

PROFESSIONAL EMPLOYMENT AGREEMENT
BETWEEN THE STATE OF CONNECTICUT,
ACTING BY ITS ATTORNEY GENERAL,
AND
PEPE & HAZARD, LLP

This Agreement, to be effective as of the 13th day of June, 2002, by and between the STATE OF CONNECTICUT, acting by its ATTORNEY GENERAL, Richard Blumenthal, duly authorized pursuant to Section 3-125 of the Connecticut General Statutes and Public Act 02-46, Section 2, with an office at 55 Elm Street, Hartford, CT 06106 and PEPE & HAZARD, LLP, (the "COUNSEL"), acting by Richard Goldstein, Partner, with their principal place of business at Goodwin Square, 225 Asylum Street, Hartford, CT 06103-4302.

WITNESSETH:

WHEREAS, the ATTORNEY GENERAL, pursuant to Section 3-125 of the General Statutes of the State of Connecticut, has general supervision over all legal matters except those legal matters over which prosecuting authorities have direction; and

WHEREAS, all legal services required by the various officers, departments, and boards, specified in Section 3-125 of the General Statutes, are to be performed by the ATTORNEY GENERAL or under his direction; and

WHEREAS, pursuant to Public Act 02-46, Section 2 the ATTORNEY GENERAL shall have supervision over all legal matters and claims of the Connecticut Resources Recovery Authority arising from the CRRA-ENRON-CL&P transaction and the ATTORNEY GENERAL may appear for the CRRA in all civil suits and other civil proceedings arising from said transaction, and all such suits and proceedings shall be conducted by the ATTORNEY GENERAL or under the direction of the ATTORNEY GENERAL; and

WHEREAS, the ATTORNEY GENERAL requires the professional services of an attorney at law to assist the State of Connecticut and the Connecticut Resources Recovery Authority ("CRRA") in any and all appropriate actions and negotiations to recover from any appropriate entities, losses sustained by CRRA in its transactions with ENRON Corporation and any related entities; and

WHEREAS, the nature of the legal services required are such that the ATTORNEY GENERAL has determined that special counsel with particular expertise in the subject area is warranted; and

WHEREAS, the professional services of the COUNSEL have been made available to the ATTORNEY GENERAL, for the above stated purposes; and

In consideration of these premises and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

SECTION 1: SCOPE OF SERVICES

1.1 The services to be performed by the COUNSEL shall consist of the following:

(a) Assisting, advising, representing, providing legal counsel to and taking all action necessary to represent the State of Connecticut and the CRRA, in any and all appropriate actions and negotiations to recover from any appropriate entities, losses sustained by CRRA in its transactions with ENRON Corporation and any related entities ("Services").

(b) Review, analysis, investigation and research necessary to carry out the Services.

(c) Preparing, writing and providing to the ATTORNEY GENERAL or his designee all documents and instruments, in electronic, magnetic, paper and any other form, which the COUNSEL or ATTORNEY GENERAL deem to be necessary or appropriate to carry out said Services.

(d) Negotiating and/or engaging in mediation, with the approval of the ATTORNEY GENERAL, with any and/or all parties necessary to carry out the Services.

(e) Making all court appearances and filings and representing the State and the CRRA in all actions, pending or threatened, suits, claims, investigations, legal, administrative, mediation or arbitration proceedings, whether at law or in equity, in any forum (collectively, "Actions") as determined to be necessary and/or appropriate in consultation with the ATTORNEY GENERAL and/or his designee.

(f) Hiring and consulting with expert witnesses, consultants, mediators and investigators as may be reasonably and necessarily required and as approved by the ATTORNEY GENERAL, subject to the following requirements and limitations:

(1) Terms of subcontracts over \$5,000.00 must be approved in advance by the ATTORNEY GENERAL, except when outside counsel demonstrates, to the satisfaction of the ATTORNEY GENERAL, that immediate action is needed to protect the interests of the State. In those urgent situations, continuing work must be under an approved contract as soon as possible.

(2) In requesting approval of subcontracts over \$5,000.00, counsel must include the following information.

