SONAL SERVICE AGREEMENT

2A REV. 2/2000 (Electronic Version)

OFFICE OF THE STATE COMPTROLLER
ACCOUNTS PAYABLE DIVISION

PARE 5 COPIES.
STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT
JECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO
PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.
CEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS SET
RTH AT SHEET 2 OF THIS FILE, AS ATTACHED HERETO AND INCORPORATED BY REFERENCE.

(1) ☑ ORIGINAL ☐ AMENDMENT | (2) IDENTIFICATION NO.

(4) ARE YOU PRESENTLY A STATE EMPLOYEE? ☐ YES ☑ NO

CONTRACTOR
(3) CONTRACTOR NAME: Simons Real Estate Group, Inc.
CONTRACTOR FEIN / SSN - SUFFIX:
CONTRACTOR ADDRESS: 433 South Main Street, Suite 328, West Hartford, CT 06110

STATE AGENCY
(5) AGENCY NAME AND ADDRESS: Department of Public Works, 165 Capitol Avenue, Hartford, CT 06106
(6) AGENCY NO. DPWM1 ☑ NEITHER

CONTRACT PERIOD
(7) DATE (*FROM*): 7/1/08 THROUGH (*TO*): 6/30/13
(8) INDICATE ☐ MASTER AGREEMENT ☐ CONTRACT AWARD NO. MW HPS
(9) REQUIRED NO. OF DAYS WRITTEN NOTICE:

CANCELLATION CLAUSE
THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).

COMPLETE DESCRIPTION OF SERVICE
(10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)
provide property management services and other related services for the total care, control and management of the properties known as Norwich State Hospital, Norwich/Preston and Nathan Hale Hall, 827 Main Street, Willimantic. These services may include but not limited to mechanical systems maintenance, physical maintenance, maintenance of building utility systems, tenant relations and safety issues. Such services shall be under the direction of the Administrator of Facilities Management of the Department of Public Works (DPW) and be in accordance with the provisions of the seven page Exhibit A and one page Exhibit B and four page Exhibit C attached hereto and made a part hereof. In the provision of such services, the contractor shall act as the agent for the DPW. All purchases made by the contractor that are approved by the DPW shall be for the DPW's exclusive use and title for all tangible personal property will vest with the DPW.

COST AND SCHEDULE OF PAYMENTS
(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.
Payments are to be made in accordance with provisions of said Exhibit A. The total cost of this contract is not to exceed $2,200,000.00.

(12) ACT. CD.	(13) DOC. TYPE	(14) COMM. TYPE	(15) LSE. TYPE	(16) ORIG. AGCY.	(17) DOCUMENT NO.	(18) COMM. AGCY.	(19) COMM. NO.	(20) VENDOR FEIN / SSN - SUFFIX
A	PS			DPWM1	7330	DPWM1		

(21) COMMITTED AMOUNT
(22) OBLIGATED AMOUNT: 2,200,000.00
(23) CONTRACT PERIOD (FROM/TO): 7/1/08 - 6/30/13

(24) ACT. CD.	(25) COMM. LINE NO.	(26) COMMITTED AMOUNT	(27) COMM. AGENCY	(28) COST CENTER FUND	(28) COST CENTER SID	(29) OBJECT	AGENCY TAIL (30) FUNCTION	AGENCY TAIL (31) ACTIVITY	AGENCY TAIL (32) EXTENSION	(33) F.Y.

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code Section 3121 (d) (2). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

(34) STATUTORY AUTHORITY: Sections 4-8, 4b-1(b) 4-216 C.G.S.

ACCEPTANCES AND APPROVALS

(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE): HARRIS D. SIMONS — TITLE: Principal — DATE: 5/19/08

(36) AGENCY (AUTHORIZED OFFICIAL): Raeanne Curtis — TITLE: Commissioner — DATE: 6/2/08

(37) OFFICE OF POLICY & MGMT./DEPT. OF ADMIN. SERV. — TITLE: — DATE:

(38) ATTORNEY GENERAL (APPROVED AS TO FORM) — ASSOC. ATTY. GENERAL — DATE: 7/24/08

DISTRIBUTION: ORIGINAL-CONTRACTOR PHOTOCOPY-COMPTROLLER PHOTOCOPY-OPM/DAS PHOTOCOPY-ATTORNEY GENERAL PHOTOCOPY-AGENCY

Reg. in Norwich Hosp. File Folder

TERMS/CONDITIONS

EXECUTIVE ORDERS

This contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971, and, as such, this contract may be canceled, terminated or suspended by the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Three, or any state or federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner is not a party to this contract. The parties to this contract, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein by reference and made a party hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to contract performance in regard to nondiscrimination, until the contract is completed or terminated prior to completion. The contractor agrees, as part consideration hereof, that this contract is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three, and that he will not discriminate in his employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner. This contract is also subject to provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this contract may be canceled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be a party to this contract. The parties to this contract, as part of the consideration hereof, agree that Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to contract performance in regard to listing all employment openings with the Connecticut State Employment Service.

