	347	\$40,773
WILCOX MVD	0	\$0
WINSLOW MVD	210	\$15,313
YUMA MVD/CDL	64	\$1,364
BAGDAD JUSTICE COURT	8	\$2,534

CLERK OF SUPERIOR COURT	374	\$38,279
CLERK OF SUPERIOR COURT	128	\$13,517
JUVENILE PROBATION	32	\$3,344
MAYER JUSTICE COURT	0	\$0
SELIGMAN JUSTICE COURT	44	\$10,453
VERDE VALLEY JUSTICE COURT	103	\$14,539
YARNELL JUSTICE COURT	39	\$9,117
YAVAPAI COUNTY DEVELOPMENT SVC	67	\$22,088
AZ MEDICAL BOARD	893	\$331,875
AZ SB PHARMACY	1,941	\$281,333
ADOA SURPLUS PROP MGMT OFFICE	21	\$55,620
ACI	102	\$247,925
ACI FLORENCE	201	\$14,021
ADHS OFFICE OF VITAL RECORDS	1,857	\$32,161
AZ DEPT OF REV CONV FEES	5,065	\$26,683
AZ DEPT OF REVENUE	5,066	\$1,270,758
AZ DEPT REV SEMINAR FEES	0	\$0
DEPT OF WATER RESOURCES	100	\$13,925
DEPT OF WATER RSC ONLINE	7	\$766
STATE OF ARIZONA	16	\$5,557
ARIZONA STATE FAIR	0	\$0
AZ STATE CAPITL MUSEUM	70	\$2,778
ARIZONA GEOLOGICAL SURVEY	61	\$2,480
ARIZONA STATE PARKS	6	\$221
AZ STATE PARK GIFT SHOP MAIN O	7	\$792
BUCKSKIN MOUNTAIN STATE PARK	210	\$15,930
BUCKSKIN RIVER ISLAND	21	\$1,138
CATALINA STATE PARK	331	\$14,395
CATTAIL COVE STATE PARK	160	\$10,851
DEAD HORSE RANCH STATE PARK	373	\$17,352
EXPLORE ARIZONA	0	\$0
FOOL HOLLOW LAKE REC AREA	498	\$35,810
FORT VERDE STATE PARK	46	\$1,002
HOMOLOVI RUINS STATE PARK	0	\$0
JEROME STATE HISTORIC PK	47	\$942
KARTCHNER CAVERNS RESERVA	2,024	\$115,847
LAKE HAVASU STATE PARK	303	\$29,338
LOST DUTCHMAN STATE PARK	91	\$2,322
LYMAN LAKE STATE PARK	165	\$6,354
MCFARLAND STATE HISTORIC PARK	0	\$0
ORACLE STATE PARK	0	\$4
PATAGONIA LAKE STATE PARK	477	\$14,723
PICACHO PEAK STATE PARK	78	\$1,745
RED ROCK STATE PARK	194	\$3,655
RIORDAN STATE PARK	0	\$0
ROPER LAKE STATE PARK	257	\$11,343
SLIDE ROCK STATE PARK	624	\$13,083
TONTO NATURAL BRIDGE STATE PAR	453	\$7,322

TUBAC PRESIDIO	0	\$0
YUMA QUARTERMASTER DEPOT S H P	0	\$0
YUMA TERR PRISON STATE HIS PAR	0	\$0
ARIZONA STATE OF	327	\$65,396
AZ OFFICE OF PEST MANAGEMENT	0	\$0
OFFICE OF PEST MANAGEMENT	17	\$2,924
OFFICE OF PEST MANAGEMENT	54	\$5,020
ARIZONA DEPARTMENT OF HOUSING	58	\$13,681
AZ DEPT MINES & MINERALS	85	\$2,994
AZ STATE MINE INSPECTORS	94	\$3,450
GVA BORDER SEC IMMG LGL DEF PR	8,493	\$368,731
MMA FIRE BUILDING AND LIFE	22	\$4,111
ARIZONA SUPREME COURT	119	\$31,737
STATE OF ARIZONA-OCSE	0	\$0
TOMBSTONE COURTHOUSE	0	\$0
ARIZONA DEPT OF REAL ESTATE	1,515	\$71,368
ARIZONE CORP COMM	7,573	\$439,389
AZ CORP COMM	965	\$112,572
AZ CORP COMMISSION	88	\$6,227
AZ DEPT OF EDUCATION	0	\$0
AZ DEPT OF REAL ESTATE	274	\$28,847
AZ DEPT OF REAL ESTATE	51	\$5,623
AZ BOARD OF NURSING	0	\$0
AZBOARDOFNURSINGCNA	98	\$4,430
AZBOARDOFNURSINGWEB	168	\$17,822
AZ RGA REG OF CONTRACTORS	458	\$324,766
REGISTRAR OF CONTRACTORS PX	0	\$0
AHCCCS PREMIUM BILLING	1,511	\$63,145
HEALTHCARE GROUP OF ARIZONA	424	\$369,159
ARIZONA STATE BOARD OF COSMETO	22	\$3,267
AZ BOARD OF COSMETOLOGY	1,217	\$44,263
AZ DEPT OF ECONOMIC SEC	1,169	\$222,140
AZ DEPT OF ECONOMIC SEC	1	(\$32)
AZ DEPT OF HEALTH SVCS	165	\$51,457
AZ SUPREME COURT	31	\$30,775
STATE OF ARIZONA	1	\$1
STATE OF ARIZONA	0	\$0
STATE OF ARIZONA ARIZONA BOARD	0	\$0
STATE OF AZ DEPT OF INSURANCE	966	\$134,460
STATE OF AZ DEPT OF INSURANCE	57	\$22,829
DCSE MAIN OFFICE	1,417	\$480,114
Totals	139,287	\$13,120,207

Appendix B - Two Part Daily Warrant Printout

Name of Bank - State Warrants		Warrant Account	Date	Page No.
Arizona State Treasurer's Warrants				
Serial	Amount Lookup-ID	Serial	Amount Lookup ID	

Number of Items	00000	Amount	00.00
-----------------	-------	--------	-------

Account Recap	Number	Amount
Total Warrant	00000	00.00
Stop Payments		00.00
Expired Warrant		00.00
Total to State	00000	00.00

Appendix B - Two Part Daily Warrant Printout

Grand Total Recap

	Number	Amount
Total Warrants	00000	00.00
Stop Payments		
Expired Warrants		
Rejected Warrants		
Total to State	00000	00.00