- (a) Why it is necessary to hire a subcontractor.
- (b) How the proposed subcontractor has been selected.
- (c) Proposed rates and reimbursements for the subcontractor.

(d) Comparison of these rates to those of other qualified subcontractors, or adequate explanation of why a comparison is unavailable.

(3) Subcontracts or agreements must include terms which are substantially similar to the billing terms in Section Three of this Contract.

(4) Contractors' bills for subcontracted work must include full detailed itemizations of all fees and expenses for the subcontracted work, with appropriate supporting documentation.

(g) Being available upon the reasonable request of the ATTORNEY GENERAL to consult with the members and staff of any committee, board, bureau, institution, office, council, association, instrumentality, commission, department, agency and legislative body of the State of Connecticut, and with any other group or person designated by the ATTORNEY GENERAL, including the Board or staff of CRRA.

SECTION 2: AGREEMENT ADMINISTRATION

2.1 The person in charge of administering this Agreement on behalf of the ATTORNEY GENERAL shall be Theodore Doolittle, Assistant Attorney General and his successors in office, whose address and telephone number are as follows:

Theodore Doolittle, AAG
Office of the Attorney General
55 Elm Street – 2nd Floor Annex
Hartford, CT 06106
Tel: (860) 808-5020
Fax: (860) 808-5389

2.2 The person in charge of administering this Agreement on behalf of the COUNSEL shall be Richard H. Goldstein, whose title, address, telephone number and facsimile number are as follows:

Richard H. Goldstein, Esq.
Pepe & Hazard, LLP
Goodwin Square
225 Asylum Street
Hartford, CT 06103-4302
Tel: (860) 241-2642
Fax: (860) 522-2796

SECTION 3: COMPENSATION AND REIMBURSEMENT

3.1 The ATTORNEY GENERAL agrees to compensate the COUNSEL for Services in accordance with the following hourly rate schedule:

(a)	Lou Pepe	\$335.00
(b)	Jim Green	\$290.00
(c)	Tom Rechen	\$280.00
(d)	Doug Steinmetz	\$280.00
(e)	Rich Goldstein	\$265.00
(f)	Brian Wolinetz	\$175.00
(g)	Paralegals	\$110.00

Rates for other attorneys will reflect discounts from standard rates comparable to those stated herein, and will not exceed \$175.00 per hour for Associates and \$290 per hour for Partners.

The above rates shall be charged only for actual time spent rendering such Services; the COUNSEL shall not "round off" time. The time spent rendering Services shall be billed to the tenth of an hour within any single workday. The ATTORNEY GENERAL shall not be charged for any other time expended by the COUNSEL during travel, overnight stays, or the like associated with the performance of the Services.

3.2 Compensation will be paid only after the submission of itemized documentation, in a form acceptable to the ATTORNEY GENERAL, the Associate Attorney General or their respective designees. Billings are to be on a monthly basis. The billings must contain, at a minimum, a detailed description of the work performed, the date of performance, the actual time spent performing the work, the name and position of the person(s) rendering the Service and the rate charged for that Service. The monthly bill must also be accompanied by a summary of time and charges billed for each attorney and paralegal itemized on the invoice. Upon the request of the ATTORNEY GENERAL, COUNSEL must submit a summary memorandum describing how the Service rendered furthered resolution of the matter and the current status of the matter. The ATTORNEY GENERAL or his designee or CRRA, may, prior to authorizing payment under this Section, require the COUNSEL to submit such additional accounting and information as deemed to be necessary or appropriate. The COUNSEL shall not be compensated for any time spent preparing any billing, auditing or accounting documentation, including but not limited to such documentation and accompanying memoranda required by subsections 3.2, 3.3, 3.5, 3.6, 3.10, 8.1, 8.2 and 8.3. All bills must be sent to **Office of the Attorney General-Business Office, 55 Elm Street, Hartford, Connecticut 06106-1774**. A copy of all bills submitted to the Attorney General shall be simultaneously sent to the Connecticut Resources Recovery Authority in care of Ann R. Stravalle-Schmidt, Esq., General Counsel, 100 Constitution Plaza, Hartford, CT 06103-1722.

