

STATE OF CONNECTICUT
CONNECTICUT STATE COLLEGES AND UNIVERSITIES



Bookstore Operations for the Regional Community-Technical Colleges

CSCU Contract No. 17114

This Agreement is effective as of July 1, 2017 or as of the date of approval by the Office of the Attorney General, whichever happens later (the "Effective Date") by and between the Connecticut State Colleges and Universities ("CSCU") on behalf of the Regional Community-Technical Colleges ("College" or "Colleges") and Follett Higher Education Group, Inc. ("Operator").

WITNESSETH

WHEREAS, Pursuant to Conn. Gen. Stat. § 10a-1 and effective July 1, 2016, the Connecticut State Colleges and Universities includes the state universities, known collectively as the Connecticut State University System, the regional community-technical colleges, which shall be known collectively as the regional community-technical college system, and Charter Oak State College.

WHEREAS, CSCU desires to appoint Operator to manage the regional community-technical College Bookstores and to perform the Services in certain of CSCU's College facilities and Operator wishes to accept such appointment; and

WHEREAS, Operator and CSCU wish to enter into this Agreement for the purpose of setting forth all of the terms and conditions pursuant to which Operator will manage the Bookstores and perform the Services.

NOW, THEREFORE, for valuable consideration and the mutual promises herein set forth, CSCU and Operator hereby agree as follows:

I. DEFINITIONS

All capitalized, but undefined, terms used in this Agreement shall have the meanings ascribed to them in Exhibit A.

II. DESCRIPTION OF SERVICES

- A. General. Subject to the terms and conditions set forth in this Agreement, Operator shall have the right to manage the Bookstores. CSCU owns or leases space in all of the College facilities in which the physical Bookstores are located.

- B. Statement of Services. Operator shall manage the Bookstores and provide the services described in this Agreement, including all of the exhibits and schedules attached to this Agreement, and any other services, functions or responsibilities not specifically described in this Agreement, but which are required for, or inherent in, the proper performance and delivery of such services (collectively, the "Services").
- C. Compliance Standards. Operator shall at all times (i) manage the Bookstores in accordance with the highest standard of care and commercial practices in the higher education bookstore industry; and (ii) perform the Services in a manner which reflects CSCU's reputation for academic excellence and supports the academic mission of the regional community-technical colleges. Operator shall comply with all applicable Laws and CSCU Policies in managing the Bookstores, performing the Services and satisfying its obligations to CSCU under and pursuant to this Agreement.
- D. Operational Requirements. Operator shall provide CSCU with a full range of merchandise and services expected from a high-quality, full-service college bookstore and shall at all times comply with the minimum requirements set forth in Exhibit B. Except as expressly provided in this Agreement, Operator shall be responsible for providing, and shall be financially and operationally responsible for, all Store Personnel, software, equipment, technical knowledge, expertise and other resources necessary to manage the Bookstores and provide the Services.
- E. Technology Requirements. Operator shall comply with the minimum technology requirements set forth in Exhibit C.
- F. Sales Transaction. Operator shall comply with the sales transaction requirements set forth in Exhibit D.
- G. Community Relations. Operator shall be actively involved in the campus community, and, to become a visible, integrated presence on campus, Operator shall comply with the minimum requirements set forth in Exhibit E.
- H. Questionable Items. Operator shall, upon CSCU's reasonable request from time to time during the Term, adjust, modify, alter, change, suspend or terminate any sales, marketing or promotional activities in the Bookstores, including the sale of certain goods where CSCU reasonably feels that such is inappropriate from a moral, health, or other perspective.

III. TERM AND TERMINATION

- A. Term. This Agreement will commence on the Effective Date and will expire on June 30, 2022, unless earlier terminated as provided herein (together with any renewal term(s), the "Term"). CSCU shall have the option to extend the Agreement for an additional five (5) years upon mutual agreement of the parties.
- B. Termination for Convenience. Either party may terminate this Agreement at any time and for any reason upon one hundred eighty (180) days' written notice to the other party.
- C. Termination for Cause.

- 1) Termination for Breach. Either party may terminate this Agreement for cause if the other party materially breaches any of its duties and obligations under this Agreement and fails to cure such breach within sixty (60) days after written notice thereof. In addition, CSCU may terminate this Agreement for cause immediately upon written notice to Operator, and without the opportunity to cure, in the event that (i) Operator materially breaches Articles XI or XIII of this Agreement; or (ii) Operator misrepresents material information or fails to disclose material information required to be provided to CSCU under this Agreement (including information relating to Gross Revenue or Commissions).
- 2) Termination for Operator's Insolvency. CSCU may terminate this Agreement immediately upon written notice to Operator in the event that (i) Operator files a petition under any applicable insolvency or bankruptcy Laws; (ii) a petition is filed against Operator under any such Laws and such petition is not dismissed within sixty (60) days after filing; (iii) Operator becomes or is declared insolvent or is unable to pay its debts as they become due; (iv) Operator is the subject of any proceedings related to liquidation, insolvency or a receiver or similar officer is appointed for the benefit of all or substantially all of Operator's creditors; or (v) Operator makes an assignment for the benefit of all or substantially all of its creditors.

D. Post-Termination Obligations. In the event of any non-renewal, expiration or termination of this Agreement, Operator shall, upon CSCU's request and at no additional cost to CSCU, facilitate the transition of management of the Bookstores to a successor operator appointed by CSCU. The following Sections and Articles of this Agreement shall survive any non-renewal, expiration or termination of this Agreement:

- Section III(D) [Post Termination Obligations]
- Section V (specifically those Payment obligations related to termination and final payments to both parties)
- Section XI (Confidentiality)
- Section XIII (Indemnity and Liability)
- Section XIV (Dispute Resolution)
- Section XVI (D, E, G, N, O, W) (Miscellaneous)
- and any right or obligation of the parties in this Agreement which, by its express terms or nature and context is *intended to survive termination* or expiration of this Agreement

IV. **TEXTBOOK AFFORDABILITY AND PRICING POLICIES**

- A. Textbook Discount. Operator shall provide a discount of ten percent (10%) on every new text retail price sold subject in Section IV C of this Agreement. Operator shall not increase prices of textbooks or any other saleable items in order to compensate for this discount. Operator shall show a line item discount identifying the total amount saved and bearing the CSCU name on each sale receipt. Additionally, Operator shall develop a plan acceptable to CSCU to effectively advertise the student discount in each Bookstore, on each College's Website, and in such other manner as the parties agree is appropriate.
- B. Open Educational Resources. Operator shall actively support the adoption of Open Educational Resources (OER) by faculty through Operator's Discover Platform or any successor platform adopted by Operator. Operator shall supply OER textbooks and other

course materials at the lowest cost or no cost to students. CSCU shall have the right to approve all pricing.

- 1) Through the Follett Discover module, faculty shall have the capability to adopt OER content from multiple sources including, but not limited to Coursera, Merlot, Khan Academy, YouTube, OpenStax, and other providers. A centralized single sign-on digital shelf contains all digital OER-based materials, as well as publisher digital materials. There is no charge for accessing free digital OER content. Should there be a fee for OER material imposed by the OER provider, Operator shall only impose said OER fee with no markup charge to the CSCU. When faculty choose to have some components printed, Operator shall charge no more than cost plus a five percent (5%) markup.
 - 2) Boundless Courseware. Boundless provides customizable, self-contained digital offerings (digital textbooks) that also offers faculty analytics, dashboards on student progress, digital assessments, classroom teaching aids, and Learning Management System integration to deliver student grades. Students access courseware through the College's Learning Management System. For institution-wide or department wide adoption of such courseware, the charge to students starts at \$14.99. For limited use courseware, the charge to students is up to \$29.99. These prices are subject to change or modification in the normal course of business, should there be an increase in said fee the operator will consult with the CSCU and coordinate pricing. Students have lifetime access to courseware content and have the ability to print on demand. There shall be no charge to CSCU or to students for access to the Boundless platform. CSCU shall have the right to approve any changes to the pricing structure and charges to students.
- C. Textbook Affordability. In operating the store, Operator will charge industry standard, fair prices. Operator's textbook/course material pricing policies must comply with, and cannot exceed, the minimum requirements listed below. CSCU shall have the right to audit Operator's records, vendor invoices, publisher invoices, etc., to verify adherence to the established pricing policies.
- 1) On new books, not more than the publisher's list price when Operator discount from the publisher is greater than 25%, or a 25% gross margin (cost divided by .75) on net price books and list price books sold to Operator at less than a 25% discount of list, an rounded up to the next quarter.
 - 2) On coursepacks, custom materials, text "packages", "kits", "sets", and "bundles" and non returnable and return restricted texts, not more than the publishers list price when Operator discount from the publisher is greater than 30%, or a 30% gross margin (cost divided by .70) on net price books and list price books sold to Operator and less than a 30% discount off list, and rounded up to the next quarter.
 - 3) Used books, including cloth, paperback and others, not more than 75% of the new textbook selling prices.
 - 4) On ebooks and other digital content, when Operator determines the end-user price, Operator will follow the same pricing rules applicable to coursepacks, and when the

publisher determines the end-user price and Operator acts as agent, Operator will use the publisher price.

- 5) General merchandise, not more than the normal gross profit margin for similar merchandise in the college bookstore industry.
- 6) On rental books, Follett will be setting rental fees for each title, and any given title's fee may vary as a percentage of the retail selling price.

D. Programs / Innovative Methods of Delivering Course Materials

- 1) Price Match. Operator shall offer a Price Match program that will match the lowest advertised price for new, used, or rental textbooks that are currently in-stock at the campus store. Match will include, other local bookstores, www.barnesandnoble.com, and Amazon retail (excluding the Amazon Marketplace). The lower priced item must match the exact book and edition purchased or rented. Any price difference will be refunded to the customer via their original form of payment. Implementation to the new method of managing Price Match will occur for the fall term 2017. CSCU shall be consulted with and communicated in advance on any changes proposed to the price match program.
- 2) Used Textbook Program. Operator shall make a significant effort to maximize the availability of used textbooks for students at substantial savings.
- 3) Buyback. Operator shall buy back textbooks from students at not less than 50% of the students purchase price rounded to the nearest quarter that have been adopted for an ensuing semester or academic term. (i.e., If a textbook was purchased new and has been readopted, then Operator shall pay the student not less than 50% of the purchase price during buyback. If a textbook was purchased used and has been readopted, then Operator shall pay the student not less than 50% of the purchase price during buyback.) Textbooks that have not been adopted for an ensuing semester or academic term shall be purchased at a minimum of the current wholesale price, established by national used book wholesalers and published in one of the current national used book wholesale buying guides.
- 4) Textbook Rental Program. Operator shall provide a full-service textbook rental program, acceptable to CSCU, at each College. The rental program shall save the student, on average, fifty (50) percent or more versus the cost of a new textbook. Students shall be charged no more than the used book price plus a penalty (7.5% of the used book price) if the book is not returned by the deadline. . Operator shall make a significant effort to maximize the availability of rental textbooks for CSCU students.
- 5) Digital Course Materials. Operator shall provide a digital delivery program that addresses the changing types of course materials, including providing digital course materials, digital textbooks, etc. Operator shall present all desirable new options and innovations for the delivery of textbooks and course materials to the CSCU Administration. Operator shall work with CSCU in advance to determine the best possible options for the introduction of new technology and delivery mechanisms and the appropriate timing, pricing, and availability of these services.

- 6) Desk Copies. CSCU prohibits the purchase and sale of complimentary/desk copies by the Bookstore.
- 7) Affordability Analysis. Operator shall annually perform a self-assessment on the affordability of all course materials sold at the Bookstores and shall deliver a report to CSCU detailing such self-assessment within thirty (30) days of the end of each Contract Year. Such report shall provide, at a minimum, details on the costs of course materials at the Bookstores, a comparative analysis of costs of such course materials at Operator's competitors, student and faculty utilization of affordable and/or non-traditional course materials (including OER), and Operator's strategic plans for reducing the costs of course materials in the next Contract Year.

