

LEASE AGREEMENT

IML-96-5

THIS AGREEMENT, made this 28th day of August, 1996, by and between the Commonwealth of Pennsylvania, acting through the Department of General Services, as agent for the Department of Public Welfare, hereinafter referred to as Lessor,

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The Warren County School District, 185 Hospital Drive, Warren, Pennsylvania 16365, hereinafter referred to as Lessee.

WHEREAS, the hereinafter described premises, owned by the Commonwealth of Pennsylvania, situate at Warren State Hospital, a portion of the first floor and basement TAB Building, a.k.a., Building #11, North Warren, Pennsylvania 16365, are not at this time being used in connection with the work of any Department, Board or Commission thereof; and

WHEREAS, the Lessee desires to use the hereinafter described premises to locate their Shipping and Receiving and Maintenance Departments.

IT IS HEREBY mutually agreed that the Lessor does hereby let unto Lessee for use by Lessee's Shipping and Receiving and Maintenance Departments as shown on the attached plan marked *Exhibit "A"* and made a part hereof.

The leased premises shall consist of rooms on the first floor for the Shipping and Receiving Department and an office consisting of approximately 9,254 square feet. Rooms in the basement will be utilized for the Maintenance Department, consisting of approximately 7,914 square feet, in the TAB Building, a.k.a. Building #11, and for no other purpose, for the term of five (5) years beginning on date of execution of this Lease Agreement.

IT IS HEREBY mutually agreed that the rental of these premises for the initial term and subsequent terms will be One Dollar and 00/100 (\$1.00) annually, receipt of which is hereby acknowledged, plus other good and valuable considerations, which the Lessee covenants and otherwise agrees to faithfully perform and otherwise provide for the benefit of the citizenry of the Commonwealth.

Lessee accepts possession of said premises upon the said terms and further agrees to the following terms, covenants, stipulations, and conditions:

A. PROPERTY RIGHTS

1. Right of Entry - The Lessee shall allow Lessor, and any party acting under authority of Lessor, to enter upon the Premises for official purposes. Lessor shall provide the Lessee reasonable notice of such entries.

2. Right to Lease - The Lessor has the right to lease the premises, and so warrants to the Lessee.

B. IMPROVING, CONSERVING AND MAINTAINING THE PREMISES

1. Improvements - Any improvements to be made to the leased premises by the Lessee must be approved by the Superintendent of Warren State Hospital, and the Bureau of Facilities Management, Department of Public Welfare.

2. Minor Repairs and Routine Maintenance - All routine maintenance and minor repairs may be performed by the Lessee with written permission from Warren State Hospital. Building maintenance performed by Lessor will be billed to Lessee on a time and material basis.

3. Major Repairs - All major repair work will be the responsibility of Warren State Hospital. Major repairs will be considered any repairs on the electrical, plumbing, and heating systems, roof or foundation repairs, and any painting or repairs on the building exterior.

4. Compensation for Damages - The Lessee agrees to keep the demised premises in a clean, safe, and healthful condition and upon termination of this Lease Agreement will ensure that the premises are left in a clean, safe, and healthful condition. An inspection will be made of the premises by Lessor on the date of evacuation by Lessee to determine condition of premises. If the premises are not left in as good condition as when the Lessee took possession or if there is damage to the premises, the Lessee agrees to restore and otherwise repair the premises, ordinary wear and tear excepted.

5. Improvements - All improvements that were made on the said premises by either Lessor or Lessee will become part of the real estate and become the property of the Commonwealth. Improvements installed by the Lessee and approved by Lessor shall not be deemed damages as defined in the above Paragraph 4.

C. TERM OF LEASE

1. Term - Unless either party hereto shall give the other written notice of its intention to terminate this Lease Agreement at least sixty (60) days prior to the end of said term, this Lease Agreement shall continue upon the same terms and conditions in force, for a further period of one (1) year and so on, until terminated by either party, giving to the other at least sixty (60) days written notice of termination, prior to the expiration of the then current term.

2. Continuous Occupancy - The premises will be possessed and occupied continuously during the term of the Lease Agreement by the Lessee's employees.