3.3 Upon the request of the ATTORNEY GENERAL, the COUNSEL shall submit to the ATTORNEY GENERAL or his designee for approval a projected plan and budget

containing, but not limited to, a brief statement of the case or matter, a description of the nature and scope of the various phases of the Services expected to be performed, an estimate of the cost of the work broken down into the various phases of the Services, and an estimate of the time required to successfully complete the Services. Prior to effecting, undertaking or initiating a material change in the Services, the COUNSEL shall submit to the ATTORNEY GENERAL or his designee for approval a revised projected plan and budget that reflects the changes to the existing projected plan and budget. If the revised projected plan and budget contains a projected cost exceeding the maximum compensation set out in subsection 3.11, the COUNSEL shall consult with the ATTORNEY GENERAL or his designee, for the purpose of (1) revising the scope of employment; (2) revising the maximum compensation amount; (3) revising the billing rates; (4) some combination thereof; or (5) other action permitted under this Agreement or any agreed-upon amendment. The ATTORNEY GENERAL or his designee, in his sole discretion, may require revisions, supplements and modifications of the projected plan and budget from time to time. The COUNSEL will not be compensated for the preparation, amendment, or modification of the projected plan and budget. Said budget shall be reviewed by the CRRA.

3.4 The ATTORNEY GENERAL, subject to review by the CRRA, agrees to reimburse the COUNSEL for actual, necessary and reasonable out-of-pocket disbursements and expenses, including filing fees, court costs, computerized research (at cost), expert witnesses, consultants, mediators, investigative services, long distance telephone calls, and transcript or deposition costs. The ATTORNEY GENERAL shall not reimburse the COUNSEL for any overhead related expenses, including, but not limited to, word processing, copying, secretarial, facsimile (other than long-distance telephone line charges which will be billed at direct-line charge rates), clerical staff, library staff, computer time (other than computer legal research which must be specifically authorized in advance only for sessions in excess of 3 hours), proofreading staff, meals and in-state transportation costs or expenses unless they are otherwise approved by the ATTORNEY GENERAL or his designee, messenger and delivery services unless requested by the Attorney General or his designee and then to be billed at cost, postage and local telephone calls. Large duplication expenses, such as for document production, or for necessary duplication of individual documents exceeding 100 pages, may be billed at cost, not to exceed 10¢/page. The COUNSEL shall be reimbursed for reasonable expenses for transportation, specifically excluding first class airfare, parking and reasonable lodging and meals associated with interstate travel as approved in advance by the ATTORNEY GENERAL or his designee.

3.5 The COUNSEL shall not be compensated for time spent on background or elementary legal research or any legal training without the prior written consent of the ATTORNEY GENERAL. For the purposes of this Agreement, elementary legal research includes, but is not limited to, any matter which is addressed in: Connecticut Lawyers Basic Practice Manual (1986) and Connecticut Lawyers Basic Practice Manual (1989). Charges for legal research must be accompanied by a detailed description setting forth the purpose of the research and summarizing its nature. Any written material produced as a result of such research shall be available to the ATTORNEY GENERAL or his designee or CRRA at his or CRRA's request. The ATTORNEY GENERAL shall have the final decision in all disputes between the parties to this Agreement under this subsection.

3.6 The COUNSEL shall not be compensated for time spent in consultation with any attorney or other employee of the ATTORNEY GENERAL or CRRA concerning the administration of this Agreement and/or issues relating to billing. Unless otherwise authorized by the ATTORNEY GENERAL, compensation for communication between or among attorneys and/or staff within the COUNSEL'S law firm is limited to the time and billing rate of the 2 most senior attorney or staff member participating in the communication. These charges must be accompanied by a detailed description setting forth the purpose of the communication and summarizing its details. The ATTORNEY GENERAL or his designee after consultation with the CRRA shall make the final determination, in his sole discretion, as to the adequacy of such description.

