

3



CITY OF DANBURY

OFFICE OF THE MAYOR
155 DEER HILL AVENUE
DANBURY, CONNECTICUT 06810

MARK D. BOUGHTON
MAYOR

(203) 797-4511
FAX (203) 796-1666
m.boughton@danbury-ct.gov

April 27, 2016

Honorable Members of the City Council
City of Danbury

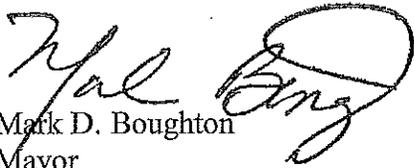
Dear Council Members:

The State of Connecticut has approved bond funding of \$498,000 for the Danbury War Memorial Association.

In turn, the War Memorial Association has asked the Connecticut Institute for Communities, Inc. (CIFIC) to serve as its agent. This is because, upon the conclusion of the building improvements, CIFIC plans to rent space from the War Memorial Association.

I ask that you review and authorize both the attached Agency Agreement and Lease in an expedited fashion. Our Corporation Counsel office has reviewed these documents because the City owns the land upon which the War Memorial stands and is subsequently a concurring party to both agreements.

Sincerely,


Mark D. Boughton
Mayor



Connecticut Institute For Communities, Inc. 3-1

Dr. Francis J. Muska, Ph.D.
Board Chair

Mr. Joseph M. Cavo
President
Danbury City Council
155 Deer Hill Avenue
Danbury, CT 06810

April 21, 2015
By Hand

Hon. James H. Maloney, J.D.
President & Chief Executive Officer

**Re: Request for Expedited Review and Authorization of Agency and Lease Agreements
in which the City of Danbury is a Concurring Party**

Dear President Cavo and Members of the Common Council:

This letter and its referenced, enclosed documents are submitted, at the suggestion of the Office of Corporation Counsel of the City of Danbury, for the Danbury City Council's review and consideration.

As you may be aware, the State of Connecticut recently approved bond funding for the War Memorial Association in the amount of \$498,000.00 for various physical improvements to the War Memorial building at 1 Memorial Drive, Danbury, CT 06810. The War Memorial Association, in turn, has asked Connecticut Institute For Communities, Inc. (CIFIC) to serve as its agent in order to carry out such improvements. CIFIC is willing to serve as the War Memorial Association's agent because, upon the conclusion of such improvements, CIFIC plans to rent space from the War Memorial Association for new Early Learning Program classrooms (Head Start, Early Head Start & School Readiness Programs).

To this end, the War Memorial Association and CIFIC have agreed to the enclosed Agency and Lease Agreements. We submitted these agreements to the City's Corporation Counsel's office for review in March due to the fact that that the City owns the land upon which the War Memorial stands, and thus, the City is listed as a concurring party to both agreements.

We ask that the Council review and authorize both the Agency Agreement and the Lease in an expedited fashion so that the project may move forward as quickly as possible. If you have any questions or need any additional information, please contact me at 203-743-9760 x 202 or via e-mail at Maloneyj@ct-institute.org.

Thank you.

Best regards

Yours Truly

James H. Maloney

James H. Maloney

Enclosures

cc: Honorable Mark D. Boughton, Mayor of the City of Danbury
Mr. Laszlo Pinter, Esq., Deputy Corporation Counsel, City of Danbury
"CIFIC: Strengthening Families; Building Communities."

Central Business Office,
7 Old Sherman Turnpike, Suite 200
Danbury, CT 06810



Greater Danbury Community Health Center
57 North Street, Suite 309-311
Danbury, CT 06810

**PROJECT AGENCY AGREEMENT BETWEEN
DANBURY WAR MEMORIAL ASSOCIATION, INC.**

AND

CONNECTICUT INSTITUTE FOR COMMUNITIES, INC.

This Project Agency Agreement is made as of the _____ day of _____, 2015 (the "Effective Date") by and between Danbury War Memorial Association, Inc. (the "War Memorial" or the "Principal"), a Connecticut non-stock, non-profit corporation, with a principal office at 1 Memorial Drive, Danbury, Connecticut 06810, acting herein by John Cooke, President of the Board of Directors, hereunto duly authorized, and Connecticut Institute For Communities, Inc. ("CIFC" or the "Project Agent"), a Connecticut non-stock, non-profit, community development corporation, with a principal office at 7 Old Sherman Turnpike, Suite 200, Danbury, Connecticut 06810, acting herein by James H. Maloney, J.D., its President & Chief Executive Officer, hereunto duly authorized, collectively referred to hereinafter as "the Parties", and concurred with by The City of Danbury, the owner of the land at 1 Memorial Drive, Danbury, Connecticut, 06810, acting herein by Mayor Mark Boughton, hereunto duly authorized.