V. COMPENSATION

- A. Annual Payment. During each Contract Year, Operator shall pay to CSCU the Percentage of Commission for such Contract Year.

- 1) Commission

- a) Commission Schedule. Operator shall provide a commission to CSCU based on the following percentage commission:
 - i. Eleven percent (11%) on all Total System Gross Revenues up to \$20,000,000; plus
 - ii. Thirteen percent (13%) on all Total System Gross Revenues over \$20,000,000 but less than \$25,000,000.; plus
 - iii. Fourteen percent (14%) on all Total System Gross Revenues over \$25,000,000

7% on Total System Gross Revenue attributable to digital textbooks

- b) "Total System Gross Revenue" is the total of all Gross Revenues from each of the College stores. "Gross Revenue" at each store is all sales made by the Store or the Store's world wide web page, catalog, or mail order function (if any), including new textbooks with discount, text rental fees and replacement costs of rental texts not returned, but excluding any text rental processing fees, less refunds, returns, taxes, commissions earned from rings and graduation regalia, allocations of Follett-funded scholarships, discounted sales to departmental faculty and staff under this Agreement and sales with an inherent gross margin of less than 20% including but not limited to computer system sales (such as software, hardware, and components), and consumer electronics (such as mp3players, digital cameras, and e-readers), as all reasonably calculated by Operator. When Operator sells digital content as agent, Follett's agency fee shall be the applicable Gross Revenue. When digital books are not sold under an agency model, the Total System Gross Revenue for digital books will be calculated separately and paid under a specific commission rate as detailed in the prior provision.
- c) Operator shall pay each College its share of the commission based on the College's proportionate share of the Total System Gross Revenue. These

payments shall be made on a monthly basis twenty days after the end of the month. The details of the financial transactions shall be submitted to the individual Colleges and CSCU at the time the payments are made. CSCU shall have the right to audit such financial records and reports.

- 2) Textbook Scholarships. Operator shall invest 1.25% of Gross Revenue annually in for textbook scholarship for each full contract year during the term of this Agreement. CSCU shall have the option to accept scholarship payments in the form of gift cards or as an accounts receivable account(s).
- 3) Advertising and Community Relations Allotment. Operator shall invest \$27,000.00 annually for advertising and community relations expenses, payable annually in accordance with Section V.B.3.

B. Payment Schedule.

- 1) Monthly Payments. Operator shall pay the Percentage of Commission to CSCU by the twentieth (20th) calendar day of each month via electronic funds transfer based on the Commission during the previous month.
- 2) Quarterly Payments. Textbook Scholarships shall be paid quarterly to CSCU, twenty (20) days after the end of the month.
- 3) Year-End Payments. Operator shall pay the annual advertising and community relations allotment within twenty (20) days of the end of each Contract Year, either as one lump sum to be later distributed or directly to each CSCU community college, as directed by and at the option of CSCU.
- 4) Statements. All payments required to be made by Operator to the Colleges under this Agreement shall be accompanied with a detailed statement of the calculation of Gross Revenue and Commission and such other supporting documentation as may be requested by CSCU and / or any of the individual Colleges from time to time during the Term.

C. Execution Payment. Within ninety (90) days of this Agreement being fully executed, Operator shall pay to CSCU a one-time payment of \$500,000 (the "Execution Payment") in consideration for the rights granted by CSCU to Operator pursuant to this Agreement. If this Agreement is terminated by CSCU without cause pursuant to Section III(B) or by Operator for cause pursuant to Section III(C), CSCU shall be obligated to reimburse Operator for the unamortized amount of the Execution Payment as of the effective date of such termination. The Execution Payment shall be amortized on a straight-line basis over a five (5) year period of time beginning at the time of deposit of funds by CSCU. Notwithstanding anything in this Agreement to the contrary, CSCU shall have no obligation to reimburse Operator for any portion of the Execution Payment after the five (5) year anniversary of the deposit of funds by CSCU, upon any termination of this Agreement by CSCU for cause pursuant to Section III(C) and/or upon any termination of this Agreement by Operator without cause pursuant to Section III(B).

D. Payment Terms. All amounts payable to CSCU under this Agreement shall be made in U.S. dollars. CSCU may charge interest of one and one-half percent (1.5%) per month

(or the maximum amount permitted by law, if less) on amounts not timely paid by Operator under this Agreement and Operator shall pay any costs of collection (including legal expenses) incurred by CSCU to collect such overdue amounts.

- E. Licenses; Taxes. Operator shall, at its sole expense, procure and keep in effect all permits and licenses necessary or appropriate for the management of the Bookstores and the performance of the Services, and shall post or display in a prominent place such permits and/or notices as are required by Law or CSCU Policies. Operator shall pay for any and all taxes (except for real estate taxes), duties, fees and similar charges and assessments attributable to the operation or management of the Bookstores, including sales taxes, excise taxes, payroll taxes, and federal, state and local income taxes.

VI. USE OF BOOKSTORE FACILITIES

- A. Use and Condition of Facilities. Operator shall have the right to access and use the physical Bookstore facilities solely for the purpose of performing the Services. Operator acknowledges that it has inspected each of the Bookstore facilities, that each of the Bookstore facilities is in reasonably good condition and that, as of execution of this Agreement CSCU is not obligated to make any alterations, repairs or additions to any of the Bookstore facilities.
- B. Occupancy Rules. Operator shall, and shall cause the Store Personnel to, comply with all applicable CSCU Policies relating to Operator's access to and use of the Bookstore facilities, including the occupancy rules and regulations set forth in Exhibit G.
- C. Bookstore Utilities. As between CSCU and Operator, CSCU shall be responsible for providing, at CSCU's expense, plumbing, power, HVAC and all related services and utilities at each of the Bookstore facilities.
- D. Responsibility for Damage. Operator shall pay the costs of all repairs, replacements, deterioration or damages to the exterior and interior of the Bookstore facilities caused by negligent acts or omissions or willful misconduct of Operator, the Store Personnel or any other agents, employees, contractors or representatives of Operator. Under no circumstances shall CSCU be responsible for repairs to or replacements of Operator's personal property or trade fixtures, unless caused by the negligent or intentional acts of CSCU, its employees or agents.
- E. Return of Facilities. Upon any non-renewal, expiration or termination of this Agreement, Operator shall return the Bookstore facilities in the same condition that exists as of the Effective Date, except for reasonable wear and tear and any Store Improvements approved by CSCU.
- F. Bookstore Locations. Operator shall manage and operate the Bookstores in each of the locations identified in Schedule 1. CSCU reserves the right to relocate or close any of the Bookstores at any time on reasonable notice to Operator (which may be less than one hundred eighty (180) days' notice). Should a College Bookstore close, CSCU and Operator will work in good faith to review the financial terms of the Agreement. Nothing in this Agreement shall authorize Operator to, and Operator shall not, open or establish any new Bookstore at any regional community-technical College without CSCU's prior written approval.

VII. FACILITIES INVESTMENT

- A. Facility Requirements. Operator shall provide state-of-the-art retail facilities at each of the Bookstores and shall invest up to \$250,000.00 (the "Facility Investment") to upgrade, improve and furnish/fixture the Bookstores (the "Store Improvements"). For purposes of this Agreement, Store Improvements shall include cabling and infrastructure, floor and wall coverings, decorating, lighting, and fixtures that are not readily removable. The Facility Investment excludes any technology investment in the Bookstore Facilities made pursuant to Exhibit C.

Follett has made various investments in the Store since it commenced operations pursuant to a prior agreement. These investments have been amortized and depreciated from the in-service date(s) in accordance with the previous agreement. The remaining book value of these prior investments (which the parties agree is \$82,574.09 as of June 30, 2017, will be \$13,543.48 as of June 30, 2019 and will be fully depreciated on or before June 30, 2022) together with all replacements, additions, and extensions, and any other improvement furnished by Follett to the Store over the life of this contract, constitute "Store Remodeling." After the second full year after the execution of this Agreement, the remaining book value of these prior investments shall be fully depreciated, with no payments due by the CSCU.

CSCU shall keep the Bookstore buildings in compliance with all fire, building and electrical codes and regulations, including regulations governing fire alarms, smoke detectors, fire extinguishers, fire suppression and sprinkler systems, water pressure, plumbing and electrical service. CSCU shall be responsible for any loss resulting from failure of the building to meet applicable building codes and regulations

- B. CSCU Approvals. Operator shall provide all planning, design and implementation services necessary for the Store Improvements in order to provide CSCU with Bookstores meeting the high-quality standards set forth in this Agreement. The Store Improvements and the Facility Investment must meet all CSCU standards, must be approved in advance in writing by CSCU and must comply with all applicable Laws and CSCU Policies. Operator shall work closely with personnel designated by CSCU and shall be responsible for obtaining all required approvals and complying with all applicable requirements, at Operator's sole expense. Any third party used by Operator to assist with making Store Improvements must be approved in advance in writing by CSCU.
- C. Ownership of Store Improvements. CSCU shall own, and Operator hereby assigns to CSCU, all right, title and interest in the Store Improvements made under this Agreement and the Facility Investment in the Bookstore facilities (and any related warranties). CSCU shall not be obligated to pay or reimburse Operator for any undepreciated portion of the Facility Investment, unless (i) CSCU terminates this Agreement without cause pursuant to Section III or (B), (ii) Follett terminates the Agreement for cause. Furthermore, if Operator is unable to commence Facility Investments within two years of the Effective Date of this Agreement, then CSCU will reimburse Operator for the undepreciated portion of such Facility Investments made after July 1, 2019.
- D. Amortization. The Facility Investment by Operator in the Bookstore facilities shall be amortized on a straight-line basis over five (5) years, beginning from the in-service date. If either: (i) CSCU terminates this Agreement without cause pursuant to Section III(B), or (ii) if Follett terminates for cause, CSCU will reimburse Operator for the undepreciated

portion of such Facility Investment as of the effective date of such termination. Furthermore, if Operator is unable to commence Facility Investments within two years of the Effective Date of this Agreement, then CSCU will reimburse Operator for the undepreciated portion of such Facility Investments made after July 1, 2019.

- E. Accounting of Facility Investment. Operator shall provide CSCU with a full accounting of the Facility Investments, including copies of invoices paid to contractors, vendors and other third parties for the Facility Investment, and any other information reasonably requested by CSCU relating to the Facility Investment.
- F. Finishes. All wall colors, carpeting and complementing finishes must conform to CSCU's brand design guidelines and be approved by CSCU in writing.
- G. Design Fees. All design fees and planning fees associated with the Store Improvements and Facility Investment shall be incurred solely by Operator and Operator shall treat all design and planning fees as Operator's operating expenses. Design fees and planning fees shall not be included as part of the Facility Investment.
- H. Signage. All exterior signage, banners, etc., must adhere to CSCU's requirements, and Operator must obtain prior written approval of the signage from CSCU.
- I. Timing of Facility Investment. The timing of the Facility Investment for the Bookstore facilities will be determined by CSCU, in coordination with Operator.
- J. Operator Responsibilities. CSCU shall not be liable to Operator or any other third party for any labor, services and materials furnished to Operator. No mechanics' or other liens for any such labor or materials shall attach to or affect CSCU's interest in and to the property in which the Bookstores are located. All contracts and other written agreements relating to any labor or services shall explicitly state that the provider of all such labor or services waives any right to assert any mechanic's or other liens against the property in which the Bookstores are located. If any such lien is recorded, Operator shall, within fifteen (15) days after such lien is recorded, bond over or pay and discharge the same. CSCU may, in CSCU's discretion, pay or discharge any such lien, at the cost and expense of Operator.