**Appendix B
Sample**

- RUN DATE: 03/16/06		BANK: 333		DAILY WARRANTS REPORT		PAGE	
- AS-OF-DATE: 03/15/06		00000000033 - STATE DES JOBS		00000000033 - STATE DES JOBS		90	
WARRANT	AMOUNT	REF NUMBER	WARRANT	AMOUNT	REF NUMBER	WARRANT	AMOUNT
02267575	5.00	813003250436279	02270529	60.00	813003250064116	02270671	2,500.00
02268093	10.00	813003250075220	02270531	25.00	813003250039461	02270672	515.34
02268275	46.00	813003150286794	02270533	60.00	813003250379604	02270673	103.40
02268421	50.00	813003250436280	02270534	25.00	813003150187375	02270674	81.73
02269376	15.00	813003150175655	02270542	129.00	813003150403188	02270676	94.64
02269689	15.00	813003150175656	02270547	230.00	813003250384314		
02269730	6.00	813003250075219	02270554	310.00	813003250076818		
02269998	90.00	813003250241346	02270556	400.00	813003250393352		
02270002	42.00	813003150191355	02270560	253.99	813003250233540		
02270025	15.00	813003250047681	02270562	222.86	813003150355110		
02270157	1,096.00	813003250092368	02270573	43.43	813003150189412		
02270243	277.23	813003250075652	02270574	294.01	813003250480772		
02270258	180.00	813003250092496	02270576	219.97	813003250040970		
02270270	140.00	813003250069495	02270578	83.93	813003150355111		
02270324	175.00	813003250035918	02270584	99.37	813003150171601		
02270331	15.00	813003150201185	02270585	449.71	813003150183725		
02270340	15.00	813003250027584	02270586	1,678.50	813003250237575		
02270346	6.00	813003250074689	02270589	91.45	813003150369861		
02270349	15.00	813003250203354	02270590	305.05	813003150189411		
02270357	9.00	813003150195467	02270591	184.55	813003250087341		
02270362	30.00	813003150195595	02270594	200.00	813003150171600		
02270372	9.00	813003150195433	02270605	115.00	813003150189140		
02270379	30.00	813003150370706	02270608	392.48	813003250226748		
02270382	15.00	813003250208530	02270612	1,078.52	813003250043848		
02270386	12.00	813003150199621	02270618	968.53	813003250248465		
02270393	12.00	813003150175658	02270619	1,064.28	813003250093804		

Appendix B
Sample

02270394	15.00	813003150199620	02270620	2,000.00	813003250052456
02270417	15.00	813003250237733	02270621	144.15	813003150167720
02270423	15.00	813003250237792	02270622	198.58	813003250045250
02270428	24.00	813003150167199	02270624	646.38	813003250047925
02270433	15.00	813003150373437	02270627	697.24	813003250416044
02270439	15.00	813003250208012	02270630	820.92	813003250210274
02270455	30.00	813003150373607	02270645	192.00	813003250037451
02270456	15.00	813003250069615	02270647	198.74	813003250402499
02270481	650.00	813003150185357	02270649	732.39	813003250491473
02270483	4,543.48	813003250087267	02270655	900.00	813003150173376
02270484	1,543.00	813003250489902	02270658	1,300.00	813003150185358
02270492	95.99	813003250065536	02270659	2,175.00	813003150185359
02270496	1,287.00	813003250072755	02270660	8,711.50	813003150185360
02270497	4,455.00	813003250047715	02270663	849.00	813003250489898
02270501	30.00	813003250047714	02270664	16,736.87	813003250087266
02270503	500.00	813003250094608	02270666	300.00	813003250093647
02270518	265.00	813003550195185	02270667	14,133.76	813003750201854
02270522	50.00	813003250091184	02270668	18,480.00	813003250047767
02270523	736.50	813003250230981	02270669	52,475.00	813003150183739
02270527	35.00	813003150237207	02270670	1,490.00	813003250489901
** ACCOUNT RECAP TOTALS:			97 ITEMS TOTALING	152,145.47	

