

INDEPENDENT EVALUATOR AGREEMENT

This Independent Evaluator Agreement (this "Agreement") is entered into as of December [2], 2014 (the "Effective Date"), by and between IFF Pay For Success I, LLC, an Illinois limited liability company (the "Project Coordinator"), and SRI International, a California not-for-profit corporation (the "Independent Evaluator").

RECITALS

WHEREAS, the Project Coordinator has been formed in part for the purpose of facilitating the Project (defined below), all on the terms and subject to the conditions of that certain Loan Agreement and Pay for Success Agreement (the "City PFS Agreement") dated December [2], 2014 (the "Pay for Success Closing Date") between the City of Chicago (the "City") and the Project Coordinator; and

WHEREAS, the City and the Board of Education of the City of Chicago ("CPS" or the "Board") are parties to that certain Intergovernmental Agreement regarding the CPC Program (the "Intergovernmental Agreement" or the "IGA"); and

WHEREAS, the Project Coordinator desires to retain the Independent Evaluator's services during the Term; and

WHEREAS, the Independent Evaluator is willing to provide such services to the Project Coordinator on the terms and conditions set forth below; and

WHEREAS, the Independent Evaluator has entered into Information Sharing Agreement with the Board, attached hereto as Exhibit D, to establish a data-sharing and non-disclosure protocol pursuant to which data on students participating in the CPS CPC Program held by the Board (in consultation with the Technical Service Provider) can be utilized by, and shared with, the Independent Evaluator; and

WHEREAS, to pay certain costs of the Project Coordinator's implementation of the Project, the Project Coordinator has agreed to borrow certain funds pursuant to the Loan Documents;

AGREEMENT

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used herein but not defined herein shall have the respective meanings given to them in Exhibit A attached hereto (the "Common Defined Terms").

2. City PFS Agreement. A copy of the City PFS Agreement is attached hereto as Exhibit B. The parties to the City PFS Agreement may at any time and from time to time enter into amendments and supplements to, waivers under, and replacements of, the City PFS Agreement in accordance with the terms thereof and subject to Approval of the Lender Committee (as such term is defined in the GSSIF Senior Loan Agreement), and such amendments, supplements, waivers, and replacements shall automatically be deemed incorporated in the City PFS Agreement for purposes of this Agreement. The Project Coordinator will use commercially reasonable efforts to provide to the Independent Evaluator a copy of each such amendment, supplement, waiver, and replacements promptly after the execution and delivery thereof by the parties to the City PFS Agreement.

No change to the City PFS Agreement shall affect or otherwise modify the Services (as defined below) of the Independent Evaluator. However in the event of such change, the Project Coordinator shall provide written notification of the change to the Independent Evaluator along with a request for approval of a modification to the Agreement. Such approval shall not be unreasonably withheld. The Independent Evaluator shall have ten (10) Business Days after receipt of the request to provide either a written document objecting to the change or written acceptance of the change and the amount of any equitable adjustment required to perform the revised scope of Services.

3. Provision of Services.

(a) The Project Coordinator hereby retains the Independent Evaluator to provide the Services and, subject to the terms of the City PFS Agreement, the Independent Evaluator will assist the Project Coordinator in fulfilling the Project Coordinator's obligations under the City PFS Agreement. The Independent Evaluator hereby consents to so being retained and agrees to provide the Services on the terms and conditions set forth herein. The Independent Evaluator hereby agrees that, during the term of this Agreement, it will perform, for the benefit of the Project Coordinator, the City, and the Board, all actions of the "Evaluator" as set forth in the City PFS Agreement (collectively, the "Services"). The Services include, without limitations, performing (i) the services described in Sections 3(b), (c) and (d), (ii) the services and actions contemplated in the Evaluation Plan attached hereto as Exhibit C (as amended, including for purposes of substituting the interim Evaluation Plan with the definitive Evaluation Plan prepared by the Independent Evaluator in accordance with Section 3(g) of this Agreement) and (iii) such other services and actions as the Independent Evaluator and the Project Coordinator may from time to time agree in writing.

(b) No later than October 1 after each Project Year, commencing with the Project Year ending June 30, 2016 and ending with the last Subsequent Project Year in which a Cohort using CPC Funded Program Slots completes sixth grade, in accordance with the Evaluation Plan, the Independent Evaluator shall calculate the Total Number of Special Education Slots Avoided (as such term is used and described in the Evaluation Plan) for each Cohort for such Project Year, shall multiply the Total Number of Special Education Slots Avoided by the Annual Savings Rate (as such term is used and described in the Evaluation Plan) for the applicable Project Year (i.e., \$9,191 for the Project Year ending June 30, 2016, and the increased Annual Savings Rate for each Subsequent Project Year reflected in the Evaluation Plan), if applicable shall sum the products for each applicable Cohort, and shall give notice to the

Project Coordinator, the City, the Board and each Lender that the sum of such products constitutes the Board Pay-For-Success Payment that is due from the Board to the City in accordance with Article IV, Section 1 of the Intergovernmental Agreement. The Independent Evaluator's calculations delivered for Project Year Cohorts completing sixth (6th) grade will also include the amounts of Board Pay-For-Success Payments due for each Subsequent Project Year for such Project Year Cohort.

(c) No later than October 1 after each Project Year, commencing with the Project Year ending June 30, 2016 and ending with the last Subsequent Project Year in which a Cohort using CPC Funded Program Slots completes kindergarten, in accordance with the Evaluation Plan, the Independent Evaluator shall calculate the Total Number of Kindergarten Ready Children (as such term is used and described in the Evaluation Plan) for the applicable Cohort, shall multiply such number by \$2,900 and shall give notice to the Project Coordinator, the City, the Board and each Lender that such product constitutes the Kindergarten Readiness Payment that is due from the City to the City Designated Account of the Project Coordinator within thirty days after the date of such notice pursuant to Section 3.01(a) of the City PFS Contract.

(d) No later than October 1 after each Project Year, commencing with the Project Year ending June 30, 2019 and ending with the last Subsequent Project Year in which a Cohort using CPS CPC Funded Program Slots completes third grade, in accordance with the Evaluation Plan, the Independent Evaluator shall calculate the Total Number of Third Grade Children Reading at Grade Level (as such term is used and described in the Evaluation Plan) for the applicable Cohort, shall multiply such number by \$750 and shall give notice to the Project Coordinator, the City, the Board and each Lender that such product constitutes the Third Grade Literacy Payment that is due from the City to the City Designated Account of the Project Coordinator within thirty days after the date of such notice pursuant to Section 3.01(b) of the City PFS Contract.

(e) If the Board fails to provide any information required by the Independent Evaluator in order to carry out its responsibilities under this Agreement after the expiration of the applicable notice and the opportunity to cure provisions of Article Seven of the IGA, then for purposes of Sections 3(b), (c) and (d) hereof, the Independent Evaluator shall assume that a "base case" level of Pay-for-Success payments has been achieved in accordance with the Project Year Budget attached as part of Exhibit C to the IGA.

(f) The Independent Evaluator will devote such time and efforts to the performance of services contemplated hereby as the Independent Evaluator deems reasonably necessary or appropriate; *provided, however*, that no minimum number of hours is required to be devoted by the Independent Evaluator on a weekly, monthly, annual or other basis. The Project Coordinator acknowledges that the Independent Evaluator's services are not exclusive and that the Independent Evaluator may render similar services to other persons and entities.

(g) Within ninety (90) days after the date of this Agreement, the Independent Evaluator shall prepare, and deliver to the Project Coordinator, the final Evaluation Plan which, upon being accepted by the City, the Board, and the Project Coordinator, with the Approval of the Lender Committee, shall replace the interim Evaluation Plan attached hereto as Exhibit C on

the date of this Agreement. The Independent Evaluator shall provide no more than two (2) revision cycles for the final Evaluation Plan. If after the second revision cycle, the proposed final Evaluation Plan is not accepted by the City, the Board, and the Project Coordinator, with the Approval of the Lender Committee, the Project Coordinator shall terminate this Agreement in accordance with Section 10. In preparing such final Evaluation Plan, the Evaluator shall retain all terminology used to define and determine the Board Pay-For-Success Payments pursuant to Section 3(b), the Kindergarten Readiness Payments pursuant to Section 3(c), and the Third Grade Readiness Payments pursuant to Section 3(d).