VIII. PERFORMANCE, GENERALLY

- A. Quality of Process. The Services shall be performed in a good, safe and workmanlike manner and in compliance with this Agreement, all applicable CSCU Policies, Laws and codes standards, specifications, and regulations, including but not limited to those set forth below.
 - 1) Occupational Safety and Health Administration (OSHA) requirements;
 - 2) As applicable, the Laws enforced by the Commission on Human Rights and Opportunity and the Equal Employment Opportunity Commission; and
 - 3) As applicable, the Laws governing construction and improvements executed on property of, and/or for the benefit of, the State of Connecticut; and

- 4) State ethics Laws, a summary of which is incorporated herein by reference pursuant to General Statutes section 1-101qq.

B. Financial Reporting.

- 1) General. In addition to the other reports and information required to be provided by Operator under this Agreement, Operator shall provide to CSCU reports relating to the Bookstores' operations in such form and containing such information as may be necessary or appropriate for CSCU to review and analyze the provision of the Services and the accuracy of the payments required to be made by Operator to CSCU hereunder.
- 2) Reporting. Operator shall provide summary reports on a regular basis which may include, but not be limited to sales history, store improvement history or plans, and financial aid awards used during the previous period. Report content shall be determined by mutual agreement and may change over time. At a minimum, reports shall be submitted on a quarterly basis, or more frequently upon request of CSCU. Reports shall be submitted to each College and to a designated CSCU representative.
- 3) Annual Reporting. Within thirty (30) days of the end of each Contract Year, Operator shall submit detailed summary reports which shall include all information requested by CSCU. Information requested may include but not be limited to:
 - Sales by Category/Department for each College and consolidated
 - Total Sales by College and consolidated
 - Savings to students on new text purchases, by College and consolidated
 - Commission by College and consolidated
 - Online Sales by College and consolidated
 - Profit and Loss Statement, by College and consolidated
 - Gross Margin
 - Other Financial Data, as requested by CSCU

- C. Services Review.** In addition to meetings with the Bookstore Advisory Committee as described in Exhibit E, Operator shall meet with CSCU at least once each Contract Year to (i) perform a comprehensive assessment and strategic analysis of the Services; (ii) review the sales for the Bookstores and determine whether any changes are required to improve the Services; (iii) analyze the processes, equipment, technology, systems and methods utilized by Operator to perform the Services and determine whether any modifications are necessary; (iv) assess Store Managers and the Store Personnel; (v) review and develop plans and timelines for improving the operations of the Bookstores; and (vi) discuss any other pertinent matters related to the Services. At least one senior member from Operator's corporate offices will attend such meeting.

- D. Use of Vehicles on CSCU Property.** Driving on sidewalks located on CSCU property, unless otherwise posted, is forbidden. To safeguard the students, faculty and staff of all CSCU Colleges, as well as the aesthetic beauty of each campus, the driving speeds on campus shall be kept under 25 miles per hour or as posted, pedestrians shall be given the right of way at all times and all traffic signs, lights and/or other indicators, including parking signs, shall be strictly obeyed. Operator shall be responsible to measure all access routes to intended delivery areas, and to notify each College of any anticipated delivery difficulties prior to scheduling deliveries and for coordinating the delivery with the appropriate College representative.

IX. STORE PERSONNEL

- A. Regional Manager. Operator shall appoint a Regional Manager to coordinate activities at the College Bookstores, and to meet on a regular basis with CSCU and College personnel.
- B. Store Manager. Operator shall appoint one or more Store Personnel to oversee and manage the operations at each College (each, a “Store Manager”). The Store Managers must be approved by CSCU in writing prior to their assignment by Operator to the Bookstores. If CSCU fails to approve a Store Manager proposed by Operator within thirty (30) days of Operator’s request for approval, such proposal shall be deemed denied. If CSCU denies (or is deemed to deny) any Store Manager submitted for approval by Operator, Operator shall use best efforts to promptly identify and resubmit suitable replacement candidates for CSCU’s approval. Operator shall use best efforts to ensure the continuity of the Store Managers assigned to the Bookstores, and shall not re-assign the Store Managers approved by CSCU without prior consultation with CSCU.
- C. Management and Staff. Operator shall be responsible, at its sole cost and expense, to employ or contract with Store Personnel necessary for the efficient operation of the Bookstores in accordance with the requirements set forth in this Agreement. Operator shall be solely responsible for the actions of Store Personnel on Operator’s payroll, and for the payment of all wages, benefits, taxes and other costs associated with the Store Personnel on Operator’s payroll.
- D. Current State of Connecticut Bookstore Employees. Three (3) current State of Connecticut (“State”) employees shall have the right to remain in their current State positions at their respective bookstores during the term of the Agreement and any extension to the Agreement, except as otherwise determined by the College or the State. Operator shall reimburse the respective Colleges for the salaries and fringe benefits of these employees, on a monthly basis. The total salary and fringe benefits paid to these employees during fiscal year 2016 was \$395,846.00

<u>State Employees</u>	
<u>College</u>	<u>Job Title</u>
Naugatuck Valley	Bookstore Assistant Supervisor
Norwalk	Bookstore Supervisor 2
Tunxis	Bookstore Supervisor 2

- 1) State bookstore employees shall continue to report to their current State supervisors for purposes of evaluation, discipline, grievance handling and other matters governed by their collective bargaining agreements. Operator’s supervisors/managers will contribute to such supervisory decisions as appropriate. However, and consistent with the foregoing, day-to-day assignments, duties, priorities and hours of work of State employees in the bookstores shall be determined by the Operator, who shall be responsible for the overall management of each of its bookstores. Follett policy has been and continues to be that employees should be able to enjoy a work environment free from all forms of unlawful employment discrimination. As such, Follett prohibits

unlawful harassment and workplace violence by or to its employees, applicants or contractors. Any and all individuals who work on premises operated or owned by Follett are held to these standards of conduct. Any State employee must be in compliance with the CSCU's policies and failure to comply will result in appropriate CSCU's remedial action. Follett employees must be in compliance with the Follett's policies and subject to Follett's remedial actions.

- 2) State of Connecticut laws, regulations, policies, job descriptions and applicable collective bargaining agreements shall continue to apply to these employees. Accordingly, Contractor's employees shall take steps to become familiar with, and will comply with, such laws, regulations, job descriptions and collective bargaining agreements.
 - 3) As State of Connecticut employees, such employees are also employees of the regional community-technical colleges, whose policies and procedures shall continue to apply. Contractor's employees shall also take steps to become familiar with, and shall comply with such policies and Procedures.
 - 4) Should there be any problem or question concerning a State employee employed in a one of Contractor's bookstores, Operator's employees shall work with the College Human Resource Director and/or other College supervisor or manager, as appropriate, to resolve the problem or question.
 - 5) Should a labor grievance be filed by any State employee employed in one of Contractor's bookstore, Operator's employees shall cooperate with the College Human Resource Director in the processing of said grievance at each step, up to and including arbitration. Operator's employees shall attend grievance meetings and arbitration hearings and may give testimony in support of the State's position, as necessary.
 - 6) If one of the above-listed State employees employed in one of Operator's bookstores leaves his position for any reason, e.g., transfer, resignation, retirement, discharge, Operator shall assume responsibility for the duties of such employee and may assign the duties previously performed by said employee to a new or existing Operator employee, or may assign duties to one or more State employees employed in the bookstore, so long as it does not violate State laws, regulations, policies, job descriptions or collective bargaining agreements.
- E. Student Employment. Operator shall provide a reasonable number of employment opportunities in the Bookstores for CSCU's community college students.
- F. Organization Chart. Operator shall provide to CSCU a copy of Operator's organization chart and staffing levels at the Bookstores within thirty (30) days of the commencement of each Contract Year and upon CSCU's reasonable request from time to time during the Contract Year. Operator shall increase its staffing levels at the Bookstores to meet needed demand and based on needs expressed by CSCU and agreed upon by Operator CSCU.
- G. Standards of Performance. Store Personnel shall be required to comply with all applicable CSCU and College Policies and to conform to CSCU's performance standards. CSCU may, from time to time during the Term, request that Operator remove, reassign or replace any Store Personnel member (including any Store Managers) failing to conform to such

requirements or standards or for other reasons that are not unlawful. Operator shall comply with any such reasonable request by CSCU in a prompt manner.

- H. Notification Requirements. If a Store Personnel member reports or complains of any type of harassment from a CSCU or College staff member or another Store Personnel member, the incident shall be immediately reported to CSCU. In addition, if at any time a Store Personnel member is asked to do anything outside the scope of this Agreement, the incident shall be immediately reported to CSCU. Store Personnel shall be prohibited from doing any personal work, paid or as a favor, for anyone with influence over the management of this Agreement. Operator shall promptly report any incidents in violation of the preceding sentence to CSCU.
- I. Work Eligibility. Operator represents and warrants that all Store Personnel will be either citizens of the United States or legally eligible to work in the United States. Operator represents and warrants that it complies, and will continue to comply, with all applicable work eligibility Laws.
- J. Wage Laws. Operator shall comply with any wage obligations owed to its employees under any collective bargaining agreement and with all applicable State of Connecticut and Federal Laws.

X. OPERATOR'S REPRESENTATIONS AND WARRANTIES

- A. Representations and Warranties. Without limiting the other representations, warranties or obligations of Operator hereunder, Operator represents and warrants to CSCU, which representations and warranties shall survive the termination of this Agreement, that:
 - 1. Operator is a corporation operating under the name set forth in the opening paragraph of this Agreement; is duly organized, validly existing and in good standing under the laws of its state of incorporation; and is authorized to conduct business in the State of Connecticut in the manner contemplated by this Agreement.
 - 2. Operator has taken all necessary action to authorize the execution, delivery and performance of this Agreement and has the power and authority to execute, deliver and perform its obligations under this Agreement.
 - 3. Operator's execution, delivery and performance of this Agreement will not violate, be in conflict with, result in a breach of or constitute (with or without due notice and/or lapse of time) a default under any of the following, as applicable: (i) any provision of any Laws; (ii) any order of any court or the State of Connecticut; or (iii) any indenture, agreement, document or other instrument to which it is a party or by which it may be bound.
 - 4. The Store Personnel (including the Store Managers) shall be sufficiently qualified to perform the Services, have appropriate experience, education and training to perform the Services and be sufficiently familiar with the technology, processes and procedures used to provide the Services.
 - 5. Operator will use commercially reasonable efforts, including the use of industry standard virus protection software and other customary procedures, to avoid

introducing, and Operator will not negligently or knowingly insert or allow to be inserted, any viruses, worms, Trojan horses or other harmful or malicious code or components or other code designed to disable, damage, erase or otherwise harm any hardware, systems, software or data used or maintained by CSCU.