5. Lessee to Hold Harmless - The Lessee shall indemnify and save Lessor, its agents, representatives, and employees, harmless from all claims for damage to property and for injury to or death of any persons arising from any act or omission of the Lessee, its agents or employees acting under the direction of the Lessee.

6. Hunting, Gunning and Archery - No hunting, gunning or archery shall be permitted to be done on or about said premises at any time by the Lessee, his/her family, agents, clients, servants or employees, or another person whatsoever.

7. Sub-leasing - Sub-leasing of the premises is prohibited.

8. Traffic Control and Security - In the event a visitor or client of the Lessee is in an unauthorized area, the Lessee's responsibility is to promptly direct or otherwise remove the client/visitor from the unauthorized area. Similarly, any resident(s) or client(s) of Warren State Hospital appearing on the leased premises will be returned to Warren State Hospital by Warren State Hospital Security Personnel, upon notification by Lessee.

The Lessee's employees, agents, and representatives are permitted on the grounds of Warren State Hospital for business purposes only, excepting the Canteen facilities at the Main Building. The Lessee's staff and employees located at the leased premises are permitted to utilize the Canteen facilities at the Main Building. The employees, agents and representatives of Warren State Hospital are permitted in the leased premises for business purposes only.

The Lessee will be responsible for the security of the leased premises. The Lessee may change the entrance locks on the leased premises so as to have a separate key from Warren State Hospital. If the locks are changed the Lessee shall provide keys for the entrance locks of the leased premises to the Fire, Security and Maintenance Departments of Warren State Hospital. The Lessee's employees, agents, and representatives are required to conform to the Key Control Policy of Warren State Hospital.

9. Fire Safety - Warren State Hospital will maintain the fire alarm system in the leased premises. The Lessee will be responsible for conducting fire drills in coordination with the Fire Department of Warren State Hospital.

10. Parking - The Lessee will utilize the parking areas assigned by Warren State Hospital. Any parking overflow from the Lessee's parking area are permitted to park in the lot in the rear of the Main Building. The Lessee's employees, agents and representatives will conform to the traffic control regulations as established by Warren State Hospital. The Lessee will discipline any violators employed at the leased premises. In the event parking becomes extremely congested at Warren State Hospital, the Lessee at Lessee's expense will be required, at the request of Warren State Hospital, to build a parking area. The parking area will be built at a site and in accordance with standards specified by Warren State Hospital.

D. MISCELLANEOUS PROVISIONS

1. Utilities - The Lessee shall be responsible for the prompt payment to Warren State Hospital of a monthly \$1,622.40 utility charge, as shown on *Exhibit "B"* and made a part hereof. Utilities provided by Warren State Hospital shall include steam heat, electric, trash disposal, water and sewer and groundskeeping. The Lessee shall also be responsible for the prompt payment of utility bill(s) of any outside utility company. Outside utilities include but are not limited to cable television service.

All utility charges shall be reviewed, and if necessary adjusted, July 1 of every calendar year. Any adjustments to the utility charges shall take effect on subsequent monthly charges until the next July utility charge review date.

2. Debts and Accidents - Lessor shall in no way be responsible for the debts of, or liabilities for accidents or damages caused by the Lessee.

3. Willful Neglect - Willful neglect, failure, or refusal by either party to carry out any substantial provisions of this Lease Agreement, shall give the other party the benefits of any proceedings provided by law.

4. Insurance - The Lessee, at its own expense, shall provide and maintain for the benefit of the Lessor and itself, as their respective interests may appear, adequate insurance in amounts satisfactory to the Lessor with responsible insurance companies licensed to do business in the Commonwealth of Pennsylvania insuring: Public liability and property damage insurance to protect the Commonwealth, the Contractor, and any and all subcontractors from claims for damages for personal injury (including bodily injury), sickness or disease, accidental death and damage to property, including loss of use resulting from any property damage, which may arise from operations under this contract whether such operations be by the Contractor, by any subcontractor or by anyone directly or indirectly employed by either. The limits of such insurance shall be in an amount not less than \$250,000 each person and \$2,000,000 each occurrence, personal injury and property damage combined. Such policies shall be occurrence rather than claims-made policies and shall name the Commonwealth of Pennsylvania as an additional insured. The insurance shall not contain any endorsements or any other form designed to limit and restrict any action by the Commonwealth as an additional insured, against the insurance coverage in regard to the work performed for the Commonwealth. The Lessee or his/her agent or company must forward evidence of the aforementioned liability insurance coverage to the Land Management Division/Bureau of Real Estate, Room 505 North Office Building, Harrisburg, Pennsylvania 17125 prior to occupancy. The Lessee or his/her insurance agent or company shall notify Lessor at least thirty (30) days prior to any change, transfer, or cancellation of the aforementioned insurance coverage.