3.7 Absent the consent of the ATTORNEY GENERAL or his designee, the COUNSEL shall not be compensated for the attendance or participation of more than one attorney representing the CRRA or the State of Connecticut in connection with any Action. Where more than one attorney has attended or participated in any Action without the consent of the ATTORNEY GENERAL or his designee, the COUNSEL shall be compensated for the time of the most senior attorney in attendance.

3.8 The COUNSEL shall not be compensated for the performance of paralegal or clerical type duties performed by an attorney. Paralegal duties or clerical duties include, by way of example, routine proofreading of pleadings and other correspondence, preparation of trial or closing binders or notebooks, photocopying and coordinating the schedules of others.

3.9 The ATTORNEY GENERAL, after consultation with the CRRA, shall approve for payment all undisputed fees and costs, as soon as the documentation can properly be processed in accordance with usual State and CRRA practice.

3.10 The COUNSEL shall maintain accurate records and accounts of all expenditures under this Agreement as well as satisfactory evidence of payment to assure proper accounting. Such records and accounts shall be kept in the manner specified in subsection 7.4, and made available and furnished upon request to the ATTORNEY GENERAL or his designee or CRRA until six (6) years after the termination of this Agreement.

3.11 Maximum payments under this Agreement shall not exceed FIVE HUNDRED THOUSAND Dollars (\$500,000.00). All fees, costs and expenses will be paid directly by Connecticut Resources Recovery Authority upon review and approval of the bills by CRRA and the Attorney General.

3.12 The ATTORNEY GENERAL shall have the right, without the need of prior notice to the COUNSEL, to assign the performance of some aspect of the Services to an Associate or Assistant Attorney General where the ATTORNEY GENERAL, in his sole discretion, finds that such an assignment would best serve the interests of the State of Connecticut or the CRRA.

3.13 Compensation and reimbursement provided under this Section 3 constitutes full and complete payment for all costs and expenses incurred or assumed by the COUNSEL in

performing this Agreement. No other costs, expenses or overhead items shall be reimbursed by the ATTORNEY GENERAL without the prior written approval of the ATTORNEY GENERAL or his designee after consultation with CRRA.

3.14 The Attorney General and CRRA reserve the right to review the reasonableness of all attorneys' fees and expenses as Counsel bills them. Standards for determining the reasonableness of fees will be consistent with the requirements of the American Bar Association's Model Rules of Professional Conduct and the Rules of Professional Conduct in your law firm's jurisdiction. Upon reasonable notice from the Attorney General, Counsel agrees to allow the Attorney General, in consultation with CRRA, to audit Counsel's files pertaining to the services. Any such audit will be conducted on Counsel's premises and Counsel will be expected to produce any pertinent file information requested including Counsel's time and expense records.

For an audit, Counsel shall provide the following:

- Access to files, records, bills in electronic form, electronic daily billing reports and summaries.
- Each attorney's original bills and time slips for the services. Counsel shall retain bills and time slips for each file.
- A list of hourly rates for each attorney handling the case.
- A detailed explanation of Counsel's billing methods.
- Counsel's trial, motion and deposition calendar subject to applicable privileges.

The Attorney General and CRRA reserve the right to seek reimbursement of inappropriately billed time or expenses.

SECTION 4: TERMINATION OF AGREEMENT BY THE ATTORNEY GENERAL

4.1 The ATTORNEY GENERAL, after consultation with CRRA, upon written notice, may immediately suspend, postpone, abandon, or terminate this Agreement at any time and for any reason, including convenience, and such action shall in no event be deemed to be a breach of contract.

4.2 Upon receipt of written notification from the ATTORNEY GENERAL of termination, the COUNSEL shall immediately cease to perform the Services unless otherwise directed by the ATTORNEY GENERAL or to the extent necessary to prevent the State from failing to make timely filings or otherwise failing to comply with court orders or the law. The COUNSEL shall assemble all material that has been prepared, developed, furnished, or obtained under the terms of this Agreement, in electronic, magnetic, paper or any other form, that may be in his possession or custody, and shall transmit the same to the ATTORNEY GENERAL or his designee as soon as possible, and no later than the fifteenth day following the receipt of the above written notice of termination, together with a description of the cost of the Services performed to the date of termination.