6. Operator is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from contracting with the State of Connecticut or any agency thereof, including without limitation, as a result of any action of the Commission on Human Rights and Opportunities or the Connecticut State Labor Commissioner.
7. As applicable, Operator has not, within the three (3) years preceding the date of this Agreement, in any of its current or former jobs, been convicted of, or had a civil judgment rendered against it or against any person who would perform Services under this Agreement, for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a transaction or contract with any governmental entity. This includes violation of Federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property. Operator is not presently indicted for or otherwise criminally or civilly charged by any governmental entity with commission of any of the offenses listed above.
8. Operator has not within the three (3) years preceding the Effective Date had one or more contracts with any governmental entity terminated by such entity due to any breach by Operator.
9. Operator is able to perform under this Agreement using Operator's own resources.
10. Operator has paid all applicable workers' compensation second injury fund assessments concerning all previous work done in the State of Connecticut.
11. Operator has a record of compliance with Occupational Health and Safety Administration regulations without any unabated willful or serious violations.
12. Operator owes no unemployment compensation contributions.
13. Operator is not delinquent in the payment of any taxes owed, or, that Operator has filed a sales tax security bond, and Operator has, if and as applicable, filed for motor carrier road tax stickers and has paid all outstanding road taxes;
14. All of Operator's vehicles used in the performance of this Agreement have current registrations and, unless such vehicles are no longer in service, Operator shall not allow any such registrations to lapse. Such vehicles shall be fully insured in accordance with the provisions of Sections 14-12b, 14-112 and 38a-371 of the Connecticut General Statutes, as amended, in the amounts required by the said sections or in such higher amounts as have been specified by Connecticut Department of Motor Vehicles or as required by provisions imposed by the law of the jurisdiction where the motor vehicle is registered. Each person who uses or operates a motor vehicle at any time in the performance of this Agreement for Operator shall have and maintain a motor vehicle operator's license or commercial driver's license of the appropriate class for the motor vehicle being used or operated. Each such license shall bear the endorsement or endorsements required by the provisions of Section 14-

36a of the Connecticut General Statutes, as amended, to operate such motor vehicle, or required by substantially similar provisions imposed by the law of another jurisdiction in which Operator is licensed to operate such motor vehicle. The license shall be in valid status, and shall not be expired, suspended or revoked by Connecticut Department of Motor Vehicles such other jurisdiction for any reason or cause. Each motor vehicle shall be in full compliance with all of the terms and conditions of all provisions of the Connecticut General Statutes and regulations, or those of the jurisdiction where the motor vehicle is registered, pertaining to the mechanical condition, equipment, marking and operation of motor vehicles of such type, class and weight, including, but not limited to, requirements for motor vehicles having a gross vehicle weight rating of 18,000 pounds or more or motor vehicles otherwise described by the provisions of Conn. Gen. Stat. § 14-163c(a) and all applicable provisions of the Federal Motor Carrier Safety Regulations, as set forth in Title 49, Parts 382 to 399, inclusive, of the Code of Federal Regulations.

XI. CONFIDENTIALITY

- A. Student Data. In the course of performing the Services for or on behalf of CSCU and the regional community-technical colleges, Operator may have access to data and information associated with prospective and/or enrolled students. Such information may be subject to the Family Educational Rights and Privacy Act ("FERPA"), 20 U.S.C. 1232g, et seq. and the regulations promulgated thereunder at 34 C.F.R. Part 99. Regardless of format or medium (e.g., electronic, paper, audio, video), such information is considered confidential and protected by FERPA. Such information shall not be disclosed or shared with any third party by Operator, except as permitted by the terms of this Agreement to subcontractors whose services are necessary for Operator to carry out its obligations under this Agreement and only then to subcontractors who have agreed to maintain the confidentiality of the data and information to the same extent required of Operator under the terms of this Agreement. If Operator is designated by CSCU as a "college official" under the CSCU Policies for purposes of FERPA, Operator shall, at no additional cost to CSCU, comply with all CSCU Policies and Laws related to such designation.
- 1) Operator shall implement, maintain and use appropriate administrative, technical and physical security measures to preserve the confidentiality, integrity and availability of all CSCU data and information received from or on behalf of CSCU. These measures shall be extended by contract between Operator to all subcontractors used by Operator who may encounter CSCU data or information.
 - 2) In the event any person(s) seek to access protected and confidential data or information, whether in accordance with FERPA or other Law, Operator will promptly inform CSCU of such request in writing. Operator shall only retrieve such data or information upon receipt of, and in accordance with, written directions by CSCU. Operator shall not provide direct access to such data or information or respond to individual requests. All requests and all data or information retrieved by Operator in response to such requests shall be provided to CSCU. It shall be CSCU's sole responsibility to respond to requests for data or information received by Operator regarding CSCU data or information. Should Operator receive a court order or lawfully issued subpoena seeking the release of such data or information, Operator shall provide immediate notification to CSCU of its receipt of such court order or lawfully issued subpoena and shall promptly provide CSCU with a copy of such court order or lawfully issued subpoena prior to releasing the requested data or information.

B. Personally Identifiable Data Not Otherwise Covered By FERPA.

- 1) All data and information available to Operator in the course of providing the Services that is marked as confidential OR reasonably should be known to be confidential shall be considered CSCU's "Confidential Information," unless CSCU indicates otherwise in writing. Such Confidential Information may contain data and information associated with students, faculty, staff, customers, clients, members of the public, or other individuals affiliated with CSCU. Information related to such individuals may be protected by Law and/or established industry standards. In particular, the contents of such data or information stored and maintained by Operator may be protected by the Health Insurance Portability and Accountability Act ("HIPAA"), Gramm-Leach Bliley Act ("GLBA"), Electronic Communications Privacy Act ("ECPA"), federal Red Flags Rule regulations, Federal Trade Commission regulations, Internal Revenue Service regulations and/or other Laws as amended from time to time, and/or by the Payment Card Industry Data Security Standards ("PCIDSS"), as amended or updated from time to time.

Confidential Information does NOT include information: (i) rightfully in Operator's possession prior to disclosure by CSCU; or (ii) information independently developed by Operator without use of any Confidential Information of CSCU; or (iii) generally known or available, or has become generally known or available, in the Parties' business without breach of this Agreement by Operator; or (iv) information rightfully obtained by Operator from any third party having the right to transfer or disclose it.

- 2) Data or information to which Operator may become privy in conducting the Services for or on behalf of CSCU shall not be disclosed or shared with any third party by Operator, except as permitted by the terms of this Agreement or to subcontractors whose services are necessary for Operator to carry out its obligations under this Agreement and only then to subcontractors who have agreed to maintain the confidentiality of the data and information to the same extent required of Operator under this Agreement.
- 3) In the event any person(s) seek to access protected and confidential data or information, such access shall be through CSCU, and Operator shall only retrieve such data or information as identified by CSCU or as otherwise required by Law. Operator shall not provide direct access to such data or information or respond to individual requests.
- 4) Should Operator receive a court order or lawfully issued subpoena seeking the release of such data or information, Operator shall promptly inform CSCU of its receipt of such court order or lawfully issued subpoena prior to releasing the requested data or information.

- C. Breach of Confidentiality. The parties agree that any breach of the confidentiality obligations set forth in this Agreement may result in termination of this Agreement by CSCU for cause pursuant to Section III(C). For purposes of this Agreement, "Unauthorized Access" means unauthorized access to or acquisition of electronic files, media, databases or computerized data containing personal information when access to the personal information has not been secured by encryption or by any other method or technology that

renders the personal information unreadable or unusable. In the event that a security breach occurs, Operator agrees to the following:

- 1) Operator shall immediately notify CSCU in the event Operator has knowledge that Unauthorized Access to Confidential Information has been, or may have been, obtained, and Operator shall immediately take such measures as are reasonably necessary, or requested by CSCU, to identify the cause, impact and contain such Unauthorized Access (the "Mitigation Measures").
 - 2) To the extent the Unauthorized Access was not related to the negligent act or omission of Operator and its subcontractors and employees or to Operator's failure to comply with the terms of this Agreement, Operator may be compensated for the Mitigation Measures.
 - 3) If the Unauthorized Access resulted from the negligent acts or omissions, gross negligence and/or willful misconduct of Operator or its subcontractors or employees, or from Operator's failure to comply with the terms of this Agreement, Operator shall (i) be responsible for the costs of the Mitigation Measures; (ii) shall take such actions, and be responsible for the costs thereof, as are necessary to mitigate any damage caused, or that may be caused, by such Unauthorized Access, including, but not limited to, providing identity theft protection for a period of not less than two years (unless required longer by applicable law) to those affected or potentially affected by the Unauthorized Access; and (iii) shall indemnify and hold harmless CSCU and the State of Connecticut, including any agency or official of the State of Connecticut, from and against all costs, claims, damages, or expenses, including reasonable attorney's fees, to the extent arising from such Unauthorized Access.
 - 4) For the purpose of notification to CSCU of an actual or potential security breach, the following individuals, or their successors, should be contacted, by phone or fax, and also in writing: (i) Chief Information Officer , 61 Woodland Street, Hartford, CT 06105 860-723-0125
- D. Return/Destruction of Data. Upon any non-renewal, expiration or termination of this Agreement, Operator shall return and/or destroy all data or information received from CSCU in a manner as may be determined between the parties in accordance with agreed upon standards and procedures. Operator shall not retain copies of any data or information received from CSCU once CSCU has directed Operator as to how such information shall be returned to CSCU and/or destroyed. Furthermore, Operator shall ensure that it disposes of any and all data or information received from CSCU in the agreed upon manner that the confidentiality of the contents of such records has been maintained. If Operator destroys the information and data, Operator shall provide CSCU with written confirmation of the method and date of destruction.
- E. Protection of Confidential Information. Operator agrees that it shall not disclose, provide or otherwise make available proprietary or Confidential Information disclosed to Operator by CSCU to any person other than authorized employees, and those employees or agents of Operator whose use of or access to the Confidential Information is necessary in connection with the Services being performed by Operator for or on behalf of CSCU. Operator further agrees that it shall not use Confidential Information for any purpose other than in the performance of the Services for or on behalf of CSCU. Operator shall use all commercially reasonable precautions to protect the confidentiality of the Confidential

Information, and shall ensure that all employees, agents or contractors of Operator having access to the Confidential Information understand the commercially reasonable precautions in place, and agree to abide by such precautions.

- F. **Identity Theft Prevention.** In an effort to combat identity theft, CSCU maintains a comprehensive Identity Theft Prevention Program with a goal of protecting the personal information of students, employees, affiliates and customers. In the course of performing the Services under this Agreement for or on behalf of CSCU, Operator may collect, access and/or receive personal information pertaining to CSCU students, employees, affiliates and customers that can be linked to identifiable individuals (hereinafter "Personal Information"). Such Personal Information is Confidential Information of CSCU. It is CSCU's expectation that Operator will assist CSCU in its identity theft prevention efforts under CSCU's Identity Theft Prevention Program. Operator shall collect, access, receive and/or use such Personal Information solely for the purposes of performing the Services for or on behalf of CSCU and otherwise in compliance with any and all applicable Laws. Additionally, Operator shall safeguard such information in compliance with all applicable Laws, including but not limited to the Fair Credit Transactions Act of 2003 and any regulations promulgated thereunder (e.g., Red Flags Rule regulations), including implementing appropriate policies or procedures for detecting and identifying possible identity theft and similar fraudulent or potentially fraudulent activities, and notify CSCU of any such suspicious activities. For the purpose of notification to CSCU, upon identification of a potential or actual issue of identity theft, Operator shall immediately contact: Chief Information Officer, 61 Woodland Street, Hartford CT 06105, (860) 723-0125.

XII. OPERATOR'S INSURANCE

Operator shall, at all times during the Term, comply with the minimum insurance requirements set forth in Exhibit H.

XIII. OPERATOR'S INDEMNITY AND ASSUMPTION OF LIABILITY

- A. To the maximum extent allowed by law, Operator shall indemnify, defend and hold harmless CSCU and the State of Connecticut and each of their employees, agents, agencies and subcontractors from and against any and all claims, liabilities, demands, damages, costs and expenses (including all reasonable attorneys' fees) to the extent caused by or resulting from any act or omission, negligence, willful misconduct or breach of this Agreement by, or which is the fault of, Operator, the Store Personnel, or any third party for whom Operator is responsible, but not including the State Employees retained by Operator at the Bookstores pursuant to this Agreement. This indemnification will survive the completion of the Services and termination of this Agreement to the maximum extent allowed by law. Operator's indemnification obligations shall include a full and complete responsibility for the Services, and any cost, liability or expense incurred by CSCU to the extent arising from the failure of Operator, the Store Personnel, or any third party for whom Operator is responsible to take appropriate and reasonable action to prevent damage to CSCU or its property. In fulfilling its indemnification and defense obligations hereunder, Operator shall use legal counsel reasonably acceptable to CSCU.
- B. Operator's indemnity shall include damage due to misuse by Operator or any person for whom Operator has responsibility, of tools, machines, vehicles or uncontrollable equipment that may malfunction. CSCU property damaged in the performance of Services

shall be repaired and left in good condition (as found). All such repairs shall be accomplished by Operator at no cost to CSCU.

