

AMENDMENT NO. 012
TO
Agreement for Energy Wise Low Income Weatherization Program Implementation
between the Gila County Division of Community Services
and Arizona Public Service Company

THIS AMENDMENT NO. 012 is entered into effective as of the 1st day of January, 2016, by and between Arizona Public Service Company, an Arizona corporation, with offices at 400 North 5th Street, Phoenix, Arizona 85004 (“APS”) and the Gila County Division of Community Services, the Contractor, with offices at 5515 South Apache Avenue, Globe, Arizona 85501 (“Counterparty”). (“APS” and “Counterparty” are referred to herein individually as “Party” and collectively as the “Parties”).

WHEREAS, APS and Counterparty are Parties to that certain Agreement for Energy Wise Low Income Weatherization Program Implementation between APS and Counterparty, Contract No. **700518523**, dated effective as of the 1st day of January, 2008 (the “Original Contract”); and,

WHEREAS, the Parties desire to make mutually agreed upon changes;

NOW THEREFORE, in consideration of the above premises and respective covenants and agreements hereinafter set forth, the Parties agree to amend the Original Contract as follows:

1. Defined Terms. Defined terms not otherwise defined herein shall have the meaning set forth in the Original Contract.
2. Term. Section 1 of the Agreement is hereby amended to provide that the Original Contract terminates on December 31, 2016.
3. Allocation. The Allocation established under Section 3.A (Compensation/Taxes) of the Original Contract shall “not exceed \$106,429.00” for the calendar year 2016. However, if the Arizona Corporation Commission does not approve the APS 2016 DSM Implementation Plan Energy Wise Low Income Weatherization Program budget as stated in APS’ filing, then the allocation amount for the 2016 calendar year shall be adjusted based on the ACC’s ruling.
4. For Lack of Regulatory Approval. In the event that the Program is not approved by the Arizona Corporation Commission (“ACC”) or in the event that such approval is subsequently withdrawn or significantly changed, then the Company may immediately terminate this agreement upon written notice to Supplier.
5. Subsequent Year Allocation. Per the original Agreement, Section 3.A, the Allocation may be amended from time to time by APS. With regards to cost Allocation plans, APS reserves the right to review sufficient verification and pertinent reporting data as of November 1st of the 2016 program year and based on the percent of the Allocation spent, authorize the subsequent year Allocation forecast on this basis by November 15, 2016. However, if the 2016 year spend is equal to or more than 80% of the Allocation by November 1st, then the subsequent year Allocation shall be based on 100% of the Allocation as specified in the APS 2016 DSM Implementation Plan, subject to approval by APS or the “ACC”.

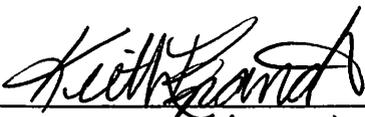
6. Scope of Services. Add Section 2.I.4. The Contractor will save REM files from every home audited utilizing Architecture Energy REM software and weatherized during the course of the contract year and in their original electronic format. The Contractor will provide the REM files in a suitable electronic format for analysis and audit within 15 days of a request by APS. To ensure and secure the data, the Contractor will be required to maintain an electronic backup. Data must be retained for a minimum of three years.
7. Implementation. Section 2.I.2 shall be amended to strike the following: "in accordance with the Arizona Department of Commerce Energy Office Weatherization Assistance Program Rules."
8. Final Invoice. A final invoice for the Term shall be submitted to the third party coordinator and APS by December 15, 2016. For work performed after that date and to the end of the Term, the Agency must email an estimate of expenses to the APS program coordinator and the third party coordinator no later than January 6, 2017. Reimbursement for late invoices for work performed in 2016 will be considered on a case by case basis.
9. Payment Term. The payment terms established under Section 3.F (Compensation/Taxes) of the Original Contract shall be modified to indicate that APS will make payment to the Contractor within 15 days of receipt of the invoice from the Third Party Coordinator.
10. Remaining Terms Unchanged. Except as modified in this Amendment No. 012, all other terms and conditions of the Original Contract shall remain unchanged.
11. See attachment "A" Attached and made a part of.

IN WITNESS WHEREOF, the authorized representatives of both Parties have executed this Amendment No. 012, effective as of the date first above written:

**GILA COUNTY DIVISION OF
COMMUNITY SERVICES**

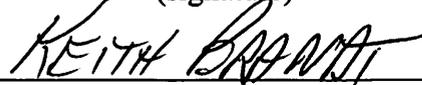
ARIZONA PUBLIC SERVICE COMPANY

(signature)



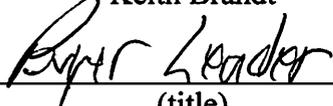
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Michael A. Pastor



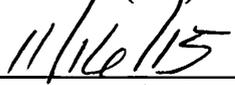
Keith Brandt

Chairman, Gila County Board of Supervisors



(title)

(date)



(date)

APPROVED AS TO FORM:

Jefferson R. Dalton, Deputy Gila County Attorney, Civil Bureau Chief

Date

ATTACHMENT "A"

(Arizona Public Service)

LEGAL ARIZONA WORKERS ACT COMPLIANCE

Firm hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Firm's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Firm shall further ensure that each subcontractor who performs any work for Firm under this contract likewise complies with the State and Federal Immigration Laws.

County shall have the right at any time to inspect the books and records of Firm and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Firm's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Firm to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Firm shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor, (subject to County approval if MWBE preferences apply) as soon as possible so as not to delay project completion.

Firm shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Firm. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Firm's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Firm shall be entitled to an extension of time, but not costs.

ANTI-TERRORISM WARRANTY

Pursuant to **A.R.S. §35-397** the Firm certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

CANCELLATION

This agreement is subject to cancellation pursuant to **A.R.S. § 38-511**.