WHEREAS, the War Memorial operates and manages a building ("the building") on land owned by The City of Danbury at 1 Memorial Drive, Danbury, Connecticut, at which it provides recreational, athletic, educational, cultural and charitable activities for the community; and

WHEREAS, the Principal and the Project Agent acknowledge, by signing below, that the City's approvals to all aspects of this Agency Agreement that involve the City are conditions precedent to the Principal and Project Agent's obligations hereunder; and

WHEREAS the Board of Directors of the War Memorial has passed a resolution authorizing the making of this Project Agency Agreement and authorizing John Cooke to enter into it on behalf of the War Memorial, and Ronald Struski, a member of the Board of Directors of the War Memorial (the "Director"), to act pursuant to it, and the Board of Directors of CIFC has passed a resolution authorizing the making of this Project Agency Agreement and authorizing James H. Maloney, J.D. to act pursuant to it; and

WHEREAS, the War Memorial is the recipient of a grant (the "Grant") from the State of Connecticut, approved by the Connecticut Bond Commission on January 12, 2015, in the amount of \$498,000, for the purpose of making renovations and improvements to the building, hereinafter all of which are defined as "Improvements"; and

WHEREAS, the Improvements authorized to be done at the building include upgrades to the Gymnasium and Fitness Center, improvements to the lobbies, the installation of a security camera, the refurbishment of three Early Childhood classrooms and some miscellaneous items,

as more specifically described on Exhibit A, attached hereto and made a part of this Agreement; and

WHEREAS, CIFC desires to lease the three refurbished Early Childhood classrooms upon completion of the Improvements; and

WHEREAS, the War Memorial desires to appoint CIFC to act as its sole and exclusive agent (the "Project Agent") to administer the Grant by (1) entering into the contract, on its behalf, with the Department of Social Services for the release and use of the funds authorized by the Grant ("the funds"); and (2) engaging in all activities reasonably necessary to cause the completion of the Improvements to the building to be undertaken pursuant to the Grant; and

WHEREAS, CIFC desires to undertake the administration of the Grant on behalf of the War Memorial by entering into the contract with the Department of Social Services for the release and use of the funds authorized by the Grant, engaging in all activities reasonably necessary to cause the completion of the Improvements to the building to be undertaken pursuant to the Grant, and undertaking such other obligations as are herein set forth;

NOW, THEREFORE, in consideration of the foregoing, and for One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Principal and the Project Agent covenant and agree as follows:

ARTICLE I

APPOINTMENT OF THE PROJECT AGENT

1.1 Appointment. Subject to the terms and conditions hereof, the Principal hereby irrevocably designates and appoints the Project Agent as its exclusive agent in connection with (a) entering into a contract on behalf of the Principal with the Connecticut Department of Social Services for the release and use of the funds authorized by the Grant to the War Memorial approved by the Connecticut Bond Commission at its meeting on January 12, 2015; (b) completing the Improvements to the building to be undertaken pursuant to the Grant; and (c) undertaking such other obligations as are herein set forth, as also limited hereby.

1.2 Acceptance and Undertaking. The Project Agent hereby unconditionally accepts the Project Agency appointment and undertakes, for the benefit of the Principal, to engage in all activities reasonably necessary for (a) entering into a contract on behalf of the Principal with the Connecticut Department of Social Services for the release and use of the funds authorized by the Grant to the War Memorial approved by the Connecticut Bond Commission at its meeting on January 12, 2015; (b) completing the Improvements to the building to be undertaken pursuant to the Grant; and (c) undertaking such other obligations as are herein set forth, as also limited hereby. Notwithstanding any provisions hereof or in any other document to the contrary, the Project Agent acknowledges and agrees that the Principal shall not be required to advance any funds other than the funds available under the Grant and the One Dollar (\$1.00) cited above as consideration

1.3 Term. This Agreement shall commence on the date of its execution, and shall terminate when both of the following conditions have occurred: (a) the Project Agent has furnished a certificate to the Principal certifying that the Improvements have been completed and the Grant has been closed out; and (b) The City of Danbury has issued a Certificate of Occupancy for the Improvements. At that time the obligations of the Project Agent hereunder shall terminate. This agreement shall not extend more than eighteen (18) months from the date hereof unless consented to in writing by the parties hereto.

1.4 Scope of Authority.

(a) Subject to the terms of this Agreement, the Principal hereby expressly authorizes the Project Agent, or any agent or contractor of the Project Agent, and the Project Agent unconditionally agrees, for the benefit of the Principal, to take on behalf of the Principal all actions necessary or desirable for the performance and satisfaction of any and all of the Principal's obligations under the Grant, including, without limitation:

- (i) all management and supervisory functions relating to the Improvements;
- (ii) negotiating and /or awarding all contracts and arrangements to procure the design, equipment, licensed construction, labor and materials necessary for the construction of the Improvements, on such terms and conditions as are customary and reasonable in light of local and national standards and practices and which comply with the requirements of the State of Connecticut, if any;
- (iii) obtaining, directly or through subcontractors, all necessary permits, consents, approvals, entitlements and other authorizations, required under applicable laws from all governmental authorities in connection with the construction and inspection of the Improvements;
- (iv) maintaining all books and records with respect to the Improvements and the construction, management and operation thereof;
- (v) performing any other acts necessary in connection with the construction, management, operation and inspection of the Improvements;
- (vi) preparing and filing any reports required during the administration of the Grant or to close out the Grant upon completion of the Improvements ; and
- (vii) taking any other steps necessary to close out the Grant upon completion of the Improvements.