11. Groundskeeping - The Lessor will be responsible for the upkeep of the grounds around the leased premises as outlined on *Exhibit "A"*. The Lessee shall be billed at the rate listed on *Exhibit "B"*.

12. Snow Removal - The Lessor will be responsible for the prompt removal of snow from the sidewalks around the leased premises and from the assigned parking areas.

13. Housekeeping - The Lessee will be responsible for all housekeeping services. The Lessee will maintain the leased premises in a clean, safe and healthful condition.

14. Liaison - Representatives from the Warren State Hospital and the Lessee will meet semi-annually to discuss problems that impact on both parties. An individual from both the Lessee and Warren State Hospital will be appointed to act as liaison persons to discuss and deal with daily and/or routine problems.

15. Asbestos Removal - In the event that friable asbestos is identified on the premises, the Lessor shall either remove or encapsulate the identified friable asbestos. Friability shall be defined consistently with the Federal regulations in effect at any time during the term of the Lease Agreement. The standard for protection of workers engaged in asbestos removal or encapsulation shall meet the applicable Federal regulations in effect at the time that the removal and/or encapsulation is effected.

The Lessee further agrees to protect, indemnify and save harmless Lessor from and against any and all liabilities, losses, damages, costs, expenses, causes of action, suits, claims, demands or judgments of any nature arising from any injuries to, or the death of any person growing out of or connected with the disturbance of encapsulated asbestos in the demised premises by Lessee and the resulting presence of friable asbestos in the premises and from the placement by Lessee of asbestos materials in the demised premises.

16. Contractor Integrity Provisions - Included in and made a part of this Lease Agreement is *Exhibit "C"* (attached), a clause regarding Contractor Integrity by the Lessee. It shall be understood that the word "Contractor" as used in *Exhibit "C"* shall refer to the Lessee.

17. Non-Discrimination Clause - Included in and made a part of this Lease Agreement is *Exhibit "D"* (attached), a clause regarding non-discrimination by the Lessee. It shall be understood that the word "Contractor" as used in *Exhibit "D"* shall refer to the Lessee.

18. Americans With Disabilities Act Clause - Included and made a part of this Lease Agreement is *Exhibit "E"* (attached), a clause regarding compliance with the Americans With Disabilities Act by the Lessee. It shall be understood that the word "Contractor" as used in *Exhibit "E"* shall refer to the Lessee.

E. TERMINATION

1. Termination - Each party shall give the other written notice of an intent not to renew the Lease Agreement pursuant to paragraph (C) 1. Lessor shall have the right to recovery of the

cost of any damages caused by the failure of the Lessee to notify Lessor in writing at least sixty (60) days prior to the date of termination of this Lease Agreement.

2. Failure to Comply - It is further agreed that if the Lessee should fail to comply with any of the covenants, terms or conditions of this Lease Agreement during the said term or any subsequent term, the Lessor may after giving Lessee thirty (30) days notice to comply, at its option, terminate this Lease Agreement for failure to comply if Lessee has failed to comply within said thirty (30) day period.

3. Surrender of Possession - The Lessee agrees to surrender possession and occupancy of the premises peaceably at the termination of the Lease Agreement. Said surrender shall be consistent with all applicable terms, conditions and covenants of this Lease Agreement.