Appendix B
Sample

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1  RUN DATE: 03/16/06  BANK: 333  DAILY WARRANTS REPORT  PAGE 91
AS-OF-DATE: 03/15/06  STATE OF ARIZONA ACCOUNTS GRAND TOTALS
- WARRANT AMOUNT REF NUMBER WARRANT AMOUNT REF NUMBER WARRANT AMOUNT REF NUMBER
0 *** GRAND TOTALS: 1172 ITEMS TOTALING 28,517,977.41
0 *** TOTAL ON TAPE: 1132 ITEMS TOTALING 28,483,654.05 (ACCTS 21-33)
0 *** TOTAL NOT ON TAPE: 40 ITEMS TOTALING 34,323.36 (ACCTS 06-08)

```

Appendix C - Reconciled Warrant Transmittal

	Number	Amount
Total Accounts 21-33	0000	00.00
Total on File		
Total Accounts 07-08		
Grand Total		
Total not on File		

Appendix D
Returned Warrant

Arizona State Treasurer's Office

To: Bank of America Arizona
From: Allen Thomas
Date: March 12, 2002
Subject: Warrant Error Corrections

We are sending the following original documents with a request for credit. The reason for each request is explained to the right of each item. Please verify and acknowledge the receipt of these items by signing on the signature line provided at the bottom of this form.

Bank listing of: 03/08/2002

Date deleted: 03/12/2002

Warrant #	Amount	Reason Failed	Remarks
210692989	12,884.06	Warrant Number Incorrect	216932989
216929662	8,439.21	Warrant Number Incorrect	216929362
230286343	85.00	Warrant Number Incorrect	231286343
231272585	877.00	Amount Incorrect	887.00
239667051	870.00	Warrant Is Expired	02/21/2001
260037241	140.30	Amount Incorrect	140.43
281235074	115.00	Warrant Number Incorrect	231235074
	23,410.57		



 Authorized Signature Date
 Bank of America Arizona

 Printed Name

Appendix E

Deposit Slips Volume

<u>Account</u>	<u>Annual Volume</u>	<u>Specifications</u>
All Accounts	54,000	2 or 3 part Carbonless Copy- most with site locations imprinted in the MICR line

Appendix F

Endorsement Stamps Volume

All Accounts

Volume = 200

Appendix G

Bank Paid Warrant Batch Header Layout

01	WARRANT-CTL-RECORD		0000910
05	FILLER	PIC X(02).	0000920
05	BATCH-DATE	PIC X(06).	0000930
05	BATCH-NAME	PIC X(04).	0000940
05	BATCH-TYPE	PIC X(02).	0000950
05	BATCH-LETTER	PIC X(01).	0000960
05	FILLER	PIC X(05).	0000970
05	TRANSACTION-COUNT	PIC 9(05).	0000980
05	CONTROL-AMOUNT	PIC S9(09)V99.	0000990

Appendix H

Bank Paid Warrant Record Layout

01	WARRANT-CTL-RECORD		0000770
06	TRANSACTION-CODE	PIC X(02).	0000780
05	WARRANT-NUMBER		0000790
10	BANK-TYPE	PIC X(02).	0000800
10	FISCAL-YEAR	PIC X(01).	0000810
10	SERIAL-NUMBER		0000820
	15 FILLER	PIC X(06).	0000830
	15 UNITS-POSITION	PIC X(01).	0000840
05	DATE-CLEARED	PIC X(06).	0000850
05	WARRANT-AMOUNT	PIC X(10).	0000860
05	WARRANT-AMOUNT-NUM	REDEFINES	0000870
	WARRANT-AMOUNT	PIC S9(08)V99.	0000880
05	IP-BANK-REF-NO	PIC X(08).	0000890

Appendix I

Bank Stop Paid Warrant Record Layout

01	OUT-RECORD		0000400	
03	OUT-TRANS	PIC X(02).	0000410	
03	OUT-BATCH-DATE		0000420	
	05	OUT-BATCH-DATE-MM	PIC XX.	0000430
	05	OUT-BATCH-DATE-DD	PIC XX.	0000440
	05	OUT-BATCH-DATE-YY	PIC XX.	0000450
03	OUT-BATCH-ID	PIC X(04).	0000460	
03	OUT-BATCH-SEQ-NO	PIC X(02).	0000470	
03	OUT-WARRANT-NO	PIC X(10).	0000480	
03	OUT-AMOUNT	PIC 9(08)V99.	0000490	
03	OUT-STOP-DATE		0000500	
	05	OUT-STOP-DATE-YY	PIC XX.	0000510
	05	OUT-STOP-DATE-MM	PIC XX.	0000520
	05	OUT-STOP-DATE-DD	PIC XX.	0000530
05	FILLER	PIC X(38).	0000540	

Appendix J

Expired Warrant Record Layout

01	WS-RECORD-TC32.		00006480
			00006490
03	WS-TC-TC32	PIC X(02).	00006500
03	WS-BATCH-DATE-TC32	PIC X(006).	00006510
03	WS-BATCH-ID-TC32	PIC X(04).	00006520
03	WS-BATCH-SEQ-NO-TC32	PIC X(02).	00006530
03	WARRANT-NO-TC32	PIC X(10).	00006540
03	WARRANT-AMOUNT-TC32	PIC 9(08)V99.	00006550
03	WS-EXPR-DATE-TC32	PIC X(006).	00006510
03	WS-ISSUE-DATE-TC32	PIC X(006).	00006570
03	FILLER	PIC X (34).	00006580

Appendix K

1HOLDING CO 01 DEMAND DEPOSIT ACCOUNTING
 *IM4105 * PAGE NO 1
 BANK 333 BANK OF AMERICA, N.A.,
 ARIZONA PROCESS DATE 03/10/06
 STOP PAY AND HOLD
 MAINTENANCE PROCESS THRU 03/12/06

ACCOUNT SEQ	DATE	FAST	-----CHECK RANGE-----	
NUMBER	TYPE	ENTERED EXPIRATION	AMOUNT	LOW HIGH
0000000000023	H-TLR	03-08-06 06-03-09	155.00	7526481
DEL -EXPIRED			31004	

1HOLDING CO 01 DEMAND DEPOSIT ACCOUNTING
 *IM4105 * PAGE NO 24
 BANK 333 BANK OF AMERICA, N.A.,
 ARIZONA PROCESS DATE 03/10/06
 STOP PAY AND HOLD
 MAINTENANCE PROCESS THRU 03/12/06

ACCOUNT SEQ	DATE	FAST	-----CHECK RANGE-----	
NUMBER	TYPE	ENTERED EXPIRATION	AMOUNT	LOW HIGH
0000000000007	STOP	03-10-06 07-03-12	1,399.50	431866
ADD -AZ AUTOMOTIVE INST			117	
0000000000008	STOP	03-10-05 06-03-10	297.00	14513
DEL -EXPIRED			52	
0000000000021	STOP	03-10-05 06-03-10	232.45	63550
DEL -EXPIRED			16405	
0000000000021	STOP	03-10-05 06-03-10	759.87	40372
DEL -EXPIRED			17088	
0000000000021	STOP	03-10-05 06-03-10	2,099.04	100260
DEL -EXPIRED			17382	
0000000000021	STOP	03-10-05 06-03-10	4,945.00	8847515
DEL -EXPIRED			17488	
0000000000023	STOP	03-10-06 07-03-12	1,939.53	7533687
ADD -			41006	
0000000000025	STOP	03-10-05 06-03-10	52.26	1589887
DEL -EXPIRED			1108	
0000000000025	STOP	03-10-05 06-03-10	117.76	1600576
DEL -EXPIRED			1252	
0000000000032	STOP	03-10-06 07-03-12	1,499.47	953105
ADD -			1975	

1

NO FLOAT RECORDS TO PROCESS

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PAGE 1

OBANK NO. 0000333 TEAM NO. 000

RECONCILIATION

REPORT

DATE 03/10/06

0 ACCOUNT NO. 23

STATE DOR TAX REFUND

REPORT MISC-CREDITS

AS OF 03-10-06

OC SERIAL	CHECK AMOUNT	DATE	DATE	SEQ	PAYEE	C	SERIAL
CHECK AMOUNT	DATE	DATE	SEQ	PAYEE			
D NUMBER	PD/POST	O/S	PD/PST	ISSUED	NO.	IDENTIFICATION	D NUMBER
PD/POST	O/S	PD/PST	ISSUED	NO.	IDENTIFICATION		
-			100.00	031006	03040188	BANK ADJUSTMENT	
	2384,682.84			031006	03040210	AUTOMATIC TRANSF	

MISC 2,384,782.84 2GT

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PAGE 1

OBANK NO. 0000333 TEAM NO. 000

RECAP OF POSTED ITEMS

REPORT

DATE 03/10/06

0 ACCOUNT NO. 23

STATE DOR TAX REFUND

AS OF 03-10-06

0 DATE	PAID	CHECKS	ISSUES	STOPS	PLACED
STOPS REMOVED		CANCELLED			
ITEMS	AMOUNT	ITEMS	AMOUNT	ITEMS	AMOUNT
ITEMS	AMOUNT	ITEMS	AMOUNT		

1SMS565- 34

PAGE 1

OBANK NO. 0000333 TEAM NO. 000

ACCOUNT SUMMARY

REPORT

DATE 03/10/06

0 ACCOUNT NO. 23

STATE DOR TAX REFUND

AS OF 03-10-06

0	STARTING BALANCE	2,384,782.84-
	PLUS CREDITS	2,384,782.84
	MINUS DEBITS	.00
	MINUS CHECKS	.00
	ENDING BALANCE	.00

1SMS565- 31

PAGE 1

OBANK NO. 0000333 TEAM NO. 000

RECONCILIATION

REPORT

DATE 03/10/06

0 ACCOUNT NO. 30

STATE DES AAA ASSTS

REPORT MISC-CREDITS

AS OF 03-10-06

OC SERIAL	CHECK AMOUNT	DATE	DATE	SEQ	PAYEE	C	SERIAL
CHECK AMOUNT	DATE	DATE	SEQ	PAYEE			
D NUMBER	PD/POST	O/S	PD/PST	ISSUED	NO.	IDENTIFICATION	D NUMBER