4. General Provisions Regarding the Services.

(a) Standards. The Independent Evaluator shall perform its Services hereunder in accordance with applicable law and the standard of care and diligence practiced by other nationally recognized program evaluation organizations performing services of similar nature as the Services.

(b) Independence of Independent Evaluator. The Independent Evaluator shall act as an independent professional and not as a representative of the Project Coordinator, the City, the Board, or the Lenders in the performance of its duties under this Agreement.

(c) Personnel, Equipment and Material. The Project Coordinator, upon instruction by the City, with the consent of the Board and Approval of the Lender Committee, may at any time request removal of the Independent Evaluator's employees or permitted subcontractors from performing all or part of the Services for reasonable cause or for material breach of this Agreement. In the event of such request, the Independent Evaluator shall have the right to substitute suitable employees or subcontractors with equal to or better qualifications, subject to approval by the Project Coordinator, acting upon instruction by the City, with the consent of the Board and Approval of the Lender Committee.

(d) Subcontracting. The Independent Evaluator shall not assign, subcontract or transfer any portion of professional services related to the work under this Agreement without prior written notification to the Project Coordinator (acting on instruction of the City, with the consent of the Board and Approval of the Lender Committee).

(e) Compliance with Laws. The Independent Evaluator shall comply with all Applicable Laws in any manner affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, nondiscrimination, and licensing laws and regulations. When required, the Independent Evaluator shall furnish the Project Coordinator with satisfactory proof of its compliance therewith.

(f) Maintenance, Retention and Audit of Records. Subject to its obligations under the Information Sharing Agreement, the Independent Evaluator shall provide to the Project Coordinator access to the Independent Evaluator's non-financial records (the "Records") which are directly pertinent to this Agreement for the purpose of making audits, examinations, excerpts and transcriptions.

The Records maintained by the Independent Evaluator hereunder shall, upon termination of this Agreement, subject to the Independent Evaluator's obligations under the Information Sharing Agreement, be transferred by the Independent Evaluator to the designated successor Independent Evaluator identified in writing by the Project Coordinator, and the Independent Evaluator shall have no further right or title to any such Records. The Independent Evaluator may retain copies of Records necessary to maintain its own compliance with tax laws and other applicable laws of local, state or federal government.

(g) Reports. In addition to providing to the Project Coordinator the annual reports referred to in the Evaluation Plan, the Independent Evaluator shall report to the Project Coordinator on the progress of its Services and the progress of the performance by the City of its obligations under the City PFS Agreement and the performance by Metropolitan Family Services ("MFS") of its obligations under the City PFS Agreement. Every annual report shall be considered accepted thirty (30) days after delivery, unless a disagreement with a conclusion made by the Independent Evaluator has been raised, in which case the applicable annual report shall be deemed accepted upon conclusion of the resolution procedures for Disagreements (defined below) set forth in Section 4(h).

(h) Disagreements Between the Project Coordinator and the Independent Evaluator. If the Project Coordinator (acting alone or upon instruction by the City, with the consent of the Board and Approval of the Lender Committee) disagrees with a conclusion made by the Independent Evaluator in its performance of the Services (a "Disagreement"), the Project Coordinator shall provide a written notice to the Independent Evaluator. The notice shall contain (i) a concise statement describing the Disagreement, (ii) an explanation of the basis and justification for the Disagreement, and (iii) any other information the Project Coordinator deems relevant. Commencing within five (5) Business Days after the notice is served and concluding ten (10) Business Days thereafter, the authorized representatives of the Project Coordinator, the City, the Board, the Lenders, and the Independent Evaluator shall meet and confer, in good faith, and seek to resolve the Disagreement raised in the applicable Project Coordinator's notice. If they succeed in resolving the Disagreement, the Project Coordinator and the Independent Evaluator shall memorialize the resolution in writing, and the Project Coordinator shall provide a copy thereof to the City, the Board, and the Lenders. If the Project Coordinator, the City, the Board, the Lenders, and the Independent Evaluator cannot resolve the applicable Disagreement within such timeframe, the Project Coordinator and the Independent Evaluator may mutually agree to extend the timeframe for resolution by an additional ten (10) Business Day period. If the Project Coordinator, the City, the Board, the Lenders, and the Independent Evaluator cannot resolve the applicable Disagreement after the conclusion of all applicable periods for resolution, each of the Project Coordinator, the City, and the Lenders agrees that the conclusion of the Independent Evaluator shall be binding on it.

(i) Cooperation. Each of the Board (subject to the terms of the Information Sharing Agreement and the IGA) and MFS shall provide the Independent Evaluator with all information and access to key personnel reasonably requested by the Independent Evaluator to permit the Independent Evaluator to perform the Services, including: (i) all documents and all revisions or additions to such documents, (ii) a prompt response to the Independent Evaluator's questions, in the detail reasonably required to address the issue raised, and (iii) arrangements to

make key personnel of the Board and MFS available during regular business hours, as reasonably requested by the Independent Evaluator.

(j) Reliance. Each of the Project Coordinator, the City, the Board, and the Lenders shall have the right to rely on and use the documents, analyses and other data prepared by the Independent Evaluator under this Agreement (hereinafter "**Work Products**"); *provided*, however the Project Coordinator shall not rely on or use the Work Products for any purpose other than the purposes under this Agreement, the City PFS Agreement, the IGA and the Loan Documents, and the Work Products shall not be changed without the prior written approval of the Independent Evaluator. The Project Coordinator may, without the Independent Evaluator's prior consent, furnish Work Products and copies thereof to the Lenders, its legal advisors and accountants, or, with the consent of the City and the Board, to other parties.

(k) Ownership of Deliverables. The Project Coordinator will own the Independent Evaluator's reports and other deliverables in the form in which they are delivered. Subject to the prior written consent of the Project Coordinator, the City and the Board, with the Approval of the Lender Committee, the Independent Evaluator may use and disseminate the deliverables and the results of the project for other purposes, including presentations at conferences and use in other projects.

5. Independent Contractor. Nothing in this Agreement shall be construed to create an employer/employee relationship between the parties or the Board, and the Independent Evaluator shall be deemed to be at all times an independent contractor. Neither the Independent Evaluator nor any of its employees shall be considered an employee of the Project Coordinator or the Board for purposes of federal or state income tax withholding, the Federal Insurance Contributions Act, the Social Security Act, or federal or state unemployment insurance laws. Neither the Independent Evaluator nor any of its employees or agents shall: (a) represent that the Independent Evaluator is an employee of the Project Coordinator or the Board, (b) shall have ability to contract for or on behalf of the Project Coordinator or the Board, or (c) shall hold itself out as an agent of the Project Coordinator or the Board.

6. Performance Schedule. This Agreement shall have a performance period starting on the Effective Date and ending on December 2, 2018 (the "Scheduled Performance Period"). The Project Coordinator, acting at the instruction of the City and the Board, with the Approval of the Lender Committee, shall have the option to extend the Scheduled Performance Period twice for one Project Year at a time and up to two (2) consecutive Project Years in total (as so extended as of the time of any reference thereto, the "Extended Performance Period"). The Project Coordinator may exercise the option to extend the Scheduled Performance Period by written notice given to the Independent Evaluator prior to the end of the Scheduled Performance Period or the Extended Performance Period, as applicable.

7. Payment of Fees. In consideration for the Independent Evaluator's agreement to provide the Services, the Independent Evaluator shall be compensated in accordance with the payment schedule set forth in Exhibit E.

8. Workspace, Equipment & Employees. The Independent Evaluator will be responsible for providing its own workspace and necessary equipment.