- C. Nothing in this Article will be construed as obligating Operator to indemnify or hold harmless any of the parties indemnified under this Article against liability for damage arising out of bodily injury to persons or damage to property caused by or resulting from the negligence or willful misconduct of such indemnified party, or such party's agents or employees, to the extent such indemnification would be in violation of Connecticut General Statutes § 52-572k.

XIV. DISPUTE RESOLUTION

- A. Claims Commissioner. Any claim by Operator under this Agreement will be subject to the provisions of Chapter 53 of the Connecticut General Statutes. Operator acknowledges and agrees that the sole and exclusive means for the presentation of any claim against CSCU or the State of Connecticut arising from this Agreement shall be in accordance with Chapter 53 of the Connecticut General Statutes and Operator further agrees not to initiate legal proceedings in any State or Federal Court in addition to, or in lieu of, said Chapter 53 proceedings.
- B. Sovereign Immunity. The parties acknowledge and agree that nothing in this Agreement shall be construed as a modification, compromise or waiver by CSCU or the State of Connecticut of any rights or defenses or any immunities provided by Federal law or the laws of the State of Connecticut to CSCU or the State of Connecticut or any of its officers or employees, which they may have had, now have or will have with respect to all matters arising out of this Agreement. To the extent that this section conflicts with any other provision of this Agreement, this section shall govern.
- C. Claims Against Operator. If CSCU has a claim against Operator, the parties agree that CSCU will have the option of either prosecuting the claim against Operator in an appropriate court of general jurisdiction in the State of Connecticut as selected by CSCU, or by filing a demand for arbitration pursuant to the Commercial Rules of the American Arbitration Association which arbitration shall take place in Hartford or such other location in the State of Connecticut as selected by CSCU. Operator hereby submits to the jurisdiction of the courts of the State of Connecticut.

XV. BOOKS AND RECORDS

- A. Records. Operator agrees to maintain books, records and documents (including electronic storage media) in accordance with generally accepted accounting principles (GAAP) and which sufficiently and properly reflect all sales, expenditures and other transactions arising from the Bookstores' operations, and agrees to be subject to financial and compliance audits by CSCU or the State of Connecticut.
- B. Retention of Records. Operator agrees to retain, during the Term and for a period of five (5) years thereafter, all books, records, supporting materials, statistical and financial records and any other documents (including electronic storage media) relating to the management of the Bookstores, the Services or otherwise pertaining to this Agreement. Operator shall maintain complete and accurate record-keeping and documentation as required by CSCU and the terms of this Agreement at the address listed in the signature page to this Agreement. Operator shall advise CSCU of the location of all records

pertaining to this Agreement and shall notify CSCU by certified mail within ten (10) calendar days if/when the records are moved to a new location.

- C. Audit Rights. During the Term and for five (5) years thereafter, Operator shall permit CSCU or CSCU's representatives to have access to such books and records as may be necessary to determine the correctness of any report or payment made under this Agreement and/or to obtain information other payments payable under this Agreement. Such rights include the right to perform, or require Operator to perform, an independent audit of the Bookstores, including the Gross Revenue, and Percentage of Commission on Sales at such Bookstores. If such audit concludes that additional amounts were owed to CSCU during the period(s) under review, then Operator shall immediately pay such additional amounts to CSCU, plus interest calculated at a rate of ten percent (10%) per annum or the highest rate permitted by law, whichever is less, from the date such amounts were owed. CSCU shall be responsible for the expenses of such audit, except that Operator shall reimburse CSCU for such expenses if the audit determines the amounts paid by Operator to CSCU are less than 99% of the amount actually owed to CSCU for the period(s) under review.

XVI. MISCELLANEOUS

- A. No Third Parties. Nothing contained in this Agreement will be deemed to create a contractual relationship between any third party and CSCU or Operator, or be deemed to give any third party any claim or right of action against CSCU or Operator, which does not otherwise exist in the absence of this Agreement
- B. Notice. All notices, consents, and other communications required or permitted in this Agreement must be in writing and must be delivered: personally; by certified mail, return receipt requested, postage prepaid; by nationally recognized express courier; or by telefax or e-mail, with a confirmation copy sent within twenty-four (24) hours by one of the foregoing means; to the parties at the addresses set forth on the signature page to this Agreement, or to such other address as either party may designate by notice to the other pursuant to this section.
- C. Nondiscrimination and Affirmative Action Provisions. References in this section to "Contract" shall mean this Agreement.

(a) For purposes of this Section, the following terms are defined as follows: (i) "Commission" means the Commission on Human Rights and Opportunities; (ii) "Contract" and "contract" include any extension or modification of the Contract or contract; (iii) "Operator" and "Operators" include any successors or assigns of Operator; (iv) "Gender identity or expression" means a person's gender-related identity, appearance or behavior, whether or not that gender-related identity, appearance or behavior is different from that traditionally associated with the person's physiology or assigned sex at birth, which gender-related identity can be shown by providing evidence including, but not limited to, medical history, care or treatment of the gender-related identity, consistent and uniform assertion of the gender-related identity or any other evidence that the gender-related identity is sincerely held, part of a person's core identity or not being asserted for an improper purpose; (v) "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations; (vi) "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; (vii) "marital status" means being single, married as recognized by the State of Connecticut, widowed, separated or divorced; (viii) "mental disability" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders; (ix) "minority business enterprise" means any small Operator 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 Connecticut General Statutes § 32-9n; and (x) "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.

For purposes of this Section, the terms "Contract" and "contract" do not include a contract where each Operator is (1) a political subdivision of the state, including, but not limited to, a municipality, (2) a quasi-public agency, as defined in Conn. Gen. Stat. Section 1-120, (3) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in Conn. Gen. Stat. Section 1-267, (4) the federal government, (5) a foreign government, or (6) an agency of a subdivision, agency, state or government described in the immediately preceding enumerated items (1), (2), (3), (4) or (5).

(b) (1) Operator agrees and warrants that in the performance of the Contract such Operator 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, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Operator 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; and Operator 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, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by Operator that such disability prevents performance of the work involved; (2) Operator agrees, in all solicitations or advertisements for employees placed by or on behalf of Operator, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission; (3) Operator agrees to provide each labor union or representative of workers with which Operator has a collective bargaining Agreement or other contract or understanding and each vendor with which Operator has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers' representative of Operator's commitments under this section and to post copies of the notice in conspicuous

places available to employees and applicants for employment; (4) Operator agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68f; and (5) Operator 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 Operator as relate to the provisions of this Section and Connecticut General Statutes § 46a-56. If the contract is a public works contract, Operator 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 Operator's good faith efforts shall include, but shall not be limited to, the following factors: Operator's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and co; 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) Operator shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(e) Operator 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. Operator 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 Connecticut General Statutes §46a-56; provided if such Operator becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Operator 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) Operator 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) (1) Operator agrees and warrants that in the performance of the Contract such Operator 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 the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) Operator agrees to provide each labor union or representative of workers with which such Operator has a collective bargaining Agreement or other contract or understanding and each vendor with which such Operator 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 Operator's commitments under this section, and to post copies of the notice in conspicuous places available

to employees and applicants for employment; (3) Operator agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes § 46a-56; and (4) Operator 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 Operator which relate to the provisions of this Section and Connecticut General Statutes § 46a-56.

(h) Operator 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. Operator 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 Connecticut General Statutes § 46a-56; provided, if such Operator becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Operator 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.

- D. Executive Orders. This 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. The Contract may also be subject to Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services and to Executive Order No. 49 of Governor Dannel P. Malloy, promulgated May 22, 2015, mandating disclosure of certain gifts to public employees and contributions to certain candidates for office. If Executive Order 14 and/or Executive Order 49 are applicable, they are deemed to be incorporated into and are made a part of the Contract as if they had been fully set forth in it. At the Operator's request, CSCU shall provide a copy of these orders to the Operator.
- E. Whistleblower. This contract may be subject to the provisions of Section 4-61dd of the Connecticut General Statutes. In accordance with this statute, if an officer, employee or appointing authority of the 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 any employee of the contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of such statute, 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 this 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 State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state contractor, as defined in the statute, shall post a notice of the provisions of the

statute relating to large state contractors in a conspicuous place which is readily available for viewing by the employees of the contractor.

- F. Campaign Contribution Restrictions. For all State contracts as defined in P.A. 010-1 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 Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state Operators of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice (SEEC Form 11) attached hereto as Exhibit I.
- G. Disclosure of Records. This Contract may be subject to the provisions of section 1-218 of the Connecticut General Statutes. In accordance with this statute, 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 the Freedom of Information Act (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.
- H. Entire Agreement. This Agreement (including all Exhibits and Schedules attached hereto, each of which is incorporated into this Agreement by this reference) constitutes the entire agreement between the parties with respect to its subject matter. This Agreement may not be amended except in a written document executed by both parties.
- I. Severability. If this Agreement contains any unlawful provisions not an essential part of this Agreement, which appear not to have been a controlling or material inducement to the making hereof, the same will be deemed to be of no effect, and will, upon the application of either party, be stricken from this Agreement without affecting the binding force of this Agreement as it will remain after omitting such provisions.
- J. Further Assurances. Operator shall execute and deliver such other instruments and documents, and take such other actions, as CSCU may reasonably request to evidence or effect the transactions contemplated by this Agreement.
- K. Press Releases. Operator shall not make any press releases, public announcements or similar public disclosure relating to this Agreement or its subject matter, including promotional or marketing material, without CSCU's prior written consent, and any such press release, public announcement or similar public disclosure will be coordinated with and approved by CSCU prior to release.
- L. Reserved Rights. All rights not expressly granted to Operator in this Agreement are reserved by CSCU.
- M. Construction. When used in this Agreement, the terms "include," "including," "such as," "e.g." and its variants means "including but not limited to." The headings of particular sections and articles of this Agreement are inserted for convenience of reference only and

will in no way affect the construction or interpretation of any provision of this Agreement. The language of this Agreement is intended to be gender neutral. Thus whenever the terms "he", "she", "his", "her", "it", or similar term is used such terms will be considered to mean "he", "she" or "it", "his", "her", or "its" or other such gender neutral phraseology.

- N. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Connecticut without regard to its principles of conflicts of laws.
- O. Incorporation of Law. Each and every provision of applicable Law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein and this Agreement shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement shall forthwith be physically amended to make such insertion. Without limiting the foregoing, the parties agree that the parties shall amend this Agreement to incorporate all provisions CSCU determines are required by Laws governing construction and improvements executed on property of, and/or for the benefit of, the State of Connecticut and all provisions required by CSCU Policies applicable to such construction and improvements.
- P. Independent Contractor Status. Operator shall be considered an independent contractor in the performance of its obligations and responsibilities under this Agreement. CSCU shall neither have nor exercise any control or direction over the methods by which Operator shall perform its work and functions other than as provided herein. Nothing in this Agreement is intended to, nor shall be deemed to constitute, a partnership or a joint venture between the parties.
- Q. No Delegation. Operator shall not subcontract or otherwise delegate the performance of the Services to any third party in any manner without CSCU's prior written consent, which CSCU may, in its sole discretion, withhold, condition or delay.
- R. Assignment. Neither party may assign this Agreement without the other party's prior written consent. Any attempted assignment in violation of this section will be void. Subject to the foregoing, this Agreement will inure to the benefit of and will be binding upon CSCU and Operator's and their respective successors and permitted assigns.
- S. Excusable Delay. Neither party will be liable to the other for any delay or failure in performance arising directly out of war, sabotage, insurrection, riot, and any other act of civil disobedience, act of public enemy, fire, explosion, flood, storm, or other act of God or nature, or similar cause beyond its reasonable control (but not including shortage or unavailability of labor or materials), provided that the party suffering such event give the other party notice immediately upon becoming aware of its occurrence (or as soon thereafter as feasible). The party whose performance is excused shall take reasonable steps to avoid or remove such causes of nonperformance as quickly as possible and shall continue to perform whenever and to the extent reasonably possible and provided further that any time for performance set forth in this Agreement shall be extended for a period equal to the period of such delay. If it appears that a time for delivery or performance scheduled pursuant to this Agreement will be extended for more than sixty (60) days, then either party shall have the right to terminate by providing notice to the other.
- T. No Waiver. Neither the failure nor any delay on the part of either party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, or of any other

right, power or remedy; nor shall any single or partial exercise of any right, power or remedy preclude any further or other exercise thereof, or the exercise of any other right, power or remedy.