(b) It is specifically not in the Project Agent's scope of authority to obtain any licenses needed for the Improvements; it is the responsibility of the Project Agent's construction contractor(s) to obtain any licenses which are required. The Project Agent shall use its best efforts to insure the Project Agent's contractors are obtaining the necessary permits in a timely fashion and keep the War Memorial informed of the status of same.

(c) Subject to the terms and conditions of this Agreement, the Project Agent shall have sole management and control over the administration of the Grant for the Principal, including the means, methods, sequences and procedures for the construction, management, operation and inspection of the Improvements, provided that the budget for the Improvements shall not exceed the funds available pursuant to the Grant. Under no circumstances shall the Project Agent have any independent liability to pay any costs associated with the Improvements, beyond the Grant funds, excepting with respect to the judicially proven negligence or judicially proven willful misconduct of the Project Agent. The Project Agent shall keep the Principal fully informed of the status of the construction and expenditure of the funds upon the request of the Principal.

(d) The Project Agent is not required to ascertain that the plans and specifications for the Improvements are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, but shall promptly report to the contractor and the Director any nonconformity discovered or made known to it.

1.5 Covenants of the Project Agent. The Project Agent hereby covenants and agrees that it will:

(a) enter into a contract on behalf of the Principal with the Connecticut Department of Social Services to secure the release of the funds;

(b) cause the construction, management, operation and inspection of the Improvements to be prosecuted in a good and workmanlike manner, and in accordance with the terms of the Grant;

(c) keep in full force and effect its current comprehensive general liability insurance with coverage limitations of at least \$1,000,000 for each occurrence/ \$2,000,000 aggregate;

(d) require that (i) any contract entered into on behalf of the Principal for the construction of the Improvements provide that Builder's Risk insurance will be purchased and maintained by the construction contractor in an amount deemed appropriate by the Project Agent's insurance consultants; and (ii) every contractor or subcontractor hired to work on the Improvements maintain, name the Principal and the Project Agent as additional insureds, and provide certificates indicating to the satisfaction of the Project Agent's insurance consultants the existence of, the following insurance: (A) Workers' Compensation Insurance; and (B) Comprehensive General Liability Insurance with coverage limitations of at least \$1,000,000 for each occurrence/ \$2,000,000 aggregate;

(e) submit to the Director the architectural plans for the Improvements for approval prior to entering into construction contract(s) to undertake the Improvements;

(f) deliver to the Director on a quarterly basis progress reports regarding the construction, management, operation and inspection of the Improvements; and

(g) meet with the Director (i) after the designs for the Improvements are complete, and all bids and estimates have been received, to review the status of the project and to report on Grant expenditures; and (ii) on completion of the Improvements, before the final reports are filed to close out the Grant

1.6 Covenants of the Principal.

(a) Indemnification and Hold Harmless.

The Principal hereby covenants and agrees that it will protect, indemnify and hold the Project Agent, and its officers, directors and employees, harmless in any and all legal actions and from and against all claims or loss to persons or property to which the Project Agent may be subjected by reason of breach of contract, negligent act, tortious act or omission on the part of the Principal, its officers, agents or employees, in connection with the conduct and performance of its obligations hereunder or the Principal's operations of the War Memorial building.

(b) Insurance

(i) Insurance Requirements. The Principal hereby covenants and agrees that it will procure from insurers licensed to conduct business in the State of Connecticut the insurance identified below at its own expense, maintain it in effect for the duration of this Agreement without interruption, and name the Project Agent as an additional insured. The Project Agent will not commence any work or other activity under this Agreement until the Project Agent has received evidence of the purchase of the required insurance in the form of an original Certificate of Liability Insurance on an ACORD-25 form authorized and executed with the original signature or original stamp of the insurer or a properly-authorized agent or representative reflecting the coverage required.

(ii) Comprehensive General Liability (occurrence form) is required naming the Project Agent an additional insured and insuring against claims or suits brought by members of the public alleging bodily injury, personal injury or property damage claimed to have arisen out of the Project Agent's operations conducted under this Agreement. The insurance shall have coverage limitations of at least \$1,000,000 for each occurrence / \$2,000,000 aggregate, with a combined single limit for bodily injury, personal injury and property damage, and a commercial umbrella policy with at least \$1,000,000 of coverage.

(iii) Property Damage Insurance is required insuring against direct damage loss to the building and Improvements, and covering the interest of the Project Agent therein.

