

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (the "Agreement"), entered into and made effective as of December __, 2006 is by and between ILLINOIS STUDENT ASSISTANCE COMMISSION, an entity established under the laws of the State of Illinois ("ISAC") and _____, an organization established under the laws of the State of _____ (the "Potential Bidder") (collectively, the "Parties" and individually, a "Party").

WHEREAS, ISAC is and will be providing certain confidential information to the Potential Bidder in connection with a possible sale of student loans by ISAC to the Potential Bidder (the "Transaction"); and

WHEREAS, as a condition to furnishing such information to the Potential Bidder, ISAC is requiring that the Potential Bidder agree, as set forth below, to treat confidentially such information and any other information furnished to it by ISAC (whether prepared by ISAC itself, its advisors or agents or otherwise and irrespective of the form of communication), whether furnished before or after the date of this Agreement; and

WHEREAS, the Parties have entered into this Agreement in order to assure the confidentiality of all such information.

NOW, THEREFORE, as a condition to ISAC furnishing such information, and in consideration of the mutual promises and covenants made herein, and with the intent to be legally bound hereby, the Parties agree as follows:

1. Confidential Information. The term "Confidential Information" as used in this Agreement shall mean any discussion between the Parties concerning the Transaction, any and all written, printed or other materials provided by the Parties, whether furnished before or after the date of this Agreement, to each other and the substance and content thereof, and all information ascertained through discussions between officers, directors, employees, advisors, agents or representatives of the Parties concerning the Transaction, and any written, printed or other material or information derived from or in connection with this information. Confidential Information shall also include, but not be limited to, any business plans, analyses, compilations, studies or other documents or records prepared by the Parties, their respective directors, officers, employees, advisors, agents or representatives which contain or otherwise reflect or are generated from any such Confidential Information, together with all marketing, operational, economic or financial knowledge, information or data of any nature whatsoever relating to the Transaction which has been or may hereafter be provided or disclosed by the Parties to each other, and all details of the student loan portfolio being offered for purchase by ISAC, including without limitation the details thereof and identity information with respect to the borrowers represented by such student loans. Confidential Information shall not include the following:

- (a) Information which becomes generally available to the public other than by any act, omission or disclosure by the Party receiving such information or its authorized representatives;

(b) Information which the Party receiving such information can reasonably demonstrate was in its possession or known to it on a non-confidential basis prior to disclosure pursuant to this Agreement;

(c) Information received by a Party from a third party who, to the best knowledge of such Party, did not acquire such information on a confidential basis either directly or indirectly from the other Party or its agents, advisors, officers, directors, employees or representatives; and

(d) Information that was lawfully available to the Party receiving such information or its authorized representatives on a non-confidential basis from a source other than the other Party or its agents, advisors, officers, directors, employees or representatives prior to its disclosure by the other Party or its representatives.

2. Disclosure of Confidential Information. The Potential Bidder agrees to keep confidential all Confidential Information and shall not, without the prior written consent of ISAC, disclose to any third party, firm, corporation or entity, including affiliates of the Potential Bidder, such Confidential Information. The Potential Bidder shall limit the disclosure of the Confidential Information to only those officers, employees and agents (including attorneys, accountants, bankers and consultants) of the Potential Bidder reasonably necessary to evaluate the Transaction. Without the prior written consent of ISAC, the Potential Bidder and its authorized representatives and affiliates will not disclose to any person that the Confidential Information has been made available to it pursuant to this Agreement, that it has inspected any portion of the Confidential Information provided by ISAC, or that these discussions are taking place, or any other facts with respect to these discussions. The term “person” as used in this Agreement shall be broadly interpreted to include, without limitation, any corporation, company, partnership or individual.

3. Use of Confidential Information. The Potential Bidder shall use the Confidential Information only for the purpose of its internal evaluations of the Transaction, as contemplated by this Agreement and shall not make any other use, in whole or in part, of any such Confidential Information. The Potential Bidder agrees that, in complying with its confidentiality obligations under this Agreement, it shall use the same means it uses to protect its own confidential proprietary information, but in any event not less than reasonable means, to prevent the disclosure and to protect the confidentiality of the Confidential Information. The Potential Bidder agrees to be responsible for any breach of this Agreement by its respective affiliates and authorized representatives.