PD/POST	O/S	PD/PST	ISSUED	NO.	IDENTIFICATION		
-			463,468.50	031006	03040216	AUTOMATIC TRANSF	

MISC 463,468.50 1GT

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PAGE 1

OBANK NO. 0000333 TEAM NO. 000 RECAP OF POSTED ITEMS
REPORT DATE 03/10/06

0 ACCOUNT NO. 30 STATE DES AAA ASSTS
AS OF 03-10-06

0	DATE	PAID	CHECKS	ISSUES	STOPS	PLACED
STOPS REMOVED			CANCELLED			
ITEMS	ITEMS	AMOUNT	ITEMS	AMOUNT	ITEMS	AMOUNT
ITEMS	AMOUNT	ITEMS	AMOUNT			

1SMS565- 34

PAGE 1

OBANK NO. 0000333 TEAM NO. 000 ACCOUNT SUMMARY

REPORT DATE 03/10/06

0 ACCOUNT NO. 30 STATE DES AAA ASSTS

AS OF 03-10-06

0	STARTING BALANCE	463,468.50-
	PLUS CREDITS	463,468.50
	MINUS DEBITS	.00
	MINUS CHECKS	.00
	ENDING BALANCE	.00

1SMS565- 31

PAGE 1

OBANK NO. 0000333 TEAM NO. 000 RECONCILIATION

REPORT DATE 03/10/06

0 ACCOUNT NO. 31 STATE DES RSA

REPORT MISC-CREDITS AS OF 03-10-06

0C	SERIAL	CHECK	AMOUNT	DATE	DATE	SEQ	PAYEE	C	SERIAL
CHECK	AMOUNT	DATE	DATE	SEQ	PAYEE				
D	NUMBER	PD/POST	O/S	PD/PST	ISSUED	NO.	IDENTIFICATION	D	NUMBER
PD/POST	O/S	PD/PST	ISSUED	NO.	IDENTIFICATION				
-			95,308.23		031006	03040217	AUTOMATIC TRANSF		

MISC 95,308.23 1GT

1SMS565- 32

PAGE 1

OBANK NO. 0000333 TEAM NO. 000 RECAP OF POSTED ITEMS

REPORT DATE 03/10/06

0 ACCOUNT NO. 31 STATE DES RSA

AS OF 03-10-06

0	DATE	PAID	CHECKS	ISSUES	STOPS	PLACED
STOPS REMOVED			CANCELLED			
ITEMS	ITEMS	AMOUNT	ITEMS	AMOUNT	ITEMS	AMOUNT
ITEMS	AMOUNT	ITEMS	AMOUNT			

1SMS565- 34

PAGE 1

OBANK NO. 0000333 TEAM NO. 000 ACCOUNT SUMMARY

REPORT DATE 03/10/06

0 ACCOUNT NO. 31 STATE DES RSA

AS OF 03-10-06

0	STARTING BALANCE	95,308.23-
	PLUS CREDITS	95,308.23
	MINUS DEBITS	.00
	MINUS CHECKS	.00
	ENDING BALANCE	.00

1SMS565- 31

PAGE 1

Appendix L

Collateral Resolution and Certification (Sample)

Resolution

Resolved, that the Board of Directors of _____, (the "Bank"), hereby approves and ratifies the Bank's pledge of its assets to secure the deposits of public funds depositors in the amounts pledged by Bank as January 1, 2012.

Resolved, that the Bank's President or its Chief Credit Officer be, and hereby is authorized to pledge additional assets to secure any increase in the amount of these deposits.

Certification

I _____, (name) _____, (title) of _____, (the "Bank"), a national banking association, hereby certify that the above is a true, correct and complete copy of a resolution adopted by the Bank at a meeting of its Board of Directors held at _____, (location) and the said resolution remains in full force and effect.

In Witness Whereof, I have set my hand and affixed the seal of the Bank, this _____ day of _____, year _____.

Signature

Appendix M

NSF Items

Within 24 hours of servicing bank charging the State's account for an insufficient funds item, the bank shall provide to the State Treasurer the following:

1. The **original** check along with a paper report showing check amount, reason for return, deposit total and deposit date for the item. See example on next page.
2. An **electronic file that can be downloaded** showing the same information as in number (1) above.

Returned Item Summary Report
Generated on 01/24/94

For items dated 01/24/94 through 01/24/94

Date Entered	Line No.	Maker	Issue Date	Check Number	Amount	Routing No.	Reason Code	Acct Code
01/24/94	1		12/27/93	126	\$50.00	071921561	8	1
01/24/94	2		12/30/93	116	\$47.00	082907480	3	1
01/24/94	3		09/14/93	829579	\$253.90	103000855	9	1
01/24/94	4		12/22/93	1523	\$701.94	122101706	1	1
01/24/94	5		01/01/94	1132	\$17.00	122101706	1	1
01/24/94	6		01/12/94	200	\$50.00	122101706	1	1
01/24/94	7		01/17/94	1340	\$12.62	122101706	1	1
01/24/94	8		01/17/94	1336	\$11.10	122101706	1	1
01/24/94	9		01/17/94	1338	\$17.46	122101706	1	1
01/24/94	10		12/29/93	3801	\$663.93	031312107	2	1
01/24/94	11		01/04/94	796	\$17.00	122000661	1	1
01/24/94	12		01/14/94	7249	\$20,000.00	122100011	2	1
01/24/94	13		12/30/93	4259	\$4,228.78	122100024	1	1
01/24/94	14		01/05/94	3283	\$650.00	122101011	1	1
01/24/94	15		01/04/94	4182	\$10,000.00	122100024	14	1
01/24/94	16		11/23/93	1905	\$45.00	122100024	2	1
01/24/94	17		11/22/93	28916	\$1,896.77	122100011	2	1
01/24/94	18		01/14/94	1070	\$50.00	122102200	8	1
01/24/94	19		12/30/93	1703	\$800.00	111111111	1	1
01/24/94	20		01/09/94	277	\$15.00	122100024	3	1
01/24/94	21		07/26/93	2180	\$18.80	122100011	2	1
01/24/94	22		08/30/93	2198	\$152.81	122100011	2	1
01/24/94	23		06/06/93	1629	\$21.52	122103966	1	1
01/24/94	24		12/30/93	1175	\$17.00	122103966	1	1
01/24/94	25		12/26/93	467	\$20.00	122100011	8	1
01/24/94	26		01/11/94	110	\$24.00	122100011	1	1
01/24/94	27		01/05/94	420	\$97.00	122100024	1	1
01/24/94	28		01/17/94	353	\$10.00	122100011	1	1
01/24/94	29		12/01/93	122	\$40.70	122100011	3	1

Total for date
Total for all

\$39,929.23

Appendix M

Sample

BANK OF AMERICA NA
RETURN ITEM DEPARTMENT
P O BOX 29966
PHOENIX, AZ 85038-0966

Page 1 of 1
Bank : 00333
Center : 0009155
Divisor: 1 0283
Code : 15

Deposit Account: 100-2569
Charge Account : 9155-019-5075
Store/Referance: 0000000000

MEMORANDO NOT MAIL
* STATE TREAS/DES UNEMPLOY COMP FUND *
* C/O BRANCH 9465 *
* MAILCODE AZ1 101 13 05 *
* PLACE IN SPECIAL HANDLING BAG *
* * *

Date of Notice: 03-14-2002

Dear Valued Customer:

The returned deposited item(s) listed below have been forwarded to the location specified by you for immediate buy-back. The fees for analyzed accounts are itemized on the account analysis statement.

If you have any questions or need additional information, please contact one of our Customer Service representatives at 1-800-944-0404. Thank you for choosing Bank of America.

Number of Returned Items: 1
Amount of Returned Item(s): 74.24

SEQUENCE/ DEP DATE	ABA NUMBER/ DEP AMOUNT	MAKER NAME/ CHECK DATE	RETURN REASON/ I.D.	AMOUNT
3550001335 03112002	1221-0170 25,154.73		MULTI-TIMES NSF	74.24

Appendix N

ACH CONFIRMATION FILE LAYOUT

ISA Interchange Control Header Record

This record is not utilized.

ELEMEN T	REQ.	SIZE	DESCRIPTION	CONTENTS
ISA	M	3/3	ISA Record Identifier	ISA
ISA01	M	2/2	Authorization information qualifier	00
ISA02	M	10/10	Authorization information	10 spaces
ISA03	M	2/2	Security qualifier	00
ISA04	M	10/10	Security information	10 spaces
ISA05	M	2/2	Sender identification qualifier	
ISA06	M	15/15	Sender identification	
ISA07	M	2/2	Receiver identification qualifier	
ISA08	M	15/15	Receiver identification	
ISA09	M	6/6	Interchange creation date	YYMMDD
ISA10	M	4/4	Interchange creation time	HHMM
ISA11	M	1/1	Interchange standard identifier	U
ISA12	M	5/5	Interchange version	00304