(iv) Cancellation Notice. The Project Agent shall be entitled to receive from the insurers issuing the required Comprehensive General Liability and Property Damage coverage not less than 30 days' written notice of cancellation or non-renewal.

(v) Primary Insurance. The coverage afforded to the Project Agent by the insurance required under this Agreement shall be primary insurance. If the Project Agent has other insurance that is applicable to the loss, such other insurance shall be on an excess or contingent basis.

(vi) Deductibles. The cost of all deductibles on any insurance required to be purchased by the Principal will be borne by the Principal.

(c) Provision of information.

During the preconstruction phase of the Improvements the Principal may be asked to provide necessary information and services. The Principal shall provide the same with reasonable promptness, and the Project Agent shall be entitled to rely on the accuracy of such information and services.

(d) Resolution of Board of Directors

The Principal's Board of Directors has passed a resolution providing prior authorization for the Director or designee to approve the architectural plans for the Improvements submitted by the Project Agent to the Director.

ARTICLE II

DISBURSEMENT OF FUNDS

2.1 Disbursement to Project Agent. In connection with the construction, management, operation and inspection of the Improvements, the Project Agent may contract with the Department of Social Services, on behalf of the Principal, for the disbursement and use of the funds awarded to the Principal under the Grant, which are to be used for the payment of the Improvements authorized by the Grant. The Project Agent shall notify the Principal when it receives said funds and shall further notify the Principal of any disbursement of said funds prior to mailing same.

2.2 Disbursement to Principal. If any of the funds are disbursed to the Principal, the Principal shall immediately make them available to the Project Agent to be used for the Improvements authorized by the Grant.

ARTICLE III

EVENTS OF DEFAULT

3.1 Default. The following shall be considered a default under this Agreement.

(a) the Project Agent (i) shall fail to apply any of the funds received pursuant to the Grant in a manner consistent with the terms of the Grant or for the authorized Improvements; or (ii) shall fail to observe or perform any material term, covenant or condition of this Agreement, and such breach or failure shall not be cured (A) within five days of the Principal's delivery of written notice thereof; or (B) within a reasonable time if breach cannot be remedied within the aforesaid five day period due to circumstances beyond the Project Agent's control. Then, in any such event, the Principal may, in addition to the other rights and remedies provided for in this Agreement, terminate this Agreement by giving the Project Agent written notice of such termination and, upon the expiration of the time fixed in such notice, this Agreement shall terminate. The Project Agent shall pay reasonable costs and expenses incurred by or on behalf of the Principal, including, without limitation, fees and expenses of counsel, as a result of any judicially proven such Event of Default hereunder.

(b) the Principal shall fail to observe or perform any material term, covenant or condition of this Agreement, and such breach or failure shall not be cured (i) within five days of the Project Agent's delivery of written notice thereof; or (ii) within a reasonable time if breach cannot be remedied within the aforesaid five day period due to circumstances beyond the Principal's control. Then, in any such event, the Project Agent may, in addition to the other rights and remedies provided for in this Agreement, terminate this Agreement by giving the Principal written notice of such termination and, upon the expiration of the time fixed in such notice, this Agreement shall terminate. The Principal shall pay reasonable costs and expenses incurred by or on behalf of the Project Agent, including, without limitation, fees and expenses of counsel, as a result of any judicially proven such Event of Default hereunder.

3.2 Damages. The termination of this Agreement pursuant to Section 3.1 shall in no event relieve the Project Agent of liability as set forth in this Agreement, which shall survive any such termination. The Project Agent shall not be liable for any special or consequential damages with respect to the project.

3.3 Remedies; Remedies Cumulative.

(a) If an Event of Default shall have occurred and be continuing, the Principal shall have all rights available at law, equity or otherwise.

(b) No failure to exercise and no delay in exercising, on the part of the Principal, any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges provided in this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

ARTICLE IV

RIGHT TO LEASE CLASSROOMS

By this Agreement the Principal hereby grants to the Project Agent, or its assigns, the right to lease the three Early Childhood classrooms being refurbished as part of the renovations, pursuant to the Lease attached hereto as Exhibit B.

ARTICLE V

MISCELLANEOUS

5.1 Assignment. The rights and duties of the Parties hereunder shall not be assigned or transferred in any way without the prior written consent of the Parties, except as provided in Article IV above.

5.2 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Connecticut.

5.3. Compliance with Laws. The Project Agent warrants that it will comply with any and all pertinent provisions of local, state and federal laws, regulations and policies in the performance of any acts necessary in connection with its undertakings under this Agreement.

5.4 Arbitration. In the event of any dispute(s) between the Parties that may arise under this Agreement, such dispute(s) shall be settled by arbitration in accordance with the commercial arbitration rules of the American Arbitration Association then in force. The hearing shall be conducted in Danbury, Connecticut, unless the Parties consent to a different location. The decision of the arbitrator shall be final and binding upon the parties. The prevailing party shall be awarded all of the filing fees and reasonable attorney's fees and expenses, including administrative costs and other costs of enforcing an arbitration award, the costs of subpoenas, depositions, transcripts and the like, witness fees, and similar costs related to collecting an arbitrator's award, which shall be added to, and become a part of, the amount due to the prevailing party.

