

PAY FOR SUCCESS CONTRACT

BY AND BETWEEN

THE STATE OF COLORADO

AND

THE DENVER COLLABORATIVE PARTNERSHIP

THROUGH ITS FISCAL AGENT

SAVIO MANAGEMENT GROUP

Dated as of December 19, 2018

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**PAY FOR SUCCESS CONTRACT BETWEEN THE STATE OF COLORADO
AND THE DENVER COLLABORATIVE PARTNERSHIP**

THIS **PAY FOR SUCCESS CONTRACT** (this “**Contract**”) is made and entered into as of the 19th day of December, 2018, by and between the **STATE OF COLORADO** (the “**State**”) and **DENVER COLLABORATIVE PARTNERSHIP** (the “**Project Sponsor**”) through its fiscal agent **SAVIO MANAGEMENT GROUP** (the “**Lead Provider**”). The State and the Lead Provider are referred to collectively herein as the “**Parties**.” Capitalized terms used herein shall have the meaning set forth herein or in **Exhibit A**.

RECITALS

WHEREAS, in 2015, the Colorado General Assembly enacted the Pay for Success Contracts Act, C.R.S. §§ 24-37-401 to -403 (the “**Act**”), which established the Pay for Success Contracts Program (the “**Program**”) and the Pay for Success Contracts Fund (the “**Fund**”); and

WHEREAS, pursuant to the Act, the State, through the Office of State Planning and Budgeting (“**OSPB**”), is authorized to enter into a contract with a lead contractor for the provision of Program-eligible interventions, including interventions designed to support youth who are at high risk for juvenile justice involvement and/or have problems with substance abuse; and

WHEREAS, in 2017, Colorado Governor John W. Hickenlooper, through OSPB, issued a request for proposals (the “**Call for Innovation**”) soliciting innovative approaches to improve outcomes for Colorado underserved youth and their families; and

WHEREAS, in response to the Call for Innovation, the Lead Provider submitted a proposal (the “**Proposal**”) to provide rapid responder teams that will offer community-based services to connect runaway youth and their families with multi-systemic therapy, functional family therapy, strengthening families program, parent connect, high fidelity wrap-around, trauma-focused cognitive behavioral therapy, and other services as further defined in the “**Evaluation Plan**”, attached hereto and incorporated herein by reference as **Exhibit B** (the “**Denver Project Services**”); and

WHEREAS, the State accepted the Proposal and selected the Lead Provider to serve as the fiscal agent for the project and the lead provider of the Denver Project Services pursuant to a pay for success contract that meets the requirements of the Act (the “**Denver Project**”); and

WHEREAS, recent amendments to the Act created the Youth Pay for Success Initiatives Account (the “**Account**”) within the Fund, and require transfers from the State Marijuana Tax Cash Fund to cover the costs associated with the Denver Project for State fiscal year 2018-2019 through State fiscal year 2020-2021, resulting in a balance sufficient to fully meet the State’s maximum obligations through the end of State fiscal year 2022-2023 with respect to the Direct Payments (as hereinafter defined), the Success Payments (as hereinafter defined), and the Cross-Collateral Payment (as hereinafter defined); and

WHEREAS, the Lead Provider desires to be the lead provider of the Denver Project Services and to act as a fiscal agent for the Denver Project pursuant to a pay for success contract, and proposes to obtain funding from Northern Trust Company (“**Northern Trust**”) and The Piton Foundation (“**Piton Foundation**”) (Northern Trust and the Piton Foundation are collectively referred to herein as the “**Investors**”) to finance the portion of the operating costs of the Denver Project not financed with Direct Payments; and

WHEREAS, the Lead Provider will contract with qualified providers (the “**Subcontract Service Providers**”) for the provision of some or all of the Denver Project Services as set forth in this Contract and the Subcontract Service Provider Agreements (as hereinafter defined); and

WHEREAS, the State will contract with the Colorado Evaluation and Action Lab at the University of Denver (the “**Independent Evaluator**”) to evaluate the Denver Project by certifying the specific impact threshold met and calculating the Success Payments and Cross-Collateral Payment, if any, as set forth in this Contract and the Independent Evaluator Agreement (as hereinafter defined); and

WHEREAS, a portion of the Total Project Costs (as hereinafter defined) will be paid with funds (the “**Investment Funds**”) provided to the Lead Provider by the Investors pursuant to investment documents entered into between the Lead Provider and Investors (the “**Investment Documents**”); and

WHEREAS, a portion of the Total Project Costs will be paid with funds provided by the State in the manner set forth in this Contract (the “**Direct Payments**”); and

WHEREAS, the State will make payments to the Lead Provider pursuant to this Contract only if specific, measurable outcomes are achieved by the Denver Project (the “**Success Payments**”); and

WHEREAS, to the extent the Denver Project Services contemplated under this Contract and the Subcontract Service Provider Agreements do not yield results such that the State is obligated to make the Success Payments and Cross-Collateral Payment, if any, in a sufficient amount for the Lead Provider to pay all amounts due under the Investment Documents, any resulting shortfall of amounts due will be forgiven, and the Lead Provider will not have any obligation to pay any such shortfall under the Investment Documents, except as set forth under the terms of this Contract and/or the Investment Documents.

NOW, THEREFORE, the Parties are entering into this Contract to facilitate the implementation of the Denver Project and to set forth the State’s obligations to make Direct Payments and to make the Success Payments and Cross-Collateral Payment, if any, upon the achievement by the Denver Project of the outcomes described herein.

ARTICLE 1

TERM

Section 1.01 Obligations Commencing on Performance Start Date. Except as set forth in Section 1.02 and Section 1.03 hereof, the Parties shall start performing their duties and obligations in accordance with the terms and conditions of this Contract upon the Performance Start Date.

Section 1.02 Denver Project Launch Conditions. The “**Performance Start Date**” shall be the later of (a) the Effective Date (as defined in Exhibit A), (b) January 1, 2019, and (c) the date on which the Lead Provider and State agree in writing, with Investor Consent (as hereinafter defined) that all of the following conditions have been satisfied or waived (collectively, the “**Project Launch Conditions**”):

- (a) Each of the following documents (collectively, the “**Transaction Documents**”) shall have been executed and delivered by the parties thereto:
- (i) This Contract;
 - (ii) The Investment Documents;
 - (iii) The Independent Evaluator Agreement (as defined below);
 - (iv) The Project Launch Subcontract Service Provider Agreements (as defined below);
 - (v) Grant agreement(s) from external funders to fully fund the Independent Evaluation for the Denver Project.
- (b) All conditions precedent to the effectiveness of the Transaction Documents shall have been satisfied or waived.

Section 1.03 Determination of Project Launch. In the event that the Performance Start Date has not occurred within sixty (60) days of the Effective Date, the Governance Committee shall meet on a biweekly basis to facilitate the achievement of the Project Launch Conditions. In the event the Parties do not agree in writing, with Investor Consent, that the Project Launch Conditions have been satisfied on or before April 1, 2019, this Contract shall automatically terminate and have no further force or effect, and no Party, or any of their respective affiliates or any of their members, managers, officers, or directors will have any liability of any nature whatsoever under this Contract, and the Lead Provider shall return to the Investors in the manner set forth in the Investment Documents any unused Investment Funds provided by Investors to the Lead Provider on or before such date.

Section 1.04 Term of the Contract.

(a) The term of this Contract (the “**Term**”) shall commence on the Effective Date and, unless terminated earlier or extended with Investor Consent pursuant to the terms of this Contract, shall terminate on April 1, 2023 (the “**Expected Termination Date**”).

(b) Except as otherwise set forth in this Contract, all rights and obligations of the Parties shall remain in effect for the duration of the Term, and until such time thereafter that (i) all Success Payments and any Cross-Collateral Payment due from the State have been paid to the Lead Provider, (ii) the Lead Provider has distributed all Success Payments and any Cross-Collateral Payment deposited in the Operating Account (as hereinafter defined) in accordance with this Contract and the Investment Documents, and (iii) any Wind-Down Services (as hereinafter defined) and payments associated therewith have been completed.

(c) The provision of the Denver Project Services by the Lead Provider or the Subcontract Service Providers may not exceed a period of seven (7) years unless one or more of the Success Measures (as hereinafter defined) is met within the first seven years in which the Denver Project Services are provided, but the evaluation of the Denver Project may take into account outcomes that occur at any time after the provision of the Denver Project Services has been completed.

Section 1.05 Quarters. For purposes of this Contract, each “**Quarter**” shall coincide with a calendar quarter (beginning on January 1st, April 1st, July 1st, or October 1st).

ARTICLE 2

DENVER PROJECT SERVICES; EVALUATION

Section 2.01 Denver Project Services. During the Term, the Lead Provider shall directly or indirectly provide the Denver Project Services for the Target Population (as hereinafter defined) in accordance with this Contract. The Denver Project Services shall not supplant any existing state, local government, or school district employee who is providing the same services that the Lead Provider shall provide under this Contract.

Section 2.02 Subcontract Service Provider Agreements. On or prior to the Performance Start Date, the Lead Provider shall execute contracts in substantially the form attached hereto as **Exhibit C** and incorporated herein (each a “**Subcontract Service Provider Agreement**” and collectively, the “**Subcontract Service Provider Agreements**”) with the Subcontract Service Providers covering at least eighty percent (80%) of all intended Participants, including, but not limited to, Denver Juvenile Services Center (the “**DJSC**”), Savio House, and other Subcontract Service Providers selected by the Lead Provider and approved by the Governance Committee (collectively, the “**Project Launch Subcontract Service Providers**”) to provide the Denver Project Services.

Section 2.03 Target Population. The “**Target Population**” shall consist of eligible Denver County youth who have run away from home and are recorded by DJSC or Project Sponsor as runaway youth between the ages of ten (10) and seventeen (17) (the “**Runaway Youth**”) in accordance with the youth inclusion and exclusion criteria articulated in the Evaluation Plan. The Target Population may be

expanded with Approval of the Governance Committee (as hereinafter defined). Youth enrolled in the Denver Project are referred to herein as “**Participants**”.

Section 2.04 Independent Evaluator Agreement.

(a) Prior to the Performance Start Date, the State will execute a contract in substantially the form set forth in **Exhibit D**, attached hereto and incorporated herein (the “**Independent Evaluator Agreement**”), with the Independent Evaluator to perform the scope of work and provide the evaluation findings and deliverables (“**Evaluation Deliverables**”) set forth therein. Pursuant to the Independent Evaluator Agreement, the Independent Evaluator shall execute and submit to the Governance Committee data-sharing or business associate agreements with the Subcontract Service Providers and the State on or before March 31, 2019.

(b) The State shall not modify the Independent Evaluator Agreement, terminate the Independent Evaluator, or replace the Independent Evaluator without Approval of the Governance Committee.

(c) The Independent Evaluator Agreement shall require that the Independent Evaluator deliver the Evaluation Deliverables to all members of the Governance Committee (as defined herein) and the evaluation funder contemporaneously. The Independent Evaluator Agreement shall prohibit the Independent Evaluator from sharing any Evaluation Deliverables with any third party unless such Evaluation Deliverables have first been provided to the Governance Committee in accordance with this Section.

(d) The Independent Evaluator will be paid in accordance with the terms of the Independent Evaluator Agreement using funds that are separate and apart from Investment Funds, Direct Payments, Success Payments, and any Cross-Collateral Payment.

Section 2.05 Evaluation Plan.

(a) The Independent Evaluator has prepared, and the Parties have hereby incorporated into this Contract, the Evaluation Plan. In the event of any discrepancy between the Evaluation Plan and this Contract, the terms of the Evaluation Plan shall control.

(b) The Evaluation Plan may be amended only with the Approval of the Governance Committee.

Section 2.06 Provision of Information. To the extent permitted by law, each of the Parties hereby agrees to provide such information as is required pursuant to this Contract, including the Evaluation Plan, to each other, the Independent Evaluator, and the Investors, as is necessary for each party to carry out its respective evaluation and other responsibilities in accordance with this Contract and the Evaluation Plan; provided that the Parties agree that the data collected by the Independent Evaluator and the sharing of such data shall be subject to the terms of the Independent Evaluator Agreement and applicable data sharing or business associate agreements. The Independent Evaluator Agreement will require that, upon termination of such agreement, the Independent Evaluator will

return to the State and the Lead Provider, and provide an irrevocable license to the State, the Lead Provider, and the Investors to use, all of the data, reports, analyses, work product, and intellectual property provided or acquired by the Independent Evaluator in connection with the Denver Project, except for confidential information regarding any Participant, in a format specified by the State, the Lead Provider, and the Investors.

ARTICLE 3

DENVER PROJECT FUNDING

Section 3.01 Denver Project Budget; Total Project Costs. The Denver Project budget in **Exhibit E** (the “**Denver Project Budget**”) sets forth the agreed upon total cost for the delivery of the Denver Project Services and certain other costs associated with the administration of the Denver Project (such total costs, collectively, “**Total Project Costs**”) over the Term. The Denver Project Budget may be amended from time to time during the Term by the Lead Provider with written notice to the Governance Committee, so long as such amendments do not cause the Total Project Costs to change. Notwithstanding the foregoing, the Lead Provider shall not increase the aggregate amount of the Lead Provider’s portion of the Denver Project Budget at the expense of the Subcontract Service Provider portions of the Denver Project Budget or any other portion of the Denver Project Budget, and shall not decrease the aggregate sum of the Subcontract Service Provider portions of the Denver Project Budget except with the Approval of the Governance Committee.

Section 3.02 Operating Account. The Lead Provider shall establish and maintain a separate demand deposit account (the “**Operating Account**”) at a financial institution acceptable to the State and the Investors.

Section 3.03 Subaccounts. Within the Operating Account, the Lead Provider shall establish and maintain a separate subaccount for Direct Payments (as hereinafter defined) (the “**Direct Payments Subaccount**”) and a separate subaccount for the Investment Funds, Success Payments, and Cross-Collateral Payment, if any (the “**Investment Funds Subaccount**”) (the Direct Payments Subaccount and the Investment Funds Subaccount are hereinafter referred to individually as “**Subaccount**” and collectively as the “**Subaccounts**”). All Direct Payments received by the Lead Provider from the State pursuant to this Contract shall be deposited into the Direct Payments Subaccount. The Success Payments and Cross-Collateral Payment, if any, received by the Lead Provider from the State and all monies received from the Investors pursuant to the Investment Documents shall be deposited into the Investment Funds Subaccount. Any interest earned on monies within a Subaccount shall be held within such Subaccount. The Lead Provider shall not commingle funds in a Subaccount with funds in the other Subaccount.

(a) Any monies within the Direct Payments Subaccount may be transferred from the Operating Account only to (i) pay the Total Project Costs as set forth in this Contract (including Section 3.04 below) and in accordance with the Investment Documents, and in the amounts and at the times set forth in the Denver Project Budget; (ii) at the end of the Term, disburse any funds remaining in the Direct Payments Subaccount in a manner that is consistent with this Contract and the Investment

Documents; and (iii) in the event of an Early Termination Event, distribute any funds remaining in the Direct Payments Subaccount as described in Section 8.07(f).

(b) Any monies within the Investment Funds Subaccount may be transferred from the Operating Account only to (i) pay the Total Project Costs as set forth in this Contract (including in Section 3.04 below) and in accordance with the Investment Documents and in the amounts and at the times set forth in the Denver Project Budget; (ii) transfer the Success Payments and Cross-Collateral Payment, if any, and make other payments to the Investors in accordance with the Investment Documents; (iii) at the end of the Term, disburse any funds remaining in the Investment Funds Subaccount in a manner that is consistent with this Contract and the Investment Documents; and (iv) in the event of an Early Termination Event, distribute any funds remaining in the Investment Funds Subaccount as described in Section 8.07(f). The State acknowledges that the Investment Funds Subaccount will, subject to the terms of this Contract, be collaterally pledged to the Investors pursuant to a collateral assignment and account control agreement. Prior to the date of the first payment that is due to be transferred into the Subaccounts pursuant to this Contract, the Lead Provider shall give notice in the manner set forth in Section 9.03 to the State and the Investors of the account numbers and other relevant transfer instructions to be used for electronic transfers of amounts payable into the Subaccounts pursuant to this Contract. After such notice is given, no change in such account numbers or transfer instructions shall be made without further notice to the Investors and the State.

Section 3.04 Payments from Subaccounts. When both Subaccounts hold funds, the Lead Provider shall pay Total Project Costs, including costs incurred by the Lead Provider to provide the Wind-Down Services (as hereinafter defined), first from the Direct Payments Subaccount and, when the Direct Payments Subaccount reaches a fund balance of \$0.00, then from the Investment Funds Subaccount.

Section 3.05 Investors Prohibited from Dictating Manner of Delivery. The Investors are prohibited from dictating the manner of delivery of those Denver Project Services that are not related to the potential for the Denver Project to achieve the Success Payments and any Cross-Collateral Payment. This Section 3.05 does not prohibit the Investors from performing due diligence in accordance with the Investment Documents.

ARTICLE 4

DIRECT PAYMENTS; SUCCESS PAYMENTS; CROSS-COLLATERAL PAYMENT

Section 4.01 Direct Payments. During the Term of this Contract and subject to annual appropriation, the State shall deposit the Direct Payments into the Direct Payments Subaccount of the Operating Account in accordance with the schedule set forth in **Exhibit F** (the “**Schedule of Direct Payments**”).

Section 4.02 Success Payments. The Lead Provider shall be entitled to receive outcome-based payments from the State in an aggregate amount not to exceed \$931,200 for the (a) TUS Success Payment (as defined herein), (b) Reductions in Youth Charges Success Payment (as defined herein), and

(c) Reductions in Out of Home Placement Success Payment (as defined herein) (collectively, the TUS Success Payments, Reductions in Youth Charges Success Payment, and Reductions in Out of Home Placement Success Payment are referred to herein as the “**Success Payments**”). For the avoidance of doubt, Success Payments shall not include the Cross-Collateral Payment, if any, due hereunder.

Section 4.03 Success Measures. The following shall be the success measures (each a “**Success Measure**” and, collectively, the “**Success Measures**”) upon which the Success Payments shall be based:

- (a) “**Take Up Rate of Services**” shall have the meaning set forth in the Evaluation Plan.
- (b) “**Reductions in Youth Charges**” shall have the meaning set forth in the Evaluation Plan.
- (c) “**Reduction in Out of Home Placements**” shall have the meaning set forth in the Evaluation Plan.

Section 4.04 TUS Success Payment Calculation and Payment. “**TUS Success Payment**” means up to three payments, if any, that will be made by the State to the Lead Provider in calendar years 2020, 2021, and 2022, in accordance with this Section.

(a) The Independent Evaluator will determine each TUS Success Payment by (i) calculating the percentage of Participants that receive community-based services, defined as “Any youth in the evaluation treatment group rapid responders refer to a service included in the Denver Project Service Array, defined in the Evaluation Plan, where Youth (or a Parent, in the case of Parent Connect) participates in at least 3 service engagements within 3 months of being enrolled in the treatment group, as defined in the Evaluation Plan and (ii) identifying the corresponding dollar amount identified in the “Payment Per Percentage Point Above Minimum Threshold” column of the payment scale set forth below, except that the maximum amount of all Denver Project Success Payments combined, excluding any Cross-Collateral Payment, shall not exceed \$931,200:

Percentage Threshold	Payment Per Percentage Point Above Minimum Threshold
Less than 35%	\$0
36% through 50%	\$9,700
51% through 60%	(16 x \$9,700) + \$4,811 per percentage point above 50%
Greater than 60%	Max payment \$203,312

(b) Notwithstanding the payment scale set forth in Section 4.04(a), the combined maximum amount of the three TUS Success Payments shall not exceed \$465,600. Therefore, the third TUS Success Payment, if any, shall be the lesser of (i) the amount calculated using the formula and scale

set forth in Section 4.04(a), except that after the Independent Evaluator calculates average TUS across the entire project, if the sum of the three TUS Success Payments are less than would have been the case had this average final number been the annual TUS on which the payments were based for all three years, then the amount of the third TUS Success Payment will be increased until the two sums are equal, or (ii) \$465,600 minus the total of TUS Success Payments one and two.

(c) The Independent Evaluator shall certify the amount of each TUS Success Payment that the State is required to pay in accordance with Section 4.08 in a report to be submitted to the State, the Lead Provider, and the Investors by the dates set forth in the table below (each a “**TUS Outcomes Report**”). The Independent Evaluator’s ability to produce a TUS Outcomes Report on time is dependent upon receiving the proper information from the Lead Provider and the Subcontract Service Providers. To the extent there are delays in the receipt of such information that affect the ability of the Independent Evaluator to deliver a TUS Outcomes Report on a timely basis, the Independent Evaluator shall inform the Governance Committee, and the deadline for that TUS Outcomes Report and the payment date of the related TUS Success Payment may be extended at the discretion of the Governance Committee.

Period under Review	TUS Scores Reviewed Through	Evaluator Certification Deadline	State Payment Deadline
CY 2019	December 31, 2019	March 15, 2020	April 1, 2020
CY 2020	December 31, 2020	March 15, 2021	April 1, 2021
CY 2021	September 30, 2021	December 15, 2021	January 1, 2022

(d) The Lead Provider, with Investor Consent, may elect to exclude the TUS for the first three (3) months of Calendar Year 2019 for the purpose of calculating the first TUS Success Payment, in which case the State shall direct Independent Evaluator to do the same; provided, however, that the Lead Provider shall submit notice of this election and a compelling rationale for doing so to the Governance Committee on or before January 1, 2020. In the event that Lead Provider elects to exclude TUS pursuant to this Section 4.04(d), Investors shall nonetheless receive the full TUS Success Payment in 2020 if the target thresholds were achieved based on a nine-month review period rather than a twelve-month review period.

Section 4.05 Reductions in Youth Charges Success Payment Calculation and Payment.
“Reductions in Youth Charges Success Payment” means a one-time payment, if any, that will be made by the State to the Lead Provider in accordance with this Section.

(a) **“Percentage Difference in Youth Charges”** shall be calculated in accordance with the formula set forth in the Evaluation Plan.

(b) The Reductions in Youth Charges Success Payment will be determined by the Independent Evaluator by calculating the Percentage Difference in Youth Charges and multiplying each percentage point at or above five percent (5%) by the corresponding amounts set forth in the “Payment Per Percentage Point Above the Minimum Threshold” column of the payment scale set forth below:

Percentage Threshold (<i>As defined in the Evaluation Plan, the percentage figures in this column refer to percent change in charges between treatment and control groups, not percentage point difference between treatment and control groups</i>)	Payment Per Percentage Point Above the Minimum Threshold
Less than 5%	\$0
5% through 10%	\$77,600
11% through 15%	(6 x \$77,600) + \$28,867 per percentage point above 10% to maximum of 15%
Greater than 15%	Max payment \$609,936

(c) Notwithstanding the payment scale set forth in Section 4.05(b), the maximum amount of the Reductions in Youth Charges Success Payment shall be the lesser of (i) the payment calculated pursuant to the scale set forth in Section 4.05(b), or (ii) \$931,200 minus the total of all TUS Success Payments.

(d) The Independent Evaluator shall certify the amount of the Reductions in Youth Charges Success Payment that the State is required to pay in accordance with Section 4.08 in a report to be submitted to the Governance Committee and the Investors on or before March 1, 2023 (the “**Reductions in Youth Charges Outcomes Report**”). The Independent Evaluator’s ability to produce the Reductions in Youth Charges Outcomes Report on time is dependent upon receiving proper information from the Lead Provider and the Service Providers. To the extent there are delays in the receipt of such information that affect the ability of the Independent Evaluator to deliver the Reductions in Youth Charges Outcomes Report on a timely basis, the Independent Evaluator shall inform the Governance Committee, and the deadline for the Reductions in Youth Charges Outcomes Report and the payment date of the related Reductions in Youth Charges Success Payment may be extended at the discretion of the Governance Committee.

Section 4.06 Reductions in Out of Home Placement Success Payment Calculation.
“Reductions in Out of Home Placement Success Payment” means a one-time payment, if any, that will be made by the State to the Lead Provider in accordance with this Section.

(a) **“Percentage Difference in Out of Home Placement”** shall be calculated in accordance with the formula set forth in the Evaluation Plan.