I. NON-DISCRIMINATION

(a). For the purposes of this section, "minority business enterprise" means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise; (2) who have the power to direct the management and policies of the enterprise; and (3) who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat. subsection 32-9n; and "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

For purposes of this Section, "Commission" means the Commission on Human Rights and Opportunities.

For purposes of this Section, "Public works contract" means any agreement between any individual, firm or corporation and the state or any political subdivision of the state other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the state, including but not limited to, matching expenditures, grants, loans, insurance or guarantees.

(b) (1) The Contractor agrees and warrants that in the performance of the contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut. The Contractor further agrees to take affirmative action to insure that applicants with job related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness unless it is shown by the Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action - equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this section and Conn. Gen. Stat. subsections 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Conn. Gen. Stat. subsections 46a-56, 46a-68e and 46a-68f; (b) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this section and section 46a-56. If the Contract is a public works contract, the contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.

c. Determination of the Contractor's good faith efforts shall include, but shall not be limited to, the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

d. The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

e. The Contractor shall include the provisions of subsection (b) of this Section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. subsection 46a-56; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

f. The Contractor agrees to comply with the regulations referred to in this Section as they exist on the date of this contract and as they may be adopted or amended from time to time during the term of this contract and any amendments thereto.

g. The Contractor agrees to follow the provisions: The contractor agrees and warrants that in the performance of the agreement such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; the contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; the contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to Section 46a-56 of the general statutes; the contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor which relate to the provisions of this section and Section 46a-56 of the general statutes.

h. The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Section 46a-56 of the general statutes; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

INSURANCE

The contractor agrees that while performing services specified in this agreement he shall carry sufficient insurance (liability and/or other) as applicable according to the nature of the service to be performed so as to "save harmless" the State of Connecticut from any insurable cause whatsoever. If requested, certificates of such insurance shall be filed with the contracting State agency prior to the performance of services.

STATE LIABILITY

The State of Connecticut shall assume no liability for payment for services under the terms of this agreement until the contractor is notified that this agreement has been accepted by the contracting agency and, if applicable, approved by the Office of Policy and Management (OPM) or the Department of Administrative Services (DAS) and by the Attorney General of the State of Connecticut.

Properties Known As Norwich State Hospital, Norwich/Preston and Nathan Hale Hall, 827 Main Street, Willimantic

Exhibit A

ARTICLE 1 - CONTRACTOR'S RESPONSIBILITIES

1.1 **Contractor** - The contractor shall manage, operate and maintain the property in an efficient and satisfactory manner in accordance with relevant State of Connecticut (State) standards promulgated by DPW including but not limited to Purchasing Guidelines for Property Managers dated December 21, 2006, and as may be amended, the provisions of this agreement and all applicable laws, rules and regulations. The contractor shall act in a fiduciary capacity with respect to the proper protection of, and account for, the State's assets. In this capacity, the contractor shall deal at arms length with all third parties and the contractor shall serve the State's interests at all times. The contractor shall not do business with any affiliate of the contractor without the prior written consent of the DPW.

1.2 **Employees** - The contractor shall have in its employ at all times a sufficient number of capable employees to enable it to properly, adequately, safely and economically manage, operate and maintain the property. All matters pertaining to the employment, supervision, compensation, promotion and discharge of such employees are the responsibility of the contractor, which is in all respects the employer of such employees. The contractor may negotiate with any union lawfully entitled to represent such employees and may execute in its own name, and not as agent for the State, collective bargaining agreements or labor contracts resulting therefrom. The contractor shall fully comply with all applicable laws, rules and regulations with respect to workers' compensation, social security, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee related subjects. The contractor represents that it is and will continue to be an equal opportunity employer. All employment arrangements are therefore solely its concern and the State shall have no liability with respect thereto.