5.5 Notices. All notices or other correspondence required or permitted hereunder shall be effective if made in writing and addressed as follows (including any updates of the titles and/or addresses set forth herein):

- a. To: The Danbury War Memorial Association, Inc.
 President of the Board of Directors
 Danbury War Memorial Association, Inc.
 1 Memorial Drive
 Danbury, CT 06810
- b. To: Connecticut Institute For Communities, Inc.
 President and Chief Executive Officer
 7 Old Sherman Turnpike, Suite 200
 Danbury, CT 06810

3-10

5.6 Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof.

5.7 Modification. This Agreement may only be modified by approval of the Parties through a written, executed amendment.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands on this _____ day of _____, 2015.

Danbury War Memorial Association, Inc.

By: _____
John Cooke,
President of the Board of Directors
Hereunto duly authorized

Connecticut Institute For Communities, Inc.

By: _____
James H. Maloney , J.D.,
President & CEO
Hereunto duly authorized

CONCURRED: The City of Danbury

By: _____
Mark D. Boughton,
Mayor of the City of Danbury
Hereunto duly authorized

Date: _____

3-11

EXHIBIT A

Improvements authorized by Grant to Danbury War Memorial, Inc.

a) Gymnasium upgrade		
*install new bleachers		\$50,000
*paint interior of gym		\$20,000
*replace scoreboard and clocks		<u>\$ 8,000</u>
	ST	\$78,000
b) Fitness Center upgrade		
*replace fitness floor with rubberized floor		\$60,000
*replace men's room sauna		\$15,000
*remodel ladies' locker room: floor, lockers, ceiling and walls		\$50,000
*rebuild old men's/ ladies' lavatories in fitness center		\$20,000
*Replace fitness equipment that is worn/ broken		<u>\$50,000</u>
	ST	\$195,000
c) Lobbies and Security		
*relocate main front entrance / office to rear lobby		\$50,000
*replace flooring in front and rear lobby; cover all staircases		\$15,000
*install security camera system to monitor all unstaffed areas		<u>\$ 5,000</u>
	ST	\$70,000
d) Refurbish Pre-school classrooms (3 Early Childhood classrooms)		
*install partitions and re-finish walls, floors, and ceilings; adjust HVAC		\$35,000
*install 4 child lavatories and 1 adult lavatory (5 x \$10,000)		\$50,000
*install classroom sinks, counters, plumbing, cubbies and furniture		<u>\$15,000</u>
	ST	\$100,000
e) Other		
* install a modern acoustical ceiling; replace floor and walls on 2 nd floor		\$10,000
*replace all old galvanized plumbing in front and rear bathrooms		\$30,000
*refurbish lower activity room and lavatory		<u>\$15,000</u>
	ST	\$55,000
	TOTAL	<u>\$498,000</u>

3-12

EXHIBIT B

**DANBURY WAR MEMORIAL ASSOCIATION, INC. -
CONNECTICUT INSTITUTE FOR COMMUNITIES, INC.,
LEASE**

PARTIES. This Lease Agreement is made as of this _____ day of _____, 2015 between **Danbury War Memorial Association, Inc.** (hereinafter referred to as "Landlord"), a Connecticut non-stock, non-profit corporation, with a principal office at 1 Memorial Drive, Danbury, Connecticut 06810, acting herein by John Cooke, President of the Board of Directors, hereunto duly authorized, and **Connecticut Institute For Communities, Inc.** (hereinafter referred to as "Tenant" or "CIFC"), a Connecticut non-stock, non-profit, community development corporation, with a principal office at 7 Old Sherman Turnpike, Suite 200, Danbury, Connecticut 06810, acting herein by James H. Maloney, J.D., its President & Chief Executive Officer, hereunto duly authorized, collectively referred to hereinafter as "the Parties", and concurred with by **The City of Danbury**, the owner of the land at 1 Memorial Drive, Danbury, Connecticut, 06810, acting herein by Mayor Mark Boughton, hereunto duly authorized, for and in consideration of the covenants and considerations contained herein. By signing below, the Landlord and the Tenant acknowledge that the City's approvals to all aspects of this Lease Agreement that involve the City are conditions precedent to the Landlord and the Tenant's obligations hereunder.