9. Confidentiality and Data Security. The Independent Evaluator agrees that the Independent Evaluator and any of its volunteers, and/or contractors shall not (without first obtaining the prior written consent of the Project Coordinator) disclose, make commercial or other use of, give or sell to any person, firm or corporation, any information related to the Project (the “Information”). Notwithstanding the foregoing, the obligations of confidentiality shall not apply to the following: (i) information that is or becomes publicly available through no fault of the Independent Evaluator; (ii) information that is already known to the Independent Evaluator as demonstrated by its prior written records; (iii) information that is independently developed by the Independent Evaluator without the use or benefit of the Information; or (iv) information to the extent that it is required to be disclosed to a government authority or by order of a court of competent jurisdiction; *provided, however*, that reasonable advance notice is given to the Project Coordinator, and the Independent Evaluator takes all reasonable steps to limit the scope of such disclosure and cooperate with the Project Coordinator in its efforts to limit such disclosure, and provided further that such information otherwise remains confidential (subject to the foregoing exceptions). In addition, the Independent Evaluator agrees to adhere to the publicity provisions as included in Section 11.24 of the GSSIF Senior Loan Agreement as if the Independent Evaluator were a party thereto and as if each reference thereto to “Project Coordinator” referred to the Independent Evaluator.

(a) The Independent Evaluator agrees that the Independent Evaluator and any of its employees, interns, agents, volunteers and/or contractors shall comply with the terms of data provision and permissible data uses as set out in the Information Sharing Agreement attached hereto as Exhibit D. Further, the Independent Evaluator agrees that its employees, interns, volunteers, agents, and/or contractors shall agree in writing to comply with all of the data security and confidentiality and related provisions set out in the Information Sharing Agreement prior to receiving any student or school sensitive data as provided in the Information Sharing Agreement.

(b) Without limiting the generality of the foregoing, the Independent Evaluator and any of its employees, interns, agents, volunteers, and/or contractors, will comply with all applicable federal, state, and local laws and regulations concerning the security and protection of data relating to individuals participating in the Project, including, any data security and privacy laws and regulations with respect to personal information that may be included in such data.

10. Term. This Agreement will commence on the Effective Date and terminate on the last day of the Scheduled Performance Period or the Extended Performance Period, as applicable, *provided, however*, that (a) the Project Coordinator may terminate this Agreement at will upon 30 days’ prior written notice, (b) subject to Section 3(g), the Project Coordinator may terminate this Agreement with thirty (30) day’s written notice in the event that the parties hereto are not able to agree on the final Evaluation Plan, (c) the Independent Evaluator may terminate this Agreement by written notice given at least ninety (90) days before the end of any given Project Year, provided that such termination shall become effective only after delivery by the Independent Evaluator, and acceptance pursuant to this Agreement, of the reports required under Sections 3(b), (c), and (d) and Section 4(g) with respect to such Project Year, (d) the Independent Evaluator may terminate this Agreement upon thirty (30) days’ prior written notice in the event that the parties hereto are not able to agree on the final Evaluation Plan, and (e) either party may

terminate this Agreement with ten (10) days' prior written notice for non-performance or a material breach of this Agreement (a reasonable description of which shall be provided in said written notice) if the same is not cured within said ten (10) day period, provided that (x) if the Independent Evaluator is the breaching party, the Project Coordinator shall deliver the above-referenced 10-days' prior written notice simultaneously to the Independent Evaluator, the City, the Board, and the Lenders, and each of the City and the Board shall have the right (but not the obligation) to cure the alleged non-performance or material breach within 30 days from receipt of notice thereof and the Project Evaluator shall accept such timely cure by the City or the Board of such non-performance or material breach, and (y) if the Project Coordinator is the breaching party, the Independent Evaluator shall deliver the above-referenced 10-days' prior written notice simultaneously to the Project Coordinator, the City, the Board, and the Lenders, and each Lender shall have the right (but not the obligation) to cure the alleged non-performance or material breach within 30 days from receipt of notice thereof and the Independent Evaluator shall accept such timely cure by a Lender; provided, further, that the Project Coordinator may exercise its right to terminate this Agreement as provided in Section 10(a) only upon receipt of instruction by or consent of the City and the Board, with the Approval of the Lender Committee. In the case of termination, the Independent Evaluator will (x) provide the Project Coordinator, the City, the Board, and each Lender with copies of all completed and uncompleted designs, plans and all other information and documents which the Independent Evaluator and its employees or agents have made or developed hereunder up to the termination date and (y) reasonably cooperate to provide a successor with all of the data related to the Project in the Independent Evaluator's possession; and provided, further, that the provisions of Sections 7, 9 and 13 through 17 will all survive any termination of this Agreement to the maximum extent permitted under applicable law.

11. Assignment, etc. Neither party may assign this Agreement without the prior written consent of the other party. The Independent Evaluator acknowledges that the Project Coordinator may not grant any amendment, consent or waiver nor approve an assignment of this Agreement without the consent of the City, the Board), and the Approval of the Lender Committee.

12. Amendments and Waivers. Except as contemplated by Section 2 hereof: (i) no amendment or waiver of any term, provision or condition of this Agreement will be effective, unless in writing and executed by each of the parties hereto with the consent of the City, the Board, and Approval of the Lender Committee; (ii) no waiver on any one occasion will extend to or effect or be construed as a waiver of any right or remedy on any future occasion; and (iii) no course of dealing of any person nor any delay or omission in exercising any right or remedy will constitute an amendment of this Agreement or a waiver of any right or remedy of any party hereto.

13. Miscellaneous.

(a) Choice of Law. This Agreement and all matters arising under or related to this Agreement is governed by and will be construed in accordance with the domestic substantive laws of the State of Illinois without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

(b) Consent to Jurisdiction. Each of the parties agrees that all actions, suits or proceedings arising out of, based upon or relating to this Agreement or the subject matter hereof will be brought and maintained exclusively in the federal and state courts of the State of Illinois. Each of the parties hereto by execution hereof (i) hereby irrevocably submits to the jurisdiction of the federal and state courts in the State of Illinois for the purpose of any action, suit or proceeding arising out of or based upon this Agreement or the subject matter hereof and (ii) hereby waives to the extent not prohibited by applicable law, and agrees not to assert, by way of motion, as a defense or otherwise, in any such action, suit or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that it is immune from extraterritorial injunctive relief or other injunctive relief, that its property is exempt or immune from attachment or execution, that any such action, suit or proceeding may not be brought or maintained in one of the above-named courts, that any such action, suit or proceeding brought or maintained in one of the above-named courts should be dismissed on grounds of *forum non conveniens*, should be transferred to any court other than one of the above-named courts, should be stayed by virtue of the pendency of any other action, suit or proceeding in any court other than one of the above-named courts, or that this Agreement or the subject matter hereof may not be enforced in or by any of the above-named courts. Each of the parties hereto hereby consents to service of process in any such suit, action or proceeding in any manner permitted by the laws of the State of Illinois, agrees that service of process by registered or certified mail, return receipt requested, at the address specified in or pursuant to Section 15 is reasonably calculated to give actual notice and waives and agrees not to assert by way of motion, as a defense or otherwise, in any such action, suit or proceeding any claim that service of process made in accordance with Section 13 does not constitute good and sufficient service of process. The parties may also enforce in any court any judgment obtained in a federal or state court of the State of Illinois as provided above.

(c) Waiver of Jury Trial. To the extent not prohibited by applicable law which cannot be waived, each of the parties hereto hereby waives, and covenants that it will not assert (whether as plaintiff, defendant, or otherwise), any right to trial by jury in any forum in respect of any issue, claim, demand, cause of action, action, suit or proceeding arising out of or based upon this Agreement or the subject matter hereof, in each case whether now existing or hereafter arising and whether in contract or tort or otherwise. Each of the parties hereto acknowledges that it has been informed by each other party that the provisions of this Section 13(c) constitute a material inducement upon which such party is relying and will rely in entering into this Agreement and the transactions contemplated hereby. Any of the parties hereto may file an original counterpart or a copy of this Agreement with any court as written evidence of the consent of each of the parties hereto to the waiver of its right to trial by jury.

(d) Taxes and Compliance. The Independent Evaluator shall comply with all federal, state, and local self-employment and income tax laws, workers' compensation laws, and all other applicable local, state and federal laws and regulations.