U. Background Checks.

- 1) Operator warrants that all Store Personnel, excluding employees of the State of Connecticut as of the Effective Date of this Agreement, will have satisfactorily completed a background check and be deemed suitable by Operator for performing such services on a college campus attended and inhabited by students. The background check must minimally include criminal arrest information for the past seven years, a check of the national and state sex offender registries and a social security number verification. All fees associated with the background checks shall be the responsibility of Operator. Operator shall immediately remove any Store Personnel member from all Bookstores if it becomes known to Operator that such member may be a danger to the health or safety of the campus community, or at the request of CSCU based on a concern of community or individual safety.
- 2) Without limiting the other indemnification obligations of Operator under this Agreement, Operator shall defend, indemnify and hold harmless the State of Connecticut, CSCU and all of their employees, agents and/or assigns for any claims, suits or proceedings resulting from a breach of the foregoing warranty and/or that are caused in whole or in part by the actions or omissions of Operator, its employees, or other persons that Operator causes to be on the campus.

V. CSCU Policies. Operator shall, at no additional cost to CSCU, comply with all policies and procedures of CSCU (the "CSCU Policies"). In the event CSCU establishes new policies or procedures following the Effective Date, or makes modifications to policies or procedures in existence as of the Effective Date, Operator shall comply with such new or modified policies or procedures upon written notice.

W. Use of CSCU and College Name and Marks. Except as expressly authorized in this Agreement, Operator is not permitted to use any CSCU or any College name or mark without prior written approval of CSCU

X. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned. Execution of a facsimile or PDF copy shall have the same force and effect as execution of an original.

XVII. ADDITIONAL REQUIRED OPERATOR SIGNATURE AUTHORITY, AFFIDAVITS AND CERTIFICATIONS

A. The individual signing this Agreement on behalf of Operator certifies that s/he has full authority to execute the same on behalf of Operator and that this Agreement has been duly authorized, executed and delivered by Operator and is binding upon Operator in accordance with its terms.

B. CSCU, as an agency of the State of Connecticut, requires that notarized Gift and Campaign Contribution Certificates (Office of Policy and Management "OPM" Form 1) and Consulting Agreement Affidavits (OPM Form 5) accompany all State

contracts/agreements with a value of \$50,000 or more in a calendar or fiscal year. The State also requires an Affirmation of Receipt of State Ethics Laws Summary (OPM Form 6) which must accompany large State construction or procurement contracts with a value of \$500,000 or more. Pursuant to Conn. Gen. Stat. § 4-252(c)(1), these documents must be executed by the official who is authorized to execute the contract/agreement on behalf of Operator. Ethics Affidavits and Certifications can be found at: <http://www.ct.gov/opm/cwp/view.asp?a=2982&q=386038>.

- C. An executed Nondiscrimination Certification must also be provided by Operator at the time of contract execution for all contracts/agreements with corporations and other entities, regardless of type, term, cost or value. The Certification requires the signer to disclose his/her title and certify that Operator has in place a properly-adopted policy, which supports the nondiscrimination requirements of Connecticut law. This Certification is required for all original contracts/agreements as well as amendments. The Nondiscrimination Certification form can be found at: http://www.ct.gov/opm/lib/opm/finance/psa/oag_nondiscrim_certification_080207_fillable_form.doc.

[signature page follows]

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives.

Connecticut State Colleges and Universities

Statutory Authority 10a-151b, 4a-52

By Erika Steiner

Name: Erika Steiner

Title: Chief Financial officer

Date signed: 6/15/17

By Alice Pritchard

Name: Alice Pritchard

Title: Chief of Staff

Date signed: 6/19/17

Follett Higher Education Group, Inc.

By [Signature]

Name: Ray A. Griffith

Title: President & CEO

Date signed: 6/13/17

Address (for notice only):

61 Woodland Street

(Address)

Hartford, CT 06105

(Address)

(860) 723-0251

(Phone)

steinere@ct.edu

(E-Mail)

(860) 723-0006

(Fax)

Attn.: Chief Financial Officer

_____ (Address)

_____ (Address)

_____ (Phone)

_____ (E-Mail)

_____ (Fax)

Attn.:

Approved as to form:

By: [Signature]

~~Assistant~~ Associate Attorney General Joseph Rubin

Date: 6/20/17

EXHIBITS

- Exhibit A (Definitions)
- Exhibit B (Operational Requirements)
- Exhibit C (Technology Requirements)
- Exhibit D (Sales Transactions)
- Exhibit E (Community Relations)
- Exhibit F (Transition Services)
- Exhibit G (Occupancy Rules and Regulations)
- Exhibit H (Insurance Requirements)
- Exhibit I (SEEC Notice)

SCHEDULES

- Schedule 1 (Bookstore Facilities)

Exhibit A

Definitions

“Agreement” shall mean this Management Agreement for CSCU’s regional community-technical college Bookstores, as may be amended by CSCU and Operator from time to time.

“Bookstores” shall mean all facilities designated as a campus bookstore by CSCU, including the facilities identified in Schedule 1. For purposes of this Agreement, the Bookstores shall include the Websites for each college unless otherwise provided.

“College” or **“Colleges”** shall mean each of the Connecticut regional community-technical colleges individually and collectively that are specifically a part of this Agreement as listed in Schedule 1.

“Contract Year” shall mean each twelve-month period, during the Term, commencing on July 1st and ending on June 30th. The first Contract Year shall commence on July 1, 2017 and end on June 30, 2018.

“HEOA” shall mean the Higher Education Opportunity Act, as amended and in effect from time to time.

“Laws” shall mean any applicable law, statute, ordinance, code, rule, regulation, order, judgment, decree, standard, requirement or procedure enacted, adopted, applied, enforced or followed by any governmental authority.

“Open educational resources” includes the full courses, course materials, modules, textbooks, streaming videos, tests, software and other similar teaching, learning and research resources that reside in the public domain or have been released under an intellectual property license that permits the free use and repurposing of such resources

“Store Personnel” shall mean all staff and personnel employed or contracted by Operator to perform the Services, including those employed by the State of Connecticut as of the Effective Date, Store Managers and any substituted personnel, in the Bookstores.

“Total System Gross Revenue” shall mean the total of all Gross Revenues from each of the College stores. “Gross Revenue” at each store is all sales made by the Store or the Store’s world wide web page, catalog, or mail order function (if any), including text rental fees and replacement costs of rental texts not returned, but excluding any text rental processing fees, less refunds, returns, taxes, commissions earned from rings and graduation regalia, allocations of Follett-funded scholarships, discounted sales to departmental faculty and staff under this Agreement.

Computer system sales at less than a 20% gross margin (such as software, hardware and components) and consumer electronics (such as mp3 players, digital cameras and e-readers) are excluded from Total System Gross Revenue. When Operator sells digital content as agent, Operator’s agency fee shall be the applicable Gross Revenue.

“Website” shall mean all websites and virtual online marketplaces maintained or managed by Operator in connection with the Bookstores. Operator shall manage a website for each community college campus store, fully customized with the college logo and color, and marketing banners that reflect the product assortment and relevant promotions available to customers.

Exhibit B

Operational Requirements

1) General

- a) Bookstore Name. For continuity, the individual College bookstore name(s) shall remain the same, unless new name(s) are requested by CSCU and mutually agreed upon by the parties.
- b) Products and Services. Operator shall provide in each Bookstore (including the Website) a full range of course materials, including new textbooks, used textbooks, digital textbooks, custom published materials, rental textbooks and open educational resources (OER), general books, reference books, supplies, dorm supplies, art supplies, computer hardware computer software, computer/technology supplies, general merchandise, emblematic clothing, emblematic gifts, greeting cards, convenience items, health and beauty aids (HBA's), special order services, graduation related merchandise and other goods and services expected from a full-service college bookstore. Each College shall have input about items for sale at each local Bookstore, and shall have the right to reasonably disapprove any item for sale at the Bookstore.
- c) Exclusive Provider. Operator shall have the exclusive right, free from any alternate source endorsed, licensed or otherwise or supported by the College (whether on campus, by catalog or through electronic commerce, including hyperlinks to alternate sources) to buy, sell, and distribute (including the right to select vendors) merchandise and services traditionally offered in college bookstores, including but not limited to: textbooks, clothing (whether or not emblematic), school supplies, desk accessories, gifts, souvenirs, course-adopted software and paper and electronic custom anthologies, sales of class rings, sales and rentals of graduation regalia, and textbook buybacks. Non-traditional services or items for sale shall require prior written approval by each College. This paragraph does not prohibit occasional sales by student groups or student government organizations that do not materially impact Store sales.
- d) Withdrawal of Product Offerings. Operator shall withdraw from display or sale, any item or items, which CSCU or any individual College reasonably requests not be displayed or sold.
- e) Fixtures/Equipment for Special Events. Operator shall, at its sole expense, provide any necessary fixtures or equipment (e.g., carts, tents, kiosks, trailers, POS terminals, etc.) to sell CSCU merchandise at designated special events on campus, community events and local events to capitalize on sales opportunities.
- f) Website/Social Media. Operator shall manage and operate the Website, personalized for each College, and related social media program adhering to CSCU's branding and other guidelines.
- g) Environmental/Sustainability Practices. Operator shall utilize environmentally friendly practices in its operation of the Bookstore and shall abide by all CSCU environmental/sustainability practices.

- h) Reporting Requirement. Operator shall report to each College's designated administrator for matters pertaining to each College Bookstore, and Operator shall report to the CSCU System Office for matters pertaining to the Bookstores collectively. Operator shall be required to meet quarterly, at minimum, with each College administration to review operational practices and procedures as well as the performance of each Bookstore.
- i) Vehicles. Operator shall provide at its sole expense all vehicles necessary for the operation of the Bookstore.

2) Customer Service

- a) Customer Service Expectations. Operator shall provide excellent customer service at the Bookstores.
- b) Nametags/Identification Tags. Operator shall ensure that all Store Personnel wear nametags/identification tags approved by each College
- c) Customer Feedback. Operator shall seek customer feedback on a regular basis through methods that include customer surveys, student focus groups, customer comment cards, secret shopper programs, etc. Customer feedback results shall be shared with each College's administration as well as the designated CSCU system contact for evaluation and input.
- d) Hours of Operation. The Bookstores' hours of operation shall be defined by each College in conjunction with Operator. Hours of operation shall be extended during the beginning of each semester and to support special programs and events as necessary (e.g., Open Houses, Orientation, Athletic Events, Community Engagement Events, etc.). Changes to the defined hours of operation must be approved by each College in advance of taking effect. During all hours of operation, including peak business hours and extended hours of operation, Operator shall staff the Bookstore adequately to provide the level of service required by CSCU.
- e) Service Policies. Establishment of Bookstore policies or changes to existing policies (e.g., refund policy) shall require the prior written approval of CSCU.
- f) Refund Policy. Operator's refund policy must be sensitive to the needs of CSCU students and customers. CSCU shall have the right to approve the refund policy and any changes to the policy.

3) General Merchandise & Marketing

- a) General Products. Operator shall provide a full range of general merchandise, as space permits, including emblematic clothing, emblematic gifts, computer hardware, computer software, computer/technology supplies, general books, reference books, novelty gifts, school supplies, art supplies, greeting cards, convenience products, health and beauty aids (HBA's), special order services, graduation related merchandise and other goods and services expected from a full-service college bookstore.