1.3 **Schedule of Employees** - The contractor shall provide a schedule of employees to be employed wholly or in part in the direct management of the property. This schedule shall include the number of employees and their titles and salary ranges. On the employee schedule, the contractor shall identify those employees whose salaries may from time to time be charged to the property for direct services rendered to the property. Employees whose salaries are eligible to be charged include, but are not limited to, property managers, engineers or others included as part of the approved operating budget, which is hereinafter mentioned. Employees whose salaries may not be charged include, but are not limited to, general management personnel, accountants and auditors. Such schedule is to be submitted with the proposed operating budget.

1.4 **Compliance with Laws**- The contractor shall be responsible for determining compliance with Federal, State and municipal laws, ordinances, rules, regulations and orders relative to the use, operation, and maintenance of the property. The contractor shall promptly notify the DPW of any violation of any such law, ordinance, rule, regulation or order which comes to the contractor's attention, and take action with DPW's approval to promptly remedy such violation.

Actions in remedying of violations may be implemented prior to obtaining the approval of DPW if the estimated expenses to be incurred do not exceed $2,500.00 in any one instance. When more than such amount is required or if the violation is one for which the State might be subject to a penalty, the contractor shall notify the DPW by the end of the next business day so that prompt arrangements may be made to remedy the violation.

1.5 **Approved Operating Budget** - The contractor shall prepare and submit to the DPW, within fifteen (15) days from the date this agreement is approved by the Attorney General's Office, a proposed operating budget for the operation, management and maintenance of the property for the balance of the current fiscal year.

The DPW will consider the proposed operating budget and will consult with the contractor as soon as reasonably practicable, in order to agree on an approved operating budget.

The contractor agrees to use diligence and to employ all reasonable efforts to ensure that the actual cost of managing, maintaining and operating the property shall not exceed the amount necessary and, in any event, will not exceed the approved operating budget either in total amount or in any one accounting category.

During the term of this agreement the contractor shall inform the DPW of any major increases in costs and expenses that were not foreseen during the budget preparation period and thus are not reflected in the approved operating budget.

1.6 **Monthly Reports** – The contractor shall prepare and submit to the DPW a monthly report covering the matters set forth in Exhibit B by the 10th of each month. Each such report shall cover the period beginning the first (1th) day of the immediately preceding calendar month and ending on the last day of such calendar month.

1.7 **Competitive Bidding** - All contracts for commodities and services, and repairs to and alteration or renovation of real property exceeding $2,500.00 shall be awarded by the contractor on the basis of competitive bidding, solicited in the following manner:

A. A minimum of two (2) written bids shall be obtained;

B. Each bid will be solicited in a form prescribed by the DPW so that uniformity will exist in the bid form;

C. All bids are subject to the approval of the DPW;

D. If the contractor advises acceptance of other than the lowest bid, the contractor shall adequately support, in writing, its recommendations to the DPW;

E. The DPW shall be free to accept or reject any and all bids;

F. Once a vendor is selected, where appropriate, the contractor shall obtain proof of the vendor's insurance as specified in Section 2.3. Proof of insurance coverage must be obtained before the work or services of the vendor begins unless in case of an emergency as specified in Section 1.9.

1.8 **Service Contracts** – The contractor shall not enter into any contract for cleaning, maintaining, repairing or servicing the property or any of the constituent parts of the property without the prior written consent of the DPW. As a condition to obtaining such consent, the contractor shall supply the DPW with a copy of the proposed contract and shall state to the DPW the relationship, if any, between the contractor, or the person or persons in control of the contractor, and the party proposed to supply such services.

All service contracts shall: (a) be on a fixed-fee basis, (b) be in the name of the contractor as agent for the DPW, (c) be for a term not to exceed June 30, 2013, and include provision for cancellation thereof by the State upon not less than 30 days' written notice, for without cause, and upon not less than 3 days' notice for cause, (d) require that all service vendors provide evidence of sufficient insurance and (e) be within the guidelines set forth in the approved operating budget. Unless the DPW specifically waives such requirements, all service contracts shall be subject to the bidding requirements under the procedures as specified in Section 1.7.

1.9 **Repairs** – The contractor shall supervise all ordinary and extraordinary repairs, decorations and alterations, capital improvements, remodeling and occupant improvements, all subject to the terms of this agreement. The contractor may charge an additional (construction) management fee for the supervision of certain repairs and improvements. Such fee shall be negotiated with and agreed to by the DPW on a case by case basis.