ISA13	M	9/9	Sender's control number	Sequential control number
ISA14	M	1/1	Acknowledgement request	0
ISA15	M	1/1	Status indicator	P (Production) T (Test)
ISA16	M	1/1	Sub-element separator	>

GS Functional Group Header Record

This record is not utilized.

ELEMENT	REQ.	SIZE	DESCRIPTION	CONTENTS
GS	M	2/2	GS Record Identifier	GS
GS01	M	2/2	Information type identification	AG
GS02	M	2/12	Application sender's id	
GS03	M	2/15	Application receiver's id	
GS04	M	6/6	Group date	YYMMDD
GS05	M	4/6	Group time	HHMM
GS06	M	1/9	Group control number	
GS07	M	1/2	Responsible agency code	X (ASC X12)
GS08	M	1/12	Ver/Release id code	003040

21-66

ST Transaction Set Header Record

This record is not utilized.

ELEMENT	REQ.	SIZE	DESCRIPTION	CONTENTS
ST	M	2/2	ST Record Identifier	ST
ST01	M	3/3	Transaction Set Identification	824
ST02	M	4/9	Sender's Control Number	

9-14

BGN Beginning Segment Record

This record is not utilized.

ELEMENT	REQ.	SIZE	DESCRIPTION	CONTENTS
BGN	M	3/3	BGN Record Identifier	BGN
BGN01	M	2/2	Transaction Set Purpose Code	11
BGN02	M	1/30	Reference Number	NV
BGN03	M	6/6	Date	YYMMDD

12-41

OTI Original Transaction Identification Record

ELEMENT	REQ.	SIZE	DESCRIPTION	CONTENTS
OTI	M	3/3	OTI Record Identifier	OTI
OTI01	M	1/2	Application Acknowledgement Code	TA (Transaction accepted) TC (Transaction accepted with data content change) TR (Transaction rejected)
OTI02	M	2/2	Reference Number Qualifier	TN
OTI03	M	1/30	Reference Number	ACH Payment #, ACH Payment # plus 'REV', or Vendor Number plus Mail Code
OTI04	O	2/15	Field Not Used	
OTI05	O	2/15	Field Not Used	
OTI06	O	6/6	Field Not Used	
OTI07	O	4/6	Field Not Used	
OTI08	C	1/9	Group Control Number	
OTI09	O	4/9	Transaction Set Control Number	

26-97

And

ELEMENT	REQ.	SIZE	DESCRIPTION	CONTENTS
OTI	M	3/3	OTI Record Identifier	OTI
OTI01	M	1/2	Application Acknowledgement Code	GA (Func. Group Accepted) GC (Func. Group Accepted with data content change) GR (Func. Group Rejected) GP (Func Group Partially Accepted)
OTI02	M	2/2	Reference Number Qualifier	ZZ
OTI03	M	1/30	Reference Number	NV
OTI04	O	2/15	Field Not Used	
OTI05	O	2/15	Field Not Used	
OTI06	O	6/6	Field Not Used	
OTI07	O	4/6	Field Not Used	
OTI08	C	1/9	Group Control Number	
OTI09	O	4/9	Transaction Set Control Number	

26-97

REF Reference Record

This record is not utilized.

ELEMENT	REQ.	SIZE	DESCRIPTION	CONTENTS
REF	M	3/3	REF Record Identifier	REF
REF01	M	2/2	Reference Qualifier	1K
REF02	M	9/9	Company ID	

14

DTM Date/Time Reference Record

ELEMENT	REQ.	SIZE	DESCRIPTION	CONTENTS
DTM	M	3/3	DTM Record Identifier	DTM
DTM01	M	3/3	Date/Time Qualifier	007
DTM02	C	6/6	Date	YYMMDD

12

TED Technical Error Description Record

ELEMENT	REQ.	SIZE	DESCRIPTION	CONTENTS
TED	M	3/3	TED Record Identifier	TED
TED01	M	1/3	Application Error Condition Code	
TED02	O	1/60	Free Form Message	

5-66

AMT Amount Record

This record is not utilized.

ELEMENT	REQ.	SIZE	DESCRIPTION	CONTENTS
AMT	M	3/3	AMT Record Identifier	AMT
AMT01	M	1/2	Amount Qualifier	OP Original Pymt Total BT Bank Reject Total NP Net to Pay Total
AMT02	M	1/15	Monetary Amount	(Functional Group Level)

5-20

QTY Quantity Record

ELEMENT	REQ.	SIZE	DESCRIPTION	CONTENTS
QTY	M	3/3	QTY Record Identifier	QTY
QTY01	M	2/2	Quantity Qualifier	53 Original Payment Count 54 Bank Reject Item Count 55 Net to Pay Item Count
QTY02	M	1/15	Quantity	(Functional Group Level)

6-20

SE Transaction Set Trailer Record

This record is not utilized.

ELEMENT	REQ.	SIZE	DESCRIPTION	CONTENTS
SE	M	2/2	SE Record Identifier	SE
SE01	M	1/6	Number of segments in transaction set	
SE02	M	4/9	Transaction set control number	Same as ST02

7-17

GE Functional Group Trailer Record

This record is not utilized.

ELEMENT	REQ.	SIZE	DESCRIPTION	CONTENTS
GE	M	2/2	GE Record Identifier	GE
GE01	M	1/6	Number of transaction sets in functional group	
GE02	M	1/9	Functional group control number	Same as GS06

4-17

IEA Interchange Control Trailer Record

This record is not utilized.

ELEMENT	REQ.	SIZE	DESCRIPTION	CONTENTS
IEA	M	3/3	IEA Record Identifier	IEA
IEA01	M	1/5	Number of functional groups in the interchange	
IEA02	M	9/9	Interchange control number	Same as ISA13

13-17

SE Transaction Set Trailer Record

This record is not utilized.

ELEMENT	REQ.	SIZE	DESCRIPTION	CONTENTS
SE	M	2/2	SE Record Identifier	SE
SE01	M	1/6	Number of segments in transaction set	
SE02	M	4/9	Transaction set control number	Same as ST02

7-17

GE Functional Group Trailer Record

This record is not utilized.

ELEMENT	REQ.	SIZE	DESCRIPTION	CONTENTS
GE	M	2/2	GE Record Identifier	GE
GE01	M	1/6	Number of transaction sets in functional group	
GE02	M	1/9	Functional group control number	Same as GS06

4-17

IEA Interchange Control Trailer Record

This record is not utilized.

ELEMENT	REQ.	SIZE	DESCRIPTION	CONTENTS
IEA	M	3/3	IEA Record Identifier	IEA
IEA01	M	1/5	Number of functional groups in the interchange	
IEA02	M	9/9	Interchange control number	Same as ISA13

13-17

ACH Payment File Layout (CTX FORMAT)

PAR IDENTIFICATION RECORD

Column	Size	Type	Description	Contents
1-3	3	Pic X	Tag Identification	“CRF”
4-9	6	Pic X	Set Identification	“BAF820”
10-19	10	Pic X	Company ID	“8660047910”
20-54	35	Pic X	Ordering Bank Account Number	“252850337”
55-57	3	Pic X	Payment Method Code	“ACH”
58-65	8	Pic 9	Payment Due Date	YYYYMMDD - Determined as 2 Business Days from the System Management Current Effective Date
66-68	3	Pic X	Currency	“USD”
69-70	2	Pic X	Production/Test File Indicator	“P0” or “T1”
71-77	7	Pic X	File Layout Version Number	“GLB01.1”
78-80	3	Pic X	Filler	Spaces

P20 RECORD

Column	Size	Type	Description	Contents
1-3	3	Pic X	Record Type	“P20”
4-13	10	Pic X	Company ID	“8660047910”
14-21	8	Pic 9	Payment Creation Date	YYYYMMDD (System Date)
22-24	3	Pic X	Payment Method Code	“ACH”
25-39	15	Pic X	Message/Payment Ref No.	VW_PAYMENT_WORK (CL_WARRANT_NO)
40-47	8	Pic 9	Payment Due Date (Effective Entry Date)	YYYYMMDD - Determined as 2 Business Days from the System Management Current Effective Date
48-65	18	Pic X	Payment Amount	VW_PAYMENT_WORK (CL_PMT_AMOUNT) Format ‘szzzzzzzzzzzzzzzz’ where s=sign (+) and z=integer (0 - 9)
66-68	3	Pic X	Payment Currency Code	“USD”
69-71	3	Pic X	Payment Handling Code	“C”
72-74	3	Pic X	Payment Debit/Credit Code	“C”
75-77	3	Pic X	Payment Format	“CTX”
78-80	3	Pic X	Filler	Spaces

P40 RECORD

Column	Size	Type	Description	Contents
1-3	3	Pic X	Record Type	“P40”
4-38	35	Pic X	Originator Bank Account Number	“252850337”
39-49	11	Pic X	Originator Bank ID Code	“122101706”
50-52	3	Pic X	Originator Bank Account Currency Code	“USD”
53-54	2	Pic X	Originator Bank ISO Country Code	“US”