SECTION 5: TERMINATION OF AGREEMENT BY THE COUNSEL

5.1 The COUNSEL, on thirty (30) days prior written notice to the ATTORNEY GENERAL, may terminate this Agreement.

5.2 On the effective date of termination, the COUNSEL shall immediately cease to perform the Services except to the extent necessary to prevent the State from failing to make timely filings or otherwise failing to comply with court orders or the law. The COUNSEL shall assemble all material that has been prepared, developed, furnished, or obtained under the terms of this Agreement, in electronic, magnetic, paper or any other form, that may be in its possession or custody, and shall deliver the same to the ATTORNEY GENERAL or his designee on or before the fifteenth day following the transmittal of the written notice of termination, together with a description of the cost of the Services performed to said date of termination.

SECTION 6: TIME OF PERFORMANCE

6.1 The COUNSEL shall perform the Services at such times and in such sequence as may be reasonably directed by the Attorney General, Deputy Attorney General, Associate Attorney General, or their respective designee(s).

6.2 This Agreement will run from its effective date until the tasks set forth in Section 1 of this Agreement are performed or completed to the satisfaction of the ATTORNEY GENERAL, or unless sooner terminated in accordance with Sections 4 or 5 of this Agreement.

SECTION 7: REPRESENTATIONS AND WARRANTIES

The COUNSEL represents and warrants to the ATTORNEY GENERAL that:

7.1 The COUNSEL has duly authorized the execution and delivery of this Agreement and the performance of the contemplated Services.

7.2 The COUNSEL will comply with all applicable state and a federal laws and municipal ordinances in satisfying its obligations to the ATTORNEY GENERAL under and pursuant to this Agreement.

7.3 The execution, delivery and performance of this Agreement by the COUNSEL 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 law; (ii) any order of any court or any administrative agency; or (iii) any indenture, agreement, document or other instrument to which it is a party or by which it may be bound.

7.4 The COUNSEL shall not copy or divulge to any third party any information or any data in any form obtained or produced in connection with the performance of its duties and responsibilities pursuant to this Agreement other than in connection with the performance of those duties and responsibilities. The COUNSEL shall insure that all confidential or privileged records are kept in secured areas and shall take reasonable precautions to protect the records in its custody from the dangers of fire, theft, flood, natural disasters and other physical threats, as well as unauthorized access.

7.5 The COUNSEL has performed a detailed conflict of interest check prior to performing any Services and, on or before the effective date of this Agreement, shall have reported the results to the ATTORNEY GENERAL. During the course of this Agreement, the COUNSEL shall not represent any other client if such representation will materially affect its duties or obligations to the CRRA, the State of Connecticut or the ATTORNEY GENERAL or create an appearance of impropriety. When there is a disagreement between the parties to this Agreement as to whether or not the COUNSEL has or may in the foreseeable future have a conflict of interest or there exists or may exist in the foreseeable future an appearance of impropriety, the ATTORNEY GENERAL'S determination shall be final and dispositive of the issue. Where the ATTORNEY GENERAL determines that the COUNSEL'S representation of any client constitutes a conflict of interest, or creates an appearance of impropriety, the COUNSEL shall, within five days of the posting of notice by the ATTORNEY GENERAL or his designee to the COUNSEL, withdraw from the representation of the client, unless such a withdrawal is barred by law or order of a court of competent jurisdiction or the ATTORNEY GENERAL waives such conflict. Nothing in this subsection shall be construed as restricting or otherwise limiting COUNSEL'S rights under subsection 5.1 of this Agreement.

7.6 Unless the ATTORNEY GENERAL designates otherwise in writing, all information or data, in any form, and all papers, recordings, documents and instruments generated or collected by the COUNSEL, the COUNSEL'S agent or any subcontractor, in the scope of their work under this Agreement shall be deemed to be the exclusive property of the State of Connecticut or CRRA and no one else shall have any right, including but not limited to, intellectual property rights, including copyright and trademark rights, in those items.