1. **PREMISES.** Landlord hereby leases to Tenant and Tenant leases from Landlord three (3) Early Childhood Classrooms and appurtenances, comprising not less than 3,000 square feet of interior floor space, located on the ground level of a building (the "building") the Landlord operates and manages at 1 Memorial Drive, Danbury, Connecticut on land owned by the City of Danbury, and which are to be refurbished pursuant to a grant (the "Grant") to the Landlord from the State of Connecticut, approved by the Connecticut Bond Commission on January 12, 2015, in the amount of \$498,000, for the purpose of making renovations and improvements (the "Improvements") to the building, including, but not limited to, the subject classrooms and appurtenances (the "premises"). The rental of the premises shall include the right of the Tenant's visitors, clients and employees to use the building's (a) common area space for access to the premises; (b) adult rest rooms; and (c) abutting exterior fenced space of at least 4,500 square feet for use as early childhood play space. Tenant fully understands the Landlord has no authority to lease any exterior space and that consent to use same must be obtained by Tenant from the City of Danbury.

2. **TERM.** The term of this lease shall be for five (5) years, commencing on the first of the month which is at least 30 days after the latter of the following conditions has occurred: (a) The City of Danbury issues a Certificate of Occupancy for the Improvements; or (b) the State of Connecticut Department of Public Health licenses the premises for use as Early Head Start, Head Start and / or School Readiness Programs, unless extended pursuant to the terms hereof.

3. **RENTAL.** The Tenant agrees to pay the Landlord as rental, without notice or demand, on the first day of each and every month during the term of this Lease, ninety percent (90%) of the fair market value of the premises for the first year of the lease, with an annual cost of living adjustment (COLA) for each succeeding year, effective July 1st of each year, starting July 1, 2016. The following provisions shall apply with respect to the determination of the fair market value and the calculation of the rental:

(a) The determination of such fair market value is to be made by a professional appraiser, mutually acceptable by Landlord and Tenant, and the cost of the appraisal is to be paid for by the Tenant; either party hereto may reject such determination and cancel this Lease or renewal thereof if such figure arrived at by the appraiser is not satisfactory to such party. It must be satisfactory to both the Landlord and the Tenant.

(b) The value of the building costs paid by the Landlord pursuant to Section 7 pertaining to the premises is to be included in the fair market value determination;

(c) The initial appraisal and determination of fair market value are to be completed not less than ten (10) days before the commencement of the lease;

(d) A new appraisal and determination of fair market value are to be completed every five (5) years upon the Tenant exercising its option to renew under Section 33, and shall be made available to Tenant at least thirty (30) days prior to the start of each five (5) year renewal period; and

(e) The annual COLA adjustment shall be equal to the most recent COLA made available to CIFIC's Head Start Program by the United States Department of Health and Human Services.

4. **LATE CHARGE.** If the monthly installment of rent for any month is not received timely at the Landlord's office, the Landlord may charge the Tenant a late charge of five percent (5%) of the monthly rental. The Tenant shall not be deemed late if the rent has been postmarked by the 10th day of such month. Any payment not received by the 15th shall constitute default of this Agreement, and the Landlord shall be entitled to immediate possession.

5. **PARKING. Reserved**

6. **ACCEPTANCE OF PREMISES.** The Tenant shall examine the premises prior to taking possession, and the Tenant's entry into possession shall constitute conclusive evidence that as of the commencement of the lease said premises were in good order and satisfactory condition.

7. **BUILDING COSTS.** The Landlord agrees that it shall be responsible for all building costs which include, without limitation, water, sewer, gas, electricity, janitorial / cleaning services, refuse services, building access services, building systems maintenance and costs including but not limited to any necessary repairs to the roof, HVAC, plumbing and electrical systems, and any expenses relating to normal maintenance or repair of facilities necessary to provide utilities or

3-14

services at the premises, and property taxes, if any, but excluding internet, cable, and telephone services at the leased premises, which shall be installed and paid for by the Tenant.

8. **USE.** The Tenant covenants to use the premises for the following purposes only and no other purpose: CIFIC Early Head Start, Head Start, School Readiness or Early Learning Programs, and related community service activities. The Tenant shall properly maintain said premises and shall not commit or suffer to be committed any waste in or upon the premises. The Tenant further agrees not to allow the premises to be used for any improper, unlawful or objectionable purpose.

9. **COMPLIANCE WITH LAW.** The Tenant shall at its own expense comply with all statutes, ordinances, planning and zoning regulations and governmental regulations and with the requirements of any board of Fire Insurance Underwriters or other similar bodies now or hereafter constituted.

10. **NUISANCES.** The Tenant shall not permit, allow or cause any noxious, disturbing or offensive odors, fumes, gas, noise or any smoke, dust or vapors or allow offensive sound or vibration to originate in or to be emitted from the premises.

11. **ASSIGNMENT AND SUBLETTING.** The Tenant shall not further assign or, in any manner, transfer this lease or any estate, interest or benefit therein, or sublet said premises, or any part or parts thereof, or permit the use of the same, or any part thereof, by anyone other than the Tenant, its subsidiaries, or affiliated corporations, without the prior consent of the Landlord, which consent shall not be unreasonably withheld.

12. **WAIVER OF DAMAGE.** The Landlord shall not be liable for any damage resulting from electricity or water which may leak or flow from the building housing the premises or from any damage as the result of the negligence or improper conduct of another Tenant, its agents or invitees.