(b) The Reductions in Out of Home Placement Success Payment will be determined by the Independent Evaluator by calculating the Percentage Difference in Out of Home Placement and multiplying each percentage point at or above fifteen percent (15%) by the corresponding amounts set

forth in the “Payment Per Percentage Point Above Minimum Threshold” column of the payment scale set forth below, except that the maximum amount of all Denver Project Success Payments combined, excluding any cross-collateral payment, shall not exceed \$931,200:

Percentage Threshold (<i>As defined in the Evaluation Plan, the percentage figures in this column refer to percent change in out of home placement between treatment and control groups, not percentage point difference between treatment and control groups</i>)	Payment Per Percentage Point Above Minimum Threshold
Less than 15%	\$0
15% through 30%	\$29,100
31% through 40%	(16 x \$29,100) + (\$14,434 per percentage point above 30% to a maximum of 40%)
Greater than 40%	Max payment \$609,936

(c) Reserved.

(d) The Independent Evaluator shall certify the amount of the Reductions in Out of Home Placement Success Payment that the State is required to pay in accordance with Section 4.08 in a report to be submitted to the Governance Committee and the Investors on or before March 1, 2023 (the “**Reductions in Out of Home Placement Outcomes Report**”). The Independent Evaluator’s ability to produce the Reductions in Out of Home Placement Outcomes Report on time is dependent upon receiving proper information from the Lead Provider and the Subcontract Service Providers. To the extent there are delays in the receipt of such information that affect the ability of the Independent Evaluator to deliver the Reductions in Out of Home Placement Outcomes Report on a timely basis, the Independent Evaluator shall inform the Governance Committee, and the deadline for the Reductions in Out of Home Placement Outcomes Report and the payment date of the related Reductions in Out of Home Placement Success Payment may be extended at the discretion of the Governance Committee.

Section 4.07 Cross-Collateral Payment. The “**Cross-Collateral Payment**” means an additional outcome-based payment, if any, that will be made by the State to the Lead Provider in accordance with this Section.

(a) If (i) the total amount of the MST Project Success Payments (as defined in Exhibit A and outlined in the Operating Account cash flow (“**Project Cash Flow**” attached hereto and incorporated herein by reference as Exhibit G-3 of **Exhibit G**) is less than \$1,301,600, (ii) the Percentage Difference in Youth Charges is above ten percent (10%), and (iii) the aggregate amount of the Denver Project Success Payments is \$931,200, then the Lead Provider shall be entitled to receive a Cross-Collateral Payment in the amount set forth below:

Percentage Threshold (As defined in the Evaluation Plan, the percentage figures in this column refer to percent change in out of home placement between treatment and control groups, not percentage point difference between treatment and control groups)	Payment	Maximum
Reduction in Youth Charges Cross Collateral Payment		
11% through 15%	\$28,867 per percentage point above 10% to maximum of 15%	\$144,336 subject to State Maximum for both projects.

(b) Notwithstanding the payment scale set forth in Section 4.07(a), the maximum amount of the outcome-based payments (including the Denver Project Success Payments, the MST Project Success Payments, and any Cross-Collateral Payment) that the State will pay for the Denver Project and the MST Project combined shall not exceed \$2,267,800, and the maximum amount that the State will pay for the MST Project and the Denver Project combined in State Fiscal Year 2019 shall not exceed \$453,382. The maximum amounts payable by the State under this Contract are based on pooled funding for the Pay for Success program, with other contractors providing similar services. The State makes payment to all contractors performing services under the program from available pooled funds. There are no guaranteed minimum levels of service or funding for Project Sponsor or Lead Provider or for any of the contractors participating in the program. Payments are limited to the unpaid obligated balance of the pooled fund, on a state fiscal year basis. If analysis of expenditure from the pooled fund indicates the pooled fund is at risk of depletion before the end of the funding period, the State may notify Project Sponsor in writing of suspension of services for a period of time.

(c) The Independent Evaluator shall certify the amount of the Cross-Collateral Payment that the State is required to pay in a report to be submitted to the Governance Committee and the Investors on or before March 1, 2023 (the “**Cross-Collateral Payment Outcomes Report**”). The Independent Evaluator’s ability to produce the Cross-Collateral Payment Outcomes Report on time is dependent upon receiving proper information from the Lead Provider and the Service Providers. To the extent there are delays in the receipt of such information that affect the ability of the Independent Evaluator to deliver the Cross-Collateral Payment Outcomes Report on a timely basis, the Independent Evaluator shall inform the Governance Committee, and the deadline for the Cross-Collateral Payment Outcomes Report and the payment date of the related Cross-Collateral Payment may be extended at the discretion of the Governance Committee. The TUS Outcomes Report, Reductions in Youth Charges Outcomes Report, Reductions in Out of Home Placement Outcomes Report, and Cross-Collateral Payment Outcomes

Report are hereinafter referred to individually as an “**Outcome Report**” and collectively as the “**Outcome Reports**”).

Section 4.08 Disbursement of Success Payments and Cross-Collateral Payment.

(a) Within thirty (30) days after receipt of one or more Outcomes Reports, and regardless of whether there are any disputes in the calculations of the Independent Evaluator as described in Section 4.09, the State shall deposit into the Investment Funds Subaccount of the Operating Account funds sufficient to pay the Success Payments and Cross-Collateral Payment, if any. Except as otherwise provided in the Investment Documents, within five (5) Business Days of the State’s deposit of the Success Payments and Cross-Collateral Payment, if any, into the Investment Funds Subaccount, the Lead Provider shall disburse such Success Payments and Cross-Collateral Payment to the Investors pursuant to the terms and conditions of the Investment Documents.

Section 4.09 Dispute Resolution. In the event of a dispute between the State, the Lead Provider, and the Investors regarding amounts owed under Sections 4.04, 4.05, 4.06, and 4.07, the State shall pay the amount that it acknowledges that the Lead Provider has earned within the timeframes set forth in Section 4.08. The State, the Lead Provider, and the Investors shall first attempt to resolve the dispute among themselves in good faith. If direct negotiation does not resolve the dispute, then the dispute shall be resolved by submission to binding arbitration held in Denver, Colorado before a single neutral arbitrator at the Judicial Arbitrator Group, Inc., provided that such arbitration shall be concluded within ninety (90) days after such submission. The State, the Lead Provider, and the Investors shall share equally in the cost of the arbitration.

Section 4.10 State Representations on Direct Payments, Success Payments, and Cross-Collateral Payment.

(a) The State is authorized to enter into this Contract and to carry out its obligations hereunder. The State has duly authorized and approved the creation of the Account within the Fund and the use of a portion of the funds deposited therein to make the Direct Payments, the Success Payments, and the Cross-Collateral Payment, if any.

(b) The State represents that, as of the Performance Start Date, the balance in the Account collectively dedicated to the MST Project and the Denver Project (collectively, the “**PFS Projects**”) is not less than \$989,470, less legal fees paid by the State for the preparation of the transaction and closing documents for the PFS Projects.

Section 4.11 State Financial Obligations Limited to Monies on Deposit in the Account; Deposit of Monies to Account Subject to Annual Appropriation.

(a) The State’s obligation to pay the Direct Payments, the Success Payments, and the Cross-Collateral Payment, if any, shall be limited to monies on deposit in the Account and

appropriated for the Denver Project, which, subject to annual appropriation by the State, are payable as the Direct Payments, Success Payments, and Cross-Collateral Payment, if any, so long as this Contract is in effect. On and after the Performance Start Date, monies in the Account and appropriated for the Denver Project shall be held in cash or, if invested, shall be invested in accordance with applicable law and the State's investment policy, and earnings shall remain in the Account.

(b) Monies currently held in the Account and appropriated for the Denver Project shall remain in the Account. Additional monies appropriated for the Denver Project in State fiscal year 2018-2019 and monies appropriated for the Denver Project in subsequent fiscal years shall be deposited in the Account.

(c) The State agrees that it shall direct the authorized representative of the State at any time charged with the responsibility of formulating budget proposals to include in the annual budget proposals submitted to the General Assembly, for any State fiscal year in which this Contract shall be in effect, the amounts sufficient to maintain minimum balances for the Denver Project in the Account that are set forth in Exhibit F on the dates set forth therein for each State fiscal year in which this Contract is in effect. To the extent that the minimum balance set forth in Exhibit F for a particular State fiscal year is not maintained by the State, and the Lead Provider has not exercised (including at Investors' direction) its option to terminate this Contract pursuant to Section 8.03(d), the State agrees that it shall direct the authorized representative of the State to include in the annual budget proposal for the succeeding State fiscal year the amount needed to maintain such minimum balance by the State for the prior State fiscal year in addition to the amount needed to maintain the minimum balance for such succeeding State fiscal year. Notwithstanding this directive regarding the formulation of budget proposals, it is the intention of the State that any decision to effect an appropriation shall be made solely by the State and the actions of the officials of the State.

(d) The State's payment obligation, whether direct or contingent, extends only to funds appropriated annually by the General Assembly, paid into the Account, designated for the Denver Project, and encumbered for the purpose of this Contract. The State does not by this Contract pledge present cash reserves for payment or performance in future fiscal years. This Contract does not and is not intended to create a multiple-fiscal year direct or indirect debt or financial obligation of the State.

Section 4.12 State Notification. In the event funds in the amount set forth in Exhibit F are not appropriated for the Denver Project with respect to any State fiscal year, the State will notify the Lead Provider and the Investors of such occurrence in writing no later than five (5) days after the adjournment of the regular legislative session of the State fiscal year in which appropriation failed to occur.

Section 4.13 Calculation of Early Success Payments Following an Early Termination Event.

(a) If this Contract is terminated prior to the end of the Term due to an Early Termination Event, the State shall request that, as early as is feasible after the expiration of the Wind-Down Period, and in any event no later than the original due date of the original Outcomes Report for a

particular Success Measure, the Independent Evaluator shall submit to the State, the Lead Provider, and the Investors a “**Final Outcomes Report**” calculating the Success Payments and Cross-Collateral Payment, if any, that have accrued as of the expiration of the Wind-Down Period (each an “**Early Success Payment**” and collectively the “**Early Success Payments**”) using the following formulas (the “**Early Success Payment Formulas**”):

(i) The Independent Evaluator shall calculate the Early Success Payment for TUS by multiplying the dollar amount identified in accordance with Section 4.04(a) by the Early Termination Reduction Factor. The “**Early Termination Reduction Factor**” shall be determined by dividing the number of calendar days in the Early Termination Review Period by the number of calendar days in the calendar year in which the Early Termination Event occurs. The “**Early Termination Review Period**” means the period of time from January 1 through the expiration of the Wind-Down Period for the calendar year in which the Early Termination Event occurs.

(ii) The Independent Evaluator shall calculate the Early Success Payments for Reductions in Youth Charges and Reductions in Out of Home Placements using the methods set forth in Sections 4.05(b) and 4.06(b) and multiplying the total amount by a percentage representing the number of Quarters in which Participants were served through the expiration of the Wind-Down Services divided by eleven (11). Such Early Success Payments shall be further reduced by twenty-five percent (25%) if the Lead Provider, at Investors’ direction and without concurrent State consent, terminates this Contract prior to the eighth Quarter pursuant to Sections 8.02(a) or 8.02(b).

(iii) Except for an Early Termination Event pursuant to Sections 8.03(a)-(c), the Lead Provider shall not be eligible to receive a Cross-Collateral Payment following an Early Termination Event.

(iv) If the MST Project terminates early in accordance with the terms of the MST Project pay for success contract and the Denver Project does not terminate early, then the Cross-Collateral Payment for the Denver Project shall not exceed the Investors’ principal loss following MST Project wind down and disbursement of early success payments, if any, for the MST Project.

(b) Within sixty (60) days of receipt of the Final Outcomes Report and subject to then-existing appropriations, the State shall deposit into the Investment Funds Subaccount of the Operating Account funds to pay the Early Success Payments that have accrued as of the expiration of the Wind-Down Period and not previously paid by the State, if any. If the then-existing appropriation is less than the amount of Early Success Payments earned, then the State, acting through OSPB, shall promptly submit a request for appropriation to the General Assembly in the amount of the deficiency. If the Final Outcomes Report is submitted on or before November 15, the request for appropriation shall be a supplemental appropriation for the then-current fiscal year. If the Final Outcomes Report is submitted

after November 15, then the request for appropriation shall be for the following fiscal year. Within five (5) Business Days of the State's deposit of any Early Success Payments into the Investment Funds Subaccount, the Lead Provider shall transfer such Early Success Payments to the Investors pursuant to the terms and conditions of the Investment Documents. Notwithstanding this directive regarding the submission of appropriation requests, it is the intention of the State that any decision to effect an appropriation shall be made solely by the State and the actions of the officials of the State.

ARTICLE 5

OVERSIGHT AND REPORTING

Section 5.01 Operating Committee. An operating committee comprised of the parties identified under subsection (b) of this Section (the "**Operating Committee**") shall be established to oversee the day-to-day operations and service delivery of the Denver Project, including, but not limited to, making routine decisions about Denver Project implementation. The Operating Committee will serve in an advisory capacity to the Denver Project to facilitate programmatic adjustments in the interest of improving the provision of Denver Project Services and/or the efficiency of the Denver Project and will not have any authority to bind the Parties in any way under this Contract or to change any terms of this Contract or the Investment Documents.

(a) The Operating Committee shall be chaired by the Lead Provider and shall hold regular meetings ("**Operational Meetings**") at least twice per month commencing on the Performance Start Date until six (6) months thereafter, and, after such time, at least once a month for the remainder of the Term; provided, however, that the Lead Provider may cancel a regularly scheduled Operational Meeting upon five (5) Business Days' notice to the other Operating Committee Members and the Investors if the Lead Provider determines, in its sole discretion, that such Operational Meeting is not necessary. The Lead Provider shall provide written notice to the Operating Committee Members (as defined below) and the Investors of regularly scheduled Operational Meetings on an annual basis, any changes to the schedule within at least five (5) Business Days of the change, and each emergency meeting as soon as practicable after the emergency meeting is scheduled. The State and the Lead Provider shall endeavor to schedule Operational Meetings and Governance Committee Meetings back-to-back on the same day for the convenience of the members.

(b) As of the Performance Start Date, the Operating Committee's membership will include, at minimum, the State, the Project Sponsor, the Lead Provider, the Subcontract Service Providers, the Denver Department of Human Services, and the Independent Evaluator (collectively, the "**Operating Committee Members**"). Each Operating Committee Member shall designate one representative to attend Operating Committee meetings on its behalf. Subject to compliance with applicable privacy laws, the Investors may attend all meetings of the Operating Committee. The Lead Provider is responsible for the raising of agenda items identified by the Operating Committee Members and facilitating group discussions at the Operational Meetings. The Lead Provider shall prepare an agenda and circulate the agenda to all Operating Committee Members and the Investors at least two (2)

Business Days in advance of any Operational Meeting. The agenda for an Operational Meeting may include, but is not limited to, the following items:

- (i) A discussion of the most recent Outcomes Reports, to the extent such reports have not been discussed at an earlier meeting;
- (ii) A description of any significant changes to the Denver Project Services that are being considered or implemented;
- (iii) A discussion of Denver Project trends; and
- (iv) A discussion of Participants' progress.

(c) The Lead Provider shall prepare and circulate, by electronic mail, minutes of all Operational Meetings within ten (10) Business Days after the meeting to all Operating Committee Members and the Investors. Minutes shall be deemed approved within two (2) Business Days if no objections have been submitted to the Lead Provider by any of the Operating Committee Members.

(d) Any of the Operating Committee Members may call for a special meeting of the Operating Committee upon one Business Day's notice to discuss an urgent matter. The notice for the special meeting of the Operating Committee shall include the agenda and reason for the special meeting.

(e) All Operational Meetings may be held in person or by phone or similar communication medium.

(f) The Operating Committee may, with the consent of the State and the Project Sponsor, establish its own meeting schedule, create sub-committees with selected Subcontract Service Providers, and elect to hold meetings without Subcontract Service Providers in attendance.

(g) Notwithstanding anything in this Contract to the contrary, the preparation and distribution of agenda materials and minutes, and the discussions regarding same at Operational Meetings, shall be in accordance with Sections 6.09(b) and 9.18 of this Contract and applicable privacy laws.

Section 5.02 Governance Committee Meetings.

(a) A governance committee consisting of the parties identified below (the "**Governance Committee**") shall be established for the purpose of resolving disputes and making certain determinations as outlined in this Contract.

(b) The Governance Committee's membership will consist of the State, the Project Sponsor, the Investors, and the Independent Evaluator. The voting members of the Governance

Committee shall be the State, the Project Sponsor, and the Investors. The Project Sponsor shall be represented at Governance Committee meetings by representatives of the Project Sponsor, the Lead Provider, the DJSC, DDHS, and additional Project Sponsor partners designated by the Project Sponsor (the “**Project Sponsor Representatives**”). The Project Sponsor shall be limited to one vote on the Governance Committee and may determine the mechanism for casting this vote via the Project Sponsor Representatives. Unless otherwise provided in this Contract, matters that require the approval of the Governance Committee under this Contract shall require the vote of both the State and the Investors (which vote of the Investors shall be determined in the same manner as Investor Consent) (“**Approval of the Governance Committee**”) and shall not require votes of any other members of the Governance Committee, except as provided in Section 5.02(j). To the extent other entities attend a Governance Committee Meeting, such entities will not be entitled to a vote. The Parties acknowledge and agree that their attendance at the Governance Committee Meetings is essential to the success of the Denver Project and, absent extraordinary circumstances, failure of any authorized representative of the State or the Project Sponsor to attend any regularly scheduled or emergency meeting of the Governance Committee shall constitute a Material Breach by the State or the Lead Provider, as the case may be, under this Contract.

(c) The Lead Provider shall chair the Governance Committee and shall provide written notice to all members of the Governance Committee of regularly scheduled Governance Committee Meetings on an annual basis, any changes to the schedule within at least five (5) Business Days of the change, and each emergency meeting as soon as practicable after the emergency meeting is scheduled.

(d) The Governance Committee shall hold regular meetings (“**Governance Committee Meetings**”) once per Quarter or such other schedule as the members of the Governance Committee shall deem appropriate. The State, the Project Sponsor, or the Investors may call for an emergency Governance Committee Meeting upon two (2) Business Days’ notice to discuss business of a sufficiently pressing nature that it cannot, in the determination of the entity calling the meeting, wait until the next regularly scheduled Governance Committee Meeting (an “**Emergency Governance Committee Meeting**”). The notice for an Emergency Governance Committee Meeting shall include the agenda and reason for the emergency meeting.

(e) The Lead Provider shall work with the Operating Committee members to prepare an agenda and circulate the agenda and most recent reports on the status of the Denver Project, by electronic mail, to all members of the Governance Committee, at least five (5) Business Days in advance of any Governance Committee meeting, except in the case of an Emergency Governance Committee Meeting, in which case the Lead Provider will distribute an agenda as soon as reasonably practicable. The agenda for each Governance Committee Meeting shall include a report delivered by the Project Sponsor regarding the performance of or any issues regarding the Lead Provider. Notwithstanding anything in this Contract to the contrary, the preparation and distribution of agenda materials and minutes, and the discussions regarding same at Governance Committee Meetings, shall be in accordance with Sections 6.09(b) and 9.18 of this Contract and applicable privacy laws.

(f) All Governance Committee Meetings may be held in person or by phone or similar communication medium.

(g) The Lead Provider shall prepare and circulate minutes of all Governance Committee Meetings within five (5) Business Days after the Governance Committee meeting to all Governance Committee members. Meeting participants shall have two (2) Business Days to comment on the draft minutes after which the minutes will be deemed approved.

(h) The Governance Committee, in considering the matter at issue, may seek input from any member of the Operating Committee or any other person or entity it deems useful.

(i) An authorized representative of the State is authorized to take the actions described in this Article 5 of the Contract on behalf of the State.

(j) Notwithstanding Section 5.02(b), changes to the following sections of the Contract shall require approval of the State, the Project Sponsor, and the Investors ("**Unanimous Approval of the Governance Committee**"):

- (i) Section 5.05.
- (ii) Article 6.
- (iii) Section 8.02.
- (iv) Section 8.03.
- (v) Section 8.07(c).
- (vi) Section 8.07(g).
- (vii) Section 8.08.
- (viii) Section 8.10.

Section 5.03 Reporting on the Operating Account. Within forty-five (45) days from the end of each Quarter, the Lead Provider shall provide financial statements for the Operating Account and the Subaccounts to the Operating Committee and to the Investors, which financial statements shall document, in reasonable detail, the nature and amount of all deposits to and disbursements from the Operating Account and Subaccounts during each Quarter, and, to the extent that any such disbursements have been made to reimburse the Lead Provider for expenditures related to the Denver Project, an accounting, in reasonable detail, of such expenditures. If the balances in the Operating Account and Subaccounts as of the end of any Quarter reflect a variance by more than thirty percent (30%) from any individual line item set forth in the detailed Denver Project Budget, then the Lead Provider will provide a detailed report to the Operating Committee and the Investors setting forth the reasons for such variance.

Section 5.04 Performance of the Independent Evaluator. The State will be responsible for enforcing the Independent Evaluator Agreement, including ensuring the timing of the Independent Evaluator's reports, analyses, and the performance of the Independent Evaluator's obligations set forth in the Independent Evaluator Agreement and the Evaluation Plan. The State is not required to file any suit in equity or at law to enforce the Independent Evaluator's obligations. Such enforcement rights shall include the termination and replacement of the Independent Evaluator under the Independent Evaluator Agreement for failure to comply with its obligations hereunder or thereunder. Any such termination or replacement is subject to Approval of the Governance Committee. The Independent Evaluator will be permitted to terminate the Independent Evaluator Agreement in accordance with its terms with the effect described in 8.04(e) hereof. The State shall provide written notice to the Lead Provider and the Investors within fifteen (15) days after the voluntary withdrawal or termination of the Independent Evaluator.

Section 5.05 Performance of Subcontract Service Providers. The Lead Provider will be responsible for enforcing the Subcontract Service Provider Agreements; provided, however, that the Lead Provider's resources for enforcing such contracts are limited to the assets within the Operating Account. The Lead Provider is not required to file any suit in equity or at law to enforce the Subcontract Service Provider Agreements. Such enforcement rights shall include the termination and replacement of a Subcontract Service Provider for failure to comply with its obligations thereunder. Any such replacement is subject to Approval of the Governance Committee. A Subcontract Service Provider will be permitted to terminate its Subcontract Service Provider Agreement in accordance with the terms of such agreement with the effect described in Section 8.02(e) hereof. The Lead Provider shall provide written notice to the State and the Investors within fifteen (15) days after the voluntary withdrawal or termination of a Subcontract Service Provider.

Section 5.06 Investor Consent. For purposes of this Contract, "**Investor Consent**" means concurrence of one hundred percent (100%) of the Investors. The Lead Provider shall be responsible for notifying the Investors within the time frames set forth in the Investment Documents regarding any matter for which Investor Consent is required under this Contract by providing the Investors with a description of the matter submitted for Investor Consent. The Investors shall provide written notice (including email notice) to the Lead Provider of whether or not Investor Consent has been obtained regarding such matter as soon as possible, but in all events within ten (10) Business Days from the date of receipt of all information that the Investors may reasonably request in order to provide such Investor Consent. The failure of the Investors to provide Investor Consent within such period of time shall constitute withholding of Investor Consent.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF THE LEAD PROVIDER

The Lead Provider hereby represents and warrants to the State as of the date hereof and on the date of each disbursement pursuant to this Contract as follows:

Section 6.01 Organization, Good Standing, and Qualification. The Lead Provider represents and warrants that it is a nonprofit corporation organized, validly existing, and in good standing under the laws of the State of Colorado, is qualified to conduct business in the State, and has all requisite corporate power and authority to own, operate and lease its properties and assets, to carry on its business as currently conducted, to provide services in accordance with this Contract, and to enter into and perform its obligations under this Contract.