In case of an emergency, the contractor may make expenditures for repairs without prior written approval of the DPW, if such repair is necessary to prevent damage or injury. For minor incidents (less than $10,000), DPW must be informed of any such expenditures before the end of the next business day. For major incidents (greater than $10,000), immediate notification to DPW must occur.

1.10 **Cooperation** – Should any claims, demands, suits or other legal proceedings be made or instituted by any person against the State in connection with this agreement, the contractor shall give the DPW all pertinent information and reasonable assistance in the defense or other disposition thereof. The terms of this paragraph shall not be construed as a waiver of sovereign immunity.

ARTICLE 2 - CONTRACTOR'S INSURANCE

2.1 **Contractor's Insurance** – At all times during this contract and during any amendment thereto, the contractor shall protect, indemnify and hold harmless the State, its officers, agents and employees, from and against any and all loss, cost, liability, injuries (including death), damages, compensation, and expense, including without limitations, all claims, demands, penalties, action, causes of action, suits, litigation and attorney's fees and costs, sustained by or alleged to have been sustained by the State, its officers, agents and employees, and sustained by or alleged to have been sustained by the property, real or personal, of the State, its officers, agents and employees, and sustained by or alleged to have been sustained by the public or by any other person or property, real or personal, from, or arising out of, or directly or indirectly due to, any cause, condition, event, accident, incident, happening or occurrence, related to and including without limitation, the following:

(a) The acts, omissions, or neglect of the contractor and of the contractor's officers, agents, employees, subcontractors, invitees, licensees, guests, visitors, clients and any and all persons under the control of the contractor, in or about the building or buildings located at Norwich State Hospital, Norwich/Preston and Nathan Hale Hall, 827 Main Street, Willimantic, and in or about the State of Connecticut's adjoining property, parking lots, sidewalks, improvements, structures and facilities, including, without limitation, any of the same that may be detached from said location;

(b) The contractor's use or activity or the conduct of its business or from any activity, work or thing done, permitted, or suffered by the contractor and by the contractor's officers, agents, employees, subcontractors, invitees, licensees, guests, visitors, clients and any and all persons control of the contractor, in or about the building or buildings located at Norwich State Hospital, Norwich/Preston and Nathan Hale Hall, 827 Main Street, Willimantic and in or about the State of Connecticut's adjoining property, parking lots, sidewalks, improvements, structures and facilities, including without limitation, any of the same that may be detached from said location; and,

(c) The contractor's default in its observance and performance of any of the terms, covenants or conditions of this contract and of any amendment thereto.

2.2 The contractor shall provide and maintain commercial general liability insurance, with the State named as an additional insured, in a combined single minimum amount of $1,000,000.00 for bodily injury (including death) and property damage to protect the interest of the State as it appears herein, at no cost to the State, and shall annually provide the State with a certificate of insurance to this effect, at the contractor's expense.

In addition, the contractor shall have employee dishonesty and depositors forgery insurance in an amount to cover all business liabilities. The contractor shall annually provide the State with a certificate of such dishonesty and depositors forgery insurance, at no cost to the State. The required certificates of insurance shall also include a statement that the State is an additional insured. Such policies of insurance shall also provide notification to the State at least ten (10) days prior to any cancellation or modification of coverage.

In case any claim, action, cause of action, suit, proceeding, litigation is brought against the State, its officers, agents, and employees, by reason of any of the same, the contractor shall, at the contractor's expense, resist and defend such claim, action, cause of action, suit, proceeding or litigation, or cause the same to be resisted or defended, by retained counsel reasonably satisfactory to the State.

2.3 **Subcontractor's Insurance**- The contractor shall require that all subcontractors have insurance coverage at the subcontractors' expense, in the following amounts:

A. Workers' compensation: statutory amount;
B. Employer's liability: $1,000,000.00 minimum;
C. Commercial general liability: $1,000,000.00 bodily injury for each occurrence and an aggregate of $2,000,000.00;
D. Employee dishonesty and depositors forgery: $20,000.00 (for any subcontractor who handles funds in behalf of the DPW);
E. Automobile: $1,000,000.00 combined single limit.

The contractor must obtain the permission of the DPW to waive any of the above-mentioned requirements. Higher amounts, at the discretion of the DPW, may be required if the work to be performed is sufficiently hazardous. The contractor shall obtain and keep on file a certificate of insurance which shows that each subcontractor is so insured.