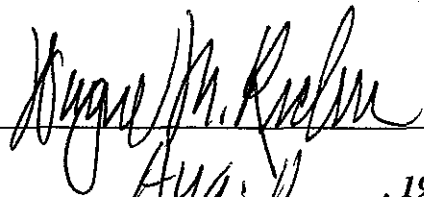
F. CONFESSION OF JUDGEMENT

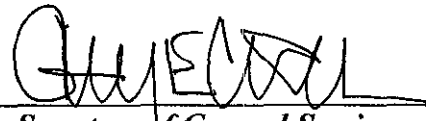
1. Confession of Judgement - Upon proper termination of the Lease Agreement as herein provided, any attorney may immediately appear for the Lessee in an amicable action of ejectment to be brought by Lessor in any competent court, for the recovery of the demised premises and damages for the detention thereof, and therein confess judgement against the Lessee, for which this Lease Agreement (or a true copy thereof) shall be a sufficient warrant; and the Lessor may issue thereon all the necessary writs of process for recovering possession of said premises, with damages for detention (to be assessed at an amount equal to all unpaid rent and costs). No termination of this Lease Agreement, nor recovery of possession or damages as aforesaid, shall release the Lessee from liability for the breach of any covenant herein contained.

IN WITNESS WHEREOF the parties hereto have caused this Lease Agreement to be duly executed by their respective authorized officers and officials, and their respective seals affixed as of the day and year first above written.

Department of General Services
Office of Chief Counsel

COMMONWEALTH OF PENNSYLVANIA
Acting through
DEPARTMENT OF GENERAL SERVICES

By 
Aug. 11, 1996

By 
Secretary of General Services

WITNESS:

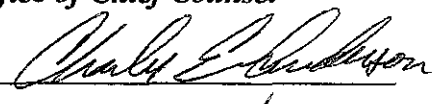
LESSEE: Warren County School District

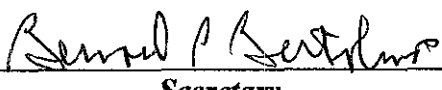

Secretary/Treasurer


President/Vice-President

Department of Public Welfare
Office of Chief Counsel

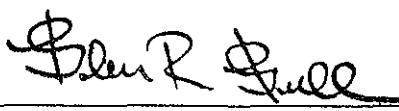
APPROVED:
DEPARTMENT OF PUBLIC WELFARE

By 
8/8, 1996

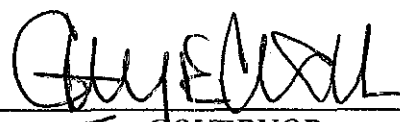
By 
Secretary

APPROVED AS TO FORM AND LEGALITY

OFFICE OF GENERAL COUNSEL

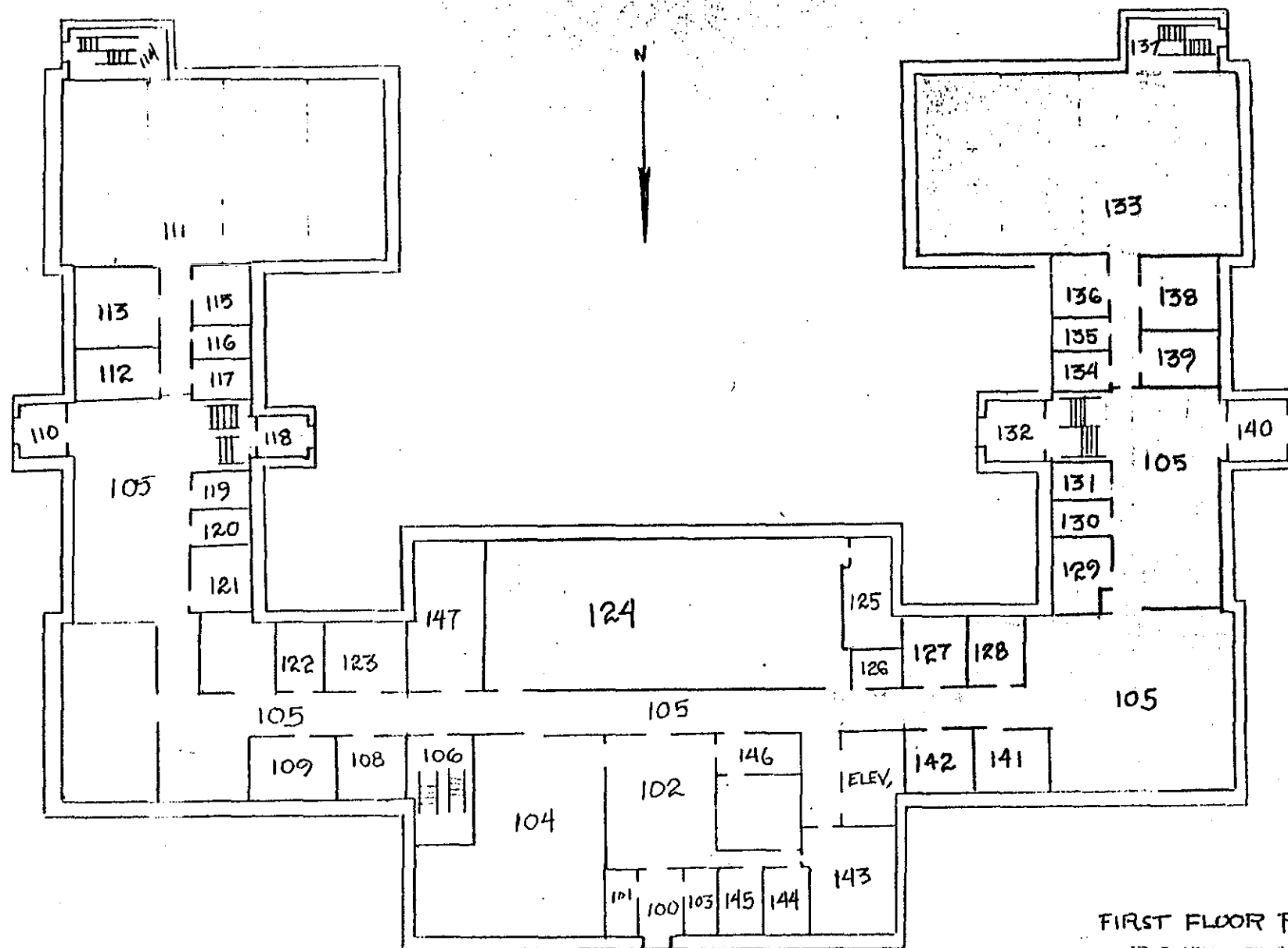
By 
8/23, 1996

APPROVED:


For GOVERNOR

OFFICE OF ATTORNEY GENERAL

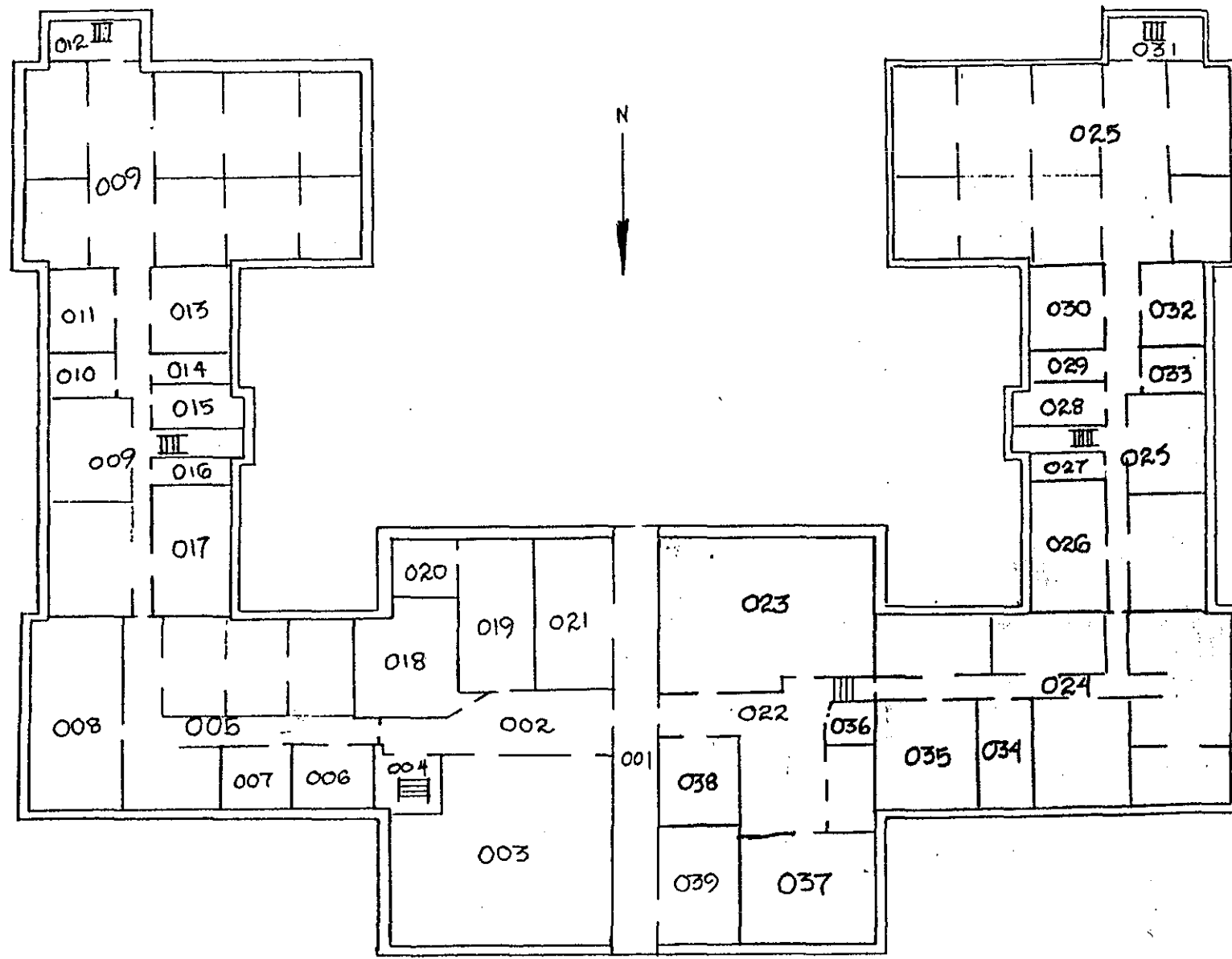
By _____
_____, 199



FIRST FLOOR PLAN
 OLD GERIATRICS BLDG II
 SCALE 1"=30'
 2/92

EXHIBIT "A-1"

BASEMENT FLOOR PLAN
 OLD GERIATRICS BLDG. # 11
 SCALE 1"=30' AP



Utility Costs:

Utility costs, based on our current rates are indicated below. These costs are subject to change beginning **July 1, 1996** (Fiscal Year 96/97).

<i>Water/Sewage</i>	<i>17,168 Sq. Ft. x \$.050 = \$ 858.40 Monthly: \$ 71.54</i>
<i>Electricity</i>	<i>17,168 Sq. Ft. x \$.285 = \$ 4,892.88 Monthly: \$407.74</i>
<i>Steam Heat</i>	<i>17,168 Sq. Ft. x \$.560 = \$ 9,614.08 Monthly: \$801.18</i>
<i>Trash</i>	<i>17,168 Sq. Ft. x \$.047 = \$ 806.90 Monthly: 67.25</i>
<i>Grounds</i>	<i>17,168 Sq. Ft. x \$.192 = \$ <u>3,296.26</u> Monthly: <u>\$274.69</u></i>

TOTALS: \$19,468.52 \$1,622.40

EXHIBIT "B"

CONTRACTOR INTEGRITY PROVISIONS

1. Definitions.

a. Confidential information means information that is not public knowledge, or available to the public on request, disclosure of which would give an unfair, unethical, or illegal advantage to another desiring to contract with the Commonwealth.

b. Consent means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of execution of this agreement.

c. Contractor means the individual or entity that has entered into this agreement with the Commonwealth, including directors, officers, partners, managers, key employees, and owners of more than a five percent interest.

d. Financial interest means:

- (1) Ownership of more than a five percent interest in any business; or
- (2) holding a position as an officer, director, trustee, partner, employee, or the like, or holding any position of management.

e. Gratuity means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind.

2. The contractor shall maintain the highest standards of integrity in the performance of this agreement and shall take no action in violation of state or federal laws, regulations, or other requirements that govern contracting with the Commonwealth.