Section 6.02 Authorization; Enforceability. The Lead Provider has all requisite power and authority to enter into, execute, and deliver this Contract and perform its obligations hereunder. The execution and delivery of this Contract and the performance hereunder have been duly authorized by all necessary corporate action on the part of the Lead Provider, and no other proceedings or actions on the part of the Lead Provider are necessary to authorize the execution and delivery of this Contract by the Lead Provider. This Contract has been duly and validly executed and delivered by the Lead Provider and constitutes the valid and binding obligation of the Lead Provider, enforceable in accordance with its terms, except as enforcement may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights generally, or (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

Section 6.03 Non-Contravention. The execution and delivery of this Contract by the Lead Provider does not, and the performance by the Lead Provider of its obligations hereunder and the consummation of the transactions contemplated hereby shall not: (a) conflict with, result in any violation of, constitute (with or without notice or lapse of time or both) a default under, result in or give to any person or another party a right of termination, cancellation or acceleration of any obligation under: (i) any provision of the articles of organization, operating agreement, or other applicable organizational documents of the Lead Provider; (ii) any contract, lease, agreement, or instrument by which the Lead Provider is bound or to which the Lead Provider's assets or properties are subject; or (iii) any law or governmental order applicable to or binding on the Lead Provider or any of the Lead Provider's assets and properties (except in each of (i), (ii), or (iii), where such conflict, violation, default, termination, cancellation, acceleration, or loss would not reasonably be expected to have a material adverse effect on the Lead Provider or its ability to perform under this Contract).

Section 6.04 Governmental Consents. No consent, approval, authorization, license, governmental order or permit of, or declaration, filing or registration with, or notification to, any governmental authority is required to be made or obtained, and no consent or approval of any other person is required by the Lead Provider in connection with the execution, delivery, and performance of this Contract or the consummation of the transactions contemplated hereby.

Section 6.05 Compliance with Laws; Litigation.

(a) To the knowledge of the Lead Provider, the Lead Provider is in material compliance with all applicable laws, including, without limitation, laws that are applicable to its properties and assets, the conduct of its operations, and the performance of its services.

(b) There is no action of any nature pending or, to the knowledge of the Lead Provider, threatened, relating to, or affecting the Lead Provider or any of its properties or assets, or that challenges or seeks to prevent, enjoin, or delay the transactions contemplated in this Contract, nor, to the knowledge of the Lead Provider, is there any reasonable basis therefor or any facts, threats, claims, or allegations that would reasonably be expected to result in any such action.

(c) To the knowledge of the Lead Provider, none of its current officers or directors has been convicted of, or pleaded guilty to, or entered a plea of no contest to, any felony.

Section 6.06 Financial Statements.

(a) Prior to accepting any funds, the Lead Provider will have in place systems and processes that are customary for a non-profit corporation formed under the laws of the State of Colorado, which may include entering into an agreement with a third party to provide such services to the Lead Provider and that are designed to: (i) provide reasonable assurances regarding the reliability of its financial statements, and (ii) in a timely manner accumulate and communicate to the Lead Provider's principal representatives the type of information that is required to be disclosed in its financial statements.

(b) Neither the Lead Provider, nor, to the knowledge of the Lead Provider, any of its affiliates, employees, if any, auditors, accountants or representatives has received or otherwise obtained knowledge of any complaint, allegation, assertion or claim, whether written or oral, regarding the adequacy of the accounting systems and processes described under Section 6.06(a) or the accuracy or integrity of its financial and accounting systems. To the knowledge of the Lead Provider, no employee, if any, has provided or threatened to provide information to any governmental authority regarding the commission of any crime or the violation of any law applicable to the Lead Provider or any part of its operations.

Section 6.07 Disclosure. None of the representations or warranties of the Lead Provider contained herein, and none of the other information or documents furnished or to be furnished to the State or any of its representatives by the Lead Provider on or prior to the Performance Start Date, contains any untrue statement of a material fact.

Section 6.08 Use of Proceeds. The Lead Provider will use the amounts deposited in the Operating Account in the manner specified in Article 3 and Exhibit F of this Contract.

Section 6.09 Covenants. The Lead Provider hereby covenants from and after the Performance Start Date, as follows:

(a) Access to Information. The Lead Provider's books and records shall be maintained at its principal office. The Lead Provider shall and shall cause its officers, employees, auditors, and agents to afford the officers, employees, and authorized agents and representatives of the State and Investors reasonable access, during normal business hours and upon a minimum of five (5)

Business Days' notice, to its books and records directly related to this Contract. Furthermore, the Lead Provider shall cause its fiscal agent, if any, to make its management, employees, officers, directors, accountants, and auditors available to State representatives as the State may from time-to-time reasonably request, during normal business hours and upon a minimum of five (5) Business Days' notice; provided that if the Lead Provider is not performing in accordance with this Contract, and such concerns have been raised by the Governance Committee, then the Lead Provider will provide, or will cause its fiscal agent, if any, to provide, the access as described in this Section on one (1) Business Days' notice.

(b) Confidentiality and Non-Disclosure. The Lead Provider hereby agrees to be bound by any applicable confidentiality and non-disclosure terms and conditions of the State set forth in Section 9.18, and in accordance therewith, shall adhere to the requirements and protocols relating to the protection, use, and disclosure of data and information related to the Denver Project Services and the Eligible Referrals.

(c) Lead Provider's Activities. The Lead Provider's obligations under this Contract are limited to the express requirements of this Contract, and the Lead Provider shall have no obligation to perform any other services or engage in any other activities not set forth herein.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES OF THE STATE

The State hereby represents and warrants to the Lead Provider as of the date hereof and on the date of each disbursement pursuant to this Contract as follows:

Section 7.01 Authorization; Enforceability. The State represents and warrants that it has all requisite power and authority to enter into, execute and to deliver this Contract and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Contract, the performance of the obligations hereunder, and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the State, and no other proceedings or actions on the part of the State are necessary to authorize the execution and delivery of this Contract and the consummation of the transactions contemplated hereby.

Section 7.02 Posting of PFS Contract. Pursuant to C.R.S. § 24-37-403(3), this Contract, in substantially the form executed by the Parties, was posted on the OSPB's website for public comment from November 15 to 27, 2018. This Contract has been duly and validly executed and delivered by the State and constitutes a valid and binding obligation of the State, enforceable in accordance with its terms, except as enforcement may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights generally, or (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

Section 7.03 Non-Contravention. The execution and delivery of this Contract by the State does not, and the performance by the State of its obligations hereunder and the consummation of the transactions contemplated hereby shall not conflict with, result in any violation of, constitute (with or

without notice or lapse of time or both) a default under, result in or give to any person or another party a right of termination, cancellation, or acceleration of any obligation or result in a loss of a benefit or an increase in a cost or liability under any provision of the constitution or laws of the State.

Section 7.04 Covenants as to the Account. The State covenants and agrees that the funds annually appropriated by the General Assembly, deposited into the Account, and designated for the Denver Project shall be encumbered each Fiscal Year, and the aggregate amount of funds appropriated to the Account and designated for the Denver Project shall be encumbered before the completion of the Term for making the Direct Payments, Success Payments, and Cross-Collateral Payment, if any, owing under this Contract in accordance with Article 4. The State agrees not to encumber such funds in favor of any other party or for any purpose other than the payment of the Direct Payments, Success Payments, and Cross-Collateral Payment, if any, contemplated hereunder.

Section 7.05 Full Funding for Denver Project Evaluation. The State represents and warrants that it has secured in writing a commitment for philanthropic funding sufficient to fully pay for the cost of the Denver Project's evaluation, that it will ensure the Denver Project evaluation is fully funded per this commitment, that it will confirm this full funding in writing to the Lead Provider by the Performance Start Date of this Contract, and that it will leverage its option to stop payment of grant funding to the evaluator under the Independent Evaluator Agreement to enforce full compliance with the Independent Evaluator Agreement.

ARTICLE 8

TERMINATION; REMEDIES

Section 8.01 Early Termination; Notice; Wind-Down Period. This Contract may be terminated prior to the end of the Term under certain circumstances provided in Sections 8.02, 8.03, 8.04, 8.05, and 8.06 hereof (each, an **"Early Termination Event"**). If a Party desires to exercise its right to terminate the Contract due to an Early Termination Event, it shall provide the other Party and the Governance Committee with ninety (90) days' written notice of termination. Except in the event of an acceptable workout pursuant to Section 8.07(b), during such ninety-day notice period (the **"Wind-Down Period"**), the Lead Provider shall provide Denver Project Services essential to complete the wind-down of the Denver Project, in accordance with the Denver Project Budget (the **"Wind-Down Services"**).

Section 8.02 Termination for Cause. This Contract may be terminated for cause (i) by the State without Investor Consent or (ii) by the Lead Provider with Investor Consent or at the direction of Investors in accordance with the Investment Documents (**"Investor Direction"**) as follows:

(a) TUS Deficiency. During the Term, the Lead Provider shall provide regular updates to the Operating Committee regarding TUS and shall promptly notify the Governance Committee if the TUS is below forty-five percent (45%) (the **"TUS Minimum Threshold"**). If, based on six months of TUS, the TUS is below the TUS Minimum Threshold, any voting member of the Governance Committee may request that the Project Sponsor submit a corrective action plan to address the deficiency within sixty (60) days of such request. On April 1, 2020, the Independent Evaluator shall

certify to the Governance Committee average TUS for calendar year 2019. If, on April 1, 2020, TUS is below forty percent (40%), the State without Investor Consent or the Lead Provider with Investor Consent may terminate this Contract, or the Lead Provider at Investor Direction shall terminate this Contract.

(b) Low Enrollment. The minimum enrollment threshold for the Denver Project is seventy percent (70%) of the overall Denver Project enrollment target based on projected annual enrollment levels shown in the Evaluation Plan (the “**Minimum Enrollment Threshold**”). The Lead Provider shall provide regular updates to the Governance Committee regarding Denver Project enrollment, and the Independent Evaluator shall provide periodic updates to the Governance Committee as specified in the Evaluation Plan. If Denver Project enrollment falls below seventy-five percent (75%) of the enrollment target on or after six months after the Performance Start Date, any voting member of the Governance Committee may request the Lead Provider to submit, within sixty (60) days of such request, a corrective action plan to address the deficiency. If Denver Project enrollment for calendar year 2019 is below seventy percent (70%) of the enrollment target based on the Independent Evaluator’s assessment of project enrollment for that calendar year, then any member of the Governance Committee may request a second assessment of Denver Project enrollment for the first six months of calendar year 2020 by the Independent Evaluator, which second assessment shall be submitted to the Governance Committee by August 1, 2020. If, following receipt of a second assessment of Denver Project enrollment as set forth herein, the Denver Project enrollment is still below seventy percent (70%) of the Denver Project enrollment target, the State without Investor Consent or the Lead Provider with Investor Consent may terminate this Contract, or the Lead Provider at Investor Direction shall terminate this Contract.

(c) Reserved.

(d) Evaluation Failure. The voluntary withdrawal of the Independent Evaluator in accordance with the Independent Evaluator Agreement or the termination of the Independent Evaluator as a result of Independent Evaluator’s uncured default under the Independent Evaluator Agreement, and within ninety (90) days after the voluntary withdrawal or termination of the Independent Evaluator, a replacement independent evaluator has not received the Approval of the Governance Committee.

(e) Subcontract Service Provider Withdrawal or Termination. The voluntary withdrawal by a Subcontract Service Provider under a Subcontract Service Provider Agreement or the termination of a Subcontract Service Provider as a result of such Subcontract Service Provider’s uncured default under a Subcontract Service Provider Agreement and within forty-five (45) days after the voluntary withdrawal or termination of a Subcontract Service Provider, a replacement Subcontract Service Provider has not received the Approval of the Governance Committee.

Section 8.03 Lead Provider Termination for Cause. The Lead Provider may, but is not required to (except at Investor Direction), terminate this Contract for cause by delivery of written notice

to the State under the following circumstances, subject to Investor Consent, unless termination is pursuant to Section 8.03(e) or 8.03(g):

(a) Failure of the State to Make Direct Payments, Success Payments, or Cross-Collateral Payment When Due. Provided that the Lead Provider is not in Material Breach under this Contract and an Early Termination Event has not otherwise taken place, if the State fails to make any Direct Payment, Success Payments, or Cross-Collateral Payment as required by this Contract in accordance with Article 4, the Lead Provider shall provide notice to the State of such failure, and the State will have an additional fifteen (15) days after the giving of such notice to make such payment. Unless the Lead Provider is in Material Breach under this Contract, the State's continued failure to make such a payment after the additional fifteen (15) day period is an Early Termination Event. If the Lead Provider is in Material Breach under this Contract, and the Lead Provider has not cured such default, then failure to make such a payment is not an Early Termination Event. For purposes of this Contract, a "**Material Breach**" means a breach of this Contract (including any exhibits hereto) by a Party that would either (i) reasonably be expected to materially adversely impact transfer to the Investors of the Success Payments or Cross-Collateral Payment, if any, or (ii) be a material violation of applicable law.

(b) Failure of the State to Enforce the Independent Evaluator Agreement. After receiving fifteen (15) days' written notice from the Lead Provider, after expiration of all applicable notice and cure periods, the State fails to enforce the terms of the Independent Evaluator Agreement such that (i) an on-going event of default is continuing under such agreement, and (ii) the State is not diligently exercising its contractual remedies to cure such default.

(c) Material Breach by the State. The State Materially Breaches any of its obligations under this Contract other than those that give rise to an event described in paragraph (a) or (b) above, and fails to cure such breach within thirty (30) days following written notice from the Lead Provider (provided that if such default by nature cannot reasonably be cured with due diligence within thirty (30) days, then the State shall continue to diligently pursue a cure within sixty (60) days of receiving notice).

(d) Transfer or Appropriations Failure. Provided that the Lead Provider is not in Material Breach under this Contract and an Early Termination Event has not otherwise taken place, if (i) the State fails to transfer monies for deposit into the Account for the current State fiscal year in the amount needed to maintain the fund balances described in Exhibit F hereof by August 1 of each State fiscal year or (ii) the State fails by the close of any regular legislative session to appropriate funds in the amount needed to make the Direct Payments, Success Payments, and Cross-Collateral Payment, if any, described in this Contract with respect to the following State fiscal year, then the Lead Provider may terminate this Contract; provided, however, that if the State notifies the Lead Provider in writing on or before the fifth Business Day following June 15 that it intends to request that the amount described in (i) be transferred by July 20 of the State fiscal year in question, then the Lead Provider may not terminate this Contract unless the amount is not transferred or appropriated by such July 20. Such termination is made pursuant to and in accordance with the terms of this Contract, and any such transfer or appropriations failure shall not be considered to be a breach or default on the part of the State, and,

except as otherwise set forth herein, shall not result in the State having liability to the Lead Provider or any third party for any penalty, liability, or other expense.

(e) Failure Under the Investment Documents. A failure to fund or an “event of default” by the Investors under the terms of the Investment Documents, after the expiration of any applicable notice and cure provisions. Notwithstanding anything in this Contract to the contrary, an Early Termination Event under this Section 8.03(e) shall not require Investor Consent.

(f) Legislative Change. Amendments, modifications, or repeals to C.R.S. § 24-37-403 materially alter scheduled transfers into the Fund or into the Account such that future Direct Payments, Success Payments, or Cross-Collateral Payment cannot reasonably be made.

(g) Material Change to Contract. The Governance Committee approves a material amendment to this Contract, including, but not limited to, the provisions set forth in Section 5.02(j), without the concurrence of the Lead Provider. Notwithstanding anything in this Contract to the contrary, an Early Termination Event under this Section 8.03(g) shall not require Investor Consent.

Section 8.04 State Termination for Cause. The State may, but is not required, to terminate this Contract for cause under the following circumstances:

(a) Material Breach of this Contract by the Lead Provider. If the Lead Provider Materially Breaches (other than due to a breach by the State of this Contract) any of its obligations under this Contract and fails to cure such breach within forty-five (45) days following receipt of written notice from the State or the Investors (provided that if such default by nature cannot reasonably be cured with due diligence within forty-five (45) days, then the Lead Provider shall continue to diligently pursue a cure within sixty (60) days of receiving the notice), then the State may terminate this Contract.

(b) Failure of the Lead Provider to Enforce a Subcontract Service Provider Agreement. After receiving fifteen (15) days’ written notice from the State, after expiration of all applicable notice and cure periods, the Lead Provider fails to enforce the terms of a Subcontract Service Provider Agreement such that (i) an on-going event of default is continuing under such agreement, and (ii) the Lead Provider is not diligently exercising its contractual remedies to cure such default.

Section 8.05 Termination by Either Party of the Contract. With Investor Consent, either Party may, but is not required to, terminate this Contract by delivery of written notice to the other Party under the following circumstances:

(a) Force Majeure. Upon the occurrence of any event which is outside the reasonable control of the Party concerned and is not attributable to any act or failure to take preventative action by that Party, including acts of God or any other disaster, natural or manmade, acts of terrorism or similar cause beyond the reasonable control of the Party affected thereby, union strikes, or any other event which prevents a Party from performing its material obligations under this Contract for a period in excess of three (3) months.

Section 8.06 Automatic Termination of the Contract. Subject to Investor Consent or at Investor Direction, this Contract shall terminate in the event that the State and the Lead Provider mutually consent in writing to terminate this Contract.

Section 8.07 Effect of Termination of the Contract.

(a) The Lead Provider shall provide notice to Investors of the occurrence of an Early Termination Event as follows:

- (i) If an Early Termination Event occurs that permits the Lead Provider to terminate this Contract, then, within five (5) Business Days of the occurrence of such Early Termination Event, the Lead Provider shall notify the Investors of such Early Termination Event and whether or not the Lead Provider desires to terminate this Contract. Except for termination in accordance with Sections 8.03(e) and 8.03(g), the Lead Provider shall not terminate this Contract without Investor Consent. If an Early Termination Event occurs that permits the Lead Provider to terminate this Contract, the Investors shall have the right, pursuant to the Investment Documents, to direct the Lead Provider to terminate this Contract.
- (ii) If an Early Termination Event occurs that permits the State to terminate this Contract, then, within five (5) Business Days of receiving written notice of such Early Termination Event, the Lead Provider shall notify the Investors of such Early Termination Event.

(b) If either Party delivers a written notice of termination as a result of an Early Termination Event, then Investors shall have a period of sixty (60) days following receipt of the Lead Provider's notice of such Early Termination Event to propose a workout by which the Denver Project may continue by replacing the Lead Provider as a party to this Contract. If the State consents to the proposed workout (which consent shall not be unreasonably withheld), then the State, the Lead Provider, the Investors, and the Governance Committee shall work in good faith to implement the workout and the Lead Provider shall provide such assistance as shall be reasonably requested, including without limitation:

- (i) Preserving all records relating to the Denver Project and, upon the request of the Investors or the State, turning such records over to such successor(s) as may be reasonably requested within forty-five (45) days of the effective date of replacement.
- (ii) Designating one or more representatives to be available to such successor(s) within forty-five (45) days of the effective date of replacement, at such times and with such frequency as may be reasonably requested.

- (iii) Turnover of all remaining funds in the Operating Account and an accounting of all previously-expended funds.

(c) In connection with a proposed workout, the successor to the Lead Provider shall assume all obligations of the Lead Provider arising on and after the effective date of the replacement (but not those arising before the effective date) and shall enter into an assignment with the Lead Provider, in form and substance satisfactory to the Lead Provider, in which the successor shall (i) assume the obligations and succeed to the rights of the Lead Provider and (ii) hold the Lead Provider harmless against any obligations with respect to the Denver Project that accrue after the effective date of the replacement. No pre-replacement Material Breach shall be attributed to the successor, but the State may condition the replacement on specific actions that the successor must take in connection with any uncured pre-replacement Material Breach.

(d) Notwithstanding any other provision of this Contract, if the State does not agree to a workout proposed by the Investors, then the determination of Success Payments and any Cross-Collateral Payment shall be made in accordance with Section 4.13 of this Contract and this Contract shall terminate in accordance with this Article 8.

(e) Reserved.

(f) Upon an Early Termination Event that results in termination of this Contract, the Parties shall cooperate in the delivery of the Wind-Down Services.

- (i) The Lead Provider shall make the following payments from the Operating Account in the following order of priority:

- (I) First, all Success Payments and any Cross-Collateral Payment earned in accordance with this Contract and deposited into the Investment Funds Subaccount shall be paid to the Investors in accordance with the Investment Documents.
- (II) Second, unreimbursed Total Project Costs or expenses incurred by the Lead Provider prior to an Early Termination Event resulting in termination of this Contract and Approved by the Governance Committee shall be paid to the Lead Provider in accordance with Section 3.04.
- (III) Third, costs and expenses incurred by the Lead Provider for providing the Wind-Down Services during the Wind-Down Period and Approved by the Governance Committee shall be paid to the Lead Provider in accordance with Section 3.04.
- (IV) Fourth, all unspent Investment Funds in the Investment Funds Subaccount shall be paid to the Investors in accordance with the Investment Documents.

(V) Fifth, any funds remaining in the Direct Payments Subaccount shall either be repaid to the State or, at the State's election, shall be retained by the Lead Provider and used for the purposes identified in writing by the State in the State's sole discretion and delivered to the Lead Provider.

(g) After such time that the Lead Provider disburses all funds from the Operating Account in accordance with Section 8.07(f), this Contract shall be of no further force and effect, and the Parties shall have no liability in connection therewith, except that in the event the State owes additional Early Success Payments based on the formulas set forth in Section 4.13, the Lead Provider shall maintain the Investment Funds Subaccount of the Operating Account until such time as the Early Success Payments, if any, are made to the Lead Provider and disbursed to the Investors.

Section 8.08 Enforcement of Rights. In the event the Lead Provider misappropriates funds hereunder or commits fraud with respect to the handling of funds in the Operating Account, the State may proceed to protect its rights hereunder and may exercise any other right or remedy upon such default as may be granted under any other applicable provisions of law. The State's sole remedy against the Lead Provider under this Contract, in the absence of a misappropriation of funds or the Lead Provider's commission of fraud, is to terminate this Contract. Notwithstanding anything in this Contract to the contrary, and subject to Investors' rights under the Investment Documents, the State shall not have recourse to any assets of the Lead Provider outside of the Operating Account except to the extent of misappropriation of funds or fraud in handling the funds in the Operating Account.

Section 8.09 Cure. For purposes of this Article 8 and this Contract generally, "cure" means, with respect to a particular set of facts and circumstances constituting an Early Termination Event, that a Party has taken actions such that there is no longer an Early Termination Event, including by implementing or modifying appropriate procedures.

Section 8.10 No Obligation to Compel. Notwithstanding anything in this Contract to the contrary, neither the Lead Provider nor the State shall have an obligation under this Contract to compel compliance by the other Party on behalf of any other party, including, without limitation, the Investors, nor shall the Lead Provider or the State have any obligation to file any suit in equity or at law on behalf of any other party.

ARTICLE 9

AMENDMENT; MISCELLANEOUS

Section 9.01 Amendment. With Investor Consent, this Contract may be amended in writing by the Parties for any reason, including, but, not limited to substitution of one or more of the exhibits hereto, or to extend the term of this Contract.

Section 9.02 Successors and Assigns. The Lead Provider shall not assign its rights, duties, and obligations under this Contract, except to the Investors if an Event of Default has occurred pursuant to a collateral assignment of contract and contract rights from the Lead Provider to the Investors, without

the consent of the State and Investor Consent. The rights and obligations of the Lead Provider shall inure to and be binding upon its respective successors and assigns.

Section 9.03 Notices. Any request, authorization, direction, notice, consent, waiver or other document provided by this Contract shall be in writing and shall be deemed sufficiently given, except as otherwise provided in this Contract, when emailed, mailed by registered or certified mail, postage prepaid, sent by reputable overnight courier, subject to recognition or delivered during business hours to the State, the Lead Provider, and the Investors at the addresses as follows:

To the State: State of Colorado
Attn: Pay for Success Denver Project Manager
Colorado State Capitol, Room 136
Denver, Colorado 80203
Email: roger.low@state.co.us

With a Copy To: State of Colorado
Governor's Office of Legal Counsel
Colorado State Capitol, Room 136
Denver, Colorado 80203

To the Lead Provider: Savio Management Group
Attn: SMG Coordinator
1530 W. 13th Ave.
Denver, CO 80204
Email: lmorris@saviogroup.org

To Investors: The Piton Foundation
Attn: Cindy Willard
1705 17th Street, Suite 200
Denver, CO 80202
Email: cwillard@denverfoundation.org

The Northern Trust Company
Attn: Deborah Kasemeyer
50 South LaSalle
Chicago, IL 60603
Email: dkl@ntrs.com

As to all of the foregoing, to such other address as the addressee shall have given in writing to the one giving notice. Notice hereunder may be waived prospectively or retroactively by the Person entitled to the notice, but no waiver shall affect any notice requirement as to other Persons. Any of the foregoing addressees may change its address by giving notice to the others in accordance with this Section.