ARTICLE 3 - PAYMENT OF EXPENSES

3.1 **Processing of Invoices** - The contractor shall receive, review and approve all invoices for expenses incurred in operating the property and shall timely pay such invoices if they are within the approved operating budget or if they have otherwise been approved by the DPW. Copies of all paid invoices shall be forwarded to the DPW together with the contractor's monthly report.

3.2 **Contractor's Employee Costs** - The contractor will be reimbursed by the State for the share of the costs of the gross salary and wages, payroll taxes, insurance, workers' compensation and other benefits of the contractor's employees who are directly involved and required to maintain the property, provided that such employees have been identified and enumerated in the approved operating budget, such costs do not exceed the budgeted amount and such costs are not already reflected in the fixed fee or monthly fixed fee. (See Article 4.)

3.3 **Contractor's Reimbursable Costs** - The following costs paid by the contractor in connection with the management, operation and maintenance of the property shall be reimbursed by the State:

A. Actual cost of all items set forth in the approved operating budget;

B. Emergency repair costs approved by the DPW.

3.4 **Nonreimbursable Costs** - The following expenses or costs incurred by the contractor in connection with the management, operation and maintenance of the property shall be at the sole cost and expense of the contractor and shall not be reimbursable by the State:

A. Cost of gross salary and wages, payroll taxes, insurance, workers' compensation and other benefits of the contractor's office personnel not identified in the approved operating budget;

B. General accounting and reporting services which are considered to be within the contractor's office not associated with the operation of the property;

C. Cost of forms, papers, ledgers, and other supplies and equipment used in the contractor's office not associated with the operation of the property;

D. Cost of electronic data processing equipment, or any pro rata charge thereof, whether located at the property or at the contractor's office off the property;

E. Cost of electronic data processing, or any pro rata charge thereof, for data processing provided by computer service companies;

F. Cost of advances made to employees;

G. Cost attributable to losses arising from negligence or fraud on the part of the contractor and the contractor's employees and agents;

H. Employment agency fees unless specifically approved by the DPW.

3.5 **Method of Reimbursement** - The contractor shall include in monthly reports, as set forth in Exhibit B, an itemized invoice requesting a total monthly payment. Such invoice shall include all reimbursable costs as well as the fixed fee or monthly fixed fee.

ARTICLE 4 - COMPENSATION

The contractor shall receive a management fee as set forth in this article for its services in managing the property. The contractor's monthly fixed fee shall be as follows:

For the period: 71/08 - 6/30/10

Management fee	$2,083.00/month
Partial contractor's employee costs.....	2,200.00/month
Total monthly fixed fee.....	$4,283.00/month

For the period: 7/1/10 - 6/30/11

Management fee	$2,125.00/month
Partial contractor's employee costs.....	2,300.00/month
Total monthly fixed fee.....	$4,425.00/month

For the period: 7/1/11 - 6/30/12

Management fee	$2,167.00/month
Partial contractor's employee costs.....	2,400.00/month
Total monthly fixed fee.....	$4,567.00/month

For the period: 7/1/12 - 6/30/13

Management fee	$2,208.00/month
Partial contractor's employee costs.....	2,500.00/month
Total monthly fixed fee.....	$4,708.00/month

For each contract year, the contractor's fixed fee for the year shall equal or exceed the contractor's employee costs for the year not included in such fixed fee.

ARTICLE 5 - TERMINATION

5.1 **Termination on 30 Days' Notice** -Either party may terminate this agreement without cause by giving the other party at least thirty 30 days' prior written notice.

5.2 **Termination on 3 Days' Notice** - The DPW may terminate this agreement for cause by giving the contractor 3 days' prior written notice. The reasons for termination for cause include, but are not limited to: (1) a violation of the State Ethics Code (chapter 10 of the general statutes); (2) a violation of section 4a-100 of the general statutes; or (3) wanton or reckless disregard of any state contracting and procurement process by the contractor.

5.3 **Termination on Sale** - This agreement shall terminate upon the sale of the property.

5.4 **Final Accounting** - Upon termination of this agreement for any reason, the contractor shall deliver to the DPW all records, books, accounts, contracts, unpaid bills and other papers or documents which pertain to the property. Upon such termination or withdrawal, the State will assume responsibility for payments of all approved unpaid bills pertaining to the property.