55-56	2	Pic X	Financial Charges Allocation Code	“15”
57-80	24	Pic X	Filler	Spaces

P41 RECORD

Column	Size	Type	Description	Contents
1-3	3	Pic X	Record Type	“P41”
4-6	3	Pic X	Vendor Bank Code Qualifier	“EFT”
7-17	11	Pic X	Vendor Bank Sort (ID) Code	VW_PAYMENT_WORK (CL_TRANSIT_CODE)
18-20	3	Pic X	Vendor Bank Account Type	VW_PAYMENT_WORK (CL_ACCT_TYPE)
21-55	35	Pic X	Vendor Bank Account Number	VW_PAYMENT_WORK (CL_ACCT_NO)
56-74	19	Pic X	Vendor Bank Account Name or Bank Society Roll Number	Spaces
75-76	2	Pic X	Vendor Bank ISO Country Code	“US”
77-80	4	Pic X	Filler	Spaces

P50 RECORD

Column	Size	Type	Description	Contents
1-3	3	Pic X	Record Type	“P50”
4-38	35	Pic X	Ordering Party (Payer) Name	“State of Arizona”
39-80	42	Pic X	Filler	Spaces

P53 RECORD

Column	Size	Type	Description	Contents
1-3	3	Pic X	Record Type	“P53”
4-38	35	Pic X	Vendor Name 1	VW_PAYMENT_WORK (CL_NAME)
39-73	35	Pic X	Vendor Name 2	Spaces
74-75	2	Pic X	Vendor ISO Country Code of Residency	“US”
76-80	5	Pic X	Filler	Spaces

P70 RECORD - Value 1A

Column	Size	Type	Description	Contents
1-3	3	Pic X	Record Type	“P70”
4-6	3	Pic X	Remittance Detail Item Qualifier	“INV”
7-36	30	Pic X	Remittance Detail Item Reference	* See P70 Remittance Detail Item Reference Value - 1A Layout Below
37-44	3	Pic 9	Remittance Detail Item Date	YYYYMMDD VW_PAYMENT_WORK (CL_WW_WRITTEN_DATE)
45-57	13	Pic X	Remittance Detail Item Amount Paid	VW_PAYMENT_WORK (CL_TRANS_AMT) Format ‘szzzzzzzz.zz’ where s=sign (+ or -) and z=integer (0 - 9)
58-70	13	Pic X	Remittance Detail Item Original Amt	VW_PAYMENT_WORK (CL_TRANS_AMT + CL_DISCOUNT_AMT) Format ‘szzzzzzzz.zz’ where s=sign (+ or -) and z=integer (0 - 9)
71-80	10	Pic X	Filler	Spaces

***P70 Remittance Detail Item Reference Value - 1A**

Column	Size	Description	Contents
7-8	2	Identifier	“1A”
9	1	Filler	Space
10-12	3	Agency Code	VW_PAYMENT_WORK (CL_DEPARTMENT)
13	1	Filler	Spaces
14-21	8	Document Number	VW_PAYMENT_WORK (CL_DOCNO)
22	1	Filler	Spaces
23-30	8	Reference Document Number	VW_PAYMENT_WORK (CL_REF_DOC_NO)
31-36	6	Filler	Spaces

P70 RECORD - Value 1B

(This record is conditional on the Invoice Number and Invoice Date containing data.)

Column	Size	Type	Description	Contents
1-3	3	Pic X	Record Type	“P70”
4-6	3	Pic X	Remittance Detail Item Qualifier	“INV”
7-36	30	Pic X	Remittance Detail Item Reference	** See P70 Remittance Detail Item Reference Value - 1B Layout Below
37-44	3	Pic 9	Remittance Detail Item Date	Zeroes
45-57	13	Pic X	Remittance Detail Item Amount Paid	‘+000000000.00’
58-70	13	Pic X	Remittance Detail Item Original Amt	‘+000000000.00’
71-80	10	Pic X	Filler	Spaces

****P70 Remittance Detail Item Reference Value - 1B**

Column	Size	Description	Contents
7-8	3	Identifier	“1B”
9	1	Filler	Space
10-23	14	Invoice Number	VW_PAYMENT_WORK (CL_INVOICE_NO)
24	1	Filler	Spaces
25-32	8	Invoice Date	VW_PAYMENT_WORK (CL_INVOICE_DATE)
33-36	4	Filler	Spaces

P71 RECORD

Column	Size	Type	Description	Contents
1-3	3	Pic X	Record Type	"P71"
4-6	3	Pic X	Remittance Detail Item Adjustment Coded	Spaces
7-19	13	Pic X	Remittance Detail Item Discount Amt	VW_PAYMENT_WORK (CL_DISCOUNT_AMT) Format 'szzzzzzzz.zz' where s=sign (+ or -) and z=integer (0 - 9)
20-80	61	Pic X	Remittance Detail Item Adjustment Note	Spaces

ACH PAYMENT FILE LAYOUT (CCD+ FORMAT)

Annotated NACHA Record Layouts for PPD and CCD Files

File Header Record – PPD & CCD+ Formats

The File Header Record designates physical file characteristics. It also identifies the Bank as the immediate destination and your company as the immediate origin of the file.

Field	Position	Size	Contents	Field Name	Entry Information	M,R,O
1	01-01	1	"1"	Record Type Code	Code identifying the File Header Record is "1"	M
2	02-03	2	"01"	Priority Code	Currently, only "01" is used	R
3	04-13	10	bNNNNNNNNNN	Immediate Destination	Number that identifies the Bank site where we will process your files. Bank will assign this. Possible values are: b111000025 = Dallas b051000017 = Richmond b121108250 = San Francisco b011900254 = Northeast You will be instructed with the correct Immediate Destination Field for your file. ("b" indicates a blank space)	M
4	14-23	10	NNNNNNNNNN	Immediate Origin	Your 10-digit company number assigned by Bank as part of your setup.	M
5	24-29	6	YYMMDD	File Creation Date	The date you create or transmit the input file: "YY" = Last two digits of the Year "MM" = Month in two digits "DD" = Day in two digits	M
6	30-33	4	HHMM	File Creation Date	Time of day you create or transmit the input file. This field is used to distinguish among input files if you submit more than one per day: "HH" = Hour based on a 24 hr clock "MM" = Minutes in two digits	O
7	34-34	1	UPPER CASE A-Z (or 0-9)	File ID Modifier	Code to distinguish among multiple input files sent per day. Label the first (or only) file "A" (or "0") and continue in sequence.	M
8	35-37	3	"094"	Record Size	Number of bytes per record-always 94.	M
9	38-39	2	"10"	Blocking Factor	Number of records per block	M
10	40-40	1	"1"	Format Code	Currently only "1" is used	M
11	41-63	23	Alphanumeric	Destination	Identifies your Bank processing site as the destination. Values are: DAL = Dallas RIC = Richmond SFO = San Francisco NE = Northeast	M

12	64-86	23	Alphanumeric	Origin or Company Name	Your company's name, up to 23 characters including spaces.	M
13	87-94	8	Alphanumeric	Reference Code	You may use this field to describe the input file for internal accounting purposes or fill with spaces. Blanks are not allowed.	O

Company/Batch Header Record - PPD & CCD Formats

A batch is a collection of like entries within a file. You must use a separate batch if any of the batch-level information, such as effective date or company name or company description changes.

Field	Position	Size	Contents	Field Name	Entry Information	M,R,O
1	01-01	1	"5"	Record Type Code	Code identifying the Company/Batch Header Record is "5"	M
2	02-04	3	"200" or "220" or "225"	Service Class Code	Identifies the type of entries in the batch. Code "200" indicates a mixed batch, i.e., one containing debit and/or credit entries; "220" is for credits only; "225" is for debits only.	M
3	05-20	16	Alphanumeric	Company Name	Your company name. NACHA rules require the RDFI to print this value on the receiver's statement so you will want to make this value as clear as possible.	M
4	21-40	20	Alphanumeric	Company Discretionary Data	For your company's internal use. If you include a value in this field we will report the value in the settlement entries we create, when you are setup to settle at the batch level or are setup to settle for returns on a one-for-one basis.	O