Section 9.04 Agreement Not for the Benefit of Other Parties.

(a) Except as set forth in clause (b) of this Section 9.04, this Contract is not intended for the benefit of and shall not be construed to create rights in parties other than the State and the Lead Provider.

(b) The State acknowledges that the Lead Provider may collaterally assign its rights under this Contract to the Investors in accordance with a collateral assignment that may be executed contemporaneously with or subsequent to the date hereinabove (together with their successors and assigns, the “**Assignees**”) as collateral for the obligations of the Lead Provider to the Assignees, and, provided that the collateral assignment comports with the terms of this Contract, the State hereby consents to such collateral assignment. Whether or not the Lead Provider executes any such collateral assignment, the Parties agree that all of the provisions of this Contract that provide for the disbursement or transfer of funds to or for the benefit of the Investors, the delivery of notice, information, or documents to the Investors, the approval of or consent by the Investors, directions that the Investors are permitted to give, and the Investors’ participation with respect to the Operating Committee and the Governance Committee are intended for the specific and direct benefit of the Investors; that neither the State nor the Lead Provider may modify or terminate such provisions (including this Section 9.04(b)) without Investor Consent; that the Investors shall be deemed third-party beneficiaries of such provisions; and that the Investors shall be entitled to enforce such provisions in the same manner and to the same extent as though the Investors were a party to this Contract for such purposes.

Section 9.05 Severability. In case any provision of this Contract shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, provided that the allocation of benefits and burdens under this Contract shall not thereby be materially altered.

Section 9.06 Counterparts. This Contract may be executed and delivered in any number of counterparts, each of which shall be deemed to be an original, but such counterparts together shall constitute one and the same instrument.

Section 9.07 Captions. The captions and table of contents of this Contract are for convenience only and shall not affect the construction hereof.

Section 9.08 Governing Law. All issues concerning this Contract shall be governed by and construed in accordance with the laws of the State without giving effect to any choice of law or conflict of law provision or rule (whether of the State or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State.

Section 9.09 Extension. Any extensions of this Contract must be approved by the Parties, with Investor Consent.

Section 9.10 Merger; Entire Agreement. The Parties understand and agree that their entire agreement is contained herein and in the documents, exhibits, schedules and plans referenced herein, attached hereto or entered into pursuant hereto. It is further understood and agreed that all prior understandings and agreements heretofore had between the Parties are merged in this Contract which alone fully and completely expresses their agreement and that the same is entered into after full investigation, neither Party relying on any statement or representation not explicitly set forth in this Contract.

Section 9.11 Conflicts. In the event any provision of this Contract conflicts with a right or obligation of the State or the Lead Provider, as applicable, in any other related agreement (i.e. the Independent Evaluator Agreement or the Investment Documents), this Contract shall control the rights and obligations as between the State and the Lead Provider.

Section 9.12 Insurance. During the Term of this Contract and any extension thereof, and for three (3) years after the termination or expiration of this Contract, the Lead Provider shall purchase and maintain the insurance coverage set forth in this Section 9.12.

(a) General Conditions. The Lead Provider may provide the required insurance through self-insurance, or through a combination of self-insurance and commercial liability insurance policies, which policies shall be underwritten by an insurer licensed or authorized to do business in Colorado and rated by A.M. Best Company as A- or better. The Lead Provider shall notify the State in the event any of the above-described policies are canceled or non-renewed before the expiration date thereof. Such written notice shall be sent to the parties identified in the Notices section of this Contract. Such notice shall reference the State contract number listed on the signature page of this Contract. Said notice shall be sent thirty (30) days prior to such cancellation or non-renewal unless due to nonpayment of premiums, for which notice shall be sent ten (10) days prior. If any policy is in excess of a deductible or self-insured retention, the State must be notified by the Lead Provider. The Lead Provider shall be responsible for the payment of any deductible or self-insured retention. The insurance coverages specified in this Contract are the minimum requirements, and, subject to the terms of this Contract and the Investment Documents, these requirements do not lessen or limit the liability of the Lead Provider. The Lead Provider shall maintain, at its own expense, any additional kinds or amounts of insurance that it may deem necessary to cover its obligations and liabilities under this Contract.

(b) Proof of Insurance. The Lead Provider shall provide a copy of this Contract to its risk manager, insurance agent, or broker. The Lead Provider may not commence the Denver Project Services prior to placement of the coverages set forth in this Section 9.12. The Lead Provider certifies that upon the Performance Start Date, it will furnish the State with a certificate of insurance, preferably an ACORD certificate that complies with all insurance requirements of this Contract. The State requests that the contract number for this Contract be referenced on the certificate. The State's acceptance of a certificate of insurance or other proof of insurance that does not comply with all insurance requirements set forth in this Contract shall not act as a waiver of the Lead Provider's breach of this Contract or of any of the State's rights or remedies under this Contract. The State's Risk Management

Office may require additional proof of the insurance required by this Contract, including but not limited to policies and endorsements.

(c) Additional Insureds. For Commercial General Liability, Business Automobile Liability, and Professional Liability, the Lead Provider shall include the State as additional insured.

(d) Waiver of Subrogation. For all coverages required under this Contract, the Lead Provider's insurer shall waive subrogation rights against the State.

(e) Subcontractors and Subconsultants. All subcontractors and subconsultants (including independent contractors, suppliers or other entities providing goods or services required by this Contract) shall be subject to all of the requirements herein and shall procure and maintain the same coverages required of the Lead Provider. The Lead Provider shall ensure that all such subcontractors and subconsultants maintain the required coverages. The Lead Provider agrees to provide proof of insurance for all such subcontractors and subconsultants upon request by the State.

(f) Workers' Compensation. The Lead Provider shall maintain the coverage as required by statute for each work location and shall maintain Employer's Liability insurance with limits of \$100,000 for each bodily injury occurrence claim, \$100,000 for each bodily injury caused by disease claim, and \$500,000 aggregate for all bodily injuries caused by disease claims. The Lead Provider warrants that none of the Lead Provider officers or employees who may be eligible under any statute or law to reject Workers' Compensation Insurance shall effect a rejection thereof during the Term and that any rejections previously effected have been revoked as of the date the Lead Provider executes the Agreement.

(g) Commercial General Liability. The Lead Provider shall maintain a Commercial General Liability insurance policy with limits of \$1,000,000 for each occurrence, \$1,000,000 for each personal and advertising injury claim, \$2,000,000 products and completed operations aggregate, and \$2,000,000 policy aggregate.

(h) Business Automobile Liability. The Lead Provider shall maintain Business Automobile Liability with limits of \$1,000,000 combined single limit applicable to all owned, hired and non-owned vehicles used in performing services under this Contract.

(i) Professional Liability (Errors & Omissions). If professional services are provided under this Contract, then the Lead Provider shall maintain limits of \$1,000,000 per claim and \$1,000,000 policy aggregate limit. Such policy shall include a severability of interest or separation of insured provision (no insured vs. insured exclusion) and a provision that coverage is primary and non-contributory with any other coverage or self-insurance maintained by the State.

(j) Additional Provisions.

(i) For Commercial General Liability, the policy must provide the following:

(a) That this Contract is an Insured Contract under the policy;

- (b) Defense costs are outside the limits of liability;
 - (c) A severability of interests, separation of insureds provision (no insured vs. insured exclusion); and
 - (d) A provision that coverage is primary and non-contributory with other coverage or self-insurance maintained by the State.
- (ii) For claims-made coverage:
- (a) The retroactive date must be on or before the Performance Start Date or the first date when any Denver Project Services are provided under this Contract, whichever is earlier.
 - (b) The Lead Provider shall advise the State in the event any general aggregate or other aggregate limits are reduced below the required per occurrence limits. At its own expense, and where such general aggregate or other aggregate limits have been reduced below the required per occurrence limit, the Lead Provider will procure such per occurrence limits and furnish a new certificate of insurance showing such coverage is in force.

Section 9.13 Examination of Records. Any authorized agent of the State has the right to access and the right to examine any pertinent books, documents, papers, and records of the Lead Provider, involving transactions related to the Contract until the latter of three (3) years after the final payment under the Contract or expiration of the applicable statute of limitations.

Section 9.14 No Authority to Bind State to Contracts. The Lead Provider lacks any authority to bind the State on any contractual matters. Final approval of all contractual matters that purport to obligate the State must be executed by an authorized agent of the State.

Section 9.15 No Discrimination in Employment. In connection with the performance of work under the Contract, the Lead Provider may not refuse to hire, discharge, promote or demote, or discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, gender variance, marital status, or physical or mental disability. The Lead Provider shall insert the foregoing provision in all subcontracts.

Section 9.16 Execution of Contract. The Contract will not be effective or binding on the Parties until it has been fully executed by all required signatories of the State and the Lead Provider. This Contract may be executed in multiple, identical, original counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

Section 9.17 No Employment of Illegal Aliens to Perform Work Under the Contract.

- (a) The Lead Provider certifies that:
 - (i) At the time of its execution of this Contract, it does not knowingly employ or contract with an illegal alien who will perform work under this Contract.
 - (ii) It will participate in the E-Verify Program, as defined in § 8-17.5-101(3.7), C.R.S., to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement.
- (b) The Lead Provider also agrees and represents that:
 - (i) It shall not knowingly employ or contract with an illegal alien to perform work under the Contract.
 - (ii) It shall not enter into a contract with a subconsultant or subcontractor that fails to certify to the Lead Provider that it shall not knowingly employ or contract with an illegal alien to perform work under the Contract.
 - (iii) It has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this Contract, through participation in the E-Verify Program.
 - (iv) It is prohibited from using the E-Verify Program procedures to undertake pre-employment screening of job applicants while performing its obligations under the Contract, and it is required to comply with any and all federal requirements related to use of the E-Verify Program including, by way of example, all program requirements related to employee notification and preservation of employee rights.
 - (v) If it obtains actual knowledge that a subconsultant or subcontractor performing work under the Contract knowingly employs or contracts with an illegal alien, it will notify such subconsultant or subcontractor and the State within three (3) days. The Lead Provider shall also terminate such subconsultant or subcontractor if within three (3) days after such notice the subconsultant or subcontractor does not stop employing or contracting with the illegal alien, unless during such three-day period the subconsultant or subcontractor provides information to establish that the subconsultant or subcontractor has not knowingly employed or contracted with an illegal alien.

- (vi) It will comply with any reasonable request made in the course of an investigation by the Colorado Department of Labor and Employment under authority of § 8-17.5-102(5), C.R.S.

(c) If the Lead Provider violates any provision of this section, the State may terminate this Contract for a breach of the Contract. If the Contract is so terminated, the Lead Provider shall be liable for actual damages to the State. Any such termination of a contract due to a violation of this section may also, at the discretion of the State, constitute grounds for disqualifying the Lead Provider from submitting bids or proposals for future contracts with the State.

Section 9.18 Confidential Information. To the extent permitted by law and subject to the data-sharing/business associate agreements to which it is a party, the Lead Provider shall share health records and personally identifiable information of Participants (the “**Confidential Information**”) with the Independent Evaluator to allow the Independent Evaluator to perform the scope of work set forth in the Independent Evaluator Agreement. The Lead Provider shall not share the Confidential Information with the State.

Section 9.19 Compliance with All Laws. The Lead Provider shall perform or cause to be performed all services in full compliance with all applicable laws, rules, regulations and codes of the United States and the State of Colorado.

Section 9.20 No Construction Against Drafting Party. The Parties and their respective counsel have had the opportunity to review the Contract, and the Contract will not be construed against any party merely because any provisions of the Contract were prepared by a particular Party.

Section 9.21 Order of Precedence. In the event of conflicts or inconsistencies between this Contract and any Exhibits or attachment, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority:

- i. Colorado Special Provisions
- ii. The provisions of the main body of this Contract
- iii. Exhibit A, Definitions
- iv. Exhibit B, Evaluation Plan
- v. Exhibit C, Form of Subcontract Service Provider Agreement
- vi. Exhibit D, Independent Evaluator Agreement
- vii. Exhibit E, Denver Project Budget
- viii. Exhibit F, Schedule of Direct Payments
- ix. Exhibit G, Project Cash Flow

ARTICLE 10

COLORADO SPECIAL PROVISIONS (Colorado Fiscal Rule 3-3)

These Special Provisions apply to all contracts except where noted in italics.

A. STATUTORY APPROVAL. §24-30-202(1), C.R.S.

This Contract shall not be valid until it has been approved by the Colorado State Controller or designee. If this Contract is for a Major Information Technology Project, as defined in §24-37.5-102(2.6), then this Contract shall not be valid until it has been approved by the State's Chief Information Officer or designee.

B. FUND AVAILABILITY. §24-30-202(5.5), C.R.S.

Financial obligations of the State payable after the current State Fiscal Year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

C. GOVERNMENTAL IMMUNITY.

Liability for claims for injuries to persons or property arising from the negligence of the State, its departments, boards, commissions committees, bureaus, offices, employees and officials shall be controlled and limited by the provisions of the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S.; the Federal Tort Claims Act, 28 U.S.C. Pt. VI, Ch. 171 and 28 U.S.C. 1346(b), and the State's risk management statutes, §§24-30-1501, et seq. C.R.S. No term or condition of this Contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, contained in these statutes.

D. INDEPENDENT CONTRACTOR

Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of the State. Contractor shall not have authorization, express or implied, to bind the State to any agreement, liability or understanding, except as expressly set forth herein. **Contractor and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Contractor or any of its agents or employees. Contractor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this Contract. Contractor shall (i) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (ii) provide proof thereof when requested by the State, and (iii) be solely responsible for its acts and those of its employees and agents.**

E. COMPLIANCE WITH LAW.

Contractor shall comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

F. CHOICE OF LAW, JURISDICTION, AND VENUE.

Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Contract. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. All suits or actions related to this Contract shall be filed and proceedings held in the State of Colorado and exclusive venue shall be in the City and County of Denver.

G. PROHIBITED TERMS.

Any term included in this Contract that requires the State to indemnify or hold Contractor harmless; requires the State to agree to binding arbitration; limits Contractor's liability for damages resulting from death, bodily injury, or damage to tangible property; or that conflicts with this provision in any way shall be void ab initio. Nothing in this Contract shall be construed as a waiver of any provision of §24-106-109 C.R.S. Any term included in this Contract that limits Contractor's liability that is not void under this section shall apply only in excess of any insurance to be maintained under this Contract, and no insurance policy shall be interpreted as being subject to any limitations of liability of this Contract.

H. SOFTWARE PIRACY PROHIBITION.

State or other public funds payable under this Contract shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies and warrants that, during the term of this Contract and any extensions, Contractor has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Contractor is in violation of this provision, the State may exercise any remedy available at law or in equity or under this Contract, including, without limitation, immediate termination of this Contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.

I. EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. §§24-18-201 and 24-50-507, C.R.S.

The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this Contract. Contractor has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Contractor's services and Contractor shall not employ any person having such known interests.

J. CONTRACTOR OFFSET AND ERRONEOUS PAYMENTS. §§24-30-202(1) and 24-30-202.4, C.R.S.

[Not applicable to intergovernmental agreements] Subject to §24-30-202.4(3.5), C.R.S., the State Controller may withhold payment under the State's Contractor offset intercept system for debts owed to State agencies for: **(i)** unpaid child support debts or child support arrearages; **(ii)** unpaid balances of tax, accrued interest, or other charges specified in §§39-21-101, *et seq.*, C.R.S.; **(iii)** unpaid loans due to the Student Loan Division of the Department of Higher Education; **(iv)** amounts required to be paid to the Unemployment Compensation Fund; and **(v)** other unpaid debts owing to the State as a result of final agency determination or judicial action. The State may also recover, at the State's discretion, payments made to Contractor in error for any reason, including, but not limited to, overpayments or improper payments, and unexpended or excess funds received by Contractor by deduction from subsequent payments under this Contract, deduction from any payment due under any other contracts, grants or agreements between the State and Contractor, or by any other appropriate method for collecting debts owed to the State.

K. PUBLIC CONTRACTS FOR SERVICES. §§8-17.5-101, *et seq.*, C.R.S.

[Not applicable to agreements relating to the offer, issuance, or sale of securities, investment advisory services or fund management services, sponsored projects, intergovernmental agreements, or information technology services or products and services] Contractor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this Contract and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this Contract, through participation in the E-Verify Program or the State verification program established pursuant to §8-17.5-102(5)(c), C.R.S., Contractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract or enter into a contract with a Subcontractor that fails to certify to Contractor that the Subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract. Contractor **(i)** shall not use E-Verify Program or the program procedures of the Colorado Department of Labor and Employment ("Department Program") to undertake pre-employment screening of job applicants while this Contract is being performed, **(ii)** shall notify the Subcontractor and the contracting State agency or institution of higher education within 3 days if Contractor has actual knowledge that a Subcontractor is employing or contracting with an illegal alien for work under this Contract, **(iii)** shall terminate the subcontract if a Subcontractor does not stop employing or contracting with the illegal alien within 3 days of receiving the notice, and **(iv)** shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to §8-17.5-102(5), C.R.S., by the Colorado Department of Labor and Employment. If Contractor participates in the Department program, Contractor shall deliver to the contracting State agency, Institution of Higher Education or political subdivision, a written, notarized affirmation, affirming that Contractor has examined the legal work status of such employee, and

shall comply with all of the other requirements of the Department program. If Contractor fails to comply with any requirement of this provision or §§8-17.5-101, *et seq.*, C.R.S., the contracting State agency, institution of higher education or political subdivision may terminate this Contract for breach and, if so terminated, Contractor shall be liable for damages.

L. PUBLIC CONTRACTS WITH NATURAL PERSONS. §§24-76.5-101, *et seq.*, C.R.S.

Contractor, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that Contractor **(i)** is a citizen or otherwise lawfully present in the United States pursuant to federal law, **(ii)** shall comply with the provisions of §§24-76.5-101, *et seq.*, C.R.S., and **(iii)** has produced one form of identification required by §24-76.5-103, C.R.S. prior to the Effective Date of this Contract.

[SIGNATURE PAGE IS NEXT PAGE.]

IN WITNESS WHEREOF, the Parties have entered into this Contract as of the Effective Date.

**THE DENVER COLLABORATIVE PARTNERSHIP
THROUGH ITS FISCAL AGENT, SAVIO MANAGEMENT
GROUP**

By: _____

Name: Norma Aguilar-Dave


Title: Executive Director

STATE OF COLORADO

John W. Hickenlooper, Governor

The Office of State Planning and Budgeting

Lauren Larson, Executive Director

By:  _____

Name: Jason Schrock

Title: Deputy Director

In accordance with §24-30-202, C.R.S., this Contract is not valid until signed and dated below by the State Controller or an authorized delegate.

STATE CONTROLLER

Robert Jaros, CPA, MBA, JD

By:  _____
Office of the Governor, Charles Mitchell, Controller

Effective Date: 12/19/18

IN WITNESS WHEREOF, the Parties have entered into this Contract as of the Effective Date.

**THE DENVER COLLABORATIVE PARTNERSHIP
THROUGH ITS FISCAL AGENT, SAVIO MANAGEMENT
GROUP**

By: 

Name: Norma Aguilar-Dave

Title: Executive Director

STATE OF COLORADO

John W. Hickenlooper, Governor

The Office of State Planning and Budgeting

Lauren Larson, Executive Director

By: _____

Name: Jason Schrock

Title: Deputy Director

In accordance with §24-30-202, C.R.S., this Contract is not valid until signed and dated below by the State Controller or an authorized delegate.

STATE CONTROLLER
Robert Jaros, CPA, MBA, JD

By: _____
Office of the Governor, Charles Mitchell, Controller

Effective Date: _____

EXHIBIT A

Definitions

“Account” means the Youth Pay for Success Initiatives Account within the Fund.

“Act” means the Pay for Success Contracts Act, C.R.S. §§ 24-37-401 to -403, as amended from time to time.

“Approval of the Governance Committee” has the meaning set forth in Section 5.02(b) hereof.

“Assignees” has the meaning set forth in Section 9.04(b) hereof.

“Business Day” means any day other than a Saturday, Sunday, or other day on which the bank that hosts the Operating Account is authorized or required by law to remain closed.

“Call for Innovation” has the meaning set forth in the Recitals.

“Confidential Information” has the meaning set forth in Section 9.18 hereof.

“Contract” means this Pay for Success Contract between the State and the Lead Provider as the same may be amended, supplemented, or otherwise modified from time to time in accordance with the terms hereof.

“Cross-Collateral Payment” has the meaning set forth in Section 4.07 hereof.

“Cross-Collateral Payment Outcomes Report” has the meaning set forth in Section 4.07(c) hereof.

“Denver Project” means Denver Collaborative Partnership’s commitment through its fiscal agent, Savio Management Group, to provide the Denver Project Services pursuant to this Contract.

“Denver Project Budget” means the project budget attached as Exhibit E.

“Denver Project Services” means the interventions described in the Evaluation Plan directly and indirectly provided by the Lead Provider for runaway youth and their families.

“Denver Project Success Payments” means the outcome-based payments from the State that the Savio Management Group is entitled to receive for achieving certain success measures in the Denver Project.

“Direct Payments” has the meaning set forth in the Recitals.

“Direct Payments Subaccount” has the meaning set forth in Section 3.03 hereof.

“Early Success Payment(s)” has the meaning set forth in Section 4.13(a) hereof.

“Early Success Payment Formulas” has the meaning set forth in Section 4.13(a) hereof.

“Early Termination Event” has the meaning set forth in Section 8.01 hereof.

“Early Termination Reduction Factor” has the meaning set forth in Section 4.13(a)(i) hereof.

“Early Termination Review Period” has the meaning set forth in Section 4.13(a)(i) hereof.

“Effective Date” means the date this Contract is signed by the State Controller or authorized delegate; provided that the Contract has also been signed by the Lead Provider. **“Emergency Governance Committee Meeting”** has the meaning set forth in Section 5.02(d) hereof.

“Evaluation Deliverables” has the meaning set forth in Section 2.04(a) hereof.

“Evaluation Plan” means the plan attached as Exhibit B.

“Expected Termination Date” has the meaning set forth in Section 1.04(a) hereof.

“Final Outcomes Report” has the meaning set forth in Section 4.13(a) hereof.

“Fiscal Year” means the period of time starting on July 1 and ending on June 30 of the next year.

“Fund” means the Pay for Success Contracts Fund established by the Act.

“Governance Committee” has the meaning set forth in Section 5.02(a) hereof.

“Governance Committee Meetings” has the meaning set forth in Section 5.02(d) hereof.

“Independent Evaluator” means the Colorado Evaluation and Action Lab at the University of Denver, or any successor thereto.

“Independent Evaluator Agreement” means the agreement attached as Exhibit D, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with the terms thereof.

“Investment Documents” means, collectively, all agreements executed by Lead Provider and Investors for funding of the Denver Project, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with the terms hereof.

“Investment Funds” has the meaning set forth in the Recitals.

“Investment Funds Subaccount” has the meaning set forth in Section 3.03 hereof.

“Investor Consent” has the meaning set forth in Section 5.06 hereof.

“Investor Direction” has the meaning set forth in Section 8.02 hereof.

“Investors” means the Northern Trust and Piton Foundation.

“Key Stakeholder” has the meaning set forth in Section 5.01(b) hereof.

“Lead Provider” means the Savio Management Group as fiscal agent for the Project Sponsor.

“Material Breach” has the meaning set forth in Section 8.03(a) hereof.

“Minimum Enrollment Threshold” has the meaning set forth in Section 8.02(b) hereof.

“MST Project” means a commitment by the Colorado Seminary, which owns and operates the University of Denver and its Center for Effective Interventions at the Graduate School of Social Work to provide evidenced-based multi-systemic therapy interventions for at-risk teens residing in underserved regions of State pursuant to a pay for success contract that meets the requirements of the Act.

“Northern Trust” means The Northern Trust Company.

“Operating Account” has the meaning set forth in Section 3.02 hereof.

“Operating Committee” has the meaning set forth in Section 5.01 hereof.

“Operating Committee Members” has the meaning set forth in Section 5.01(b) hereof.

“Operating Reserve” has the meaning set forth in Section 8.06(c)(i)(V) hereof.