13. **RIGHT OF ENTRY.** The Landlord may, during business hours, and after reasonable notice except in an emergency, enter the premises to (a) examine the condition and make repairs or perform maintenance; or (b) show the premises to prospective tenants or purchasers.

14. **SUBORDINATION.** This lease is subject to and is hereby subordinated to all present and future mortgages and other financial encumbrances affecting the leased premises or the property of which said premises are a part.

15. **BROKERAGE.** The Tenant and Landlord both represent that no broker negotiated this lease of the premises.

16. **ALTERATIONS BY TENANT.** The Tenant shall make no alteration or improvement to the premises without the written consent of the Landlord, which consent shall not be unreasonably withheld (except the installation of normal classroom and office equipment, including furniture, cubical-like dividers, computers, fax machine(s), copiers, and the like.

3-15

Tenant shall hold Landlord harmless for any work performed or material supplied as the result of approved alterations.

17. **MECHANIC'S LIEN.** In the event that any mechanic's lien is filed against the premises as a result of alterations or improvements made by the Tenant, the Landlord, at its option, after fifteen (15) days' notice to the Tenant, may terminate this lease and may pay the said lien, without inquiring into the validity thereof, and the Tenant shall forthwith reimburse the Landlord the total expense incurred by the Landlord in discharging the said Lien, as additional rent hereunder.

18. **RULES AND REGULATIONS.** The Landlord reserves the right to make from time to time reasonable rules and regulations regarding the occupancy of the premises, including parking use, for the safety, care and cleanliness of the premises, and for preserving good order therein. Such rules and regulations shall become binding upon the Tenant and are part of this lease from the time made.

19. **LITIGATION.** If the Landlord, without fault on its part, becomes involved on account of this lease or the occupancy of the premises by the Tenant, or on account of the Tenant's business upon the premises, in any controversy or litigation, the Tenant shall after notice take all necessary steps to remove the Landlord from such controversy and the Tenant agrees to hold the Landlord harmless for all costs and reasonable attorney's fees in connection with such controversy.

20. **FIRE CLAUSE.** If the said premises shall be made untenable, in whole or in part, by fire or other casualty, the Landlord, if it so elects, may (a) terminate this lease effective as of the date of such fire or casualty, by written notice given to the Tenant ninety (90) days after such date; or (b) repair, restore or rehabilitate said premises at Landlord's expense, but any fixed rent herein reserved shall be abated on a per diem basis in proportion to the area of the premises rendered untenable by such fire or casualty. The Tenant shall give to the Landlord prompt written notice of any fire, damage or casualty occurring in, about or to the leased premises of which it has actual knowledge. In the event the Landlord elects to rehabilitate said premises, and the Landlord has not substantially completed said rehabilitation within one hundred twenty (120) days from the date of such fire or other casualty, the Tenant shall have the option, upon written notice to the Landlord, to cancel and terminate this lease, and all rent due hereunder shall be apportioned up to and including the date of receipt of such notice of termination by the Landlord.

21. **INSURANCE.** The Tenant agrees that it will indemnify and save harmless the Landlord from any loss, liability or damage sustained by anyone within the leased premises, and will procure and pay for, during the terms of this lease, public liability policies from standard liability or indemnity companies acceptable to the Landlord, insuring the Landlord against all loss or damage to persons or property arising out of the Tenant's use of said premises, which policies or certificates thereof, together with evidence of payment of premiums, shall be placed in

possession of the Landlord throughout the term. Said policies shall be payable in an amount not less than \$1,000,000 for each loss or damage sustained by any one person, and not less than \$3,000,000 for all losses or damages sustained in connection with each act, accident or occurrence. The Tenant will also maintain insurance for the fair market value of the premises (as determined by the appraisal done for the determination of the rent, but without inclusion of the value of the building costs pertaining to the premises) for all losses and damages to property.

Tenant shall be responsible for all window glass replacement by insurance or self-insured from whatever cause, except the negligence of the Landlord.

22. NOTICES. All notices required, including any change to the following addresses, shall be either: (a) by hand, with signed receipt; or (b) by certified mail, return receipt requested, at the following addresses:

A. To the Landlord:

DANBURY WAR MEMORIAL ASSOCIATION, INC.
ATTN: President of the Board of Directors
1 Memorial Drive
Danbury, CT 06810

B. To the Tenant:

CONNECTICUT INSTITUTE FOR COMMUNITIES, INC.
ATTN: Chief Executive Officer
7 Old Sherman Turnpike, Suite 200
Danbury, CT 06810

23. REPAIRS. The Tenant shall be responsible for any repair if less than two hundred dollars (\$200.00) per event. Any repair exceeding two hundred dollars (\$200.00) per event shall be the Landlord's responsibility (unless said repair is caused by the Tenant's or Tenant's agents, invitees or guests' misuse of the premises, or because of an alteration made by the Tenant).