5	41-50	10	NNNNNNNNNN	Company Identification	Your 10-digit company number assigned by Bank.	M
6	51-53	3	"PPD" or "CCD"	Standard Entry Class Code	Identifies the specific computer record format used to carry payment and payment-related information. Use "PPD" (Prearranged Payment and Deposit) when the receiver is a consumer and "CCD" (Cash Concentration or Disbursement) when the receiver is a corporate, nonprofit or government entity. See the Appendix for other SEC codes.	M
7	54-63	10	Alphanumeric	Company Entry Description	Description of the purpose of the entries, such as "PAYROLL" for consumer entries or "TRADE PAY" for corporate receivers. NACHA Rules require that RDFI's print the value you use on the receiver's account statement so you should make the description as clear as possible.	M
8	64-69	6	Alphanumeric	Company Descriptive Date	Description you choose to identify the date. NACHA recommends, but does not require, that RDFI's print this value on the receiver's statement.	O

9	70-75	6	YYMMDD	Effective Entry Date	Date you desire funds to post to receiver's account in YYMMDD format.	R
10	76-78	3	Blank fill.	Settlement Date	The ACH Operator will indicate the actual settlement date in this field.	R

11	79-79	1	"1"	Originator Status Code	Identifies the originator as a non Federal Government.	M
12	80-87	8	NNNNNNNN	Originating DFI Identification	Bank assigned number based on where you will deliver your files for processing: 11100002 = Dallas 05100001 = Richmond 12110825 = San Francisco 011900254 = Northeast	M
13	88-94	7	Numeric	Batch Number	Assign batch numbers in ascending order within each file.	M

Entry Detail Record - PPD & CCD Formats

One Entry Detail Record is created for each entry. This record contains the information required to post the entry to the receiver's account.

Field	Position	Size	Contents	Field Name	Entry Information	M,R,O
1	01-01	1	"6"	Record Type Code	Code identifying the Entry Detail Record is "6."	M
2	02-03	2	Numeric	Transaction Code	Two-digit code that identifies checking and savings account credits/debits or prenotifications. Valid codes are: 22 = Automated deposit (checking credit) 23 = Prenotification of checking credit authorization (non-dollar) 24 = Zero dollar checking credit with remittance data (CCD & CTX entries only) 27 = Automated payment (checking debit) 28 = Prenotification of checking debit authorization (non-dollar) 29 = Zero dollar checking debit with remittance data (CCD & CTX entries only) 32 = Automated deposit (savings credit) 33 = Prenotification of savings credit authorization (non-dollar) 34 = Zero dollar savings credit with remittance data (CCD & CTX entries only) 37 = Automated payment (savings debit) 38 = Prenotification of savings debit authorization (non-dollar) 39 = Zero dollar savings debit with remittance data (CCD & CTX entries only)	M
3	04-11	8	TTTTAAAA	RDFI Transit	Transit Routing/ABA number of the	M

				Routing/ABA Number	receiver's financial institution.	
4	12-12	1	Numeric	Transit Routing Check Digit	The ninth character in the Transit Routing/ABA number. Used to check for transpositions.	M

Field	Position	Size	Contents	Field Name	Entry Information	M,R,O
5	13-29	17	Alphanumeric	DFI Account Number	Receiver's account number at the RDFI, a value generally found on the MICR line of a voided check. Enter the MICR Dash Cue Symbol as a hyphen ("-"). Account numbers vary in format. If the account number has less than 17 characters, left-justify, blank-fill. Ignore any blank spaces within the account number.	M
6	30-39	10	\$\$\$\$\$\$\$c	Amount	Entry amount in dollars with two decimal places. Right-justified, left zero-filled, without a decimal point. Enter 10 zeros for non-dollar prenotification entries.	M
7	40-54	15	Alphanumeric	Individual Identification Number	Company's identification number for the receiver. NACHA Rules recommend but do not require the RDFI to print the contents of this field on the receiver's statement so be sure to make this number as meaningful as possible to your Receiver.	O
8	55-76	22	Alphanumeric	Individual Name / Company Name	Name of Receiver.	R
9	77-78	2	Alphanumeric	Bank Draft Indicator	Use this field <i>only</i> if you are setup to create paper drafts and <i>only</i> if the Transaction Codes are "27" or "37". If you plan on using this feature, please contact Customer Service. Values are: "1?" = Bank to choose best way - Electronic or preauthorized check. "bb" = Electronic only "1*" = Preauthorized check only Leave this field blank for all other entries.	M
10	79-79	1	Numeric	Addenda Record Indicator	"0" = No addenda supplied. "1" = One addenda included.	M
11	80-94	15	Numeric	Trace Number	The field is constructed as follows: Positions 80-87 are the first 8 digits of the immediate destination. Positions 88-94 are filled with the Entry Detail Sequence Number. This number must be assigned in ascending order to entries within each batch, although the numbers need not be continuous. We will report these trace numbers to you whenever we report information on an entry you have originated, including entries that have been returned. If you do not wish to assign a value to this field, then it should be zero-filled.	M

					We will assign an ODFI trace number when we send entries to the clearing house, unless you have a special set up for the "Retain Trace Number Option".	
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Optional Addenda Record – CCD+ Format

One optional Special Addenda Record may be associated with each Entry Detail Record. The addenda should **not** be used with prenotification entries. The Special Addenda Record contains additional payment-related information about the immediately preceding Entry Detail Record. If you include an addenda record, then you must include it in the item count that is entered into the Company/Batch Control or "Trailer" Record. The addenda format provided here format may also be used for PPD as well as CCD records, but inclusion of this record is not normally recommended for PPD transactions.

Field	Position	Size	Contents	Field Name	Entry Information	M,R,O
1	01	1	"7"	Record Type Code	Code identifying the Addenda Record is "7."	M
2	02-03	2	"05"	Addenda Type Code	Code identifying the type of Addenda is "05."	M
3	04-83	80	Alphanumeric	Payment Related Information	Payment information associated with the immediately preceding Entry Detail Record. Must contain NACHA endorsed ANSI ASC X12 data segments or NACHA endorsed banking conventions. The asterisk ("*") must be the delimiter between the data elements, and the back slash ("\") must be the terminator between the data segments.	O