“Operational Meetings” has the meaning set forth in Section 5.01(a) hereof.

“Outcome Report(s)” has the meaning set forth in Section 4.07(c) hereof.

“OSPB” means the Office of State Planning and Budgeting.

“Party” means the State or the Lead Provider.

“Participants” has the meaning set forth in Section 2.03 hereof.

“Parties” means, collectively, the State and the Lead Provider.

“Percentage Difference in Out of Home Placement” has the meaning set forth in Section 4.06(a) hereof as calculated in accordance with the formula set forth in the Evaluation Plan.

“Percentage Difference in Youth Charges” has the meaning set forth in Section 4.05(a) hereof as calculated in accordance with the formula set forth in the Evaluation Plan.

“Performance Start Date” has the meaning set forth in Section 1.02 hereof.

“PFS Projects” means the Denver Project and the MST Project.

“Piton Foundation” means The Piton Foundation.

“Program” means the Pay for Success Contracts Program established by the Act.

“Project Cash Flow” means the project cash flows set forth in Exhibit G.

“Project Budget” means that budget for the Project set forth in Exhibit F, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with the terms hereof.

“Project Launch Conditions” has the meaning set forth in Section 1.02 hereof.

“Project Launch Subcontract Service Providers” has the meaning set forth in Section 2.02 hereof.

“Project Sponsor” means the Denver Collaborative Partnership.

“Project Sponsor Representatives” has the meaning set forth in Section 5.02(b) hereof.

“Proposal” means the proposal submitted by the Lead Provider in response to the Call for Innovation.

“Quarter” has the meaning set forth in Section 1.05 hereof.

“Reduction in Out of Home Placement Success Payment” has the meaning set forth in Section 4.06 hereof.

“Reductions in Out of Home Placement Outcomes Report” has the meaning set forth in Section 4.06(d) hereof.

“Reduction in Youth Charges” has the meaning set forth in the Evaluation Plan.

“Reductions in Youth Charges Outcomes Report” has the meaning set forth in Section 4.05(d) hereof.

“Reductions in Youth Charges Success Payment” has the meaning set forth in Section 4.05 hereof.

“Reduction in Youth Out of Home Placements” has the meaning set forth in the Evaluation Plan.

“Runaway Youth” has the meaning set forth in Section 2.03 hereof.

“Schedule of Direct Payments” means the schedule attached as Exhibit F.

“State” means the State of Colorado.

“Success Measure(s)” has the meaning set forth in Section 4.03 hereof.

“Subaccount(s)” has the meaning set forth in Section 3.03 hereof.

“Subcontract Service Providers” has the meaning set forth in the Recitals.

“Subcontract Service Provider Agreement(s)” has the meaning set forth in Section 2.02(a) hereof.

“Success Payments” has the meaning set forth in Section 4.02 hereof.

“Take Up Rate of Services” has the meaning set forth in the Evaluation Plan.

“Target Population” has the meaning set forth in Section 2.03 hereof.

“Term” has the meaning set forth in Section 1.04(a) hereof.

“Total Project Costs” has the meaning set forth in Section 3.01 hereof.

“Transaction Documents” has the meaning set forth in Section 1.02(a) hereof.

“TUS Minimum Threshold” has the meaning set forth in Section 8.02(a) hereof.

“TUS Outcomes Report” has the meaning set forth in Section 4.04(c) hereof.

“TUS Success Payment” has the meaning set forth in Section 4.04 hereof.

“Unanimous Approval of the Governance Committee” has the meaning set forth in Section 5.02(j) hereof.

“Wind-Down Period” has the meaning set forth in Section 8.01 hereof.

“Wind-Down Services” has the meaning set forth in Section 8.01 hereof.

EXHIBIT B
Evaluation Plan

See attached PDF.

Rapid Response to Runaway Youth Pay for Success Evaluation Plan

November 15, 2018

(Exhibit B of full Pay for Success Contract)



Elysia Clemens, PhD, LPC

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Introduction

Rapid Response for Run Away Youth is an intervention designed to serve runaway youth and their families by meeting where they are, including at home, within 72 hours of the report of a runaway incident and then connecting them to services aimed at preventing child welfare or juvenile justice involvement. The program will be implemented by the Denver Collaborative Partnership (DCP), in close coordination with the Denver Juvenile Services Center (DJSC) and the Denver Department of Public Safety.

Target Population

The target population of interest is Denver County youth, age 10 to 17, who have run away from their homes or guardians.

Purposes of the Evaluation

Impact Study

The purpose of the impact study is to assess the impact of rapid response to runaway youth on both program participation and both criminal justice and/or human services involvement. These will be examined through the following areas:

- Programming outcomes related to timeliness of response, amount of contact, uptake into one of several programs.
- Youth outcomes at one and two years for success triggers, all program outcomes and exploratory analyses

The impact study will be a randomized control trial that is based on an intent-to-treat model. This means that the runaway youth are only randomized once, and their outcomes are “counted” regardless of their level of participation in the intervention or subsequent programming. The Pay for Success triggers reflect a balance of both approaches and were selected based on power analyses and feasibility of being confident that the findings are attributable to the intervention.

Process Study

The purpose of the process study is to determine the degree to which the rapid response for runaway youth program was implemented with fidelity. A fidelity measure will be developed during the first three months of the project and focus on the response and referral to evidence-based services processes. Monitoring the fidelity of a given subsequent program within the rapid response intervention (e.g., MST, FFT) is at the discretion of the service providers.

In addition, process benchmarks established in the PFS project contracts will be tracked to determine if the project is on track including total project eligible runaway youth and total youth up-taking into service, and type of service. The Colorado Lab will certify these results and provide updates every six months to all parties involved in the project including the State, the DCP, and LJAF. In these reports, the Colorado Lab will also certify that randomization and data-sharing have occurred successfully.

Research Questions

The research questions are framed as primary and secondary questions, with the primary questions being related to the ultimate impact of the intervention. The secondary questions are more exploratory in nature and relating program services, severity of charges, futures runaway

incidents, location impacts, and time. Together, these analyses provide a well-rounded perspective on the success of the pilot program.

Confirmatory Research Questions (Pay for Success Triggers)

- RQ1. What is the impact of this rapid response intervention on the proportion of runaway youth with new criminal charges one year after randomization?**
- RQ2. What is the impact of this rapid response intervention on the proportion of runaway youth with an out of home placement one year after randomization?**

Exploratory Research Questions (Informational Only)

Two year follow-ups of the confirmatory research questions will be assessed for informational purposes only. In addition the following exploratory questions will be addressed.

- RQ3. What is the impact of rapid response for runaway youth on the proportion of youth who uptake into services?**
- RQ4. What is the impact of rapid response for runaway youth on the number of offenses that resulted in charges and the severity of charges (e.g., district court or municipal court)?**
- RQ5. What is the impact of rapid response for runaway youth on future runaway incidents (i.e., occurring at all, number of incidents, or length of time until the next run)?**
- RQ6. What are the neighborhood characteristics that relate to program effectiveness or need for rapid response services (e.g., demographics, crime rate, household sizes).**
- RQ7. What is the impact of rapid response for runaway youth on length of time to out of home placement?**

Hypotheses

Rapid Response will significantly decrease future criminal justice involvement, as measured by new criminal charges, and human services involvement, as measured by new out of home placement, such that it will trigger Pay for Success payments as defined in Section 4 of the PFS contract.

Required Data Elements

Time of the Run: Time of the run is defined as the date and time the run report was filed by a parent or guardian with the Denver Police Department (DPD). The officer taking the report enters the report data in Versadex, the police department's data management system. That data and time is not modifiable. These run reports can be accessed by DJSC staff.

Demographic Data: gender, race/ethnicity, home zip code or statistical neighborhood, and year of birth.

Covariates: History of criminal justice involvement (i.e., district charge within the past year or any new charge within the last year), history of child welfare involvement (i.e., open child welfare placements within the last year or out-of-home placements within the last year), history of runaway incidents (i.e., number of runaway incidents within the last year), age at time of the run, gender, socio-economic status of home neighborhood, and race/ethnicity are potential covariates. A determination of which covariates to include will be made based on the goal of maximizing power

(i.e., balancing degrees of freedom with amount of variance explained) prior to finalizing the study analysis plan.

Baseline data from runaway incidents in 2016 and new criminal charges within 18 months will be used to make decisions about the covariates used in the final model. These determinations will be made as soon as practical in the study period and before any study outcome data are provided to the research team. Covariate decisions will be made based on their relevance to explaining variance in the outcome of new criminal charges because that outcome is the primary trigger for success payments.

Service Up-Take: Any youth in treatment group rapid responders refer to services where Youth (or Parent for Parent Connect) shows up for at least 3 service engagements within 3 months following initial runaway incident. Date of the runaway incident, service type, and service utilization dates are required data elements.

Outcome Variables: (1) New charges resulting from an offense that occurred post runaway incident, requires offense date and type of charge. (2) New out of home placement, requires placement dates and placement leave reasons.

Program Implementation Fidelity: To be developed during the three month building period.

Analysis Plan

Baseline Equivalence of Groups

We will use administrative data from both the justice system and the Colorado Department of Human Services (CDHS) to assess baseline equivalence of youth between treatment and control groups on the following demographic characteristics: age at the time of the run, race, and gender. We will use history of out of home care within the past year and law enforcement contacts and arrests within the last year as proxies for the outcome measures. We will determine whether there is a difference of more than .25 pooled standard deviation between means for age and confirm the ratios of variances of those outcomes remain between .50 and 2.00, satisfying the matching criteria of Rubin (2001). Discrete demographics and proxies for outcome measures (history of out of home care and prior history of law enforcement contacts and arrests) will be compared using chi-square tests of association (Agresti, 2012).

Descriptive Analyses for Success Payment Triggers

The formulas for calculating the descriptive analyses for Success Payment triggers are detailed in the Pay for Success Contract (Section 4). Specific to the service up take payment triggers, it is important to note here that the following cases will be excluded from the service up take descriptive analyses:

- Youth who enter secure detention or commitment (i.e. juvenile incarceration) during the study for a behavior that occurred before randomization. These young people do not have the same opportunity to commit a new crime or enter out-of-home care.
- Youth who are currently engaged in the highest levels of service delivery at the time of randomization (i.e., MST, FFT or HFW).
- Youth with active threats of homicidality and/or suicidality. The response in these situations is different.

Descriptive Analyses for Exploratory Purposes

To provide context for understanding the RCT findings, we will report basic descriptive statistics for data collected on all variables at all times of observation, including means, standard deviations, and proportions for all binary variables.

Statistical Models

Confirmatory Research Questions 1 and 2

If no covariates are used in the model, then separate chi-square test of proportions will be used to assess the impact of the intervention on criminal charges and out of home placements. If covariates are used in the model, then a logistic regression model will be used in place of a chi-square test. If a logistic regression is used, significance of the rapid response for runaway youth effect will determine whether there are differences between the experimental groups. Use of logistic models will allow for conclusions about changes in the odds of system involvement.

Inverse probability weighting will be used to adjust for the unbalanced sample resulting from the first six months of the study. Specifically, the inverse probability rating will be calculated using the formula (Pezzi, et al., 2016):

$$w = \frac{Z}{p(X)} + \frac{(1-Z)}{1-p(X)}$$

Whereas, Z indicates if the subject was assigned to treatment, while p(X) represents the conditional probability for the subject to be assigned to treatment. The conditional probability for assignment to treatment during the first six months of the study is .33 (i.e., three days treatment, six days control). The conditional probability for the remainder of the study is .5.

Exploratory Research Questions

The analytic plan described below may be adjusted at the discretion of the independent evaluators based on a review of baseline data and on findings from the confirmatory research questions.

RQ3 – Rate of Service Uptake

Separate chi-square test of proportions will be used to assess the impact of the intervention on service uptake. If covariates are used in the model, then a logistic regression model will be used in place of a chi-square test. These findings will be disaggregated by service type. The sample for this exploratory question shall exclude youth who required a higher level of care due to homicidality or suicidality.

RQ4 – Number of Offenses that Result in New Charges

Hurdle regressions will be used to simultaneously model the odds of a new offense and, among those runaway youth who had at least one new offense the odd of multiple new offenses. This hurdle regression analytic approach was selected because baseline data illustrated that just over 40% of runaway youth receive new charges within 12-20 months of running away, and the model is specifically designed for count data. Controls in the model will be informed by analysis of the baseline data. The sample for this exploratory question shall exclude youth who were committed to a division of youth services facility for offenses that occurred prior to

randomization. These youth would not have the same opportunity to commit new crimes. The model shall control for youth who were placed in secure detention for an offense that occurred prior to randomization.

RQ4 – Severity of Charges

The Mann-Whitney U test will be used to examine differences between the treatment and control group on the median ranking of charges. If the test is significant it indicates that the differences in severity of charges can be explained by group membership. This analytic method was selected because the researchers anticipate that the data will not be normally distributed.

RQ5 – New Runaway Event

Separate chi-square test of proportions will be used to assess the impact of the intervention on new runaway events. If covariates are used in the model, then a logistic regression model will be used in place of a chi-square test.

RQ5 & RQ7 – Time Until an Event

Separate Cox proportional hazard regression analysis will be used to assess the impact on the length of time until either a future runaway incident or out of home placement. Covariates will be informed by the analysis of the baseline data. The significance of the treatment vs. control group membership will determine whether there was a difference in time to outcomes between the experimental groups. Descriptive analyses informed by Colorado Children's Code will be used to provide context for the time until findings such as (1) the proportion of youth enter out-of-home care via a police hold after being located and are reunified within 72 hours and (2) the proportion of youth who enter out-of-home care within five business days of being located (i.e., the child welfare safety assessment window).

RQ6 – Neighborhood Characteristics

Spatial analytic techniques will be used to determine if the Rapid Response intervention is more or less successful for individuals from different neighborhoods. Both specific characteristics (e.g., SES) and combinations of characteristics to form a neighborhood indices will be examined to determine if there are differences, and if so, what types of neighborhoods might benefit most from a Rapid Response program.

Codebook and Transformations

A codebook will be created and transformations will be reviewed for accuracy by the data contributors. The codebook will document all data elements, such as female = 1, male = 2. The codebook will be available upon request.

Data Inclusion and Exclusion Criteria

Inclusion Criteria:

- Juvenile Justice System No or Low Involvement at the time of the run report (i.e. runaway youth are not system involved, or runaway youth with active or pending municipal charges but no district charge),
AND

- Child Welfare System No or Low Involvement at the time of the run report (i.e. youth without an open Department of Human Services case but not yet removed from the home)

Exclusion Criteria (Any One of Below):

- Youth who are currently engaged in the highest levels of service delivery at the time of randomization (i.e., MST, FFT or HFW).

Participants will only be dropped from the analysis if it is determined they do not meet eligibility requirements. Outliers will be included in the analysis.

Missing Data

Patterns in missingness will be examined to inform generalization. Listwise deletion will be used for outcome data to remove participants from a given analysis if any variable required for the analysis is missing. For baseline data and covariates, a dummy variable will be used in combination with a flag for missing data.

Follow-up Analyses

Follow up analyses are at the discretion of the independent evaluator and must be consistent with all relevant data sharing and protection agreements.

Sampling and Randomization Plan

Our target sample is readily identifiable and accessible because of their status of being runaway youth who were reported to the enver Police Department as runaways. Recruitment and randomization will be on-going. Randomization will occur during the first runaway event for an individual on or after the project commences.

Randomization will occur during the first reported runaway event for an individual on or after the project commences. Randomization into either the treatment or control condition will be based on the week* the is reported to DPD, such that every other week will be a treatment or control week. During control weeks, rapid responders will conduct administrative work and follow-up with youth in the treatment group but will not seek out new runaway youth. If a youth has a subsequent run then assignment and measurement of outcomes continues to be based on the first runaway event during the study timeframe. For years two and three, it is anticipated that DJSC will be able to serve all youth who run in treatment weeks. DJSC will use additional staff members as backup for the rapid response intervention should there be unusually high volume of runaway youth in a specific week, as well as to cover sick leave, vacation, and turnover.

*For the first nine months of the project, three months of which are a “building period”; however, there are only two dedicated rapid responders. It is estimated that their service capacity will be approximately one-third of the runaways. Thus, three treatment days will alternate with a control window of six days. We reviewed a calendar and confirmed that this approach will ensure good balance of group assignment for each day of the week. Thus, it is anticipated that there will be more youth enrolled in the control condition than the treatment condition. The imbalance will be accounted for in the statistical models.

Time of Run: Time of the run is defined as the date and time the run report was filed by a parent or guardian with DPD. The officer taking the report enters the report data in Versadex, the police department’s data management system. That data and time is not modifiable. These run reports can be accessed by DJSC staff.

The randomization approach was informed by (1) a review of baseline data and (2) consultation with Denver project staff. Baseline data indicated there are key windows of time, such as start and stop of the school year, where the number of runaway incidents. Consultation with Denver project staff suggested that the characteristics of runners may be different during these times. These time periods are typically several weeks in length. Thus, we propose to randomize by alternating treatment and control weeks. Alternating weeks will allow for enrolling participants in both conditions during time periods when there are typically more runaway incidents, such as the start of school year. Denver project staff indicated that alternating treatment and control by weeks is more practical from a staffing perspective than alternating by days and would reduce the potential for study crossovers.

Given that the runaway youth are clustered within weeks, the variance will be cluster-adjusted by week. Specifically, the cluster robust standard errors will be calculated using the Huber (1967) and White (1980, 1982) sandwich estimator of the variance. Each week will be treated as a unique cluster in the study. For example the first week of January in 2019 will be a different cluster than the first week of January in 2020. This same approach will be applied to the three day treatment, six day control windows during the first nine months of the project.

Target Sample Size

The sample for one year follow up is estimated to be 1,800 youth between the ages of 10 and 17 in the City and County of Denver who run away from their homes or guardians. The sample for two year follow up is estimated to be 1080 (i.e. youth enrolled by 1.75 years into the service delivery period).

The sample sizes are based on an unbalanced design. The estimated capacity for service delivery is 840 youth. Each dedicated rapid responder will be able to serve 120 youth per year. For the first three month building time period, the two rapid responders will likely serve 60 youth, who will not be included in the analysis. For next six months of the project, there will be two rapid responders on board serving 120 youths. For the remaining two years, there will be three rapid responders on board serving 720 youth (for a total treatment group of $120 + 720 = 840$). The control group is estimated at 960 youth, due to the reduced staffing in the first six months of the project, yielding a total sample of 1,800).

The University of Denver's Institutional Review Board has approved the study and a waiver of informed consent due to the minimal risk associated with the evaluation. Thus, we anticipate that all youth who meet study criteria will be part of the evaluation.

Sample Size, Statistical Power, and Success Payment Triggers for Outcome Variables

Colorado's OSPB conducted an ROI analysis to determine what percentages of decrease merit a Success Payment trigger. In addition, the PFS Contract establishes a reduction in out-of-home placements as a secondary "back-up" trigger for success payments.

Power analyses were used to determine the reasonableness of the proposed analytic strategies at the time of each Success Payment. The capacity for service delivery is limited, simply upping the sample size is not feasible.

Power analyses are the best available estimates and reliant on certain assumptions, such as: baseline data are similar to that of the control group and target sample sizes.

Statistical power was estimated for the Runaway Youth Pilot by using the following baseline rates for non-system involved runaways: 42.6% received any criminal charge and 16.2% experienced out of home placement. The assumptions in the analyses were an alpha level of .10.

Sample Size of 1,800 Youth: A Chi-Squared test of proportions is estimated to detect a 9.2% decrease in new charges and a 17% decrease in out of home placement. **Given that the project team estimates that 50% of the youth enrolled in the treatment will actually be up-taking into services, those treatment youth who receive services would need to have a 18% decrease in new charges and a 34% decrease in out of home placement.** This translates into the ability to detect statistical significance when approximately 33 fewer youth with a new charge and 23 fewer youth placed in out of home care. This effect is in line with the anticipated effect size from the intervention based on conservative assumptions regarding effect sizes generated by the Governor's Office.

Stopping Rule

Youth will be enrolled in the study until the PFS project funding ends.

Data Collection Procedures and Data Quality Checks

All data are administrative data routinely collected.

The project relevant data necessary to verify service uptake, describe program implementation fidelity, and identify cross-overs are owned by Savio Management Group, the fiscal agent for Denver Collaborative partners. The specific data elements shall be detailed in a Data Sharing Agreement between Savio Management Group and the Colorado Seminary which owns and operates the University of Denver.

- The data shall be de-identified and transferred to the Independent evaluators no less than every six months, throughout the project period.
- These data must be received by the independent evaluator no less than 45 days prior to a deliverable deadline.

The project relevant data necessary to assess baseline equivalence and impact are owned by (a) Savio Management Group, the fiscal agent for Denver Collaborative Partners, (b) Denver Police Department, and (c) Colorado Department of Human Services. The Colorado Governor's Office of Information and Technology is anticipated to link data sources and anonymize the data prior to providing them to the independent evaluators to analyze program impacts.

- The data shall be linked, anonymized, and transferred to the independent evaluators at three points in time (1) to assess baseline equivalence (2) to assess data quality and (3) to analyze program impacts.
- These data must be received by the independent evaluator no less than three months prior to a deliverable deadline.

Implementation Fidelity Monitoring Plan

This Pay for Success project has a three month building period. Among the purposes of the building year is to hire and train the rapid responders, identify any issues with the randomization and response processes, and develop a measure of program implementation fidelity.

Implementation fidelity monitoring will be focused solely on the Rapid Response aspect of the program. The implementation fidelity measure will be developed in the first three months of the project and will focus on the rapid response services and referrals to evidence-based services processes. This may include time to rapid responder contact with runaway youth or families, number, and location of contacts. These data will be used in combination with the timestamp for the run to identify any crossovers.

Monitoring implementation fidelity of a given intervention (e.g., MST, FFT) is at the discretion of the service providers and outside the scope of the PFS independent evaluation. In addition, process benchmarks established in the PFS project contracts will be tracked to determine if the project is on track including total youth receiving rapid response, total youth receiving service, and length of service. The Colorado Lab will certify these results and provide updates every six months to all parties involved in the project including the State, the DCP, and LJAF. In these reports, the Colorado Lab will also certify that randomization and data-sharing have occurred successfully.

Denver Rapid Response for Runaway Youth Project Evaluation Deliverables

Procedures

The Project Evaluator shall send all deliverables listed below to all members of the Project Governance Committee, including the designated Representatives for the Providers, the State, and the Investors. These materials shall be transmitted on schedule electronically. As needed, the evaluator will be available to answer questions at Governance Committee meetings regarding these deliverables.

All Outcomes Reports, as well as any Progress Reports requested, shall also be shared with the Laura and John Arnold Foundation.

All deliverables listed below will be completely de-identified; at no time will identifying information on any youth program participants, including names, birthdates, ID numbers or other identifying information, be included in any of the below deliverables.

Deliverable 1

Enrollment Updates: DCP shall provide quarterly updates for the Governance Committee regarding progress and projections on enrollment estimates based on the number of runaway incidents during the treatment and control windows. The Independent Evaluators shall validate these enrollment numbers twice per year and describe reasons by removing duplicates and study inclusion and exclusion criteria, within 30 days of receipt of relevant data.

- These updates may be in the form of brief reports, short slide deck snapshots or brief summaries.
- They shall be provided to members of the Governance Committee no less than [5] business days ahead of each regularly scheduled quarterly Governance Committee meeting.

Deliverable 2

Service Take-Up Reports: Within 45 days of the receipt of all necessary outcomes data from the DCP, the independent evaluators shall certify the take-up rates through (a) December 31, 2019 (b) December 31, 2020, and (c) September 30, 2021. The reports shall:

- Follow the evaluation plan.
- Include clear, easily understandable summaries of the take-up rate within the treatment group and across service delivery types (e.g. MST, FFT).
- Report clearly, based on the evaluation findings, the Success Payments owed by the State under the Pay for Success Contract.
- Describe any substantial factors that may complicated or threaten the validity of the final outcomes report (provided this information is not covered in the previous Enrollment Updates).