(e) No Personal Liability; Cap on Damages.

(i) No officer, director, shareholder, member, manager or employee of either party hereto (or their Successors and assigns) shall be personally liable to the other party for any claim, liability or expenses arising under or related to this Agreement.

(ii) In the absence of Independent Evaluator's bad faith, fraud, intentional misconduct or gross negligence, Independent Evaluator shall have no liability to the Project Coordinator as to any claim arising under or related to this Agreement under any theory of liability whatsoever in an amount in excess of the aggregate fees actually paid to the Independent Evaluator under this Agreement. In no event shall Independent Evaluator be responsible to the Project Coordinator for any incidental or consequential damages.

(iii) In the absence of Project Coordinator's bad faith, fraud, intentional misconduct or gross negligence, Project Coordinator shall have no liability to the Independent Evaluator as to any claim arising under or related to this Agreement under any theory of liability whatsoever in an amount in excess of the aggregate fees owing to the Independent Evaluator under this Agreement. In no event shall the Project Coordinator be responsible to the Independent Evaluator for any incidental or consequential damages.

(f) Third Party Beneficiaries. This Agreement is solely for the benefit of the parties and nothing contained herein shall confer upon anyone other than the parties and their permitted Successors and assigns, any right to insist upon or to enforce the performance or observance of any of the obligations contained herein, except that each of the City, the Board and the Lenders is a third party beneficiary and is entitled to enforce this Agreement. If the Project Coordinator is removed under the City PFS Agreement, the Independent Evaluator will, at the Board's request, continue to carry out the duties if a Successor to the Project Coordinator is appointed.

14. Entire Agreement. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior communication or agreement with respect thereto.

15. Notice. All notices, demands, and communications required or permitted under this Agreement must be in writing and will be sent to a party and its copied persons as specified below at the address set forth for it by hand delivery, by facsimile, by electronic mail, by certified or registered mail, or by Federal Express, DHL, UPS or any other comparably reputable overnight courier service, in each case with postage / delivery charges prepaid, as follows:

If to the Project Coordinator, to it at:

IFF Pay For Success I, LLC
c/o IFF
One N. LaSalle St.
Suite 700
Chicago, Illinois 60602
Attention: Matthew J. Roth, Chief Operating Officer

With a copy by electronic mail to: mroth@iff.org

with a copy to: DLA Piper LLP (US)
203 N. LaSalle St.
Suite 1900
Chicago, Illinois 60601
Attention: Richard F. Klawiter, Esq.

With a copy by electronic mail to: richard.klawiter@dlapiper.com

If to Independent Evaluator, to it at:

SRI International
333 Ravenswood Avenue
Menlo Park, California 94025
Attention: Theresa E. Runkle, Contracts Manager

With a copy by electronic mail to: theresa.runkle@sri.com

In addition, copies of all notices delivered under this Agreement will be sent to the parties listed below as follows:

If to the City: Commissioner

Department of Family and Support Services
1615 West Chicago Avenue, 5th Floor
Chicago, Illinois 60622
FAX: (312) 744-2271
with a copy by electronic mail to:
Evelyn.Diaz@CityofChicago.org

and

Corporation Counsel
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic Development Division
FAX: (312) 742-0277
with a copy by electronic mail to:
James.McDonald@cityofchicago.org

And

Office of Chief Financial Officer
121 North LaSalle Street, Room 700
Chicago, Illinois 60602
FAX: (312) 742-0277
with a copy by electronic mail to: Lois.Scott@cityofchicago.org

If to the Board: Chief Financial Officer
Board of Education of the City of Chicago
42 West Madison Street, 2nd Floor
Chicago, Illinois 60602
FAX: (773) 553-2791
with a copy by electronic mail to: jjhuang1@cps.edu

and

General Counsel
Board of Education of the City of Chicago
1 North Dearborn Street, 9th Floor
Chicago, Illinois 60602
FAX: (773) 553-1702
with a copy by electronic mail to: jlbebley@cps.edu

If to GSSIF Senior Lender:

c/o Goldman Sachs Social Impact Fund, L.P.
200 West Street
New York, New York 10282
Attention: Andrea L. Phillips
with a copy by electronic mail to: Andrea.Phillips@gs.com

with a copy to: c/o Goldman Sachs Bank USA
200 West Street
New York, New York 10282
Attention: Andrea Gift

with a copy by
electronic mail to: gs-uig-docs@gs.com

with a copy to: Manatt, Phelps & Phillips, LLP
7 Times Square
New York, New York 10036
Attention: Peter F. Olberg
with a copy by electronic mail to: polberg@manatt.com

If to NT Senior Lender at:

The Northern Trust Company
50 South LaSalle Street
Chicago, Illinois 60603
Attention: Deborah L. Kasemeyer,
Chief Community Reinvestment Act Officer
with a copy by electronic mail to: Dlk@ntrs.com

with a copy to:

Kirkland & Ellis, LLP
300 North LaSalle Street
Chicago, Illinois 60654
Attention: Maureen E. Sweeney, P.C.
with a copy by electronic mail to:
maureen.sweeney@kirkland.com

If to Subordinate Lender at:

Pritzker Family Foundation
111 South Wacker Drive, Suite 4000
Chicago, Illinois 60606
Attention: Jay Robert Pritzker
with a copy by
electronic mail to: jbpritzker@pritzkergroup.com

with a copy to:

Kirkland & Ellis, LLP
300 North LaSalle Street
Chicago, Illinois 60654
Attention: Maureen E. Sweeney, P.C.
with a copy by electronic mail to:
maureen.sweeney@kirkland.com

Unless otherwise specified herein, such notices or other communications will be deemed effective, (a) on the date received, if personally delivered or sent by facsimile during normal business hours, (b) on the Business Day after being received if sent by facsimile other than during normal business hours, (c) one Business Day after being sent by Federal Express, DHL or UPS or other comparably reputable delivery service for delivery on the next Business Day or (d) five Business Days after being sent by registered or certified mail. Any party hereto may specify a different address by giving notice (as provided above) of the change of address to each of the other parties hereto.

16. Severability. If in any judicial or arbitral proceedings a court or arbitrator refuses to enforce any provision of this Agreement, then such unenforceable provision shall be deemed eliminated from this Agreement for the purpose of such proceedings to the extent necessary to permit the remaining provisions to be enforced. To the full extent, however, that the provisions of any applicable law may be waived, they are hereby waived to the end that this Agreement be deemed to be valid and binding agreement enforceable in accordance with its terms, and in the event that any provision hereof shall be found to be invalid or unenforceable, such provision shall be construed by limiting it so as to be valid and enforceable to the maximum extent consistent with and possible under applicable law.

17. Counterparts. This Agreement may be executed in any number of original or facsimile counterparts and by each of the parties hereto in separate counterparts, each of which when so executed will be deemed to be an original and all of which together will constitute one and the same agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Delivery of an executed signature page by facsimile, PDF or other electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

18. City Standard Contract Provisions. The City's Standard Contract Provisions attached hereto as *Appendix F* are deemed to be incorporated by reference into this Agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf as an instrument under seal as of the date first above written by its officer or representative thereunto duly authorized.

PROJECT COORDINATOR:

IFF PAY FOR SUCCESS I, LLC

By: _____
Name: _____
Title: _____


INDEPENDENT EVALUATOR:

SRI INTERNATIONAL

By: _____
Name: _____
Title: _____

**Agreed and consented solely for purposes of
Section 4(i):**

**BOARD OF EDUCATION OF THE CITY OF
CHICAGO**

By:  _____

Name: Ginger Ostra

Title: Chief Financial Officer

METROPOLITAN FAMILY SERVICES

By: _____

Name: _____

Title: _____

EXHIBIT A

Common Defined Terms

“Advance” shall mean a Project Year Initial Advance or a Project Year Subsequent Advance, as the context shall require.