7.7 No partner, owner, director and/or employee, with managerial and/or discretionary authority, of the COUNSEL may directly or indirectly make financial donations to any candidate for the Office of the Attorney General of the State of Connecticut during the course of this Agreement.

7.8 The COUNSEL may not knowingly enter into or retain any business relationships or enterprise in which an employee of the office of the Attorney General holds an interest, other than a nominal interest in a publicly held corporation, without the prior written consent of the ATTORNEY GENERAL.

SECTION 8: STATUS REPORTS AND RECORDS

8.1 Upon written or oral request by the ATTORNEY GENERAL or his designee, the COUNSEL will promptly report on the status of the Services performed, including, but not limited to, problems, strategy, analysis and the like. A copy of the report will be forwarded to the CRRA.

8.2 The above-described reports shall be provided in writing or orally, as directed by the person requiring a work status report.

8.3 The COUNSEL, upon the request of the ATTORNEY GENERAL or his designee, shall give to the ATTORNEY GENERAL or his designee for his permanent records all original documentation, or, in the sole discretion of the ATTORNEY GENERAL or his designee, copies thereof, filed in the course of, or arising out of, the COUNSEL'S performance of the Services. The COUNSEL shall otherwise maintain all original documentation, or copies thereof in the manner specified in subsection 7.4, for a period of six (6) years after the termination of this Agreement.

SECTION 9: INSURANCE

9.1 The COUNSEL shall secure and maintain, at no cost or expense to the State, a professional liability insurance policy in a form acceptable to the ATTORNEY GENERAL in the minimum amount of ONE MILLION Dollars (\$1,000,000.00). This policy shall insure the COUNSEL against damages and costs resulting from negligent acts, errors, and omissions in the work performed by the COUNSEL on and after the effective date of, and under the terms of, this Agreement. The COUNSEL may, at its election, obtain a policy containing a maximum TWO HUNDRED FIFTY THOUSAND Dollars (\$250,000.00) deductible clause, but if so, the COUNSEL shall be liable, as stated above herein, to the extent of the deductible amount.

9.2 No later than thirty (30) days after the effective date of this Agreement, the COUNSEL shall furnish to the ATTORNEY GENERAL on a form or forms acceptable to the ATTORNEY GENERAL, a Certificate of Insurance, including amendment(s), fully executed by an insurance company or companies satisfactory to the ATTORNEY GENERAL for the insurance policy or policies required in subsection 9.1, which policy or policies shall be in accordance with the terms of the Certificate of Insurance.

9.3 The COUNSELL shall provide for not less than (30) days' prior written notice to the Attorney General and CRRA by registered or certified mail of any cancellation, restrictive amendment, non-renewal or change in coverage.

SECTION 10: INDEMNIFICATION

10.1. The COUNSEL shall indemnify, defend and hold harmless the State, the CRRA and their successors and assigns from and against all actions (pending or threatened and whether at law or in equity in any forum), liabilities, damages, losses, costs and expenses, including but not limited to reasonable attorneys' and other professionals' fees, resulting from (i) misconduct or

negligent or wrongful acts (whether of commission or omission) of the COUNSEL or any of its members, directors, officers, shareholders, representatives, agents, servants, employees or other persons or entities under the supervision or control of the COUNSEL while rendering professional services to the State of Connecticut or the CRRA under this Agreement, or (ii) any breach or non-performance by the COUNSEL of any representation, warranty, duty or obligation of the COUNSEL under this Agreement. This indemnity shall not be limited by reason of any insurance coverage required of the COUNSEL. The ATTORNEY GENERAL shall provide timely notice to COUNSEL of any such pending action.

10.2. The COUNSEL shall not use, raise or plead the defense of sovereign or governmental immunity in the adjustment or settlement of any Actions against the COUNSEL arising out of the work performed under this Agreement, or as a defense in any Actions, unless specifically authorized to do so in writing by the ATTORNEY GENERAL or his designee.