Deliverable 3

Outcomes Report: Within 90 days of the receipt of all necessary outcomes data for the full project from the DPD, DCP and CDHS, the evaluator shall release to the Governance Committee and the Arnold Foundation a full and final Outcomes Report triggering Outcome-based Success Payments. The Outcomes report shall:

- Follow the evaluation plan.
- Report detailed findings with respect to the intervention's impact on the key outcomes in the intervention, including criminal justice and/or human services involvement, as documented in the accompanying Success Payment Triggers for Success Payment Period 2.
- Include clear, easily understandable summaries regarding any statistically significant differences with respect to Outcomes achieved across the Treatment and Control Groups.
- Report clearly, based on the evaluation findings, the Success Payments owed by the State under the Pay for Success Contract.
- Address any other meaningful differences between the Treatment and Control Groups and show how the evaluation addressed these differences.
- Describe any substantial factors that may have complicated or obscured the evaluation.
- Highlight any critical findings from the evaluation that might suggest ways the impact of the program could be further strengthened.
- Further show how the evaluation controlled for other relevant variables.

EXHIBIT C
Form of Subcontract Service Provider Agreement

DCP PROVIDER NETWORK
MEMORANDUM OF UNDERSTANDING AND AGREEMENT
(Template – additional provider agreements to be inserted into final contracts)

This MEMORANDUM OF UNDERSTANDING AND AGREEMENT is made this day of **July 1, 2018**, between Savio House's Savio Management Group, hereinafter referred to as "SMG" with its principal place of business at 325 King Street, Denver, CO 80219 and **Savio**, hereinafter referred to as "Provider".

The Provider acknowledges SMG's role is to be the purchasing agent for the Denver Collaborative Partnership, hereinafter referred to as "DCP", to serve as a liaison between DCP and Providers, and manage payment and monitoring of providers, based on direction of DCP. These Providers and SMG in the context of this purchasing agent role are collectively referred to hereinafter as the "DCP Provider Network."

NOW, THEREFORE, the parties hereby agree as follows:

- 1) Provider shall provide the following services at the following rates:

Services/Rates

Multisystemic Therapy (MST)
Minimum 5 hours per week

Rate:

Multisystemic Therapy (MST) is a unique, goal-oriented, comprehensive treatment program designed to serve multi-problem youth in their community. MST is the only family-focused and community-based treatment program that has been the focus of several major research studies, and demonstrated clinical- and cost-effectiveness for youth with complex emotional, social, and academic needs.

MST was developed at the Family Services Research Center at the Medical University of South Carolina, and uses only treatment strategies that are supported by research.

Multisystemic Therapy is a program that provides intensive in-home services for adolescents at risk for placement and/or commitment, utilizing family and community supports to reduce juvenile delinquent behavior.

Multisystemic Therapy (MST), a comprehensive, time-limited evidence based treatment model; that impacts the family system in addition to the peers, community and school

Services aim at decreasing delinquent behavior and sustaining success through family strengths and community supports and interventions.

MST calls for a high amount of collaboration among all involved systems including, Human Services, Probation, Mental Health, Schools, and the family;

The MST Therapist is responsible for engaging the family in the service plan;

The MST Therapist provides family counseling and case management as well as individual counseling when appropriate; and,

Criteria

12-18 year-old adolescents at risk for out-of-home placement. MST is effective in helping youth with chronic, violent delinquent behavior and youth with serious emotional problems, including: truancy and academic problems, serious disrespect and disobedience, aggressive behavior (fighting and property destruction), criminal behavior, drug and alcohol problems, or running away

Minimum of one involved adult caretaker;

Client may be residing at home, shelter, a detention center or with a goal of reunification

Objectives

Therapists are available 24 hours a day, seven days a week

Services are provided in the home, school, neighborhood and community

Caseloads of therapists are small (4-6 families per therapist) and treatment is intensive, often including multiple contacts with family and other participants every week

Length of treatment averages 2-5 months

Therapists work in teams and provide coverage for each other's caseloads

Each team has a supervisor and an expert consultant who consults weekly on all cases

Desired Outcomes

A complete functional assessment of youth in the context of their family, school, and community

Seeks to understand the "fit" between the child's problems and the factors which contribute to them

Focuses on helping parents build supportive social networks

Empowers parents to address the needs of the youth more effectively

Emphasizes long-term change that families can maintain after the program

Decrease involvement in the Judicial and DHS systems

Functional Family Therapy (FFT)

Rate:

Community-Based Services - Functional Family Therapy (FFT)

Minimum 1 hours per week

Includes weekly family therapy, Client service system, and 24/7 on call

The FFT Model was named by the US Surgeon General as a model program for seriously delinquent youth because of its elaborate training, supervision and monitoring for treatment adherence. FFT is one of the original Blueprints programs as identified by the Center for the Study and Prevention of Violence and the federal Office of Juvenile Justice and Delinquency Prevention.

Functional Family Therapy (FFT) is an integrated system for clinical assessment and successful family-based treatment of at-risk adolescents. The FFT model has been successfully replicated across the juvenile justice continuum from diversion programs to parole in a number of statewide projects.

The Savio FFT program strives to successfully maintain or reunify youth with their family through enhancing their relationship, communication and problem-solving skills.

Engages and motivates the youth and family to improve family functioning
Aids the youth in improving school or vocational performance
Focuses on helping families build supportive social networks
Empowers families to address the needs of the youth more effectively and make obtainable changes that will help the family function in more adaptive, acceptable and productive ways
Emphasizes long-term change that families can maintain after the program

Therapist schedules are flexible to meet the needs of families
Services are initially provided in the home and as treatment progresses, involve the school, neighborhood and community
Typical caseloads of therapists are 10 to 12 families and include weekly contacts with family and other participants
Length of treatment averages 2-4 months
Therapists work in teams and provide coverage for each other's caseloads
Each team has a supervisor and expert consultant who consult weekly on all cases

The clinical model of FFT contains the basic elements that are necessary for effective family interventions. Therapists do much more than simply focus on stopping bad behavior, they:
Focus on motivating families to change in a positive manner, give them hope, uncover and develop their strengths, and enhance their self respect
Develop specific ways for the youth and family to improve through positive emotional reactions and behaviors
Help families and work with community resources to enhance and maintain their positive attempts to change.

Savio's FFT program is an effective treatment for a wide range of adolescent and family issues including:
Conduct disorder
Oppositional defiant disorder
Drug abuse
Violence
School problems

The FFT model is appealing because of its clear identification of three specific phases that organize family change in a coherent manner. Each phase in the change process includes specific goals, assessments, interventions, and clinical skills necessary for success.

The Savio therapist will lead the family through each phase of intervention:

Phase One: ENGAGE AND MOTIVATE the youth and family by decreasing negativity, blaming and hopelessness. Develop more respectful, positive and sensitive interactions between family members.

Phase Two: CHANGE BEHAVIOR by reducing and eliminating problem behavior. Family relationship patterns are changed by targeting risk factors and building upon individual and systemic skills.

Phase Three: GENERALIZE CHANGE by increasing the family's capacity to utilize community resources and sustain positive changes. Therapists work to help families

High Fidelity Wrap

Rate:

For clients 10-17 years old, who are high- risk for out of home placement with multisystem involvement and a mental health diagnosis.

Wrap Facilitators carry caseloads up to 10 families for a full-time position. Each family is assigned to a Family Advocate/Peer Support Specialist.

The wraparound process is a collaborative, team-based approach to service and support planning. Through the wraparound process, teams create plans to meet the needs—and improve the lives—of children and youth with complex needs and their families. The wraparound team members—the identified child/youth, parents/caregivers and other family and community members, mental health professionals, educators, and others—meet regularly to design, implement, and monitor a plan to meet the unique needs of the child and family. As is described in depth in other sections of this Resource Guide, the wraparound process can be described as one in which the team:

- Creates, implements, and monitors an individualized plan using a collaborative process driven by the perspective of the family;
- Develops a plan that includes a mix of professional supports, natural supports, and community members;
- Bases the plan on the strengths and culture of the youth and their family; and
- Ensures that the process is driven by the needs of the family rather than by the services that are available or reimbursable.

Each child, youth, and family have **individualized** and **strengths-based** wraparound plans which focus on needs in life domain areas that all people have. The child, family, and staff must commit to **persistently** engaging in planning and potentially changing supports to meet the family's needs. Finally, HFW is **outcome based**. Each action plan is monitored to determine if it is meeting the family's needs and helping the family achieve their goals.

There are 10 principles of high-fidelity wraparound that serve as a starting point and guide for understanding the process.

1. *Family Voice and Choice - Family and youth perspectives and opinions are asked for often, and prioritized during all phases of the process. Planning is built on family members' perspectives, and the team aims to build a plan that reflects a family's values.*
2. *Team-based - The wraparound team consists of individuals providing services to the family as well as the family's natural supports.*
3. *Natural supports - The team actively seeks out and encourages the full participation of team members drawn from family members' own networks of interpersonal and community relationships. The plan reflects activities and interventions that draw on these individuals as sources of natural support.*

- 4. Collaboration - Team members work together and share responsibility for developing, implementing, monitoring and evaluating a single high-fidelity wraparound plan. The plan is a collaboration of all team members' ideas, opinions and resources and guides each team member toward meeting the team's goals.*
- 5. Community-based - The team implements a plan that offers services and supports that take place in the most inclusive, responsive and accessible settings possible; and that safely promote child and family integration into home and community life.*
- 6. Culturally competent - The process respects and builds on the values, preferences, beliefs, culture, and identity of the family, child, and their community.*
- 7. Individualized - The team will develop and implement a customized set of strategies, supports, and services to achieve goals laid out in its plan.*
- 8. Strengths-based - The high-fidelity wraparound process and plan identify, build on, and enhance the capabilities, knowledge, skills, and assets of the child and family, their community, and other team members.*
- 9. Persistence - Challenges can and will come up throughout this process. However, the team will persist in working toward the goals laid out in the plan until the team reaches an agreement that the goals have been met and the formal process is no longer needed.*
- 10. Outcome-based - The team ties the goals and strategies of the high-fidelity wraparound plan to measurable indicators of success and monitors progress by checking in on these indicators. If something isn't working, the team will revise the plan.*

Teams meet with client and families as needed to address the needs and goals of the plan through four phases of the process, including:

Phase One: Engagement and Team Preparation

- Agency Releases of Information
- Crisis Stabilization Plan
- Strengths, Needs, and Culture Discovery
- Progress Note

Phase Two: Initial Plan Development

- Functional Assessment
- Crisis Prevention Plan
- Wraparound Plan
- Progress Notes

Phase Three: Implementation Phase

- Progress Notes
- Continue to update Discovery, Crisis plan, Functional Assessment, and Wraparound plan

Phase Four: Transition Phase/Discharge

- Transition Plan
- Progress Notes

1. Rates stated are understood to be inclusive of the cost of doing business, including administrative and report writing time, time to schedule appointments, time to travel related to the base rate, etc. Reimbursement for services and minimum hours should only include direct services to client. Requests for additional payment for administrative time will not be considered or paid.
- 2) Provider understands that referrals for services are made by and at the discretion of DCP based on the needs of the client. This agreement does not provide any guarantee of number, level or number of referrals to be made to the Provider. Provider will only be paid for services provided and billed because of an authorized service referral from DCP.
- 3) In consideration of the aforesaid services and fees, Provider shall receive payment as above, except that SMG shall pay Provider only for such services as SMG has received reimbursement for from the funders of this project and if SMG is not so reimbursed, or is partially reimbursed, Provider will receive no payment, or partial payment. Provider shall not bill SMG for services to DCP clients if the costs for such services have been paid through other payer sources such as Medicaid, private pay, insurance, federal or state level grants, etc.
- 4) Provider rates shall remain fixed for the term of this agreement; however, Provider may submit a change in rate proposal within ninety (90) days prior to the end of the fiscal year for review by appropriate representatives of the DCP for adjustment effective for the new fiscal year.
 1. Execution of this contract does not in any way guarantee contract renewal for subsequent fiscal years. DCP may decide to not renew contracts with providers for any reason, including but not limited to loss of funding, lack of interest or need for the listed services, contract performance, etc.
- 5) Provider may request amendments to this agreement for new services/rates not previously included from the signing of this agreement until 90 days before the end of the term of this agreement, as defined in paragraph 19 below.
- 6) The Provider agrees to comply with and be subject to all terms of the contract between SMG and the State of Colorado. Said contract shall be reviewed by the Provider at the SMG Office at 1530 W 13th Avenue, Denver, Colorado 80204 from 8:30am – 5pm Monday through Friday. All terms and conditions of the contract are expressly incorporated into this Agreement as if fully set forth herein.
- 7) The Provider agrees to track and report case information for each DCP client including start and end dates of service, monthly goals of service, notes of service for each contact made, and

monthly progress of service, successful/unsuccessful service discharge, and any other information as may be required by DCP in the DCP Provider Network database.

- 8) Providers agree to use DCP Provider Network database by completing standardized information forms as required DCP and SMG. DCP reserves the right to not reimburse for services not adequately documented in the DCP Provider Network database.

9) **BILLING.**

- a) Provider shall bill SMG by noon (12:00 PM) of the fifth (5th) day of each month (regardless of the day of the week) for any services provided in the previous month. Provider must notify SMG before the 5th of the month if bill will not be submitted for the month or if the bill will be submitted late. If bill is not received by noon (12:00 PM) of the fifth (5th) day of the month, Provider understands bill may not be processed and paid until the following month's billing period. The DCP Provider Network electronic billing form will be used and monthly service reports will be submitted for billing to be completed. SMG will promptly review and submit the billing information for payment.
- b) Providers must submit bills within 60 days of services rendered. Billings submitted after 60 days of services rendered will not be paid.
- c) Subject to SMG approval, providers may use electronic communication for submission of monthly service reports, billing, monitoring and questions regarding authorizations and services.
- d) SMG will pay only for services pre-approved for delivery on the DCP Provider Network website, and only after documented delivery of services. Any billings for services not actually provided will constitute a breach of this agreement; and any payment by SMG of such billings will be promptly refunded by Provider to SMG.
- e) Any Service (e.g., hourly, session, monthly, etc.) not provided at a contracted minimum may be subject to prorating.
- f) In accordance with State fiscal regulations, the DCP and SMG reserve the right to refuse payment for services not rendered.
- g) In accordance with State fiscal regulations and the contract between SMG and DCP, SMG shall have in place procedures and controls to ensure that there is no double billing of services and/or salaries related to the contract. SMG reserves the right to refuse payment for any overlap identified in Provider's billing. Provider will be notified of this short-payment and the reason for its short-payment on the receipt provided at the time of payment for monthly billings. The Provider is eligible to provide additional or corrected documentation regarding the overlap within 60 days of receiving receipt for payment of services. If adequate documentation is not provided within 60 days of services rendered, the Provider will not be reimbursed for those billed services.
- h) Providers have the right to appeal any denial of payment by SMG by providing written request via email or letter for reconsideration of payment within 60 days of services

rendered. All appropriate and necessary documentation to support reconsideration of payment must be included in the written notification of appeal to SMG. SMG will review with DCP and DCP will make the final determination for eligibility for payment. Written notice of the decision will be provided to Provider. If DCP determines that payment is appropriate, the approved services will be back-billed in the following month's billing cycle.

- 10) INDEPENDENT CONTRACTOR.** It is understood and agreed that at all times pursuant to this agreement Provider shall be, and shall perform its duties hereunder, as an independent contractor and not an employee of the DCP Provider Network or SMG. Neither Provider nor any agent or employee of Provider shall be, or shall be deemed to be, an agent or employee of DCP Provider Network or SMG. Provider shall pay when due all required employment taxes and income tax withholding in connection with this agreement for itself and for any of its agents, servants, or employees as the case may be.

11) CREDENTIALING.

- a) Provider agrees to meet any and all credentialing standards required by DCP for services listed. Required credentials are listed in the cover sheet of the Provider Packet as provided to potential providers by SMG at the direction of DCP to begin the application process to join the DCP Provider Network.
- b) Provider certifies that, at the time of entering into this agreement, Provider has currently in effect all necessary licenses, certifications, certificates, approvals and insurance required to properly provide the services and/or supplies covered by this agreement. Additionally, all employees or agents of Provider performing services under this contract shall hold the required license or certification, if any, to perform responsibilities. Any revocation, withdrawal or non-renewal of necessary license, certification, approval or insurance required for Provider to properly perform this agreement shall be grounds for immediate termination of same.
- c) No later than 15 calendar days prior to the expiration date of all necessary licenses, certifications, certificates, approvals and insurance required to properly provide the services and/or supplies covered by this agreement, Provider shall deliver to SMG certificates of insurance evidencing renewals thereof. In addition, upon request by SMG at any other time during the term of this Agreement, Provider shall within 10 calendar days of such request, supply to SMG evidence satisfactory to DCP of compliance with all necessary licenses, certifications, certificates, approvals and insurance required to properly provide the services and/or supplies covered by this agreement. If any necessary licenses, certifications, certificates, approvals and insurance required to properly provide the services and/or supplies covered by this agreement are suspended, revoked or cancelled, provider will notify SMG immediately.
- d) Provider further certifies that, if a foreign corporation, a limited liability company, or a limited liability partnership, it currently has a Certificate of Good Standing or Certificate of Existence to do business in Colorado, and proof of such certification shall be provided to SMG upon request.

- e) **Individual providers** warrant that they have any licenses or certification required by the state to perform the services identified in this agreement. Individual providers agree to have a complete background check compliant with Colorado Department of Human Services and Denver Human Services requirements, including a criminal records check through the Colorado Bureau of Investigation and the Federal Bureau of Investigation. No provider staff will be allowed to work with clients under this contract until they have passed this background check. Providers also agree to self-report all future arrests whether or not they are disqualifying offenses within 24 hours and before contact with any client under this contract. Any new charges pertaining to violence, assault, inappropriate sexual behavior, domestic violence or child endangerment will be grounds for immediate termination of all contact with project clients. Under no circumstances will any staff or contractor with any history of sexual misconduct or child endangerment interact with youth or families.
- f) **Agency providers** shall be either licensed or accredited agencies when applicable. Employees of such agencies will have a complete background check performed in compliance with Colorado Department of Human Services and Denver Human Services requirements, including a criminal records check through the Colorado Bureau of Investigation and the Federal Bureau of Investigation. Providers must also have a policy of employee self-reporting within 24 hours and before any contact with clients under this contract, any future arrests whether or not they are disqualifying offenses. Any new charges pertaining to violence, assault, inappropriate sexual behavior, domestic violence or child endangerment will be grounds for immediate termination of all contact with project clients. Under no circumstances will any staff or contractor with any history of sexual misconduct or child endangerment interact with youth or families. Providers will need to show proof of completion of these requirements by way of Personnel Policy, written statement, and records review.

12) INSURANCE.

Individual and Agency Providers: Agree to keep insurance policies issued by a company authorized to do business in Colorado in the types and minimum amounts specified as follows:

- a) Standard Worker's Compensation and Employer's Liability insurance in amounts required by law. Provider shall furnish SMG proof of all such insurance, including the monitoring and disbursing agency, with written certification of the existence of such coverage, prior to the finalization of this agreement. Individual Providers may submit a completed Declaration of Independent Contractor Status form in lieu of Standard Worker's Compensation.
- b) Valid auto insurance on all vehicles that will be used in the provision of services for DCP regardless of whether the provider is transporting a client.
- c) General, Personal Injury, Professional, Automobile Liability (including bodily injury, personal injury and property damages) with minimum coverage as follows:

- 1) Occurrence basis policy: Combined single limit of \$1,000,000 or Claims-Made policy: Combined single limit of \$1,000,000; plus an endorsement, certificate, or other evidence that extends coverage two (2) years beyond the performance period of the contract, or other evidence of an option to purchase extended coverage (Extended Reporting Period).
 - 2) Annual Aggregate Limit policy: Not less than \$1,000,000 plus agreement that Provider will purchase additional insurance to replenish the limit to \$1,000,000 if claims reduce the annual aggregate below \$1,000,000.
- d) Privacy Insurance. Contractor shall obtain and maintain during the term of this Contract liability insurance covering all loss of Protected Health Information data and claims based upon alleged violations of privacy rights through improper use or disclosure of Protected Health Information with minimum annual limits as follows:
1. Contractors with 10 or less clients OR revenues of \$250,000 or less shall maintain limits on Privacy Liability Insurance of not less than \$50,000.
 2. Contractors with 25 or less clients OR revenues of \$500,000 or less shall maintain limits on Privacy Liability Insurance of not less than \$100,000.
 3. Contractors with more than 25 clients OR revenues of more than \$500,000 shall maintain limits on Privacy Liability Insurance of not less than \$1,000,000.

This provision modifies and takes precedence over any conflicting requirements in the Contract General Provisions relative to privacy insurance coverage by Contractor.

- e) Savio House shall be named as additional insured's on all liability policies.

State Agencies and Higher Education Only: State Agencies and Higher Education agree to self-insure for general liability, automobile liability, worker's compensation and employers' liability. These entities should agree that, when applicable, its self-insurance program shall provide coverage in accordance with the limits of the Colorado Governmental Immunity Act. The Colorado Governmental Immunity Act provides that the maximum amount that may be recovered against a public entity or public employee shall be (a) \$150,000.00 for any injury to one person in a single occurrence, and (b) \$600,000.00 for any injury to two or more persons in a single occurrence, except in such instance no person may recover in excess of \$150,000.00.

A state entity is barred from indemnifying any other party, and naming any other entity as an "additional insureds" under its insurance policies. This policy is based on the prohibition against indemnification in the Colorado Constitution.

- f) Insurance is required to be continuous for the life of the contract(s) between SMG and the provider on behalf of DCP. If any of the above insurance policies are expired by two weeks or more, cancelled or suspended, SMG and DCP reserve the right to take appropriate action regarding active and future referrals for service up to and/or including, suspend the provider's active status on the network to receive new referrals, revoking of existing

referrals and suspension from receiving new referrals and/or terminating the contract for non-compliance, even if updated proof of appropriate insurance and levels is provided.

- 13) PERFORMANCE MONITORING.** Provider shall permit SMG, or its authorized designee, to monitor compliance with this agreement through access to appropriate files and records on a tri-annual basis, at a minimum. All such monitoring shall be performed in a manner that will not unduly interfere with the work under this contract. Non-compliance with monitoring (e.g., not confirming or scheduling of monitoring appointments when requested or not showing for a scheduled appointment without notice or follow-up for rescheduling) or not providing monitoring follow-up as documented in the monitoring report may result in being removed from the DCP Provider Network.
- 14) CONFORMANCE WITH LAW.** In rendering services pursuant to this agreement, Provider agrees to conform with, abide by, and adhere to all applicable state and federal laws, regulations and rules pertaining thereto, including Americans with Disabilities Act, Age Discrimination Employment Act, and all laws and regulations prohibiting discrimination.
- 15) CONFIDENTIALITY.** All records and information maintained by Provider pertaining to persons served by the program shall remain confidential and shall not be released to anyone other than the person in interest or DCP Provider Network without specific order of a court of proper jurisdiction. Prior to any release of such information or record, Provider shall notify SMG. Nothing herein shall be construed in any way to prevent Provider from releasing information to authorized persons during the normal legal conduct of Provider's business.
- 16) INDEMNIFICATION.**
- a) **Individual and Agency Providers:** To the extent authorized by law, the Provider shall indemnify, save, and hold harmless SMG, DCP Provider Network, their employees and agents, against any and all claims, damages, liability, and court awards including costs, expenses, and attorney fees and related costs, incurred or threatened as a result of any act or omission by the Provider, its employees, agents, subcontractors, or assignees pursuant to the terms of this contract.
- 17) PROPRIETARY INFORMATION.** Neither party shall use or disclose, directly nor indirectly, without prior written authorization any proprietary information revealed or obtained pursuant to, incidental to, or as a result of this agreement.
- 18) TERMINATION.**
- a) SMG may terminate the contract for cause. If SMG terminates the contract for cause, it will first give ten (10) days prior written notice to the Provider, stating the reasons for cancellation, procedures to correct problems, if any, and the date the contract will be terminated in the event problems have not been corrected. In the event this contract is terminated for cause, SMG will only reimburse the contractor for accepted work or deliverables received up to the date of termination.
- b) SMG and Provider shall have the right to terminate this contract for convenience by giving each party at least (30) days prior written notice. If notice is so given, this contract shall terminate on the expiration of the specified time period, and the liability of the parties

hereunder for further perform of the terms of this contract shall thereupon cease, but the parties shall not be released from the duty to perform their obligations up to the date of termination.