Properties Known As Norwich State Hospital, Norwich/Preston and Nathan Hale Hall, 827 Main Street, Willimantic

Exhibit B

MONTHLY REPORTS

The contractor shall generate and submit the following, using formats approved by the DPW:

1. Management report
2. Operating statement
3. Budget variance analysis
4. Itemized invoice requesting payment
5. Copies of all invoices paid

EXHIBIT C

EXECUTIVE ORDERS

The Contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices, Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings and Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999, concerning violence in the workplace, all of which are incorporated into and are made a part of the Contract as if they had been fully set forth in it. At the Contractor's request, the Client Agency shall provide a copy of these orders to the Contractor. The Contract may also be subject to Executive Order No. 7C of Governor M. Jodi Rell, promulgated July 13, 2006, concerning contracting reforms and Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, in accordance with their respective terms and conditions.

WHISTLEBLOWER PROVISION

Each contract between a state or quasi-public agency and a large state contractor shall provide that, if an officer, employee, or appointing authority of a large state contractor takes or threatens to take any personnel action against any employee of the contractor in retaliation for such employee's disclosure of information to the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of Section 4-61dd of the Connecticut General Statutes, the contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of the contract. Each violation shall be a separate and distinct offense and in the case of a continuing violation each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The executive head of the state or quasi-public agency may request the Attorney General to bring a civil action in the Superior Court for the judicial district of Hartford to seek imposition and recovery of such civil penalty.

Each large state contractor shall post a notice of the provisions of Section 4-61dd relating to large state contractors in a conspicuous place that is readily available for viewing by the employees of the contractor.

CONNECTICUT LAW PROVISION

It is agreed that this contract shall be governed by, construed, and enforced in accordance with the laws of the State of Connecticut.

STATE ETHICS SUMMARY PROVISION

The Summary of State Ethics Laws posted on the DPW website at www.ct.gov/dpw under Affidavits, and as may be revised from time to time is incorporated herein by reference as if fully set forth herein.

DEPARTMENT OF PUBLIC WORKS SEXUAL HARASSMENT POLICY

This contract is subject to the provisions of the Department of Public Works Sexual Harassment Policy and, as such, the contract may be canceled, terminated, or suspended by the DPW for violation of or noncompliance with said policy. This two page policy entitled, "Sexual Harassment Statement" and "Sexual Harassment Narrative" is hereby incorporated herein by reference and made a part hereof as though fully set forth herein. This policy may be found at the DPW website at www.ct.gov/dpw under Publications.

SOVEREIGN IMMUNITY

Nothing in this contract shall be construed as a waiver or limitation upon the State's sovereign immunity. To the extent this section is found to be inconsistent with any other part of this contract, this section shall control. This section of the contract shall survive the completion and/or termination of this contract.

For all state contracts as defined in P.A. 07-1 having a value in a calendar year of $50,000 or more or a combination or series of such agreements or contracts having a value of $100,000 or more, the authorized signatory to this contract expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See SEEC Form 11 below.

NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF CAMPAIGN CONTRIBUTION AND SOLICITATION BAN

This notice is provided under the authority of Connecticut General Statutes 9-612(g)(2), as amended by P.A. 07-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined below):

Campaign Contribution and Solicitation Ban
No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor,* with regard to a *state contract* or *state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to, or *solicit* contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

Duty to Inform
State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

Penalties for Violations
Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:
Civil penalties--$2000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of $2000 or twice the amount of the prohibited contributions made by their principals.
Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or $5000 in fines, or both.

Contract Consequences
Contributions made or solicited in violation of the above prohibitions may result, in the case of a state contractor, in the contract being voided.

Contributions made or solicited in violation of the above prohibitions, in the case of a prospective state contractor, shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State will not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information and the entire text of P.A 07-1 may be found on the website of the State Elections Enforcement Commission, www.ct.gov/seec. Click on the link to "State Contractor Contribution Ban."

Definitions:

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has managerial or discretionary responsibilities with respect to a state contract, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind,
(iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan or a loan to an individual for other than commercial purposes.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (IV) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

DISCLOSURE OF RECORDS

The Contract may be subject to the provisions of section 1-218 of the Connecticut General Statutes. In accordance with this section, each contract in excess of two million five hundred thousand dollars between a public agency and a person for the performance of a governmental function shall (a) provide that the public agency is entitled to receive a copy of records and files related to the performance of the governmental function, and (b) indicate that such records and files are subject to FOIA and may be disclosed by the public agency pursuant to FOIA. No request to inspect or copy such records or files shall be valid unless the request is made to the public agency in accordance with FOIA. Any complaint by a person who is denied the right to inspect or copy such records or files shall be brought to the Freedom of Information Commission in accordance with the provisions of sections 1-205 and 1-206 of the Connecticut General Statutes.