4	84-87	4	"1"	Special Addenda Sequence Number	Sequence number assigned to each Special Addenda Record is "1." Zero fill to the left.	M
5	88-94	7	Numeric	Entry Detail Sequence Number	If you insert trace numbers in the "6" or Entry Detail Record, then you must insert them in the addenda record as well. Again, the formatting is: Positions 80-87 are the first 8 digits of the immediate destination. Positions 88-94 are filled with the Entry Detail Sequence Number. This number must be assigned in ascending order to entries within each batch, although the numbers need not be continuous. We will report these trace numbers to you whenever we report information on an entry you have originated, including entries that have been returned. If you do not wish to assign a value to this field, then it should be zero-filled. We will assign an ODFI trace number when we send entries to the clearing house, unless you have a special set up for the "Retain Trace Number Option".	M

Batch Control Record- PPD & CCD Formats

The Company/Batch Control or "Trailer" Record concludes the batch and contains the item count and dollar totals for the Entry Detail and Addenda Records in the batch.

Field	Position	Size	Contents	Field Name	Entry Information	M,R,O
1	01-01	1	"8"	Record Type Code	Code identifying the Company/ Batch Header Record is "8"	M
2	02-04	3	"200" or "220" or "225"	Service Class Code	Identifies the type of entries in the batch. Must match the value you used in the Batch Header Record, above.	M
3	05-10	6	Numeric	Entry / Addenda Count	Total number of Entry Detail Records plus addenda records (Record Types "6" and "7") in the batch. Requires 6 positions, right-justify, left zero-fill.	M
4	11-20	10	Numeric	Entry Hash	Total of eight-character Transit Routing/ABA numbers in the batch (field 3 of the Entry Detail Record). Do not include the Transit Routing Check Digit. Enter the ten low-order (right most) digits of this number. For example, if the sum were 112233445566, you would enter 2233445566.	M
5	21-32	12	\$\$\$\$\$\$\$\$\$çç	Total Debit Entry Dollar Amount in Batch	Dollar total of debit entries in the batch. If none, zero-fill the field. Do not enter a decimal point. Right-justify, left zero-fill.	M
6	33-44	12	\$\$\$\$\$\$\$\$\$çç	Total Credit Entry Dollar Amount in Batch	Dollar total of credit entries in the batch. If none, zero-fill the field. Do not enter a decimal point. Right-justify, left zero-fill.	M
7	45-54	10	NNNNNNNNNN	Company Identification	Your 10-digit company number assigned by Bank. Must match Field 5 of the Company/ Batch Header Record.	M
8	55-73	19	Message Authentication Code	Alphanumeric	Leave this field blank.	O
9			Alphanumeric	Reserved	Leave this field blank.	N/A
10	80-87	8	NNNNNNNN	Originating DFI Identification	Bank assigned number based on where you will deliver your files for processing: 11100002 = Dallas 05100001 = Richmond 12110825 = San Francisco	M
11	88-94	7	Numeric	Batch Number	Number of the batch for which this is a control record. Number the batches sequentially within each file. Must match Field 13 of the Company/Batch Header Record.	M

File Control Record (PPD & CCD Format) . . .

The File Control record contains dollar, entry, and hash totals from the file's Company/Batch Control Records. This record also contains counts of the blocks and batches in the file.

Field	Position	Size	Contents	Field Name	Entry Information	M,R,O
1	01-01	1	"9"	Record Type Code	Code identifying the File Control Record is "9"	M
2	02-07	6	Numeric	Batch Count	Total number of Company/Batch Header Records (Record Type "5") in the file.	M
3	08-13	6	Numeric	Block Count	Total number of physical blocks in the file, including the File Header and File Control Records.	M
4	14-21	8	Numeric	Entry/ Addenda Count	Total number of Entry Detail and Addenda Records (Record Types "6" and "7") in the file.	M
5	22-31	10	Numeric	Entry Hash	Total of eight character Transit Routing/ABA numbers in the file (Field 3 of the Entry Detail Record). Do not include the Transit Routing Check Digit. Enter the 10 low-order (right most) digits of this number. For example, if this sum is 998877665544, enter 8877665544.	M
6	32-43	12	\$\$\$\$\$\$\$\$\$¢¢	Total Debit Entry Dollar Amount in File	Dollar total of debit entries in the file. If none, zero-fill the field. Do not enter a decimal point. Right-justify, left zero-fill.	M
7	44-55	12	\$\$\$\$\$\$\$\$\$¢¢	Total Credit Entry Dollar Amount in File	Dollar total of credit entries in the file. If none, zero-fill the field. Do not enter a decimal point. Right-justify, left zero-fill.	M
8	56-94	39	Blank	Reserved	Leave this field blank.	N/A

Appendix O
Forgery

ARIZONA STATE TREASURER'S OFFICE

TO: BANK OF AMERICA ARIZONA
FROM: BEVERLY SCHAEFER
TODAY'S DATE: 3/19/02
SUBJECT: WARRANT ITEMS FOR ACTION

We are sending the following original documents with a request for action as indicated and explained to the right of each item. Please verify and acknowledge the receipt of these items by signing on the signature line provided at the bottom of this form.

<u>Document No.</u>	<u>Amount</u>	<u>Action Required</u>	<u>Reason</u>
320382171	\$2,000.00	Credit	Forgery
239970795	242.00	Credit	Forgery
230749344	241.16	Credit	Forgery
222850496	59.69	Credit	Forgery
290706558	828.00	Credit	Forgery
230573417	794.00	Credit	Forgery
230842065	450.00	Credit	Forgery
216420841	694.00	Credit	Forgery
222937814	160.28	Credit	Forgery

TOTAL \$5,469.13
=====

Date

Authorized Signature
Bank of America Arizona

Appendix P
Daily Settlement of Warrants and Returned Checks

ARIZONA STATE TREASURER'S OFFICE

SETTLEMENT OF WARRANTS AND RETURNED CHECKS

Settlement Date: 03/19/2002

Work of Date: 03/18/2002

PAGE 1

Bank of America
 Commercial Account Service Center
 Fax No: 602-594-2675

<u>WARRANTS</u>	<u>DEBIT/OFFSET ACCOUNT</u>	<u>AMOUNT</u>
General - Bank Types 21 - 33	001-000985	40,462,054.54
Industrial Commission - Bank Type 7	001-000985	63,058.99
DES Clearing - Bank Type 8	001-002569	12,174.13
Total Warrants		<u>40,557,287.66</u> =====

<u>RETURNED CHECKS</u>	<u>DEBIT/OFFSET ACCOUNT</u>	<u>AMOUNT</u>
General	001-000985	39,962.98
Industrial Commission	001-000985	0.00
DES Clearing	001-002569	0.00
Total Returned Checks		<u>39,962.98</u> =====

Approved by: _____
 ARIZONA STATE TREASURER'S OFFICE

Bank Confirmation: _____
 BANK OF AMERICA

Fax Confirmation to:
 Arizona State Treasurer's Office
 Wire Desk
 Fax No: 602-542-7176
 or 602-258-6627