4. Required Disclosure. In the event that the Potential Bidder is requested or required by oral questions, interrogatories, requests for information or documents, subpoena, civil investigation, demand or similar process (a) to disclose any Confidential Information received pursuant to this Agreement or (b) to disclose the possibility of the Transaction or the discussions pertaining thereto, it is agreed that it will provide to ISAC immediate written notice of such request(s) and will use reasonable efforts to resist disclosure, until an appropriate protective order may be sought and/or a waiver of compliance with the provisions of this Agreement granted. If, in the absence of a protective order or the receipt of a waiver hereunder and while using reasonable efforts to resist disclosure, the Potential Bidder is nonetheless legally

required to disclose Confidential Information received pursuant to this Agreement, then, in such event the Potential Bidder may disclose such information without liability hereunder, provided that ISAC has been given a reasonable opportunity to review the text of such disclosure or such information before it is made.

5. Return of Documents. The Potential Bidder agrees to return or destroy any and all written, printed or other materials constituting Confidential Information as well as any other information disclosed to it by ISAC upon written request from ISAC therefor, including all originals, copies, translations, notes, or any other form of said material, without retaining any copy or duplicate thereof, and shall promptly destroy any and all written, printed or other material or information derived from the Confidential Information.

6. ISAC Standard Confidentiality Requirements. The Potential Bidder also agrees to be bound by ISAC's standard confidentiality requirements with respect to protection of privacy, security and dissemination of data as set forth in Attachment 1 hereto as if the Potential Bidder were the "Contractor" as defined therein.

7. Survival of Obligations. Regardless of any termination of any business or bidding relationship between the Parties with respect to the Transaction, the obligations and commitments established by this Agreement shall remain in full force.

8. Nature of Information. The Potential Bidder agrees that the Confidential Information is of a special and unique character and that money damages would not be a sufficient remedy for any breach of this Agreement by it or its representatives and that specific performance and injunctive or other equitable remedies for any such breach shall be available to it. The Potential Bidder also acknowledges that the interests of ISAC in such Confidential Information may be irreparably injured by disclosure of such Confidential Information. The remedies stated above may be pursued in addition to any other remedies applicable at law or equity for breach of this Agreement. Should litigation be instituted to enforce any provision hereof, the prevailing party shall be entitled to recover all costs, including reasonable legal fees, costs of investigation and costs of settlement.

9. Indemnity. The Potential Bidder agrees to indemnify, defend and hold harmless ISAC, Morgan Stanley & Co. Incorporated, Gardner, Underwood & Bacon LLC and their respective affiliates, partners, directors, members, managers, agents, attorneys, employees or controlling persons against any and all losses, claims, damages or liabilities in connection with or as a result of any breach by the Potential Bidder of any of obligation of the Potential Bidder hereunder. Further, the Potential Bidder agrees that neither ISAC nor Morgan Stanley & Co. Incorporated nor Gardner, Underwood & Bacon LLC, nor any of their respective affiliates, partners, directors, members, managers, agents, attorneys, employees or controlling persons, shall have any liability to the Potential Bidder or any person asserting claims on behalf of or in right of the Potential Bidder or as a result of any matter associated with the Transaction.

10. Governing Law. The validity and interpretation of this Agreement and the legal relations of the Parties to it shall be governed by the substantive laws of the State of Illinois without regard to choice of law provisions.

11. No Other Agreement. It is expressly understood that this Agreement is not and shall not be construed as any form of an engagement letter or agreement to enter into the Transaction or any type of transaction. This Agreement is to evidence the agreement herein of the Potential Bidder to maintain the confidentiality of the Confidential Information, and shall not constitute any commitment or obligation on the part of either to enter into any specific contractual arrangement of any nature whatsoever. The terms of this Agreement are not intended to create or constitute any other legally binding obligation between the Parties, and neither Party will have any other liability to the other Party by virtue of this Agreement.

12. Waiver. No waiver of any provision, breach or default under this Agreement shall be deemed a waiver of any subsequent provision, breach or default, nor shall any such waiver constitute a continuing waiver.