“Affiliate” shall mean any Person (a) which directly or indirectly controls, or is controlled by, or is under common control with, Project Coordinator or any subsidiary; (b) which directly or indirectly beneficially owns or holds 5% or more of any class of voting stock or member interests of Project Coordinator or any subsidiary; or (c) 5% or more of the voting stock or member interests of which is directly or indirectly beneficially owned or held by Project Coordinator or any subsidiary. The term control means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Agreement” shall have the meaning set forth in the preamble.

“Approved by the Lender Committee” or **“Approval of the Lender Committee”** means that a proposed action or decision has been unanimously approved in advance by the members of the Lender Committee.

“Authorizing Resolutions” shall mean the resolutions adopted by CPS and the ordinance adopted by the City to cause CPS and the City respectively to appropriate the City Project Year Appropriated Amount and budget the Board Project Year Budgeted Amount for the applicable Project Year.

“Balance Sheet Date” shall mean December 31, 2013.

“Bank” shall mean BMO Harris Bank, N.A., a national association and the depository bank for the Designated Accounts.

“Board Budgeted Pay-for-Success Funds” shall have the meaning ascribed thereto in the Intergovernmental Agreement.

“Board Budgeted Program Funds” shall have the meaning ascribed thereto in the Intergovernmental Agreement.

“Board Deposit Account Control Agreement” shall have the meaning ascribed thereto in the GSSIF Senior Loan Agreement.

“Board Designated Account” shall have the meaning ascribed thereto in the GSSIF Senior Loan Agreement.

“Board Pay-For-Success Payments” shall have the meaning ascribed thereto in the Intergovernmental Agreement.

“Board Project Year Budgeted Amount” means the amount budgeted by CPS to make Board Pay-for-Success Payments for the applicable Project Year.

“Business Day” shall mean any day other than a Saturday, Sunday, or a public holiday, or the equivalent for banks generally under the laws of the State of New York or the State of Illinois.

“City” shall mean the City of Chicago.

“City Deposit Account Control Agreement” shall have the meaning ascribed thereto in the GSSIF Senior Loan Agreement.

“City Designated Account” shall have the meaning ascribed thereto in the GSSIF Senior Loan Agreement.

“City Pay-For-Success Payments” shall have the meaning ascribed thereto in the City PFS Agreement.

“City PFS Agreement” shall have the meaning set forth in the recitals.

“City PFS Escrow Account” shall mean the escrow account established by the City to hold the City Project Year Appropriated Amount.

“City Project Year Appropriated Amount” means the amount appropriated by the City to make Pay-for-Success Payments for the applicable Project Year.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“Cohort” shall mean, individually, the Initial Project Year Cohort and each of the Subsequent Project Year Cohorts.

“Core Documents” shall mean the Loan Documents, the Social Impact Agreement, the Technical Services Agreement, the Evaluation Agreement and the City PFS Agreement and the Intergovernmental Agreement.

“Core Program Principles” shall mean the core principles of the CPS CPC Program set forth on Schedule 1(b) of the GSSIF Senior Loan Agreement.

“CPC” shall mean the Child Parent Centers, an unincorporated division of CPS.

“CPS CPC Funded Program Slot” shall mean a seat or slot for child to receive instruction pursuant to the CPS CPC Program that has been funded by the Project Coordinator using proceeds of funding provided by the Senior Lenders and Subordinate Lender.

“CPS CPC Program” shall have the meaning ascribed thereto in the GSSIF Senior Loan Agreement.

“CPS or the Board” shall have the meaning ascribed thereto in the GSSIF Senior Loan Agreement.

“Deposit Account Control Agreements” or **“DACAs”** shall mean the deposit account control agreements by and among Project Coordinator, Depository Bank and the Lenders.

“Designated Accounts” shall have the meaning set forth in the recitals.

“Determination Letter” shall have the meaning set forth in Section 3.10.1.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974.

“Evaluation Plan” shall mean the evaluation plan in the form attached as an exhibit to the City PFS Agreement.

“Independent Evaluator” shall mean SRI International.

“Fiscal Year” shall mean the fiscal year of the Project Coordinator, City or CPS as the context may require, currently from July 1 of a given calendar year to June 30 of the subsequent calendar year.

“Governmental Authority” shall mean any court, board, agency, commission, office or authority of any nature whatsoever of or for any governmental unit (federal, state, county, district, municipal, city or otherwise), whether now or hereafter in existence.

“GS” shall have the meaning set forth in Section 11.22.

“GSSIF Senior Lender” shall mean Goldman Sachs Social Impact Fund, LP., and its successors and assigns.

“GSSIF Senior Loan” shall have the meaning set forth in the recitals.

“GSSIF Senior Loan Agreement” shall mean the Senior Loan Agreement, dated as of October 6, 2014, by and between GSSIF Senior Lender and the Project Coordinator.

“GSSIF Senior Obligations” shall mean all obligations and liabilities of IFF to the GSSIF Senior Lender and the NT Senior Lender under the Senior Loan Documents.

“GSSIF Success Fees” shall have the meaning set forth in Section 2.1.2 of the GSSIF Senior Loan Agreement.

“GSSIF Success Fees Cap” shall mean an amount calculated in the same manner as the Stated Interest at a rate per annum of 1.8%.

“IFF Member” shall mean IFF, an Illinois not for profit corporation.

“IFF Program Transfer Amounts” shall mean the amounts that Project Coordinator is required to transfer to CPS for each applicable Project Year to fund the provision of the CPS CPC Program to the Initial Project Year Cohort or the applicable Subsequent Year Project Cohort (as applicable).

“Information Sharing Agreement” shall mean that certain Research Services Agreement (Information Sharing Agreement), dated as of December [2], 2014, between the Board and the Independent Evaluator.

“Initial Project Year” shall mean the period from the Initial Advance to June 30, 2015.

“Initial Project Year Cohort” shall have the meaning set forth in Section 2.4 of the GSSIF Senior Loan Agreement.

“Intergovernmental Agreement” shall mean the intergovernmental agreement, dated as of December [2], 2014, by and between the City and CPS with respect to the Project.

“Kindergarten Readiness Payments” shall have the meaning set forth in the City PFS Contract.

“Lender Committee” shall mean a committee comprised of designees appointed by the Senior Lenders and the Subordinate Lender; provided that (i) from and after the date on which all obligations owed by Project Coordinator to GSSIF Senior Lender have been paid in full, the GSSIF Senior Lender shall no longer be entitled to appoint a designee to the Lender Committee, and (ii) from and after the date on which all obligations owed by Project Coordinator to the NT Senior Lender have been paid in full, the NT Senior Lender shall no longer be entitled to appoint a designee to the Lender Committee.

“Lender Representative” shall mean (i) so long as all obligations owed by IFF to the GSSIF Senior Lender have not been paid in full, GSSIF, and (ii) after all obligations owed by IFF to the GSSIF Senior Lender have been paid in full and so long as all obligations owed by IFF to the NT Senior Lender have not been paid in full, the NT Senior Lender, and (iii) after all obligations owed by IFF to the GSSIF Senior Lender and the NT Senior Lender have been paid in full and so long as all obligations owed by IFF to the Subordinate Lender have not been paid in full, the Subordinate Lender.

“Lenders” shall mean the Senior Lenders and/or Subordinate Lender individually or collectively as the context shall require.

“Lien” shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, security interest, encumbrance, lien (statutory or otherwise), preference, priority or charge of any kind (including any conditional sale or other title retention agreement and any synthetic or other financing lease having substantially the same effect as any of the foregoing).

“Limited Recourse Carve-Out Agreement” shall have the meaning set forth in the recitals.

“Loans” shall mean the Senior Loans and/or the Subordinate Loan individually or collectively as the context shall require.

“Loan Documents” shall mean the Senior Loan Documents and Subordinate Loan Documents and all other agreements, instruments and documents heretofore, now, or hereafter executed by or on behalf of Project Coordinator and delivered to Senior Lenders and/or Subordinate Lender pursuant to any of the foregoing or the Obligations, as now in effect or as at any time amended, modified or changed.

“Loan Repayment Date” shall mean the date on which any amount of the Obligation is due pursuant to this Agreement.

“NT Senior Lender” shall mean Northern Trust Company and its successor and assigns.

