

- 2.2.2.2. TEP will withhold payment on invoices for any job which is not in completed and submitted status in the ADOH database such time as that status changes in the database.
- 2.2.2.3. TEP at its sole discretion can deny payment on any job, specific measure provided on a job or invoice if any Weatherization requirements are not met. These may include but are not limited to:
 - 2.2.2.3.1. Customer does not meet the financial eligibility;
 - 2.2.2.3.2. Customer is not a TEP customer;
 - 2.2.2.3.3. Measure(s) do not meet the WAP requirements;
 - 2.2.2.3.4. Job includes funding request for Health and Safety and County has exceeded its Health and Safety budget allocation; or
 - 2.2.2.3.5. Funding request exceeds the maximum per home allocation.
- 2.2.2.4. In the event of a payment denial, County may request a review from TEP and/or the ADOH to determine if corrections can occur to allow County to re-invoice TEP. In some cases, adjustments can be made by the ADOH by reallocating funding requests to other sources which would allow County to re-invoice TEP.
- 2.2.2.5. Upon approval of submitted invoices, TEP will process the invoice for payment. Payment terms will be N-15 from date of approval.

3. Funding Terms

- 3.1. The overall Low Income Budget amounts for Low Income Weatherization ("LIW") agencies in TEP's service territory, including County, are subject to Arizona Corporation Commission ("ACC") approval. Due to the nature of Arizona's regulatory environment, EE programs, budgets, and scope of work may change, up to and including being canceled in whole or in part, based upon ACC decisions and/or TEP's EE program requirements relevant to its EE portfolio. Funding not expended with the calendar year is not transferrable to the next calendar year.
- 3.2. Allocations to each LIW agency are determined in part by the population served by that agency and/or the agency's historical performance. To best serve eligible customers in TEP's service territory, TEP can at its discretion increase or decrease the annual budgets of the LIW agencies.
- 3.3. Upon review of County's performance and a reasonable expectation that funding previously allocated to County for a specific budget year will not be utilized, TEP at its sole discretion can reduce County's annual budget and transfer all or some percentage of those unused funds to another LIW agency that serves TEP's customers. Notification of any decrease of County's annual budget will be provided to County in the form of an amendment to this Agreement. Any reduction in County's budget will be prospection only.
- 3.4. In the event that TEP's review of County's performance indicates that additional funding to provide services is warranted, TEP may provide additional funding to County subject to the following:

- 5.2.2. Health and Safety costs may not exceed 25% of actual spending as described in paragraph 1.5.3 above.
- 5.2.3. If County expends the entire budget year allocation set forth in this paragraph, additional funding may be available. See the terms and conditions for requesting additional funding in paragraph 3.4 above.
- 5.3. Budget amounts for successive years may change in accordance to those specific terms noted above in Section 3. Annual budget amounts will be provided to County as an amendment to this Agreement no later than January 31st of the new budget year.

6. Term and Termination

- 6.1. This Agreement will commence on the Effective Date and shall continue until December 31, 2018, unless sooner terminated or further extended as provided herein. The parties may renew this Agreement for up to three (3) additional one-year periods or any portion thereof.
- 6.2. Any modifications, or extension of the Agreement termination date, shall be by formal written amendment executed by the parties hereto.
- 6.3. Either party may terminate this Agreement and any Scope of Work hereunder at any time with or without cause upon thirty (30) days written notice.
- 6.4. If either Party commits any material breach of any covenant or warranty under this Agreement and fails to remedy such breach within fifteen (15) days of receipt of written notice thereof, the non-breaching Party may immediately thereafter terminate this Agreement, in whole or in part by providing five (5) days written notice of the termination and reason therefore.
- 6.5. If this Agreement is terminated after County has completed the weatherization services on any eligible customer's job, County will be paid for those jobs completed prior to the termination date that are in compliance with the Low Income Weatherization Program requirements set forth in this Agreement.

7. Indemnification. To the fullest extent permitted by law, County agrees to defend, indemnify, and hold harmless TEP and its officers, agents, and employees from all claims, losses, and causes of actions arising out of, resulting from, or in any manner connected with County's performance of this Agreement.

8. Non-Discrimination.

- 8.1. The Parties agree to comply with all provisions and requirements of Arizona Executive Order 2009-09 including flow down of all provisions and requirements to any subcontractors.
- 8.2. During the performance of this contract, the Parties will not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

9. Americans with Disabilities Act. The parties shall comply with all applicable provisions of the American with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations und the Act, including 28 CFR Parts 35 and 36.

10. Authority to Contract. TEP represents it has the authority to enter this Agreement.