- b) Emblematic Merchandise. Operator shall promote and brand CSCU by offering a broad selection of emblematic clothing and gifts that comply with CSCU's current or future licensing requirements, design guidelines and requirements for branded products.
 - c) Vendor/Supplier Code Of Conduct Policy. Operator must have a vendor/supplier code of conduct policy. The policy must ensure that all vendors with whom Operator does business meet the FLA (Fair Labor Association) and WRC (Worker Rights Consortium) standards.
 - d) Price Points. Operator shall provide exceptional value to customers by offering high quality products and services at fair prices and multiple price points.
 - e) New Product Lines. Operator shall continually expand and introduce new product lines that appeal to CSCU customers (e.g., students, faculty, staff, alumni, and visitors) to generate traffic into the Bookstore (including the Website).
 - f) Website. Operator shall maintain a full-service Website that features, at a minimum, all course materials, including all required, recommended or suggested course materials and supplies, including textbooks, coursepacks, software, and materials published or distributed electronically, as requested by CSCU's faculty, and College emblematic merchandise.
 - g) Graduation Merchandise. Operator shall sell graduation merchandise (e.g., diploma frames, regalia rentals or sales as defined by CSCU, announcements, class rings, etc.) in the Bookstore and at other locations as designated by CSCU, during graduation.
 - h) Special Order Services. Operator shall provide special order services.
 - i) General Book Program. Operator shall provide a comprehensive general book program that reflects the academic excellence of CSCU. The program shall provide a broad selection of titles, including national titles, bestsellers, faculty authors, local authors, local titles, reference books, etc.
 - j) Marketing Plan. Operator shall develop and implement a written marketing plan, which shall be updated and reviewed with CSCU on a quarterly basis.
 - k) Social Media Marketing. Operator shall develop and implement a social media marketing and promotion strategy. To the extent that Operator develops its own social media sites (e.g., Facebook, Instagram, Twitter) or integrates with CSCU's site, Operator shall be required to keep its posted information up-to-date, refresh its site frequently, be consistent with effective social media strategies, and conform to CSCU's social media standards and practices.
- 4) Technology Store.
- a) General. Operator may, with CSCU approval, operate and manage full-service technology stores within the Bookstore facilities, if space permits, and / or through the Bookstore Websites. The technology store(s) shall sell a full range of computer hardware and software, including computers, laptops, desktops, tablets, computer accessories, printers, print cartridges, storage drives, cables and related items, from

popular and reputable manufacturers. All sales of computer hardware and software shall be at educational discounted prices, where applicable, and, where not applicable, such sales shall be made at prices competitive in the local area and competitive within the college bookstore industry.

- b) Apple Relationship. Upon approval by Apple, Operator may sell Apple products in the Bookstores and / or through the CSCU Websites. Pending such approval, Operator shall maintain a contract with Apple that authorizes Operator to sell Apple products to CSCU and Bookstore consumers. Operator's contract with Apple shall be at no additional cost to CSCU and shall not require CSCU to maintain a contract with Apple in order for Operator to be authorized to sell Apple products to consumers in the Bookstores (i.e., Apple's national model). Upon approval by Apple and at CSCU's request, and at no additional cost to CSCU, Operator shall manage CSCU's direct account institutional purchases with Apple as an agent of CSCU's agreement with Apple under Operator's national agreement with Apple. Notwithstanding anything in this subsection to the contrary, Operator shall, upon CSCU's request and at no additional cost to CSCU, enter into an agent agreement with CSCU and Apple to authorize Operator to serve as CSCU's reseller of Apple products (i.e., Apple's agent model).

- c) Technology Store Requirements. Operator shall manage and operate the technology store(s) pursuant to the same performance standards, operational requirements and other terms and conditions applicable to the operation of the Bookstores under this Agreement. Without limiting the foregoing, Operator shall be solely responsible for all operating expenses and capital equipment associated with all technology stores operated within the Bookstores, and sales generated by such technology stores shall be included as part of Gross Revenues and Commissions, if applicable.

Exhibit C

Technology Requirements

1. Technology Investment. Operator shall provide, at its expense, state-of-the-art technology (e.g., bookstore computer system, point-of-sale system, computerized textbook management system, technology necessary to comply with HEOA, alternative technology for textbooks/course materials, etc.) to deliver CSCU's desired level of service. This includes technology already in place at CSCU's college bookstores as well as any future technology improvements or enhancements. CSCU will not buy out the undepreciated portion of Operator's technology investment upon any termination, expiration or non-renewal of this Agreement.
2. Financial Investment. All technology investments by Operator shall remain the property of Operator upon any termination, expiration or non-renewal of this Agreement. CSCU shall not reimburse Operator for any investments in technology and/or computer systems upon any termination, expiration or non-renewal of this Agreement. The Facility Investment does not include Operator's technology investment pursuant to this subsection.
3. Point-Of-Sale Equipment. Operator shall provide sufficient staff and point of sale equipment in such numbers necessary to maximize customer convenience and minimize traffic flow problems.
4. Website. Operator shall provide and maintain the Website. The site shall conform to CSCU design guidelines and link to and from CSCU's college websites. The Website shall include, at a minimum, the ability for customers to order and reserve textbooks, order general books and general merchandise, and the ability for faculty to submit textbook adoptions online.
5. PCI Compliance. To ensure all possible steps are taken to secure CSCU student, faculty, staff and customer personal data, Operator's in-store technology and e-commerce processing must be PCI compliant. Operator shall provide annual PCI certification documentation to CSCU.
6. Europay, MasterCard, and Visa (EMV) Compliance. Operator shall ensure that the Bookstore is compliant with EMV standards for authorizing credit and debit card transactions.
7. CSCU's IT Services Requirements. Operator shall be required to comply with CSCU's IT Services requirements, including but not limited to:
 - a) Service Compatibility. Operator shall cause all Services, equipment, software and other resources utilized by Operator to integrate, to interface and to be compatible with the services, systems, items and other technology resources used by CSCU. Any integration, interface or related connection of Operator's services, systems, items and other technology with CSCU's existing systems must meet all CSCU standards, must be approved in advance in writing by CSCU and must comply with all applicable Laws and CSCU Policies. Operator shall work closely with personnel designated by CSCU and shall be responsible for obtaining all required approvals and complying with all applicable requirements, at Operator's sole expense. Any third party used by Operator

to assist with such integration, interface or related connection of Operator's services, systems, items and other technology with CSCU's existing systems must be approved in advance in writing by CSCU.

- b) Security Standards. Operator shall, at all times during the Term, maintain commercially reasonable administrative, technical, and physical safeguards to ensure the security and confidentiality of any personal information concerning CSCU's students, faculty and staff and any other customers of the Bookstores, to protect against any reasonably anticipated threats or hazards to the security or integrity of data, and protect against unauthorized access to or use of or disclosure of data.
- c) Customer Data and Security Breaches. Customer data shall not be shared with third-parties or sold by Operator without the express written approval of the customer. Operator shall notify CSCU promptly of any security breach that results in the unauthorized access, disclosure or misuse of customer data (the "Breach"). Operator shall, promptly following discovery, report the Breach to CSCU. Operator's report to CSCU shall identify: (i) the nature of the unauthorized use or disclosure, (ii) the customer data used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, if known (iv) what Operator has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, (v) what corrective action Operator has taken or shall take to prevent future similar unauthorized use or disclosure and (vi) such other information as reasonably requested by CSCU. The above provisions shall be extended by contract to all subcontractors used by Operator who are provided access to customer data by Operator.
- d) Response. Operator will diligently and continuously investigate the Breach, take all necessary steps to eliminate or contain the exposures that led to such Breach, and keep CSCU advised of the status of such Breach and all matters related thereto. CSCU shall have the right to conduct and control any investigation relating to such Breach that it determines is appropriate. Operator will assist and cooperate with CSCU in all of CSCU's activities associated with a Breach and Operator will be responsible for all costs associated with such assistance and cooperation, and all costs associated with any correction, remediation, mitigation of any potential damage, and/or investigation of any such Breach and/or the mitigation of any damage, including any notification that CSCU may determine appropriate to send to individuals impacted or potentially impacted, and/or the provision of any credit reporting service or identity theft restoration services that CSCU deems appropriate to provide to such individuals. Operator shall not notify any individual or any third party of any unauthorized access or acquisition of customer data (other than law enforcement) without first consulting with, and obtaining the permission of, CSCU. Operator agrees that CSCU, in addition to any other available remedies, shall have the right to seek an immediate injunction and other equitable relief in the event of any Breach, without the necessity of posting any bond or other security. In addition, within thirty (30) days of identifying or being informed of a security exposure, Operator shall develop and execute a plan, subject to CSCU's approval, that eliminates the exposure.

Exhibit D

Sales Transactions

1) Tender Types / Discounts

- a) General. At a minimum, Operator shall accept cash, personal checks, major credit cards, Bookstore gift cards, bank debit cards, CSCU department purchase orders, scholarship charges/vouchers, third-party agency charges and financial aid account charges/vouchers. Operator shall be solely responsible for all expenses and collection of debts resulting from cash, personal checks, credit cards and bank debit card transactions. Each College shall pay Operator for Department Charges and scholarship charges/vouchers within sixty (60) days of receiving Operator's invoice.
- b) New Text Discount for Students. Operator shall provide a discount of 10% on every new textbook sold, to all College students in the store or on the campus bookstore website, as further described in Section IV.A
- c) Department Charges. College departments shall be allowed to charge department purchases at the Bookstore. Department purchases shall receive a minimum of a twenty percent (20%) discount, excluding textbooks, sale merchandise, computer hardware and academically discounted software. These sales shall be exempt from commission payment.
- d) Faculty/Staff Discounts. Operator shall offer a ten percent (10%) discount on all purchases over \$1.00 (excluding textbooks, sale merchandise, computer hardware, ad academically discounted software) to College's staff, faculty, administration, teaching assistants and research assistants. These sales shall be exempt from commission payment.
- e) Gift Certificates/Gift Cards. Operator shall accept unredeemed gift certificates and / or unredeemed gift cards.

2) Course Materials

- a) Agent for the Collection of Textbook Adoptions. Operator shall be CSCU's agent for the collection of textbook/course materials adoptions and compilation of the textbook/course materials list and for making available textbooks and course materials to CSCU's College students. Operator shall provide course materials, including all required, recommended or suggested course materials and supplies, including textbooks, coursepacks, software, and materials published or distributed electronically, as requested by CSCU's faculty.
- b) College Rights Re: Adoption Data. Textbook adoption data and forms, whether received in paper form, electronically, or otherwise, provided to Operator by CSCU's faculty or staff are the property of CSCU. Operator shall provide textbook/course materials adoption data and/or adoption forms to CSCU within twenty-four (24) hours of CSCU's request for copies of such adoption data and/or adoption forms.
- c) Selection Of Course Materials/Academic Freedom. Operator shall actively support the adoption of Open Educational Resources (OER) by faculty. Operator

acknowledges that the selection of course materials, textbooks, software and related academic supplies and materials is an academic matter and, therefore, authority for the selection of textbooks and other course materials shall rest solely with CSCU's faculty.

- d) Faculty Communication. Operator shall work closely with CSCU's faculty and designated College representatives to develop lines of communication as well as an efficient procedure to ensure that all required books and course materials are received and available for sale prior to the beginning of classes.
- e) Early Textbook Adoptions. Operator, working with CSCU College faculty, shall make every effort to obtain early textbook/course materials adoption commitments in order to maximize the quantity of textbooks purchased from students for resale at the Bookstore. Operator shall provide timely reports to faculty members concerning the status of their orders.
- f) Textbook/Course Materials Quantities. Operator shall provide sufficient quantities of textbooks/course materials, custom-published materials, software, and related academic supplies and materials, as required by the faculty for course work, available for purchase by students according to the schedule established by CSCU.
- g) Comprehensive Textbook/Course Materials Services. Operator shall provide comprehensive textbook/course materials services and shall work closely with CSCU Colleges to support all College programs.
- h) Distance Learning Programs. At CSCU request, Operator shall provide textbook/course materials services for CSCU's current or future distance learning programs.
- i) Custom-Published Materials. Operator shall provide for the sale and production/printing of custom-published materials (i.e., coursepacks), including the securing of copyright clearances in compliance with all copyright laws, for coursepacks required by CSCU's faculty.
- j) Online Textbook/Course Materials Ordering. The Website shall include, at a minimum, the ability for customers to order and reserve textbooks/course materials.
- k) Open Educational Resource Materials. Operator shall supply OER textbooks and other course materials at the lowest cost or no cost to students. CSCU shall have the right to approve all pricing.
- l) Students with Disabilities. Operator shall provide services to students with disabilities as required by CSCU Policies and applicable Law.
- m) HEOA/Other Laws. Operator shall work with CSCU to ensure compliance with the HEOA and shall comply with all other applicable Laws.