- c) This contract is subject to immediate termination by SMG or DCP in the event that SMG or DCP determines that the health, safety, or welfare of persons receiving services may be in jeopardy or if provider fails to have necessary license, certifications, insurance or credentials required by DCP as stated above. Additionally, SMG or DCP may immediately terminate this contract upon verifying that the Provider has engaged in or is about to participate in fraudulent or other illegal acts.

19) TERM OF AGREEMENT. The term of this Memorandum of Understanding shall be from **January 1, 2019** through **June 30, 2019**.

Provider Signature

Date

Printed Name

Norma Aguilar-Dave, Executive Director
Savio

Date

EXHIBIT D
STATE OF COLORADO
The Office of State Planning and Budgeting
Independent Evaluator Agreement
Colorado Seminary, which owns and operates the University of Denver and its Colorado Evaluation
and Action Lab
for
Denver Project Pay for Success Pilot Program
(Will be inserted as Exhibit D of State of Colorado Pay for Success Contract with the Savio
Management Group as the fiscal agent for the Denver Collaborative Partnership)

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EXHIBIT A: EVALUATION PLAN (SEE EXHIBIT B OF THE SUCCESS CONTRACT WHICH EXHIBIT IS INCORPORATED BY
REFERENCE HEREIN.) 21

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2. PARTIES

This Independent Evaluator Agreement (this “**Agreement**”) is entered into by and between Colorado Seminary, which owns and operates the University of Denver, acting by and through the Colorado Evaluation and Action Lab (hereinafter called “**Independent Evaluator**”), and the State of Colorado, acting by and through The Office of State Planning and Budgeting (hereinafter called the “**State**” or “**Department**”). Independent Evaluator and the State hereby agree to the following terms and conditions.

3. EFFECTIVE DATE

This Agreement shall not be effective or enforceable until it is approved and signed by each of the State and Independent Evaluator (hereinafter called the “**Effective Date**”).

4. RECITALS

A. Purpose

The purpose of this Agreement is to set forth the terms pursuant to which Independent Evaluator, directly or indirectly through its subcontractors, will perform the Work (as defined below) to evaluate the success of rapid responder teams offering community-based services to connect runaway youth and their families with multi-systemic therapy, functional family therapy, strengthening families program, parent connect, high fidelity wrap-around, trauma-focused cognitive behavioral therapy, and other services (the “**Interventions**”) in reducing youth charges and out of home placements for Colorado youth (the “**Denver Project**”). The Savio Management Group (“**Lead Provider**”), as the fiscal agent for the Denver Collaborative Partnership, directly or indirectly through its subcontractors, shall provide the Interventions pursuant to a pay for success contract (the “**PFS Contract**”) between the State and Lead Provider that meets the requirements of the Pay for Success Contracts Act, C.R.S. §§ 24-37-401 to -403 (the “**Act**”).

B. Payment

As described in greater detail below, the Work will be fully funded via grant funds awarded to Independent Evaluator from The Laura and John Arnold Foundation (“**Evaluation Funder**”) payable to Independent Evaluator in annual installments in accordance with a separate grant agreement (the “**Grant Award**”).

C. References

All references in this Agreement to sections (whether spelled out or using the § symbol), subsections, exhibits or other attachments, are references to sections, subsections, exhibits or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.

5. DEFINITIONS AND INTERPRETATION

The following terms as used herein shall be construed and interpreted as follows:

- A. “**Evaluation Budget**” means the Evaluation Budget attached hereto as **Exhibit B** and incorporated by reference herein.

- B. “Evaluation Deliverables” means deliverables of the Independent Evaluator as set forth in the section of the Evaluation Plan entitled “Denver Rapid Response for Runaway Youth Project Evaluation Deliverables”. For the avoidance of doubt, the Evaluation Deliverables include (i) Deliverable 1 – Enrollment Updates; (ii) Deliverable 2 – Service Take-Up Reports (also referred to as the TUS Outcomes Report in the PFS Contract); and (iii) Deliverable 3 – Final Outcomes Report (also referred to as the Reductions in Youth Charges Outcomes Report, and Reductions in Out of Home Placement Outcomes Report as each of those terms are defined in the PFS Contract).
- C. “Evaluation Plan” means the Evaluation Plan attached hereto as **Exhibit A** and incorporated by reference herein.
- D. “Governance Committee” means the committee established in accordance with the terms of the PFS Contract for the purpose of managing the Denver Project.
- E. “Party” means the State or Independent Evaluator and “Parties” means both the State and Independent Evaluator.
- F. “Pay for Success” means the model which private or philanthropic upfront capital used to fund preventative programs, and a government (in this case the State) pays subsequently for measurable outcomes.
- G. “Services” means the evaluation, in accordance with the Evaluation Plan, of the Interventions and the delivery of the Evaluation Deliverables.
- H. “State Fiscal Year” means the twelve (12) month period beginning on July 1st of a year and ending on June 30th of the following year.
- I. “PFS Contract” means the Pay for Success Contract between the State and the Lead Provider dated December 19, 2018.
- J. “Work” means the tasks and activities Independent Evaluator is required to perform to fulfill its obligations under this Agreement, including the performance of the Services.
- K. “Grant Agreement” means a grant agreement pursuant to which Independent Evaluator will receive the Grant Award between Independent Evaluator and The Laura and John Arnold Foundation, the provider of grant funds for this Work.

Any terms used herein which are defined in Evaluation Plan, shall be construed and interpreted as defined therein.

6. **TERM**

The term of this Agreement (the “**Term**”) shall commence on the Effective Date, and unless terminated earlier or extended pursuant to the terms hereof, shall terminate on June 30, 2023.

7. **STATEMENT OF WORK**

A. **Services**

Independent Evaluator shall provide the Services reasonably necessary to complete the Work.

B. **Independent Contractors**

All individuals engaged by Independent Evaluator or its subcontractors to perform Work under this Agreement, whether as employees or independent contractors, shall be Independent Evaluator's or subcontractors' independent contractors or employees for all purposes hereunder and shall not be employees of the State for any purpose as a result of this Agreement.

8. RESERVED

9. REPORTING NOTIFICATION

Reports required under this Agreement shall be made in accordance with the procedures and in such format as set forth herein and as described in the "Denver Rapid Response for Runaway Youth Project Evaluation Deliverables" section of the Evaluation Plan. In addition to submitting the Evaluation Deliverables to the Governance Committee in accordance with Section 8.A, the Independent Evaluator shall submit the Evaluation Deliverables to CDHS representatives designated by the Department and provided to Independent Evaluator upon execution of this Agreement.

A. Reports

Subject to timely receipt of information from the Lead Provider and its subcontractors, and other reasonably necessary administrative data from state and local agencies, Independent Evaluator shall submit the Evaluation Deliverables as follows:

- (i) Independent Evaluator shall submit Deliverable 1 (as defined in the Evaluation Plan) to the Governance Committee on a biannual basis within thirty (30) days of receiving enrollment data from the Lead Provider.
- (ii) Independent Evaluator shall submit Deliverable 2 (as defined in the Evaluation Plan) to the Governance Committee on or before March 15, 2020, again on or before March 15, 2021, and finally on or before December 15, 2021.
- (iii) Independent Evaluator shall submit Deliverable 3 (as defined in the Evaluation Plan) on or before March 1, 2023.

B. Evaluation Funder Reports and Publication of Reports

Under no circumstances, prior to Project Completion on April 1, 2023, shall Independent Evaluator release any Evaluation Deliverables or information associated with the Denver Project publicly without prior approval of the Governance Committee. Notwithstanding the foregoing, as part of its reporting requirements for the Evaluation Funder, Independent Evaluator may also submit periodic reports on the status of the Work to the Evaluation Funder ("**Evaluation Funder Reports**"); Evaluation Funder Reports shall be made available to any voting member of the Governance Committee upon request. Evaluation Deliverables shall always be provided to the Governance Committee prior to the release of the Evaluation Deliverables to the Evaluation Funder. No person working for Independent Evaluator shall publish any Denver Project results prior to June 1, 2023 without the consent of the Governance Committee.

C. Milestone Payments and Milestone Payment Notifications

Independent Evaluator shall submit, concurrently with its annual reporting to the Governance Committee, a short statement to the State certifying that all Evaluation

Deliverables have been submitted on schedule or are anticipated to be submitted on schedule, or a detailed explanation as to why reporting has been delayed, and certifying that all Services are on schedule and will be completed on schedule.

D. Litigation Reporting

Within ten (10) days after being served with any pleading in a legal action filed with a court or administrative agency, related to this Agreement or which may affect Independent Evaluator's ability to perform its obligations hereunder, Independent Evaluator shall notify the State of such action and deliver copies of such pleadings to the State's principal representative as identified herein. If the State's principal representative is not then serving, such notice and copies shall be delivered to the Executive Director of The Office of State Planning and Budgeting.

E. Noncompliance.

Independent Evaluator acknowledges that Independent Evaluator's failure to provide reports, notify the State in a timely manner in accordance with this §8, or otherwise comply with this Agreement may result in the delay of Independent Evaluator's ability to draw down or spend funds awarded by the Evaluation Funder under its Grant Agreement and/or termination as provided under this Agreement. If the State determines Independent Evaluator is not in compliance with this Agreement and declares Independent Evaluator is not in compliance in writing to Independent Evaluator, notwithstanding the availability of grant funds under the Grant Agreement, Independent Evaluator shall not use or otherwise spend grant funds for services under this Agreement or for the Work described herein from the Evaluation Funder or State, until any issues are resolved by the State and until the State certifies the Independent Evaluator is in compliance.

F. Data-Sharing/Business Associate Agreements

On or before March 31, 2019, Independent Evaluator shall execute and submit to the Governance Committee data-sharing or business associate agreements with the State, Independent Evaluator, and Subcontractors, as applicable, to permit Contractor to evaluate the Project in accordance with the Evaluation Plan.

G. Data Requests

If Independent Evaluator requests any data elements from Lead Provider or Lead Provider subcontractors involved in the Denver Project that have not already been clearly defined and agreed to in either a service agreement or a data sharing agreement with the service provider or clearly required to be provided or made available in the Evaluation Plan, Independent Evaluator shall notify the recipient of the data request that the request should only be granted if it does not impose a burden on the Lead Provider or Lead Provider subcontractor, as applicable, and does not materially interfere with the implementation of the Denver Project or delivery of services under the PFS Contract. If the recipient of the data request expresses concerns in writing regarding possible burdens or problems associated with the data request to the Independent Evaluator or to any member of the Governance Committee, the Governance Committee must approve the request as necessary before the Independent Evaluator may proceed with requiring the Lead Provider or Lead Provider subcontractor to process the data request.

10. INDEPENDENT EVALUATOR RECORDS

A. Maintenance

Independent Evaluator shall make, keep, maintain, and allow inspection and monitoring by the State of a complete file of all records, documents, communications, notes, and other written materials, electronic media files and electronic communications, primarily pertaining to the Work or the delivery of Services hereunder. Contractor shall maintain such records until the last to occur of: (i) a period of four (4) years after the date this Agreement expires or is sooner terminated, or (ii) a period of four (4) years after final payment is made hereunder, or (iii) a period of four (4) years after the resolution of any pending Agreement matters, or (iv) if an audit is occurring, or Contractor has received notice that an audit is pending, until such audit has been completed and its findings have been resolved (collectively, the **"Record Retention Period"**). All such records, documents, communications and other materials shall be the property of the State, and shall be maintained by the Contractor in a central location and the Contractor shall be custodian on behalf of the State.

B. Inspection and Monitoring

Independent Evaluator shall permit the State and its duly authorized agents to audit, inspect, examine, excerpt, copy and/or transcribe Independent Evaluator's records primarily related to this Agreement during the Record Retention Period, to assure compliance with the terms hereof or to evaluate performance hereunder. Upon delivery of five (5) business days' advanced notice during the term of this Agreement, including any extensions or renewals, and with the consent of Independent Evaluator, not to be unreasonably withheld or delayed, the State shall have the right to inspect the Work during normal business hours, and at places reasonably agreed to by the parties; provided that if Independent Evaluator is not performing in accordance with this Agreement, and such concerns have been raised by the Governance Committee, then the Independent Contractor will provide access on one (1) business day's notice. If State determines in good faith that the Work fails to conform with the requirements of this Agreement, the State may require Independent Evaluator promptly to bring the Work into conformity with Agreement requirements, at Independent Evaluator's sole expense. If the Work cannot be brought into conformance by re-performance or other corrective measures, the State may require Independent Evaluator to take reasonable action to ensure that future performance conforms to the requirements set forth in this Agreement, and exercise the remedies available under this Agreement, at law or in equity, in lieu of or in conjunction with such corrective measures.

C. Monitoring

Independent Evaluator shall permit the State and any other duly authorized agent of a government agency, in their sole discretion, to monitor all activities conducted by Independent Evaluator pursuant to the terms of this Agreement using any reasonable procedure, including, but not limited to: internal evaluation procedures, examination of program data, special analyses, on-site checking, formal audit examinations, or any other procedure. All monitoring controlled by the State shall be performed in a manner that shall not unduly interfere with Independent Evaluator's performance hereunder.

D. Final Audit Report

If an audit is performed on Independent Evaluator's records for any fiscal year covering a portion of the term of this Agreement, Independent Evaluator shall submit a copy of the final audit report to the State or its principal representative at the address specified herein.

11. CONFIDENTIAL INFORMATION

Independent Evaluator shall comply with the provisions of this **§10** if it becomes privy to confidential information in connection with its performance hereunder. Confidential information includes, but is not necessarily limited to, any state records, personnel records, and information concerning individuals. Such information shall not include information required to be disclosed pursuant to the Colorado Open Records Act, C.R.S. §§ 24-72-101, *et seq.*

A. Confidentiality

Independent Evaluator shall keep all State records and information confidential at all times and comply in all material respects with all laws and regulations concerning confidentiality of information. Any request or demand by a third party for State records and information in the possession of Independent Evaluator shall be immediately forwarded to the State's principal representative.

B. Notification

Independent Evaluator shall notify its agents, employees, Subcontractors and assigns who may come into contact with State records or other confidential information that each is subject to the confidentiality requirements set forth herein, and shall provide each with a written explanation of such requirements before permitting them to access such records and information.

C. Use, Security, and Retention

Confidential information of any kind shall not be distributed or sold to any third party or used by Independent Evaluator or its agents in any way, except as authorized by this Agreement or approved in writing by the State. Independent Evaluator shall provide and maintain a secure environment that ensures confidentiality of all State records and other confidential information wherever located. Confidential information shall not be retained in any files or otherwise by Independent Evaluator or its agents, except as permitted in this Agreement or approved in writing by the State.

D. Disclosure-Liability

Disclosure of State records or other confidential information by Independent Evaluator for any reason may be cause for legal action by third parties against Independent Evaluator, the State or their respective agents. Independent Evaluator shall indemnify, save, and hold harmless the State, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related costs, incurred as a result of any act or omission by Independent Evaluator, or its employees, agents, Subcontractors, or assignees pursuant to this **§10**.

12. CONFLICTS OF INTEREST

A. Actual Conflicts of Interest

Independent Evaluator shall not engage in any business or activities, or maintain any relationships that conflict in any way with the full performance of the obligations of Independent Evaluator under this Agreement. Such a conflict of interest would arise when an Independent Evaluator's or a Subcontractor's employee, officer or agent were to offer or provide any tangible personal benefit to an employee of the State, or any member of his or her immediate family or his or her partner, related to the award of, entry into or management or oversight of this Agreement.

B. Apparent Conflicts of Interest

Independent Evaluator acknowledges that, with respect to this Agreement, even the appearance of a conflict of interest shall be harmful to the State's interests. Absent the State's prior written approval, Independent Evaluator shall refrain from any practices, activities or relationships that reasonably appear to be in conflict with the full performance of Independent Evaluator's obligations under this Agreement.

C. Disclosure to the State

If a conflict or the appearance of a conflict arises, or if Independent Evaluator is uncertain whether a conflict or the appearance of a conflict has arisen, Independent Evaluator shall submit to the State a disclosure statement setting forth the relevant details for the State's consideration. Failure to promptly submit a disclosure statement or to follow the State's direction in regard to the actual or apparent conflict constitutes a breach of this Agreement. Notwithstanding anything to the contrary contained herein, the State acknowledges and agrees that the Lead Provider and Independent Evaluator are independent institutes within the University of Denver and that this does not give rise to a conflict of interest or other breach hereunder for or by the University of Denver, the Lead Provider or Independent Evaluator. During the term of this Agreement, Independent Evaluator shall interact with the Lead Provider only as reasonably necessary to perform its obligations under this Agreement and shall not attempt to interfere or assist Lead Provider in the performance of its obligations under the PFS Contract.

13. REPRESENTATIONS AND WARRANTIES

Independent Evaluator makes the following specific representations and warranties, each of which was relied on by the State in entering into this Agreement.

A. Legal Authority – Independent Evaluator Signatory

Independent Evaluator warrants that it possesses the legal authority to enter into this Agreement and that it has taken all actions required by its procedures, and bylaws, and/or applicable laws to exercise that authority, and to lawfully authorize its undersigned signatory to execute this Agreement, or any part thereof, and to bind to its terms.

B. Licenses, Permits, Etc.

Independent Evaluator represents and warrants that as of the Effective Date it has, and that at all times during the term hereof it shall have and maintain, at its sole expense, all material licenses, certifications, approvals, insurance, permits and other authorizations required by law to perform its obligations hereunder.

14. COVENANTS

The Independent Evaluator hereby covenants from and after the Effective Date as follows:

- A. If requested by the State, Independent Evaluator shall provide the State with proof of Independent Evaluator's authority to enter into this Agreement within five (5) days of receiving such request.
- B. Independent Evaluator agrees to take all reasonable actions to maintain all material licenses, certifications, approvals, insurance, permits, and other authorizations required to properly perform this Agreement, without reimbursement by the State or other adjustment in the Agreement. Additionally, all employees, agents, and Subcontractors of Independent Evaluator performing Services under this Agreement shall hold all required licenses or certifications, if any, to perform their responsibilities. Any revocation, withdrawal or non-renewal of licenses, certifications, approvals, insurance, permits or any such similar requirements necessary for Independent Evaluator to properly perform the terms of this Agreement is a material breach by Independent Evaluator and constitutes grounds for termination of this Agreement.

15. INSURANCE

Independent Evaluator and its Subcontractors shall obtain and maintain insurance as specified in this section at all times during the term of this Agreement. All policies evidencing the insurance coverage required hereunder shall be issued by insurance companies satisfactory to Independent Evaluator and the State.

A. Independent Contractor

i. Public Entities

If Independent Evaluator is a "public entity" within the meaning of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, *et seq.*, as amended (the "**GIA**"), then Independent Evaluator shall maintain at all times during the term of this Agreement such liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the GIA. Independent Evaluator shall show proof of such insurance satisfactory to the State, if requested by the State. Independent Evaluator shall require each agreement with a Subcontractor that is a public entity, to include the insurance requirements necessary to meet such Subcontractor's liabilities under the GIA.

ii. Non-Public Entities

If Independent Evaluator is not a "public entity" within the meaning of the GIA, Independent Evaluator shall obtain and maintain during the term of this

Agreement insurance coverage and policies meeting the requirements set forth in **§14.B.**

B. Independent Evaluator – Subcontractors

Independent Evaluator shall require each agreement with Subcontractors, other than those that are public entities, providing Services in connection with this Agreement, to include insurance requirements substantially similar to the following:

i. Worker's Compensation

Worker's Compensation Insurance as required by State statute, and Employer's Liability Insurance covering all of Independent Evaluator's or Subcontractor's employees acting within the course and scope of their employment.

ii. General Liability

Commercial General Liability Insurance written on ISO occurrence form CG 00 01 10/93 or equivalent, covering premises operations, fire damage, independent contractors, products and completed operations, blanket contractual liability, personal injury, and advertising liability with minimum limits as follows:

- a. \$1,000,000 each occurrence;
- b. \$1,000,000 general aggregate;
- c. \$1,000,000 products and completed operations aggregate; and
- d. \$50,000 any one fire.

If any aggregate limit is reduced below \$1,000,000 because of claims made or paid, Subcontractor shall immediately obtain additional insurance to restore the full aggregate limit and furnish to Independent Evaluator a certificate or other document satisfactory to Independent Evaluator showing compliance with this provision.

iii. Automobile Liability

Automobile Liability Insurance covering any auto (including owned, hired and non-owned autos) with a minimum limit of \$1,000,000 each accident combined single limit.

iv. Crime Insurance

Crime Insurance including Employee Dishonesty coverage with minimum limits as follows:

- a. \$1,000,000 each occurrence; and
- b. \$1,000,000 general aggregate.

v. Additional Insured

The State shall be named as additional insured on all Commercial General Liability and protected health information insurance policies (leases and construction contracts require additional insured coverage for completed operations on

endorsements CG 2010 11/85, CG 2037, or equivalent) required of Independent Evaluator and any Subcontractors hereunder.

vi. Primacy of Coverage

Coverage required of Independent Evaluator and Subcontractor shall be primary over any insurance or self-insurance program carried by Independent Evaluator or the State.

vii. Cancellation

The above insurance policies shall include provisions preventing cancellation or non-renewal without at least 30 days prior notice to Independent Evaluator and Independent Evaluator shall forward such notice to the State in accordance with **§17** (Notices and Representatives) within seven days of Independent Evaluator's receipt of such notice.

viii. Subrogation Waiver

All insurance policies in any way related to this Agreement and secured and maintained by Independent Evaluator or its Subcontractors as required herein shall include clauses stating that each carrier shall waive all rights of recovery, under subrogation or otherwise, against Independent Evaluator or the State, its agencies, institutions, organizations, officers, agents, employees, and volunteers.

E. Certificates

Independent Evaluator and all Subcontractors shall provide certificates showing insurance coverage required hereunder to the State within seven (7) business days of the Effective Date of this Agreement. No later than fifteen (15) days prior to the expiration date of any such coverage, Independent Evaluator and each Subcontractor shall deliver to the State or Independent Evaluator certificates of insurance evidencing renewals thereof. In addition, upon request by the State at any other time during the term of this Agreement or any subcontract, Independent Evaluator and each Subcontractor shall, within ten (10) days of such request, supply to the State evidence satisfactory to the State of compliance with the provisions of this **§14**.

16. TERMINATION

Either Party may terminate this Agreement for any reason by giving the other Party at least fifteen (15) days' prior written notice of its intent to terminate. The State may terminate this Agreement without prior notice in the event that the State determines that it is in the best interests of State. This Agreement shall automatically terminate upon the termination of the PFS Contract.

17. NOTICES AND REPRESENTATIVES

Each individual identified below is the principal representative of the designating Party. All notices required to be given hereunder shall be hand delivered with receipt required or sent by certified or registered mail to such Party's principal representative at the address set forth below. In addition to, but not in lieu of, a hard-copy notice, notice also may be sent by e-mail to the e-mail addresses, if any, set forth below. Either Party may from time to time designate by written notice substitute addresses or persons to whom such notices shall be sent. Unless otherwise provided herein, all notices shall be effective upon receipt.

For the State: Roger Low, Pay for Success Project Manager
The Office of State Planning and Budgeting
111 State Capitol
Denver, Colorado 80203
roger.low@state.co.us

For the Independent Evaluator: Elysia Clemens, Deputy Director, Colorado Evaluation and Action Lab (CEAL)
Colorado Seminary (University of Denver)
2199 S. University Blvd.
Denver, Colorado 80208
Elysia.Clemens@du.edu

With a Copy To: Gerald Mauck, Executive Director – Research Administration
Colorado Seminary (University of Denver)
2601 East Colorado Avenue
Denver, Colorado 80208
gmauck@du.edu

And a Copy To: Vice Chancellor for Legal Affairs and General Counsel
Office of General Counsel
Colorado Seminary (University of Denver)
2199 S. University Blvd.
Denver, Colorado 80208
counsel@du.edu

18. PROVISION OF AND RIGHTS IN DELIVERABLES

To the extent permitted by law, each of the Parties hereby agrees to provide such information as is required pursuant to this Agreement, including the Evaluation Plan, to each other, as is reasonably necessary for each Party to carry out its respective responsibilities in accordance with this Agreement and the Evaluation Plan; provided that the Parties agree that the data collected by the Independent Evaluator and the sharing of such data shall be subject to the terms of the Independent Evaluator Agreement and applicable data sharing or business associate agreements. Upon termination of this Agreement, the Independent Evaluator will deliver to the State and the Lead Provider, and provide an irrevocable license to the State, the Lead Provider, and the investors under the PFS Contract (“**Investors**”) to use all of the Evaluation Deliverables, except for confidential information regarding any Denver Project participant, in a format specified by the State, the Lead Provider, or the Investors. Except as provided in a data sharing or business associate agreement or as permitted by law, neither the State, the Investors nor any other third party shall have any right to, and neither the Independent Evaluator, any subcontractors, nor any of their employees, agents, affiliates or representatives shall have any obligation to provide to the State, the Investors nor any other third party, any confidential information of individuals enrolled in the Denver Project (including health records and personally identifiable information).