3. The contractor shall not disclose to others any confidential information gained by virtue of this agreement.

4. The contractor shall not, in connection with this or any other agreement with the Commonwealth, directly or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of the Commonwealth.

5. The contractor shall not, in connection with this or any other agreement with the Commonwealth, directly or indirectly, offer, give, or agree or promise to give to anyone any gratuity for the benefit of or at the direction or request of any officer or employee of the Commonwealth.

6. Except with the consent of the Commonwealth, neither the contractor nor anyone in privity with him or her shall accept or agree to accept from, or give or agree to give to, any person, any gratuity from any person in connection with the performance of work under this agreement except as provided therein.

7. Except with the consent of the Commonwealth, the contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material on this project.

8. The contractor, upon being informed that any violation of these provisions has occurred or may occur, shall immediately notify the Commonwealth in writing.

9. The contractor, by execution of this agreement and by the submission of any bills or invoices for payment pursuant thereto, certifies and represents that he or she has not violated any of these provisions.

10. The contractor, upon the inquiry or request of the Inspector General of the Commonwealth or any of that official's agents or representatives, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Inspector General to the contractor's integrity or responsibility, as those terms are defined by the Commonwealth's statutes, regulations, or management directives. Such information may include, but shall not be limited to, the contractor's business or financial records, documents or files of any type or form which refer to or concern this agreement. Such information shall be retained by the contractor for a period of three years beyond the termination of the contract unless otherwise provided by law.

11. For violation of any of the above provisions, the Commonwealth may terminate this and any other agreement with the contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another contractor to complete performance hereunder, and debar and suspend the contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

NONDISCRIMINATION CLAUSE

During the term of this contract, Contractor agrees as follows:

(1) Contractor shall not discriminate against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age, sex or handicap. Contractor shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include, but is not limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. Contractor shall post in conspicuous places, available to employees, agents, applicants for employment, and other persons, a notice to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

(2) Contractor shall, in advertisements or requests for employment placed by it or on its behalf, state all qualified applicants will receive consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, sex or handicap.

(3) Contractor shall send each labor union or workers' representative with which it has a collective bargaining agreement or other contract or understanding, a notice advising said labor union or worker's representative of its commitment to this nondiscrimination clause. Similar notice shall be sent to every other source of recruitment regularly utilized by Contractor.

(4) It shall be no defense to a finding of noncompliance with this nondiscrimination clause that Contractor had delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the Contractor was not on notice of the third-party discrimination or made a good faith effort to correct it, such factor shall be considered in mitigation in determining appropriate sanctions.

(5) Where the practices of a union or of any training program or other source of recruitment will result in the exclusion of minority group persons, so that Contractor will be unable to meet its obligations under this nondiscrimination clause, Contractor shall then employ and fill vacancies through other nondiscriminatory employment procedures.

(6) Contractor shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of Contractor's noncompliance with the nondiscrimination clause of this contract or with any such laws, this contract may be terminated or suspended, in whole or in part, and Contractor may be declared temporarily ineligible for further Commonwealth contracts, and other sanctions may be imposed and remedies invoked.

(7) Contractor shall furnish all necessary employment documents and records to, and permit access to its books, records and accounts by, the contracting agency and the Office of Administration, Bureau of Affirmative Action, for purposes of investigation to ascertain compliance with the provisions of the of this clause. If Contractor does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the contracting agency or the Bureau of Affirmative Action.

(8) Contractor shall actively recruit minority subcontractors or subcontractors with substantial minority representation among their employees.

(9) Contractor shall include the provisions of this nondiscrimination clause in every subcontract, so that such provisions will be binding upon each Subcontractor.

(10) Contractor's obligations under this clause are limited to the Contractor's facilities within Pennsylvania, or, where the contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

THE AMERICANS WITH DISABILITIES ACT PROVISIONS

During the term of this contract, the Contractor agrees as follows:

1. Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. 35.101 et seq., the Contractor understands and agrees that no individual with a disability shall, on basis of the disability, be excluded from participation in this contract or from activities provided for under this contract. As a condition of accepting and executing this contract, the Contractor agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. 35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act which are applicable to the benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.
2. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor's failure to comply with the provisions of paragraph 1. above.

EXHIBIT "E"