SECTION 11: CHANGES TO THIS AGREEMENT

11.1 Any and all amendments, changes, extensions, revisions or discharges of this Agreement, in whole or in part, on one or more occasions, shall not be invalid or unenforceable because of lack or insufficiency of consideration, provided, however, that such amendments, extensions, revisions, or discharges are in writing and executed by all the parties to this Agreement.

SECTION 12: REQUIRED PERSONNEL/OFFICE

12.1 On or before the effective date of this Agreement, the COUNSEL shall have secured, and shall maintain during the term of this Agreement, all at its sole cost and expense (i) such appropriately skilled and competent personnel and supporting staff in adequate numbers; and (ii) such equipment as are reasonably necessary or appropriate to fully perform the Services to the satisfaction of the ATTORNEY GENERAL.

12.2 The personnel shall not be employees of or have any contractual relationship with the Office of the Attorney General.

12.3 All the Services shall be performed by the COUNSEL or under its supervision, and all personnel engaged in the Services shall be fully qualified and shall be authorized or permitted under State or local law to perform the applicable Services.

SECTION 13: NONDISCRIMINATION AND AFFIRMATIVE ACTION PROVISIONS

13.1 (a) For the purposes of this Section 13, "minority business enterprise" means any small contractor or supplier of materials fifty-one per cent 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 section 32-9n of the Connecticut General Statutes; and "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

(b) For purposes of this section, "commission" means the commission on human rights and opportunities.

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

13.2 (a) The COUNSEL agrees and warrants that in the performance of this Agreement such COUNSEL will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, sexual orientation or physical disability, including, but not limited to, blindness, unless it is shown by such COUNSEL that such disability prevents performance of the Services, in any manner prohibited by the laws of the United States or of the State of Connecticut. The COUNSEL further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, sexual orientation, or physical disability, including, but not limited to, blindness, unless it is shown by such COUNSEL that such disability prevents performance of the Services; (b) the COUNSEL agrees, in all solicitations or advertisements for employees placed by or on behalf of the COUNSEL, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission; (c) the COUNSEL agrees to provide each labor union or representative of workers with which such COUNSEL has a collective bargaining agreement or other contract or understanding and each vendor with which such COUNSEL has a contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the COUNSEL'S commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (d) the COUNSEL agrees to comply with each provision of this section and Conn. Gen. Stat. sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to Conn. Gen. Stat. sections 46a-56, 46a-68e and 46a-68f; (e) the COUNSEL agrees to provide the commission on human rights and opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the COUNSEL as relate to the provisions of this section and Conn. Gen. Stat. section 46a-56. If the contract is a public works contract, the COUNSEL 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 project.

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

(b) The COUNSEL shall develop and maintain adequate documentation, in a manner prescribed by the commission, of its good faith efforts.

13.4 The COUNSEL shall include the provisions of subsection 13.2 of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The COUNSEL shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with section 46a-56 of the Connecticut General Statutes; provided, if such COUNSEL becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the COUNSEL 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.

13.5 The COUNSEL 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.

SECTION 14: APPLICABLE EXECUTIVE ORDERS OF THE GOVERNOR

14.1 This Agreement is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971, and such Executive Order is incorporated herein by reference and made a part thereof.

14.2 This Agreement may be canceled, terminated or suspended by the Labor Commissioner of the State of Connecticut for violation of or noncompliance with Executive Order No. Three or any state or federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner may not be a party to this Agreement.

14.3 This Agreement is subject to the provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, and such Executive Order is incorporated herein by reference and made a part thereof.

14.4 This Agreement may be canceled, terminated, or suspended by the contracting agency or the Labor Commissioner of the State of Connecticut for violation of or noncompliance with

Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be a party to this Agreement.

14.5 The parties agree to abide by these Executive Orders, and agree that the Labor Commissioner of the State of Connecticut shall have continuing jurisdiction in respect to performance in regard to nondiscrimination, until performance of this Agreement is completed, or until this Agreement is terminated prior to completion.

14.6 This agreement is subject to the provisions of Executive Order No. 16 of Governor John G. Rowland promulgated August 4, 1999, and such Executive Order is incorporated herein by reference and made a part thereof.