19. GOVERNMENTAL IMMUNITY

Liability for claims for injuries to persons or property arising from the negligence of the State of Colorado, its departments, institutions, agencies, boards, officials, and employees is controlled and limited by the provisions of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, *et seq.*, and the risk management statutes, C.R.S. §§ 24-30-1501, *et seq.*, as now or hereafter amended.

20. GENERAL PROVISIONS

A. Assignment and Subcontracts

Independent Evaluator's rights and obligations hereunder are personal and may not be transferred or assigned without the prior, written consent of the State, not to be unreasonably withheld. Any attempt at assignment or transfer without such consent shall be void. All assignments, subcontracts, or Subcontractors approved by the Independent Evaluator or the State are subject to all of the provisions hereof. Independent Evaluator shall be solely responsible for all of the Work performed under this Agreement, regardless of whether Subcontractors are used and for all aspects of subcontracting arrangements and performance. Copies of any and all subcontracts entered into by Independent Evaluator to perform its obligations hereunder shall be in writing and submitted to the State upon request. Any and all subcontracts entered into by Independent Evaluator related to its performance hereunder shall require the Subcontractor to perform in accordance with the terms and conditions of this Agreement and to comply with all applicable federal and state laws. Any and all subcontracts shall include a provision that such subcontracts are governed by the laws of the State of Colorado.

B. Binding Effect

Except as otherwise provided in **§18.A**, all provisions herein contained, including the benefits and burdens, shall extend to and be binding upon the Parties' respective heirs, legal representatives, successors, and assigns.

C. Captions

The captions and headings in this Agreement are for convenience of reference only, and shall not be used to interpret, define, or limit its provisions.

D. Counterparts

This Agreement may be executed in multiple identical original counterparts, all of which shall constitute one agreement.

E. Entire Understanding

This Agreement represents the complete integration of all understandings between the Parties regarding the Work and all prior representations and understandings, oral or written, related to the Work are merged herein. Prior or contemporaneous additions, deletions, or other changes hereto shall not have any force or effect whatsoever, unless embodied herein.

F. Indemnification

Independent Evaluator shall indemnify, save, and hold harmless the State, its employees and agents, against any and all claims, damages, liability and court awards including costs,

expenses, and attorney fees and related costs, incurred as a result of any act or omission by Independent Evaluator, or its employees, agents, Subcontractors, or assignees pursuant to the terms of this Agreement; however, the provisions hereof shall not be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions, of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, *et seq.*, or the Federal Tort Claims Act, 28 U.S.C. §§ 2671, *et seq.*, as applicable, as now or hereafter amended.

G. Limitation of Liability

In no event shall the Parties be liable to the other Party or any third party for direct, indirect, incidental, special, consequential, or exemplary damages of any kind arising out of or in connection with this Agreement, nor shall the Independent Evaluator be liable to the State for any amount \$[●] in the aggregate, except with respect to claims for intentional misconduct or fraud.

H. Jurisdiction and Venue

All suits or actions related to this Agreement shall be filed and proceedings held in the State of Colorado and exclusive venue shall be in the City and County of Denver.

I. Modification

i. By the Parties

Except as specifically provided in this Agreement, modifications of this Agreement shall not be effective unless agreed to in writing by both Parties in an amendment to this Agreement, properly executed and approved in accordance with applicable Colorado State Law and State Fiscal Rules.

ii. By Operation of Law

This Agreement is subject to such modifications as may be required by changes in Federal or Colorado State Law, or their implementing regulations. Any such required modification automatically shall be incorporated into and be part of this Agreement on the effective date of such change, as if fully set forth herein. Any modifications permitted under this §I.ii shall conform to the policies of the Office of the State Controller, including, but not limited to, the policy entitled MODIFICATIONS OF CONTRACTS - TOOLS AND FORMS.

J. Order of Precedence

The provisions of this Agreement shall govern the relationship of the State and Independent Evaluator. In the event of conflicts or inconsistencies between this Agreement and its exhibits and attachments, including, but not limited to, those provided by Independent Evaluator, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority:

- x. Colorado Special Provisions
- xi. The provisions of the main body of this Agreement
- xii. Exhibit A, Evaluation Plan
- xiii. Exhibit B, Evaluation Budget

K. Severability

Provided this Agreement can be executed and performance of the obligations of the Parties accomplished within its intent, the provisions hereof are severable and any provision that is declared invalid or becomes inoperable for any reason shall not affect the validity of any other provision hereof.

L. Survival

Notwithstanding anything herein to the contrary, provisions of this Agreement requiring continued performance, compliance, or effect after termination hereof, shall survive such termination and shall be enforceable by the State if Independent Evaluator fails to perform or comply as required.

M. Taxes

The State is exempt from all federal excise taxes under IRC Chapter 32 (No. 84-730123K) and from all State and local government sales and use taxes under C.R.S. §§ 39-26-101 and -201, *et seq.* Such exemptions apply when materials are purchased or services are rendered to benefit the State; provided, however, that certain political subdivisions (e.g., City of Denver) may require payment of sales or use taxes even though the product or service is provided to the State. Independent Evaluator shall be solely liable for paying such taxes as the State is prohibited from paying or reimbursing Independent Evaluator for such taxes.

N. Third Party Beneficiaries

Enforcement of this Agreement and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits which third parties receive as a result of this Agreement are incidental to the Agreement, and do not create any rights for such third parties.

O. Waiver

Waiver of any breach under a term, provision, or requirement of this Agreement, or any right or remedy hereunder, whether explicitly or by lack of enforcement, shall not be construed or deemed as a waiver of any subsequent breach of such term, provision or requirement, or of any other term, provision, or requirement.

P. CORA Disclosure

To the extent not prohibited by federal law, this Agreement and the performance measures and standards under C.R.S. § 24-103.5-101, if any, are subject to public release through the Colorado Open Records Act, C.R.S. §§ 24-72-101, *et seq.*

21. ADDITIONAL GENERAL PROVISIONS

A. Compliance with Applicable Law

Independent Evaluator shall strictly comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

B. Force Majeure

Neither the Independent Evaluator nor the State shall be liable to the other for any delay in, or failure of performance of, any covenant or promise contained in this Agreement, nor shall any delay or failure constitute default or give rise to any liability for damages if, and only to the extent that, such delay or failure is caused by "force majeure." As used in this Agreement, "force majeure" means acts of God; acts of the public enemy; acts of the state and any governmental entity in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather.

C. Disputes

Except as herein specifically provided otherwise, disputes concerning the performance of this Agreement which cannot be resolved by the Parties or their representatives shall be referred in writing to a senior departmental management staff designated by the State and a senior manager designated by the Independent Evaluator. Failing resolution at that level, disputes shall be presented in writing to the Executive Director of the State and the Independent Evaluator's Chief Executive Officer for resolution. This process is not intended to supersede any other process for the resolution of controversies provided by law.

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22. COLORADO SPECIAL PROVISIONS

The Special Provisions apply to all contracts except where noted in *italics*.

- A. **GOVERNMENTAL IMMUNITY.** No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, *et seq.*, or the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b) and 2671, *et seq.*, as applicable now or hereafter amended.
- B. **INDEPENDENT CONTRACTOR.** Independent Evaluator shall perform its duties hereunder as an independent contractor and not as an employee. Neither Independent Evaluator nor any agent or employee of Independent Evaluator shall be deemed to be an agent or employee of the State. Independent Evaluator and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Independent Evaluator or any of its agents or employees. Unemployment insurance benefits will be available to Independent Evaluator and its employees and agents only if such coverage is made available by Independent Evaluator or a third party. Independent Evaluator shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this Agreement. Independent Evaluator shall not have authorization, express or implied, to bind the State to any agreement, liability or understanding, except as expressly set forth herein. Independent Evaluator shall **(a)** provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, **(b)** provide proof thereof when requested by the State, and **(c)** be solely responsible for its acts and those of its employees and agents.
- C. **COMPLIANCE WITH LAW.** Independent Evaluator shall strictly comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.
- D. **CHOICE OF LAW.** Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Agreement. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this Agreement, to the extent capable of execution.
- E. **BINDING ARBITRATION PROHIBITED.** The State of Colorado does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this contract or incorporated herein by reference shall be null and void.
- F. **SOFTWARE PIRACY PROHIBITION. Governor's Executive Order D 002 00.** State or other public funds payable under this Agreement shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Independent Evaluator hereby certifies and warrants that, during the term of this Agreement and any extensions, Independent Evaluator has and shall maintain in place appropriate systems and controls to prevent such improper

use of public funds. If the State determines that Independent Evaluator is in violation of this provision, the State may exercise any remedy available at law or in equity or under this Agreement, including, without limitation, immediate termination of this Agreement and any remedy consistent with federal copyright laws or applicable licensing restrictions.

- G. **EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. C.R.S. §§ 24-18-201 and 24-50-507.** The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this Agreement. Independent Evaluator has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Independent Evaluator's services and Independent Evaluator shall not employ any person having such known interests.
- H. **PUBLIC CONTRACTS FOR SERVICES. C.R.S. § 8-17.5-101.** *[Not Applicable to agreements relating to the offer, issuance, or sale of securities, investment advisory services or fund management services, sponsored projects, intergovernmental agreements, or information technology services or products and services.]* Independent Evaluator certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this Agreement and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this Agreement, through participation in the E-Verify Program or the Department program established pursuant to C.R.S. § 8-17.5-102(5)(c), Independent Evaluator shall not knowingly employ or contract with an illegal alien to perform work under this Agreement or enter into an agreement with a subcontractor that fails to certify to Independent Evaluator that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement. Independent Evaluator (a) shall not use E-Verify Program or Department program procedures to undertake pre-employment screening of job applicants while this Agreement is being performed, (b) shall notify the subcontractor and the contracting State agency within three (3) days if Independent Evaluator has actual knowledge that a subcontractor is employing or contracting with an illegal alien for work under this Agreement, (c) shall terminate the subcontract if a subcontractor does not stop employing or contracting with the illegal alien within three (3) days of receiving the notice, and (d) shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to C.R.S. § 8-17.5-102(5), by the Colorado Department of Labor and Employment. If Independent Evaluator participates in the Department program, Independent Evaluator shall deliver to the contracting State agency, Institution of Higher Education or political subdivision a written, notarized affirmation, affirming that Independent Evaluator has examined the legal work status of such employee, and shall comply with all of the other requirements of the Department program. If Independent Evaluator fails to comply with any requirement of this provision or C.R.S. §§ 8-17.5-101, *et seq.*, the contracting State agency, institution of higher education or political subdivision may terminate this Agreement for breach and, if so terminated, Independent Evaluator shall be liable for damages.
- I. **PUBLIC CONTRACTS WITH NATURAL PERSONS. C.R.S. § 24-76.5-101.** Independent Evaluator, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that he or she (a) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (b) shall comply with the provisions of C.R.S.

§§ 24-76.5-101, *et seq.*, and **(c)** has produced one form of identification required by C.R.S. § 24-76.5-103 prior to the effective date of this Agreement.

SIGNATURE PAGE

THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT

*** Persons signing for Independent Evaluator hereby swear and affirm that they are authorized to act on Independent Evaluator's behalf and acknowledge that the State is relying on their representations to that effect.**

INDEPENDENT EVALUATOR

Colorado Seminary which owns and operates
the University of Denver and
its Colorado Evaluation and Action Lab

STATE OF COLORADO

John W. Hickenlooper, Governor
The Office of State Planning and Budgeting
Lauren Larson, Executive Director

***Signature**

***Signature**

Date: _____

Date: _____

By: Craig Woody

By: Jason Schrock

Title: Senior Vice Chancellor for Business & Financial
Affairs

Title: Deputy Director

**EXHIBIT A:
EVALUATION PLAN**

(See Exhibit B of the Success Contract which exhibit is incorporated by reference herein.)

**EXHIBIT B:
EVALUATION BUDGET**

Denver Project Evaluation Budget:

Legal Name:		Colorado Seminary, which owns and operates the University of Denver							
DUNS #:		007431760	EIN #:	84-0404231	F&A Rates:				
PI:		Elysia Clemens			<input type="checkbox"/> <i>US Government & Non-Profits</i> <input type="checkbox"/> Academic Research (50.7%, Off Campus 26%) <input checked="" type="checkbox"/> Other Sponsored Agreements (32.8%) <i>For Profit / Foreign</i> <input type="checkbox"/> Academic Research (57.6%, Off Campus 33%) <input type="checkbox"/> Other Sponsored Agreements (49.6%)				
Project Title: Denver Runaway									
Project Begin: January 1, 2019									
Project End: March 31, 2023									
				2019	2020	2021	2022	2023	TOTAL
Salaries		BASE		Full Year	Full Year	Full Year	Full Year	Q1 Only	
		Faculty/Staff	601015	13,717	28,612	64,339	60,710	20,034	187,412
	Summer	Faculty							-
		Non-Appointed	602090	7,210	7,426	7,426	7,879	2,029	31,970
		Student	603030						-
	Summer	Student							-
Fringe	24.60%	Fully Benefited	650220	3,374	7,039	15,827	14,935	4,928	46,103
	7.50%	Non-Appointed	650230	541	557	557	591	152	2,398
	1.50%	Student	650240	-	-	-	-	-	-
Materials and Supplies			711000	5,000	5,000	5,000	5,000	1,250	21,250
Outside Services			723000						-
Subject Payments			724040						-
Travel			732000	734	734	734	734	184	3,121
Tuition			790310						-
Stipends			731900						-
Equipment			782000						-
Total Direct Costs (excluding all subcontracted costs)				30,576	49,369	93,884	89,848	28,577	292,255
Indirect Costs applied to All Direct Costs (excluding Subcontract)				4,586	7,405	14,083	13,477	4,287	43,838
Total Costs, including IDC but excluding Subawards (Line 31 + 32)				35,163	56,774	107,967	103,326	32,864	336,093
Subawards Total				30,000		10,000		10,000	
Indirect Costs based on Subcontract (2%)				600	-	200	-	200	-
Total Subawards including IDC of 2% exclusively for admin (Line 33 + 34)				30,600	-	10,200	-	10,200	-
Total Period Request (Line 33 + 38)				65,763	56,774	118,167	103,326	43,064	\$ 387,093

EXHIBIT E
Denver Project Budget

Category	Description	Year 1	Year 2	Year 3	Total
Supervisor	Supervisor-Family Strong Rapid Response Team. 1 FTE (Salary @ \$58,400, benefits @ 28%). Assumes up to 5% annual merit increase. Supervisor begins Phase II duties (i.e. supervise expanded initiative including services to runaways) on Jan 1, 2019. Assumes a 50% cost-share.	\$0	\$39,245	\$41,207	\$80,452
Rapid Responders	Rapid Response FTEs (Salary @ \$45,000, Benefits @ 28%). 2 FTE in Year 1 on Jan 1, 2019, 1 additional for 3 FTE total in Year 2 and Year 3). Assumes up to %5 annual merit increase.	\$86,400	\$178,560	\$187,490	\$452,450
Training	Training costs for new staff.	\$4,500	\$9,000	\$9,000	\$22,500
Contract Attorney	Contract attorney to assist with execution of contracts (Paid by State).	\$17,000	\$0	\$0	\$17,000
Mileage	1 deployment at average of 20 miles round trip X \$.535 per mile X 300 deployments per year per FTE (2 FTE Yr. 1 and 3 FTE in Yr. 2 & 3)	\$4,816	\$9,630	\$9,630	\$24,076
Supplies	2 laptops for Rapid Responders in Year 1, 2 additional laptop in Year 2. Supplies budget for Years 1-3. Cell phone @ \$480/yr (2 in Yr 1, 4 in Yr 2 & 3)	\$6,720	\$8,940	\$8,940	\$24,600
Personnel & Mileage Total		\$119,436	\$245,375	\$256,267	\$621,078
MST @ \$7,000, 60% covered by Medicaid	Assumes 16 participants in first year, 36 participants in years 2 and 3. This represents 20% of total runaways served, assuming 50% of families accept some type of services.	\$44,800	\$100,800	\$100,800	\$246,400
FFT @ \$3,200, 60% covered by Medicaid	Assumes 16 participants in first year, 36 participants in years 2 and 3. This represents 20% of total runaways served, assuming 50% of families accept some type of services.	\$20,480	\$46,080	\$46,080	\$112,640
Wrap-Around @ \$6000, 50% covered by Medicaid	Assumes 8 participants in first year, 18 participants in years 2 and 3. This represents 10% of total runaways served, assuming 50% of families accept some type of services.	\$24,000	\$54,000	\$54,000	\$132,000
Low-level services @ \$2,000, 50% Medicaid	Assumes 24 participants in first year, 54 participants in years 2 and 3. This represents 30% of total runaways served, assuming 50% of families accept some type of services.	\$24,000	\$54,000	\$54,000	\$132,000
TF-CBT @ \$4400, 50% Medicaid	Assumes 8 participants in first year, 18 participants in years 2 and 3. This represents 10% of total runaways served, assuming 50% of families accept some type of services.	\$17,600	\$39,600	\$39,600	\$96,800
Cash assistance and incentives	\$400 per family for basic needs and as incentive to complete services. (80 families Year 1, 180 Years 2 & 3).	\$32,000	\$72,000	\$72,000	\$154,000
MST/FFT/TFCBT Startup/Group Costs	Costs associated with onboarding, training and supervising treatment teams. Year 1 supports Savio start up, Year 2 & 3 supports startup for new providers for MST/FFT/HFW/PC/SFP teams	\$72,875	\$74,457	\$15,500	\$127,122
Emergency Shelter @ \$230/nt.	Short-term (1-5 night) shelter services. Yr. 1 = 50 nights, Yr. 2 & 3 = 75 nights/yr.	\$11,500	\$17,250	\$17,250	\$25,000
10% services contingency	Contingency funding in event costs for services are higher or Medicaid coverage lower than expected.	\$24,726	\$45,819	\$39,923	\$110,468
Services Total		\$271,981	\$504,006	\$439,153	\$1,215,140
Subtotal Project Costs		\$391,417	\$749,381	\$695,420	\$1,836,218
Sub-Contractor Indirect Rate (10%)		\$39,142	\$74,938	\$69,542	\$183,622
Total		\$430,559	\$824,319	\$764,962	\$2,019,840

EXHIBIT F
Schedule of Direct Payments

Overall Project Budget
Denver Youth Runaway Project

Schedule of Direct Payments by State for Denver Project				
	Year 1	Year 2	Year 3	Total over Project
	FY 18-19	FY 19-20	FY 20-21	
Key Date Funding is available	Jan. 1 2019	Jul. 1 2019	Jul. 1 2020	
State's Direct Spend Share: Amount to be available for immediate appropriation to Denver Operating Account	\$239,932*	\$459,357	\$426,280	\$1,125,569

***Note:** The state may deduct up to \$17,000 from the first payment, due in January 2019, for the purpose of paying legal fees associated with the contracting and construction of this Denver Project. In the event that the State pays less than this amount for all legal and contracting costs associated with this project, then Lead Provider shall be notified of the surplus, in which case Lead Provider shall propose a use for the surplus funds no later than April 1, 2019, which Governance Committee Shall approve.

EXHIBIT G

Denver Exhibit G-1: Annual State Appropriations and Minimum State Account Balances Dedicated to Denver Project						
	Year 1	Year 2	Year 3	Year 4	Year 5	Total Over 4.5 years
	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Key Date Funding is available	January 1 2018	Jul. 1 2019	Jul. 1 2020	Jul. 1 2021	Jul 1 2020	
State's Direct Spend Share: Amount to be available for immediate appropriation to Denver Operating Account	\$239,932	\$459,357	\$426,280	\$0	\$0	\$1,125,570
State Total Annual Transfer from Marijuana Cash Fund dedicated to Denver Project	\$500,978	\$829,194	\$734,981	\$0	\$0	\$2,065,153
Minimum Balance State Maintains in State Account Dedicated to Denver Project Success Payments, as of July of each fiscal year, less State Direct Spend for that year	\$261,046	\$630,883	\$939,583	\$939,583	\$939,583	NA
Max. State Success Payment to be appropriated for that fiscal year (Max. front-loaded schedule)	\$0	\$203,312	\$203,312	\$58,976	\$465,600	\$931,200
Additional State Payments (Misc.) for Staff (not part of either State Direct Payments or Success Payments)	\$8,383	\$0	\$0	\$0	\$0	\$8,383
Total State Appropriation expected for that fiscal year (including 50% annual "Direct Spend" and additional success payment, + Misc)	\$248,315	\$662,669	\$629,592	\$58,976	\$465,600	\$2,065,153
Minimum Balance State Maintains in State Account Dedicated to Denver Project as of July of each fiscal year, less all State Spending Possible Success Payment for that year	\$252,663	\$419,188	\$524,576	\$465,600	\$0	NA

Denver Exhibit G-2: Denver Project Operating Account Cash Flow, and Minimum Quarterly Balance of Operating Account					
Fiscal Year	Quarter	Quarterly Balance (end of quarter)	Investment Proceeds	State Direct Payments	Interest Earnings (assumes .15%)
2018-19	Q1	\$ 287,039	\$ 190,627	\$ 239,932	\$ -
	Q2	\$ 143,627	\$ -	\$ -	\$ 108
2019-20	Q3	\$ 459,519	\$ -	\$ 459,357	\$ 54
	Q4	\$ 253,612	\$ -	\$ -	\$ 172
	Q5	\$ 412,588	\$ 364,962	\$ -	\$ 95
	Q6	\$ 206,663	\$ -	\$ -	\$ 155
2020-21	Q7	\$ 426,941	\$ -	\$ 426,280	\$ 77
	Q8	\$ 235,861	\$ -	\$ -	\$ 160
	Q9	\$ 383,391	\$ 338,682	\$ -	\$ 88
	Q10	\$ 192,294	\$ -	\$ -	\$ 144
2021-22	Q11	\$ 1,126	\$ -	\$ -	\$ 72
	Q12	\$ 1,126	\$ -	\$ -	\$ 0
	Q13	\$ 1,126	\$ -	\$ -	\$ 0
	Q14	\$ 1,127	\$ -	\$ -	\$ 0
2022-23	Q15	\$ 1,127	\$ -	\$ -	\$ 0
	Q16	\$ 1,127	\$ -	\$ -	
	Q17	\$ 1,127	\$ -	\$ -	
	Q18	\$ 1,127	\$ -	\$ -	
	Total	\$ 1,127	\$ 894,270	\$ 1,125,570	\$ 1,127

Denver Exhibit G-3:

Annual State Appropriations and Minimum State Account Balances Dedicated to MST Project
(Information provided below is identical to that provided in MST Exhibit G-1 in a separate MST Project Contract, provided here for purposes of referencing Maximum State Success Payments for MST Project In Order to Calculate Any Cross Collateral Payment Set Forth in Section 4.07)

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Date Funding available	Jan. 1 2018	Jul. 1 2019	Jul. 1 2020	Jul. 1 2021	Jul. 1 2022	
State Total Annual Transfer from Marijuana Cash Fund dedicated to MST Project	\$488,492	\$888,570	\$990,085	\$0	\$0	\$2,367,147
Max. State Success Payment to be appropriated for that fiscal year (Max. front-loaded schedule). <i>The total provided here is the total referenced with respect to Cross-Collateral Payments in Section 4.07</i>	\$0	\$305,190	\$305,190	\$57,920	\$668,300	\$1,336,600*
Minimum Balance State Maintains in State Account Dedicated to MST Project as of July of each fiscal year, <i>less all State Spending</i>	\$266,904	\$449,616	\$691,220	\$633,300	(\$35,000)*	

** Although maximum MST Success Payments total \$1,336,600, cross collateral payment is only triggered if this total is more than \$35,000 reduced, i.e. under \$1,301,600*