

ADDITIONAL TERMS AND CONDITIONS
for
AGREEMENTS
under
THE WORKFORCE INNOVATION and OPPORTUNITY ACT

1. TERMINATION AND SUSPENSION

1.1. Termination or Suspension for Cause

In the event that ESD determines the Grantee has failed to comply with the conditions of Agreement in a timely manner, ESD has the right to suspend or terminate this Agreement. Before suspending or terminating this Agreement, ESD may, at its sole discretion, notify the Grantee in writing of the need to take corrective action. If corrective action is not taken the Agreement may be terminated or suspended. In the event of termination or suspension, the Grantee shall not obligate any additional funds under this Agreement and may be liable for additional remedies to ESD, including but not limited to, the repayment of disallowed costs.

ESD reserves the right to suspend all or part of this Agreement, withhold further payments, or prohibit the Grantee from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Grantee or a decision by ESD to terminate this Agreement. A termination shall be deemed to be a "Termination for Convenience" if it is determined that the Grantee: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence. The rights and remedies of the Agency provided in this Agreement are not exclusive and are in addition to any other rights and remedies provided by law.

ESD reserves the right to immediately suspend all, or part of, this Agreement, and to withhold further payments, or to prohibit the Grantee from incurring additional obligations of funds when it has reason to believe that fraud, abuse, malfeasance, misfeasance or nonfeasance has occurred on the part of the Grantee under this Agreement.

1.2. Termination for Funding Reasons

ESD may unilaterally terminate this Agreement in the event that funding from federal, state or other sources becomes no longer available to ESD or is not allocated for the purpose of meeting the ESD's obligation hereunder. In the event funding is limited in any way, this Agreement is subject to re-negotiation under any new funding limitations and conditions. Such action is effective upon receipt of written notification by the Grantee.

1.3. Termination or Suspension for Convenience

Except as otherwise provided in this Agreement, ESD may, by ten (10) days' written notice, beginning on the second day after mailing, suspend or terminate this Agreement, in whole or in part. If this

Agreement is so suspended or terminated, ESD shall be liable only for payment required under the terms of this Agreement for services rendered or goods delivered prior to the effective date of suspension or termination. If this Agreement is suspended, the Schedule shall be delayed for a period of time equal to the period of such suspension. ESD may, by ten (10) days' written notice, beginning on the second day after mailing, lift the suspension of the Agreement, in whole or in part, at which time the Schedule and the parties' right and obligations shall resume to the extent that the suspension is lifted.

1.4. Termination for Withdrawal of Authority

In the event that ESD authority to perform any of its duties is withdrawn, reduced, or limited in any way after the commencement of this Agreement and prior to normal completion, ESD may terminate this Agreement by seven calendar days or other appropriate time period by written notice to Grantee. No penalty shall accrue to ESD in the event this Section shall be exercised.