SECTION 15: CONFIDENTIALITY

15.1 All of the reports, information, data, and other papers and materials, in whatever form, prepared or assembled by the COUNSEL under this Agreement are confidential, and the COUNSEL shall not make them available to any individual or organization, other than in connection with the performance of those duties and responsibilities, without the prior written approval of the ATTORNEY GENERAL or his designee, after consultation with the CRRA.

SECTION 16: MISCELLANEOUS

16.1 This Agreement, its terms and conditions and Actions arising there from shall be governed by Connecticut law and Connecticut court decisions without giving effect to Connecticut's principles of conflicts of laws. Any dispute arising out of this Agreement shall be subject to the exclusive jurisdiction of the state courts of the State of Connecticut and the COUNSEL hereby waives any objection which it may now or hereafter have to the laying of venue of any Actions in any forum and further irrevocably submits to the jurisdiction of any of the state courts of the State of Connecticut in any Actions.

16.2 The parties each bind themselves, their partners, successors, assigns, and legal representatives with respect to all covenants of this Agreement.

16.3 This Agreement incorporates all the understandings of the parties and supersedes any and all agreements reached by the parties prior to the effective date of this Agreement, whether oral or written, and no alteration, modification or interpretation of this Agreement shall be binding unless in writing and duly executed by the parties.

16.4 If any provision of this Agreement, or application to any party or circumstances, is held invalid by any court of competent jurisdiction, the balance of the provisions of this Agreement, or their application to any party or circumstances, shall not be affected, but only if the balance of the provisions of this Agreement would then continue to conform to the requirements of applicable laws.

16.5 The waiver of a term or condition by the ATTORNEY GENERAL or his designee shall not (i) entitle the COUNSEL to any future waivers of the same or different terms or conditions; (ii) impose any duties, obligations or responsibilities on the ATTORNEY GENERAL or any Department not already in the Agreement, as amended, modified or superseded; or (iii) subject the ATTORNEY GENERAL or the State of Connecticut or any department or agency thereof to any Actions.

16.6 References in the masculine gender shall also be construed to apply to the feminine and neuter genders, as the content requires.

16.7 Nothing in this Agreement shall be construed as a waiver or limitation of sovereign immunity by the State of Connecticut or the ATTORNEY GENERAL.

16.8 Any notice required or permitted to be given under this Agreement shall be deemed to be given when hand delivered or one (1) business day after pickup by Emery Air Freight, Airborne, Federal Express, or similar overnight express service, in either case addressed to the parties below:

If to COUNSEL:

Richard H. Goldstein, Esq.
Attorney At Law
Pepe & Hazard, LLP
Goodwin Square
225 Asylum Street
Hartford, CT 06103-4302
Telephone: (860) 241-2642
Fax: (860) 522-2796

If to the ATTORNEY GENERAL, the Assistant Attorney General as set forth in subsection 2.1, and as follows:

Theodore Doolittle, AAG
Office of the Attorney General
55 Elm Street – 2nd Floor Annex
Hartford, CT 06106
Tel: (860) 808-5020
Fax: (860) 808-5389

If to the Connecticut Resources Recovery Authority:

Ann R. Stravalle-Schmidt
General Counsel
CRRA
100 Constitution Plaza
Hartford, CT 06103-1722

or in each case to such other person and/or address as either party may from time to time designate by giving notice in writing to the other party. Telephone and facsimile numbers are for informational purposes only. Effective notice will be deemed given only as provided above.

16.9 The captions in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the scope of content of any of its provisions.

16.10 Time is of the essence in this Agreement.

16.11 This contract replaces and supersedes the contract between Counsel and the Connecticut Resources Recovery Authority.

16.12 This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed five (5) counterparts of this Agreement as of the day and year first above written.

COUNSEL
PEPE & HAZARD, LLP

September 3, 2012
Date

By: Richard H. Goldstein
Richard H. Goldstein, Esq.

STATE OF CONNECTICUT

9/12/02
Date

By: Richard Blumenthal
Richard Blumenthal
Attorney General