“NT Senior Loan” shall have the meaning set forth in the recitals of the GSSIF Senior Loan Agreement.

“NT Senior Loan Agreement” shall mean the senior loan agreement, dated as of October 6, 2014, by and between the NT Senior Lender and the Project Coordinator.

“NT Senior Loan Documents” has the meaning ascribed to the term “Loan Documents” in the NT Senior Loan Agreement.

“Obligations” or **“Liabilities”** shall mean all money owed, indebtedness, obligations, and agreements of every kind and nature of Project Coordinator to or with GSSIF Senior Lender pursuant to the Loan Documents, now existing or hereafter arising, whether in the form of loans, interest, Success Fees, charges, indemnities, expenses or otherwise, and whether direct or indirect, acquired outright, conditionally or as collateral security, absolute or contingent, joint or several, liquidated or unliquidated, secured or unsecured, arising by operation of law or otherwise, and all obligations of Project Coordinator to GSSIF Senior Lender to repay amounts due to GSSIF Senior Lender under any existing or future agreements relating to any future advances, renewals, extensions or changes in form of, or substitutions for, any of said indebtedness or liabilities, all the other sums and charges to be paid to GSSIF Senior Lender pursuant to the Loan Documents, any Losses, and all interest and late charges on any of the foregoing.

“Other Funding Sources” means sources of funding, including grants and charitable contributions, other than the Pay-For-Success Payments and the Loans.

“Pay-for-Success Payments” means the payments required to be made by the City and by CPS pursuant to the City PFS Agreement and the Intergovernmental Agreement.

“Person” shall mean an individual, partnership, limited liability company, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, or other entity of whatever nature.

“PFS Project Year Supplement” shall mean a supplement to the City PFS Agreement and the Intergovernmental Agreement for a Subsequent Project Year reflecting the terms of the City PFS Agreement and the Intergovernmental Agreement for such Project Year based on the City Project Year Appropriated Amount and the Board Project Year Budgeted Amount for such Project Year.

“Priority of Payments Schedule” shall mean the schedule of the priority of the application of PFS Payments attached hereto as Exhibit A of the GSSIF Senior Loan Agreement.

“Project” shall have the meaning ascribed thereto in the GSSIF Senior Loan Agreement.

“Project Coordinator” means IFF Pay for Success, LLC.

“Project Draw Request” shall have the meaning ascribed thereto in the Intergovernmental Agreement.

“Project Quarter” shall mean each successive 3-month period during the Term commencing on the Project Year Initial Advance Date.

“Project Year” shall mean the Initial Project Year or any Subsequent Project Year as the context shall require.

“Project Year Budget” for each Project Year shall mean Project Coordinator’s budget for such Project Year as Approved by the Lender Committee reflecting (i) the IFF Program Transfer Amounts for such Project Year and (ii) Project Coordinator’s costs of the administration of the Project Year Program for the applicable Project Year.

“Project Year Funding Schedule” shall mean (i) for the first Project Year, the schedule set forth in Schedule 1(c), and (ii) for each Project Year 2015-2016, 2016-2017 and 2017-2018, a schedule proposed by Project Coordinator and approved by Lenders, in each case reflecting the applicable Project Year Initial Advance Date, each applicable Project Year Subsequent Advance Date and the amounts of each of the following (a) the advances expected to be made by each Senior Lender, subject to the terms and conditions hereof and the NT Senior Loan Agreement, in respect of the Senior Loans on each applicable Advance Date, and (b) the advances expected to be made by the Subordinate Lender, subject to the terms and conditions of the Subordinate Loan Agreement, in respect of the Subordinate Loan, on each applicable Advance Date. Each Project Year Funding Schedule is subject to modification in accordance with Section 2.4.1 or Section 2.4.3 (as applicable).

“Promotional Material” shall have the meaning set forth in Section 11.24.1 of the GSSIF Senior Loan Agreement.

“Related Parties” shall mean, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Senior Lender(s)” means the GSSIF Senior Lender and/or the NT Senior Lender, individually or collectively as the context shall require.

“Senior Loan Agreement(s)” means this Agreement and/or the NT Senior Loan Agreement, individually or collectively as the context shall require.

“Senior Loan Document(s)” shall mean the GSSIF Senior Loan Agreement, the NT Senior Loan Agreement, the Pledge and Security Agreement and the DACA, individually or collectively as the context shall require.

“Senior Loan(s)” means the GSSIF Senior Loan and/or the NT Senior Loan, individually or collectively as the context shall require.

“Social Impact Agreement” means the social impact agreement, dated as of the date hereof, by and between the Project Coordinator and GSSIF Senior Lender.

“Special Education Payments” shall have the meaning ascribed thereto in the GSSIF Senior Loan Agreement.

“Subordinate Lender” shall mean JB & MK Pritzker Family Foundation and its successors and assigns.

“Subordinate Loan” shall have the meaning ascribed thereto in the GSSIF Senior Loan Agreement.

“Subordinate Loan Agreement” shall have the meaning ascribed thereto in the GSSIF Senior Loan Agreement.

“Subordinate Loan Document(s)” shall have the meaning ascribed thereto in the Subordinate Loan Agreement.

“Subordination and Intercreditor Agreement” shall have the meaning ascribed thereto in the GSSIF Senior Loan Agreement.

“Subsequent Project Year Cohort” or **“Subsequent Project Year Cohorts”** means for each Project Year 2015-2016, 2016-2017 and 2017-2018 the cohort of CPC Funded Program Enrollees for the applicable Project Year.

“Subsequent Project Year” shall mean any period from July 1 to June 30 commencing on July 1, 2105, provided that the last Project Year shall end on the date when the Project Coordinator has no further obligations to GSSIF Senior Lender hereunder.

“Subsequent Project Year Projected Terms Schedule” shall mean the schedule attached hereto as Exhibit B of the GSSIF Senior Loan Agreement.

“Success Fees” shall mean success fees payable to GSSIF Senior Lender, Subordinate Lender and/or CPS as applicable.

“Technical Services Agreement” shall mean the Technical Services Agreement between the Project Coordinator and the Technical Service Provider.

“Technical Service Provider” shall mean the Metropolitan Family Services or such other provider of the services contemplated by the Technical Services Agreement as is approved by the CPS and City and the Project Coordinator and as is Approved by the Lender Committee.

“Term” shall mean the period from the Effective Date until the date when this Agreement is terminated in accordance with Section 10.

“Third Grade Literacy Payments” shall have the meaning set forth in the recitals.

“Third Grade Literacy Test” shall mean the PARCC standardized test or such other national test that is equivalent to the PARCC standardized test and that is approved by the Lender Committee.

“TS Gold” shall have the meaning set forth in the recitals.

EXHIBIT B

City PFS Agreement

[Attached]

EXHIBIT C

Evaluation Plan

[Attached]

EXHIBIT D

Information Sharing Agreement

[Attached]

EXHIBIT E

Compensation to Independent Evaluator and Payment Schedule

	Year 1	Year 2	Year 3	Year 4	Option 1	Option 2	Total
December 2nd	\$90,000	\$63,000	\$51,000	\$46,500	\$47,250	\$49,500	\$347,250
March 2nd	\$47,728	\$49,442	\$41,706	\$37,444	\$38,694	\$39,970	\$254,984
June 2nd	\$26,592	\$42,663	\$37,059	\$32,916	\$34,416	\$35,205	\$208,851
August 2nd	\$26,591	\$42,662	\$37,058	\$32,917	\$34,418	\$35,204	\$208,850
Total	\$190,911	\$197,767	\$166,823	\$149,777	\$154,778	\$159,879	\$1,019,935

EXHIBIT F

City Standard Contract Provisions

COMPLIANCE WITH ALL LAWS

The Independent Evaluator certifies by its acceptance of this Contract that neither the Independent Evaluator nor the Independent Evaluator's principals is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency. The Independent Evaluator further agrees by executing this Contract that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts and subcontracts. If the Independent Evaluator or any lower tier participant is unable to certify to this statement, the Independent Evaluator must attach an explanation to this Contract.