Exhibit E

Community Relations

- 1) **Image of the Bookstore.** Operator shall operate the Bookstore in a manner that reflects the image and reputation of CSCU and supports the mission of the regional community-technical Colleges. Operator shall become involved in the academic, cultural and social environment at each College, taking advantage of opportunities to offer special merchandising, marketing, and/or assistance based upon the ongoing and unique activities of each College, and, where and when appropriate, creating temporary selling points and / or posting banners or signs at various sites around the campus and in the local community in connection with special events and programs. All temporary selling points must be approved in advance by the College and all banner or signs must meet with College approval.
- 2) **Bookstore Advisory Committee.** CSCU shall establish a Bookstore Advisory Committee. The role of the Bookstore Advisory Committee will be to ensure that CSCU's customer service and community engagement requirements are met by Operator. Operator's Regional Manager and one of its Vice Presidents shall meet a minimum of four times per year with the Bookstore Advisory Committee to review Bookstore operations, affordability programs, community engagement and merchandise selection. Operator shall provide reports as requested by the Advisory Committee during these meetings, even if such reports have previously been submitted to Colleges or other CSCU designee(s). Operator shall make every reasonable effort to comply with requests from the Bookstore Advisory Committee to improve the Bookstore. The Regional Manager, the Store Managers and/or designees are also expected to meet periodically with deans, department heads, faculty members, and other designated representatives of CSCU and the Colleges.
- 3) **Support of Campus Organizations.** Operator may provide donations of merchandise retail value, textbook scholarships, Bookstore gift certificates, etc., to support various departments, programs, events, etc., on College campuses campus. Operator shall cooperate to whatever commercially reasonable extent possible in order to assist and be supportive to student organizations and student activities of CSCU with respect to Bookstore services and merchandise.

Exhibit F

Transition Services

Inventory Purchase at End of Term. Upon any termination, expiration or non-renewal of this Agreement, CSCU shall purchase, or obligate a subsequent operator to purchase, the Bookstore inventory from Operator. CSCU will cause all such merchandise to be inventoried by an independent firm. Operator may observe the inventory if desired. Within 120 days after the completion of the inventory. CSCU or subsequent operator shall pay Operator for the merchandise as follows:

1. All general merchandise in clean and saleable condition shall be purchased at invoice cost. General merchandise includes, but is not limited to; art supplies, school and office supplies, computer software, computer peripherals, computer supplies, general merchandise, emblematic clothing, gifts, greeting cards, convenience items, health and beauty aids (HBA's), graduation merchandise, etc.
2. All salable and new textbooks, used textbooks, trade, reference and technical books, Rental Program inventory and/or included Program inventory, whether in stock or rented.
 - a) New Textbooks
 1. CSCU or subsequent operator will purchase new textbooks adopted for the next academic term, in quantities not exceeding course requirements, at the actual cost (i.e., publisher's invoice cost). New textbooks purchased that are not utilized in the next academic term and are not returnable to the publisher will be charged back to Operator.
 - b) Used Textbooks
 1. CSCU or subsequent operator will purchase used textbooks adopted for the next academic term, in quantities not exceeding course requirements, at 50% of the current retail selling price. Used textbooks purchased that are not utilized in the next academic term and are not returnable to the wholesaler will be charged back to Operator.
 - c) Trade, Reference and Technical Books ("Trade Books")
 1. CSCU or subsequent operator will purchase Trade Books that have been purchased during the past academic year and are returnable to the publisher at standard industry discounts or cost.
3. CSCU or subsequent operator shall also purchase from Operator any verified, usable credits with publishers or vendors in accordance with CSCU's procedures.
 - a) All textbook rental titles shall be collected by Operator at the termination of the contract and will be the property of Operator. In order to collect these rentable titles Follett must be the Operator of the Bookstore during the rental return period. Should Follett not be the Operator at the time of the rental return period then CSCU or subsequent contractor shall purchase the outstanding value.

Exhibit G

Occupancy Rules and Regulations

- 1) Parking. Store Personnel may obtain parking permits to authorize their parking on CSCU's regional community-technical college campuses in the manner permitted by the college Policies, which may vary from campus to campus.
- 2) Cleaning and Maintenance. Operator shall properly maintain (to the satisfaction of CSCU) the interior of the Bookstore, including daily cleaning of floors, walls, windows, fixtures, furniture, equipment, etc., and other related custodial services. Operator shall participate in CSCU's recycling program. Operator shall remove all trash and recyclable materials and place them in the proper CSCU recycling containers.
- 3) Security. In order to secure property in the Bookstores, Operator shall cooperate with the Colleges in providing Bookstore security, theft prevention, and emergency procedures in case of fire or casualty. Operator shall work with Colleges and administration to design appropriate discipline and enforcement regulations. Operator shall not cause College students, faculty, or staff suspected of theft or disturbance to be arrested by public authorities (except in emergencies) or prosecuted without prior consultation with the College.
- 4) Access.
 - a) CSCU reserves the right to enter and inspect the Bookstore facilities at any time without prior notice. The local and State Police and the local fire departments, shall at all times have access to the Bookstore facilities and the right at any time to inspect the Bookstore facilities without prior notice. CSCU and its contractors shall have the right after prior written notice to Operator to enter and/or pass through the Bookstore facilities or any part thereof, with all necessary equipment, at reasonable times during business hours, or at any time after business hours for the purpose of making repairs or changes to the Bookstore facilities in order to repair and maintain said Bookstore facilities or its fixtures or equipment.
 - b) CSCU reserves the right to install, use and maintain, pipes, ducts and conduits within the walls, bearing columns, and ceilings of the Bookstore facilities. Any such work shall, to the extent possible, be done so as to minimize interference with Operator, and shall only be undertaken after written notice to Operator, except in emergencies, in which case, such written notice need not be given.
 - c) CSCU reserves the right without incurring any liability therefor, to make such changes in or to the Bookstore facilities, and the fixtures and equipment thereof, as well as in or to the entrances, halls passages, elevators, stairways and grounds thereof, as it may deem necessary or desirable or as may be required by law so long as it shall not materially interfere with Operator's business or use of the Bookstore facilities or materially affect Operator's access to the Bookstore facilities.
- 5) Keys. Operator shall provide a set of door keys to the administration of the College, but it is understood that Operator shall control the use of all door keys to each Bookstore. Operator shall install or maintain a security system of the doors and windows of the Bookstores at each College. In the case of an emergency, entry into the Bookstores by College personnel without prior knowledge of Operator's Bookstore Manager must be reported to the Bookstore manager as soon as possible and practicable.

Exhibit H

Insurance Requirements

Operator shall obtain and maintain appropriate insurance in accordance to the State Insurance and Risk Management Board including general liability and worker's compensation. Such policy shall list the State of Connecticut, the Connecticut State Colleges and Universities and its institutions, its officers, agents and employees as additional insured BY BLANKET ENDORSEMENT. Minimum acceptable limits are reflected below:

- 1) Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall include Premises and Operations, Independent Contractors, Products and Completed Operations, Contractual Liability and Broad Form Property Damage coverage. If a general aggregate is used, the general aggregate limit shall apply separately to the project or the general aggregate limit shall be twice the occurrence limit.
- 2) Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury. Coverage extends to owned, hired and non-owned automobiles. If the contractor does not own an automobile, but one is used in the execution of the contract, then only hired and non-owned coverage is required. If a vehicle is not used in the execution of the contract then automobile coverage is not required.
- 3) Professional Liability: \$1,000,000 limit of liability.
- 4) Workers' Compensation and Employers Liability: Statutory coverage in compliance with the laws of the State of Connecticut. Coverage shall include Employer's Liability with minimum limits of \$100,000 each accident, \$500,000 Disease – Policy limit, \$100,000 each employee. An Excess Liability/Umbrella Policy may be used to meet the minimum limit guidelines.

Certificates of insurance shall be delivered to CSCU prior to the commencement of this Agreement and thereafter within ten (10) days prior to the expiration of the term of each such policy, all at no cost to CSCU. All certificates delivered to CSCU shall contain a provision that the insurer will give to CSCU at least twenty (20) days' notice in writing in advance of any cancellation or termination, the requirements of this Agreement. Policies shall waive the right of recovery against CSCU and shall be primary. Operator will provide CSCU prompt written notice of any material lapses or reductions in coverage.

Exhibit [I]

SEEC Notice

(attached)



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

This notice is provided under the authority of Connecticut General Statutes §9-612(g)(2), as amended by P.A. 10-1, 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 LIMITATIONS

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 (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 (which includes town committees).

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to (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.

On and after January 1, 2011, 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 **knowingly solicit** contributions from the state contractor's or prospective state contractor's employees or from a *subcontractor or principals of the subcontractor* 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.

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 - Up to \$2,000 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 up to \$2,000 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 not more than \$5,000 in fines, or both.

CONTRACT CONSEQUENCES

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

In the case of a prospective state contractor, contributions made or solicited in violation of the above prohibitions 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 shall 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 may be found on the website of the State Elections Enforcement Commission, www.ct.gov/seec. Click on the link to "Lobbyist/Contractor Limitations."

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, a loan to an individual for other than commercial purposes or any agreement or contract between the state or any state agency and the United States Department of the Navy or the United States Department of Defense.

"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.

"Subcontractor" means any person, business entity or nonprofit organization that contracts to perform part or all of the obligations of a state contractor's state contract. Such person, business entity or nonprofit organization shall be deemed to be a subcontractor until December thirty first of the year in which the subcontract terminates. "Subcontractor" does not include (i) 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 (ii) 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 subcontractor" 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 subcontractor, 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 subcontractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a subcontractor, which is not a business entity, or if a subcontractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any subcontractor who has managerial or discretionary responsibilities with respect to a subcontract with a state contractor, (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 subcontractor.

Schedule 1

Current Bookstore Facilities

Community-Technical Colleges Schedule of Locations, Websites and Bookstore Square Footage		
College / Website	Address	Total Square Feet
Asnuntuck www.asnuntuck.edu	170 Elm Street Enfield, CT 06082	1,500*
Capital www.capitalcc.edu	950 Main Street Hartford, CT 06103	2,177
Gateway www.gatewayct.edu	20 Church Street New Haven, CT 06510	2,598
Housatonic www.housatonic.edu	900 Lafayette Boulevard Bridgeport, CT 06604	3,200
Manchester www.manchestercc.edu	Great Path Manchester, CT 06045	4,145
Middlesex www.mxcc.edu	100 Training Hill Road Middletown, CT 06457	879
Naugatuck Valley www.nv.edu	750 Chase Parkway Waterbury, CT 06708	4,546
Northwestern Connecticut www.nwcc.edu	Park Place East Winsted, CT 06098	833
Norwalk www.norwalk.edu	188 Richards Avenue Norwalk, CT 06854	3,264
Quinebaug Valley www.qvcc.edu	742 Upper Maple Street Danielson, CT 06239	1,368
	729 Main Street Willimantic, CT 06226	350
Three Rivers www.threerivers.edu	574 New London Tnpk. Norwich 06360	3,121
Tunxis www.tunxis.edu	271 Scott Swamp Road Farmington, CT 06032	1,993
*Temporary Space		