

Natural Gas Space and Water Heating Equipment Installation Incentive Agreement Multi-Family Buildings

This Natural Gas Space and Water Heating Equipment Installation Incentive Agreement (“Agreement”) is entered into between Avista Corporation (“Avista”) and [REDACTED] (“Contractor”), sometimes individually, a “Party” and collectively, the “Parties”.

Background and Purpose: Avista’s Commission-approved Energy Efficiency Program (“Program”) under Tariff Rate Schedule 90 (the “Rate Schedule”) includes natural gas incentive rebates for: (i) installation of energy efficient natural gas space and water heating equipment (“Natural Gas Equipment” or “Equipment”) in multi-family housing structures consisting of five (5) or more units (“Eligible Structures” or “Structures”) instead of electric space heating and/or water heating equipment, or (ii) changing out the same. The purpose of this Agreement is to encourage Contractor to install Natural Gas Equipment at the location described in Section 2 of this Agreement, by offering the incentive payment(s) (singularly or collectively, “Incentive Payment”) described below in Section 3. Contractor desires to enter into this Agreement to qualify for such Incentive Payment under the Rate Schedule, and Avista agrees to pay Contractor, accordingly, subject to the terms of this Agreement. Therefore, the Parties agree as follows:

1. **Term.** This Agreement, issued on March 21, 2017, will become effective when executed by both Parties and remain in effect for a term of 24 months from the last date of execution set forth below, or December 31, 2019, whichever occurs first.
2. **Equipment Installation.** Contractor intends to install Natural Gas Equipment in the Eligible Structure(s) located at [REDACTED] Liberty Lake, WA 99019 (the “Site Address”).
3. **Submittals/Funding/Payment.**
 - 3.1 Subsequent to installing the Equipment, Contractor must provide documentation, acceptable to Avista, detailing the actual Equipment installed and the purchase and installation costs of such Equipment (“Documentation”). In the event Avista determines that the actual installed cost of the Equipment is unsatisfactory for any reason, Avista may establish the acceptable installation costs (“Approved Costs”), in its sole discretion, to calculate the Incentive Payment applicable under this Agreement.
 - 3.2 Upon receipt, approval and acceptance of Contractor’s Documentation, Avista will calculate the Incentive Payment and remit same to the Contractor as agreed to by the Parties, in writing (e-mail acceptable).
 - 3.3 Contractor specifically acknowledges that Avista’s sole responsibility under this Agreement is to provide funding.
 - 3.4 Contractor’s Maximum Estimated Incentive Payment (“Estimated Payment”) applicable under this Agreement is reflected in the attached “Estimated Incentive Payment Calculation” incorporated into this Agreement “Exhibit A”. The Incentive Payment includes up to \$3,500 per unit for the installation of both natural gas space heating and natural gas water heating equipment. The Incentive Payment will be calculated by Avista in accordance with the Rate Schedule and will be the **LESSOR OF:** (i) the **Incremental Costs** of the Equipment (defined as the difference between the cost of the Natural Gas Equipment actually installed and the cost of equivalent electrical equipment), and (ii) the **Estimated Payment** set forth in Exhibit A. Avista’s calculation will be considered final.
 - 3.5 Contractor shall be responsible for payment of any federal, state and/or local income and corporate tax liability associated with receipt of an Incentive Payment.
4. **Eligibility.** In order to be eligible for an Incentive Payment for natural gas space heating, at least 75% of the total square footage of all residential units within an Eligible Structure must be heated with natural gas.
5. **Inspection of Equipment.** Avista may inspect the Equipment, at its option, during reasonable hours after installation to verify such installation and Contractor’s compliance with its obligations under this Agreement. This provision does not impose upon Avista an obligation to inspect the Equipment and is not intended to substitute for, or relieve Contractor of any responsibilities related to the purchase, design, installation, operation and/or maintenance of such Equipment.
6. **Independent Contractor.** Contractor is an independent contractor and not an agent or employee of Avista and accordingly, has no right or authority to enter into any agreement or assume or create any obligation or liability, express or implied, on behalf of Avista.
7. **Continued Availability.** The Incentive Payment is contingent upon continued funding availability for the Program through Avista’s Rate Schedule.



8. **Compliance with Laws.** Contractor shall insure that it, its agents and employees, and any subcontractor(s) it may retain to install the Equipment, are familiar and at all times will comply with all applicable federal, state and local laws, codes, ordinances, rules and regulations pertaining to the installation of the Equipment.
9. **Disclaimer and Indemnity.** Contractor certifies that it is voluntarily participating in the Program; that Avista is providing funding, only; and that Avista assumes no liability for: (i) Contractor's decision to enter into this Agreement, (ii) the Natural Gas Equipment selected by the Contractor, (iii) any third party selected by the Contractor to install such Equipment, or (iv) any disputes arising out of repair or replacement of the Equipment. To the extent permitted by law, Contractor shall indemnify and, if requested to do so, defend Avista and its agents and employees, from all claims, losses, harm, liabilities, damages and expenses (including attorneys' fees), or allegations of same, arising as a result of this Agreement.
10. **Assignment.** This Agreement will inure to the benefit of and be binding upon the successors and assigns of the respective Parties.
11. **Governing Law and Venue.** This Agreement will be construed and interpreted in accordance with the laws of either the State of Washington or the State of Idaho, depending upon the Site Address of the Eligible Structure(s), excluding any choice of law rules which may direct the application of the laws of another jurisdiction. Any action to enforce the terms of this Agreement will be brought in a court of competent jurisdiction in the state where the Eligible Structure is located.
12. **Attorney's Fees.** If any action is brought to enforce this Agreement, the prevailing party in such action will be entitled to an award of reasonable attorney's fees and costs incurred in such action, in addition to any other relief available to it at law or in equity.
13. **Amendment and Waiver.** This Agreement may not be modified or varied except by written agreement between the Parties. If, at any time, the terms of this Agreement are not strictly adhered to or enforced, such requirements will not be deemed waived or modified, but will at all subsequent times be deemed in full force and effect.
14. **Headings.** The section headings in this Agreement are for convenience only and will not be considered part of or used in the interpretation of this Agreement.
15. **Entirety of Agreement.** This Agreement: (i) is the entire agreement between the Parties concerning its subject matter and supersedes all prior agreements and understandings whether or not written; and (ii) is not intended to confer upon any entity other than Avista and the Contractor any rights or remedies under the Agreement

Acknowledgements: Contractor shall provide a copy of the building plans that demonstrate how the Equipment will be utilized in a Structure when such plans have been finalized. Contractor understands that any Equipment ordered, purchased and/or installed prior to execution of this Agreement, may not qualify for an Incentive Payment under the Program. Contractor has read and understands this Agreement, and agrees to abide by its requirements.

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| Avista Corporation Signature | Date |
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| Avista Corporation 2 nd Signature (for Payments over \$100K) | Date |