24. SIGNS. The Tenant shall not install or maintain any exterior signs without first obtaining approval from the Landlord and the City of Danbury (if required), but such approval shall not be unreasonably withheld.

25. TENANT'S DEFAULT. In addition to the terms provided in this lease, the occurrence of any of the following shall constitute a default in the terms of this lease:

- (a) The filing of a petition in bankruptcy or the appointment of a receiver or an assignment for the benefit of creditors.
- (b) The failure to pay rent by the 15th of the month.

(c) The failure to substantially comply with the terms of this lease after ten (10) days' written notice of the provision in default, excepting rent.

26. **LANDLORD'S REMEDY.** Upon the happening of any event of default, the Landlord may, by giving thirty (30) days' written notice to the Tenant:

(a) Terminate this lease.

(b) Re-enter the premises and the Landlord shall re-lease the premises and apply the rental proceeds to the rental amount owed by the Tenant. The Tenant shall remain liable to the Landlord for any deficiency rent, including reasonable attorney's fees incurred to enforce this lease, disbursements, costs of cleanup, if any, and costs to re-lease, including, but not limited to, advertising costs and real estate commissions.

(c) Transfer and store all property therein in a public warehouse at the cost of the Tenant.

The Landlord's remedy is cumulative and not in the alternative.

27. **LANDLORD'S DEFAULT.** If the Landlord defaults in the performance of the terms of this lease, and if such default continues for thirty (30) days after written notice, return receipt requested, and Landlord fails to substantially cure said default, the Tenant may terminate this lease after written notice.

28. **TRADE FIXTURES.** Upon termination of this lease or any extensions thereof, the Tenant will replace and restore the premises to their original condition, as of the commencement date, provided the Landlord requests Tenant to do such.

29. **APPLICABLE LAW.** This Agreement shall be construed under the laws of the State of Connecticut.

30. **ARBITRATION.** In the event of any dispute(s) between the parties that arises under this Agreement, such dispute(s) shall be settled by arbitration in accordance with the commercial arbitration rules of the American Arbitration Association then in force. The hearing shall be conducted in Danbury, Connecticut, unless both parties consent to a different location. The decision of the arbitrator shall be final and binding upon the parties. The prevailing party shall be awarded all of the filing fees and reasonable attorney's fees and expenses, including administrative costs and other costs of enforcing an arbitration award, the costs of subpoenas, depositions, transcripts and the like, witness fees, and similar costs related to collecting an arbitrator's award, which shall be added to, and become a part of, the amount due to the prevailing party.

31. **SEVERABILITY.** It is agreed that any provisions of this lease deemed void by a court of competent jurisdiction will not affect any other provisions of this lease.

32. **ENTIRE AGREEMENT.** It is agreed that the Landlord has not made any statement, promise or agreement verbally or in writing in conflict with this lease, and this lease may not be modified or changed except in writing signed by the parties hereto.

33. **OPTION TO RENEW.** The Tenant shall have the right to renew this lease for two (2) additional five (5) year terms provided: (1) that at the time of the exercise of this privilege, or at the time of the commencement of each option to renew hereunder, the Tenant is not in default under the terms, covenants, and provisions of this lease beyond the applicable grace period; (2) that the Tenant shall notify the Landlord in writing not later than ninety (90) days prior to the expiration of the original lease or current renewal term, as the case may be, that the Tenant desires an extension of this lease; and (3) that such extension shall be upon the same terms, covenants and provisions of this lease. It being understood and agreed that the provisions of (1) and (2) above are conditions precedent to this option, in the event the Tenant fails to comply with them at the time the Tenant exercises this option, this privilege shall have no force or effect, unless consented to by Landlord in writing. In the event the option to renew described in this section is effectively exercised by the Tenant, the annual rental shall be as calculated in Section 3, namely: (1) a new appraisal will be obtained, and paid for by the Tenant, to determine the fair market value of the premises, and such fair market value will include the value of the building costs pertaining to the premises; (2) the rent for the first year of the renewal term will be 90% of the fair market value of the premises; and (3) an annual cost of living adjustment (COLA) will be made in the rent for each succeeding year of the renewal term. The provisions of Section 3(a) of this Lease shall also apply to any renewal hereof.

34. **BINDING EFFECT.** This lease shall inure to the benefit of the respective parties, their successors, and / or assignees.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on this _____ day of _____, 2015.

Signed, sealed and delivered in the presence of

Danbury War Memorial Association, Inc.

By: _____
John Cooke,
President, Board of Directors
Hereunto duly authorized

Witness

Witness

Connecticut Institute for Communities, Inc.

By: _____
James H. Maloney , J.D.,

Witness

3-19

President & CEO
Hereunto duly authorized

Witness

CONCURRED: The City of Danbury

By: _____
Mark D. Boughton,
Mayor of the City of Danbury
Hereunto duly authorized

Witness

Witness

Date: _____