NONDISCRIMINATION

In performing the Services under this Contract, the Independent Evaluator must comply with applicable laws and regulations prohibiting discrimination against individuals and groups.

(a) Federal Requirements. In performing the Services under this Contract and in the Independent Evaluator's employment practices, the Independent Evaluator must not engage in unlawful employment practices, such as: (i) failing or refusing to hire or discharging any individual, or otherwise discriminating against any individual with respect to his or her compensation, or the terms, conditions, or privileges of his or her employment, because of such individual's race, color, religion, sex, age, handicap/disability or national origin; or (ii) limiting, segregating, or classifying the Independent Evaluator's employees or applicants for employment in any way that would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect the individual's status as an employee, because of that individual's race, color, religion, sex, age, handicap/disability or national origin.

The Independent Evaluator must comply with, and the procedures the Independent Evaluator utilizes and the Services the Independent Evaluator provides under this Contract must comply with, the Civil Rights Act of 1964, 42 U.S.C. § 2000 *et seq.*, as amended and the Civil Rights Act of 1991, P.L. 102-166; Fair Housing Act, 42 U.S.C. § 3601-3619; Executive Order No. 11246, as amended by Executive Order No. 11375 and by Executive Order No. 12086; Executive Order 13160 (2000); the Age Discrimination Act of 1975, 42 U.S.C. §§ 6101-6106; Age Discrimination in Employment Act, 29 U.S.C. §§ 621-34; Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-83 and 1685-86); the Rehabilitation Act of 1973, 29 U.S.C. §§ 793-794; the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*; 41 CFR part 60 *et seq.* (1990); Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL 104-193); and all other applicable federal statutes, regulations and other laws.

(b) State Requirements. In performing the Services under this Contract, the Independent Evaluator must comply with the Illinois Human Rights Act, 775 ILCS 5/1-101 *et seq.*, the Public Works Employment Discrimination Act, 775 ILCS 10/0.01 *et seq.* and any rules and

regulations promulgated thereunder, including, but not limited to, the Equal Employment Opportunity Clause, 44 Ill. Admin. Code § 750 Appendix A, and all other applicable state statutes, regulations and other laws.

(c) City Requirements. In performing the Services under this Contract, the Independent Evaluator must comply with the Chicago Human Rights Ordinance, Municipal Code § 2-160-010, and all other applicable City ordinances and rules. Further, the Independent Evaluator must furnish, and cause every Subcontractor to furnish, such reports and information as may be requested from time to time by the Chicago Commission on Human Relations.

(d) Subcontractors Required to Comply. The Independent Evaluator shall incorporate all of the provisions set forth under this heading in all subcontracts entered into with all suppliers of materials, furnishers of services, Subcontractors of any tier, and labor organizations which furnish skilled, unskilled and craft union skilled labor, or which may provide any materials, labor or services in connection with this Contract.

The Independent Evaluator must cause its Subcontractors to execute such certificates as may be necessary in furtherance of these provisions. Such certifications will be attached and incorporated by reference in the applicable subcontracts. If any Subcontractor is a partnership or joint venture, the Independent Evaluator will also include provisions in the Independent Evaluator's subcontract insuring that the entities comprising such partnership or joint venture will be jointly and severally liable for the partnership's or joint venture's obligations under the subcontract.

INSPECTOR GENERAL

It is the Independent Evaluator's duty and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of the Independent Evaluator's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: (a) to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code and (b) to cooperate with the Legislative Inspector General in any investigation undertaken pursuant to Chapter 2-55 of the Municipal Code. The Independent Evaluator represents that it understands and will abide by all provisions of Chapters 2-56 and 2-55 of the Municipal Code and that the Independent Evaluator will inform subcontractors of this provision and require their compliance.

The Independent Evaluator shall report, directly and without undue delay, to the City's Inspector General any and all information concerning conduct by any person which the Independent Evaluator knows to involve corrupt activity, pursuant to Section 2-156-018(b) of the Municipal Code of Chicago. The Independent Evaluator's knowing failure to report corrupt activity as required in subsection (b) of Section 2-156-018 of the Municipal Code of Chicago shall constitute an event of default under this Agreement. For purposes of subsection (b) of Section 2-156-018 of the Municipal Code of Chicago, "corrupt activity" shall mean any conduct set forth in subparagraph (a)(1), (2) or (3) of Section 1-23-020 of the Municipal Code of Chicago:

(1) bribery or attempted bribery, or its equivalent under any local, state or federal law, of any public officer or employee of the City of Chicago or of any sister agency; or

(2) theft, fraud, forgery, perjury, dishonesty or deceit, or attempted theft, fraud, forgery, perjury, dishonesty or deceit, or its equivalent under any local, state or federal law, against the City of Chicago or of any sister agency; or

(3) conspiring to engage in any of the acts set forth in items (1) or (2) of this subsection (a).

The Independent Evaluator agrees and covenants that no payment, gratuity or offer of employment shall be made in connection with this Agreement, by or on behalf of a subcontractor to the Independent Evaluator or any higher-tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order related to this Agreement.

DEEMED INCLUSION

Provisions required by law, ordinances, rules, regulations, or executive orders to be inserted in this Contract are deemed inserted in this Contract whether or not they appear in this Contract or, upon application by either party, this Contract will be amended to make the insertion; however, in no event will the failure to insert the provisions before or after this Contract is signed prevent its enforcement.

WARRANTIES AND REPRESENTATIONS

The Independent Evaluator acknowledges, represents, warrants and covenants, as of the date of this Contract and throughout its term, that:

(a) the Independent Evaluator is appropriately licensed and/or certified under Illinois law to perform the Services required under this Contract and will perform no Services for which a professional license and/or certification is required by law and for which the Independent Evaluator is not appropriately licensed and/or certified;

(b) no officer, agent or employee of the City is employed by the Independent Evaluator or has a financial interest directly or indirectly in this Contract or the compensation to be paid, except as may be permitted in writing by the City's Board of Ethics; that no payment, gratuity or offer of employment will be made by or on behalf of any Subcontractors of any tier, as an inducement for the award of a subcontract or order; the Independent Evaluator acknowledges that any agreement entered into, negotiated or performed in violation of any of the provisions of City's Ethics Ordinance, Municipal Code § 2-156 et seq., is voidable by the City; in accordance with 41 U.S.C. § 22, the Independent Evaluator must not admit any member of or delegate to the United States Congress to any share or part of the Services or this Contract, or any benefit derived therefrom;

(c) the Independent Evaluator is financially solvent; the Independent Evaluator and each of its employees, agents and Subcontractors of any tier are competent to perform the Services required under this Contract; and the Independent Evaluator is legally authorized to execute and perform or cause to be performed this Contract under the terms and conditions stated in this Contract;

(d) the Independent Evaluator will not knowingly use the services of any ineligible contractor or Subcontractor for any purpose in the performance of the Services under this Contract;

(e) the Independent Evaluator and its Subcontractors are not in default at the time this Contract is signed, and have not been deemed by the Chief Procurement Officer to have, within 5 years immediately preceding the date of this Contract, been found to be in default on any contract awarded by the City of Chicago;

(f) the Independent Evaluator has carefully examined and analyzed the provisions and requirements of this Contract; the Independent Evaluator understands the nature of the Services required; from its own analysis the Independent Evaluator has satisfied itself as to the nature of all things needed for the performance of this Contract; this Contract is feasible of performance in accordance with all of its provisions and requirements, and the Independent Evaluator warrants that it can and will perform, or cause to be performed, the Services in strict accordance with the provisions and requirements of this Contract;

(g) the Independent Evaluator and, to the best of its knowledge, its Subcontractors are not in violation of the provisions of Section 2-92-320 of Chapter 2-92 of the Municipal Code, the Illinois Criminal Code, 720 ILCS 5/33E-1, and the Illinois Municipal Code, 65 ILCS 5/11-42.1-1;

(h) [intentionally omitted];

(i) any certification, affidavit or acknowledgment made under oath in connection with this Contract is made under penalty of perjury and, if false, is also cause for termination pursuant to the provisions of this Contract;

(j) any violation of Chapter 1-21 of the Municipal Code, False Statements, is also cause for termination pursuant to the provisions of this Contract;

(k) neither the Independent Evaluator nor any Affiliate is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List; and

(l) the Independent Evaluator is current as to the filing and payment of any Governmental Charges and/or related returns and the Independent Evaluator is not delinquent in its payment of Governmental Charges.