13. Confirmation Related to Confidential Information. Except as may be required by law, without the prior consent of the other, neither the Potential Bidder nor its authorized representatives (including attorneys, accountants, bankers and consultants) will (a) confirm or deny any statement made by a third party regarding the Confidential Information, (b) confirm that any investigations, discussions or negotiations are taking place between the Parties concerning the Transaction or (c) disclose any of the terms or conditions with respect to same.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the date first written above.

ILLINOIS STUDENT ASSISTANCE
COMMISSION

By: _____
Name: _____
Title: _____

POTENTIAL BIDDER: _____

By: _____
Name: _____
Title: _____

Attachment 1

CONFIDENTIALITY RECOGNITION, AGREEMENT AND CERTIFICATIONS:

1. All records and other information maintained by ISAC regarding the agency, any institution or person are confidential and shall be protected from unauthorized use and/or disclosure under this Agreement. Any dissemination, use or reuse of the shared data for other than the primary purpose of this Agreement without the express written authority of ISAC is specifically prohibited.
2. Contractor recognizes that the data it receives from and on behalf of ISAC is confidential and Contractor agrees to comply with all State and Federal requirements with respect to the protection of privacy, security and dissemination of the data including the following laws:

CONFIDENTIALITY REQUIREMENTS: 30 ILCS 585/0.01 et seq.

...AN ACT to make confidentiality requirements governing State agencies applicable to data centers and electronic data processing contractors which store or process confidential information from State agencies.

P.A.1 84-347, approved September 14, 1985, effective January 1, 1986.

585/0.01 Short Title

Section 0.01 Short Title. This Act may be cited as:

The Data Processing Confidentiality Act.

585/1. Notice

Section 1. Whenever any State agency governed by confidentiality requirements as to information in its possession gives, contracts out, or otherwise transmits such information in a form suitable for electronic data processing to any contractor, electronic data processing center, or other user outside such agency, for any purpose whatsoever, such agency shall notify the receiver of such data in writing of the agency's confidentiality requirements, including any penalties provided for their violation.

585/2 Duty of recipient

Section 2. It shall thereupon become the duty of the individual or entity who receives such data for electronic processing or storage to keep or use the same pursuant to the confidentiality requirements of the transmitting agency, and any receiver who violates them shall be subject to the same penalty as any officer or employee of such agency would incur for their violation. 30 ILCS 585/0.01 et seq.

Family Educational Rights and Privacy Act of 1974, as amended, (20 U.S.C. 1232g), enacted as section 438 of the General Education Provisions Act. ("FERPA")

Gramm-Leach-Bliley Act 15 USC, Subchapter I, Sec. 6801-6810 Disclosure of Nonpublic Personal Information. ("GLB")

ISAC is required to maintain the confidentiality of student information it receives from schools (under FERPA) and the borrower's non-public personal information (under GLB).

In furtherance of the above laws and in recognition of ISAC's privacy policy, Contractor agrees to the following:

Securing Data/Right to Inspection:

Contractor shall secure any and all data received pursuant to this Agreement in accordance with standard audit requirements (such as SAS70), and retain records of access and use of such data received for a period of

three (3) years following the termination of this Agreement, and allow ISAC on-site inspection to verify data security and usage during such Agreement.

Publishing Summary Information Only

If information received pursuant to this Agreement is distributed or published, such information shall not contain personal identifiers but shall be in summary form.

Disposal/Return of Information:

Information received pursuant to this Agreement shall be disposed of after the purpose of the Agreement is served. Disposal means the return of the information to ISAC or destruction of the information, as directed by ISAC. The data disclosed shall not be archived or sent to a records center and shall not be retained with personal identifiers for any period longer than the term of the Agreement, (unless, by agreement of the parties, the data is to be retained for a specific period that exceeds the term of the Agreement).

Certification of Communication of Confidentiality Requirements to Personnel:

The undersigned certifies that all personnel having access to data under this Agreement have been instructed regarding the confidentiality requirements and sanctions specified for unauthorized disclosure and agrees to fully and promptly report any infraction of the confidentiality provisions to ISAC.

Right of Immediate Cancellation

Notwithstanding any provision to the contrary, this Agreement is subject to immediate cancellation by SAC for failure of Contractor or its authorized contractor or agent to adhere to any provision set forth in this Confidentiality Agreement. Contractor agrees to indemnify and hold ISAC harmless for Contractor's breach of these confidentiality provisions.