ETHICS

In addition to the foregoing warranties and representations, the Independent Evaluator warrants:

(i) no officer, agent or employee of the City is employed by the Independent Evaluator or has a financial interest directly or indirectly in this Contract or the compensation to be

paid under this Contract except as may be permitted in writing by the Board of Ethics established under the Municipal Code (Chapter 2-156).

(ii) no payment, gratuity or offer of employment will be made in connection with this Contract by or on behalf of any Subcontractors to the Independent Evaluator or higher tier Subcontractors or anyone associated with them, as an inducement for the award of a subcontract or order.

CONFLICTS OF INTEREST

(a) No member of the governing body of the City or other unit of government and no other officer, employee or agent of the City or other unit of government who exercises any functions or responsibilities in connection with the Services to which this Contract pertains is permitted to have any personal interest, direct or indirect, in this Contract. No member of or delegate to the Congress of the United States or the Illinois General Assembly and no alderman of the City or City employee is allowed to be admitted to any share or part of this Contract or to any financial benefit to arise from it.

(b) The Independent Evaluator covenants that it, and to the best of its knowledge, its Subcontractors if any (collectively, "*Consulting Parties*"), presently have no direct or indirect interest and will not acquire any interest, direct or indirect, in any project or contract that would conflict in any manner or degree with the performance of the Independent Evaluator's Services under this Contract.

(c) [intentionally omitted]

(d) Without limiting the foregoing, if the Consulting Parties assist the City in determining the advisability or feasibility of a project or in recommending, researching, preparing, drafting or issuing a request for proposals or bid specifications for a project, the Consulting Parties must not participate, directly or indirectly, as a prime, Subcontractor or joint venturer in that project or in the preparation of a proposal or bid for that project during the term of this Contract or afterwards. The Consulting Parties may, however, assist the City in reviewing the proposals or bids for the project if none of the Consulting Parties have a relationship with the persons or entities that submitted the proposals or bids for that project.

(e) [intentionally omitted]

(f) [intentionally omitted]

(g) The Independent Evaluator shall establish safeguards to prohibit officers, directors, agents, employees and family members from using positions of employment for a purpose that is, or gives the appearance of, being motivated by a desire for a private gain for themselves or others, particularly those with whom they have family business or other ties. Safeguards; evidenced by rules or bylaws, shall be established to prohibit persons from engaging in actions, which create or which appear to create a conflict of interest as described herein.

NON-LIABILITY OF PUBLIC OFFICIALS

The Independent Evaluator and any of its assignees or Subcontractors must not charge any official, employee or agent of the City personally with any liability or expenses of defense or hold any official, employee or agent of the City personally liable to them under any term or provision of this Contract or because of any breach of this Contract.

PROHIBITION ON CERTAIN CONTRIBUTIONS - MAYORAL EXECUTIVE ORDER NO. 2011-4

Neither the Independent Evaluator nor any person or entity who directly or indirectly has an ownership or beneficial interest in the Independent Evaluator of more than 7.5% ("*Owners*"), spouses and domestic partners of such Owners, the Independent Evaluator's Subcontractors, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5% ("*Sub-owners*") and spouses and domestic partners of such Sub-owners (the Independent Evaluator and all the other preceding classes of persons and entities are together, the "*Identified Parties*"), shall make a contribution of any amount to the Mayor of the City of Chicago (the "*Mayor*") or to his political fundraising committee during (i) the bid or other solicitation process for this Contract or Other Contract, including while this Contract or Other Contract is executory, (ii) the term of this Contract or any Other Contract between City and the Independent Evaluator, and/or (iii) any period in which an extension of this Contract or Other Contract with the City is being sought or negotiated.

The Independent Evaluator represents and warrants that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City approached the Independent Evaluator or the date the Independent Evaluator approached the City, as applicable, regarding the formulation of this Contract, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

The Independent Evaluator shall not: (a) coerce, compel or intimidate the Independent Evaluator's employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse the Independent Evaluator's employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

The Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Contract, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Contract, under any Other

Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If the Independent Evaluator violates this provision or Mayoral Executive Order No. 2011-4 prior to award of the Agreement resulting from this specification, the Commissioner may reject the Independent Evaluator's bid.

For purposes of this provision:

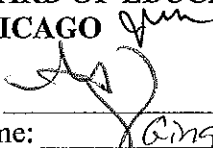
"Other Contract" means any agreement entered into between the Independent Evaluator and the City that is (i) formed under the authority of Municipal Code Ch. 2-92; (ii) for the purchase, sale or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved and/or authorized by the City Council.

"Contribution" means a "political contribution" as defined in Municipal Code Ch. 2-156, as amended.

"Political fundraising committee" means a "political fundraising committee" as defined in Municipal Code Ch. 2-156, as amended.

**Agreed and consented solely for purposes of
Section 4(i):**

**BOARD OF EDUCATION OF THE CITY OF
CHICAGO**

By: 
Name: Ginger Ostro
Title: Chief Financial Officer

SRI INTERNATIONAL

By: _____
Name: _____
Title: _____

EXHIBIT A

Common Defined Terms

“Advance” shall mean a Project Year Initial Advance or a Project Year Subsequent Advance, as the context shall require.

“Affiliate” shall mean any Person (a) which directly or indirectly controls, or is controlled by, or is under common control with, Project Coordinator or any subsidiary; (b) which directly or indirectly beneficially owns or holds 5% or more of any class of voting stock or member interests of Project Coordinator or any subsidiary; or (c) 5% or more of the voting stock or member interests of which is directly or indirectly beneficially owned or held by Project Coordinator or any subsidiary. The term control means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Agreement” shall have the meaning set forth in the preamble.

“Approved by the Lender Committee” or **“Approval of the Lender Committee”** means that a proposed action or decision has been unanimously approved in advance by the members of the Lender Committee.

“Authorizing Resolutions” shall mean the resolutions adopted by CPS and the ordinance adopted by the City to cause CPS and the City respectively to appropriate the City Project Year Appropriated Amount and budget the Board Project Year Budgeted Amount for the applicable Project Year.

“Balance Sheet Date” shall mean December 31, 2013.

“Bank” shall mean BMO Harris Bank, N.A., a national association and the depository bank for the Designated Accounts.

“Board Budgeted Pay-for-Success Funds” shall have the meaning ascribed thereto in the Intergovernmental Agreement.

“Board Budgeted Program Funds” shall have the meaning ascribed thereto in the Intergovernmental Agreement.

“Board Deposit Account Control Agreement” shall have the meaning ascribed thereto in the GSSIF Senior Loan Agreement.

“Board Designated Account” shall have the meaning ascribed thereto in the GSSIF Senior Loan Agreement.

“Board Pay-For-Success Payments” shall have the meaning ascribed thereto in the Intergovernmental Agreement.

“Board Project Year Budgeted Amount” means the amount budgeted by CPS to make Board Pay-for-Success Payments for the applicable Project Year.

**Agreed and consented solely for purposes of
Section 4(i):**

**BOARD OF EDUCATION OF THE CITY OF
CHICAGO**

By:  _____

Name: Ginger Ostro

Title: Chief Financial Officer

SRI INTERNATIONAL

By: _____

Name: _____

Title: _____

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**Agreed and consented solely for purposes of
Section 4(i):**

**BOARD OF EDUCATION OF THE CITY OF
CHICAGO**

By: [Signature]
Name: Ginger Ostra
Title: Chief Financial Officer

SRI INTERNATIONAL

By: _____
Name: _____
Title: _____

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Section 4(i):**

**BOARD OF EDUCATION OF THE CITY OF
CHICAGO**

By:  _____

Name: Ginger Ostra

Title: Chief Financial Officer

SRI INTERNATIONAL

By: _____

Name: _____

Title: _____

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