

**SYSTEMVISION
TWO-PARTY SERVICES AGREEMENT**

THIS SERVICES AGREEMENT (this "Agreement") is made and entered into as of the [REDACTED] day of [REDACTED], 2015, (the "Effective Date"), by and between NORTH CAROLINA ADVANCED ENERGY CORPORATION ("AE"), a North Carolina nonprofit corporation, with an address at 909 Capability Drive, Suite 2100, Raleigh, NC 27606-3870, and [REDACTED] ("SystemVision Partner"), whose address is [REDACTED].

RECITALS

WHEREAS, SystemVision Partner has requested AE's SystemVision services in the State of North Carolina for homes; and

WHEREAS, the intention of the parties is to build and certify these housing units as they would have been, had they qualified for the North Carolina Housing Finance Agency's New Homes Loan Pool.

NOW THEREFORE, In consideration of the mutual promises and benefits contained herein, the parties hereby agree as follows:

1. Obligations of the Parties.

(a) AE agrees to perform certain plan and specification review, training, inspections, performance testing and to provide certification and guarantees, as more completely described in Appendix A, which is attached hereto and incorporated herein by reference (hereinafter "Services"). AE shall obtain and pay for all permits, governmental fees, and licenses necessary for the performance of the Services to be provided hereunder and shall obtain all required inspections, authorizations and approvals prior to commencement of the Services hereunder.

(b) SystemVision Partner agrees to:

1. Submit dimensioned house plans, Plan Review Input Forms, and other attachments as needed for each residence to AE for its review at least three (3) weeks prior to ordering materials and setting specifications;
2. Make any necessary design changes that may be required by AE;
3. Ensure its builders and contractors attend SystemVision training;
4. Set specifications, order materials, and build in accordance with the SystemVision Program Standards and Plan Review;
5. Schedule framing, insulation, and final site visits via the SystemVision Scheduling Hotline, 1-866-936-2784 with at least three (3) business days notice;
6. Permit AE access to homes being constructed under the SystemVision program for inspections and performance testing;
7. Pay AE the compensation identified in Appendix B for the services AE provides, whether or not the home passes final inspection

(c) The parties agree that they will mutually agree on a schedule for the performance of each party's obligations under this Agreement for each home constructed by SystemVision Partner and that each schedule will be dictated by the construction process.

(d) This Agreement pertains to the most current version of the System Vision Program Standards and Fee Schedule (Appendix A and B). AE will communicate in writing to System Vision Partner if Program Standards and/or Fee Schedule are revised. A minimum of sixty day notice will be provided before the System Vision Partner shall be expected to comply with any revisions.

2. Compensation.

In full and complete compensation for all Services provided by AE hereunder, SystemVision Partner agrees that AE shall be paid the fees and compensation as set forth in Appendix B according to the payment schedule set forth in Appendix B.

3. Term and Termination.

(a) This Agreement shall commence on the Effective Date and continue until the above homes are completed or three years from Effective Date unless earlier terminated as provided herein.

(b) Should either party commit a material breach of its obligations hereunder, or should any of the representations of either party in this Agreement prove to be untrue in any material respect, the other party may, at its option, terminate this Agreement upon thirty (30) days' written notice of termination, which notice shall identify and describe the basis for such termination. If, prior to expiration of such period, the defaulting party cures such default, termination shall not take place.

(c) Either party may, at its option and without notice, terminate this Agreement, effective immediately, should the other party: (1) admit in writing its inability to pay its debts generally as they become due; (2) make a general assignment for the benefit of creditors; (3) institute proceedings to be adjudicated a voluntary bankrupt, or consent to the filing of a petition of bankruptcy against it; (4) be adjudicated by a court of competent jurisdiction as being bankrupt or insolvent; (5) seek reorganization under any bankruptcy act, or consent to the filing of a petition seeking such reorganization; or (6) have a decree entered against it by a court of competent jurisdiction appointing a receiver, liquidator, trustee, or assignee in bankruptcy or in insolvency covering all or substantially all of such party's property or providing for the liquidation of such party's property or business affairs.

(d) Either party shall have the absolute and unconditional right, in its sole judgment and discretion, to terminate this Agreement for any reason, with or without cause, by notice to the other party, with such termination to be effective thirty (30) days following the date notice is given.

(e) In the event of termination for any reason other than for termination by AEC due to uncured material breach by SystemVision Partner, notwithstanding the termination, at the election of AE, this Agreement shall continue in full force and effect as to any housing which is “in progress” (that is which AE has already performed House Plan and Specification Review) until AE provides the Services with respect to such housing. AE shall be compensated by SystemVision Partner for such houses “in progress” as set out in Appendix B.

4. Confidentiality.

(a) During the course of performance of the Services, SystemVision Partner and AE may gain knowledge of information or data of a proprietary or confidential nature belonging to the other party (hereinafter referred to as the "Confidential Information"). Each party acknowledges and agrees neither to divulge nor discuss any such Confidential Information to any third parties without the express written consent of the other party, nor to use such information for any purpose not connected with the Services or the housing that receives the Services covered hereby.

(b) In order to be considered Confidential Information, such information must be conspicuously labeled “Confidential” or “Proprietary Information: Do Not Disclose” or in some other matter to alert the other party that the information is intended to be confidential or is proprietary and should not be disclosed. It is understood and agreed that the Program Standards, the revisions AE makes to a Recipient’s plans and specifications and the Contractor and Sub-Contractor Training shall not be considered Confidential Information.

(c) Confidential Information will not include any information that: (i) is known to the receiving party prior to disclosure or is information generally available to the public; (ii) was not acquired, at any time, directly or indirectly and /or in any manner, from the party owning the Confidential Information and which the other party lawfully had in its possession prior to the Effective Date; (iii) hereafter, through no act on the part of the receiving party, becomes information generally available to the public; or (iv) corresponds in substance to information furnished to the receiving party on a non-confidential basis by any third party having a legal right to do so.

5. Representations and Warranties.

(a) AE shall perform the Services with care, skill, timeliness and diligence, in accordance with the applicable professional standards currently recognized by the profession, and shall be responsible for the professional quality, technical accuracy, completeness and coordination of all forms, services, reports or other items required by AE under this Agreement. AE represents and warrants that it has the experience, capability and resources, including but not limited to sufficient personnel and supervisors, to efficiently and expeditiously perform the Services to be provided hereunder in accordance with the highest professional standards, and AE further represents and warrants that it will at all times devote the necessary personnel and supervisors to perform the Services hereunder in such a manner. In the event that AE breaches a representation or warranty set forth in this paragraph 5(a), AE’s sole liability and SystemVision

Partner sole remedy shall be that AE shall re-perform the Services, at its cost, in a manner consistent with this paragraph.

(b) During the term of this Agreement, each party and all of its employees, subcontractors, agents, representatives and invitees shall fully comply with all applicable laws, governmental regulations, rules, requirements, ordinances, and other requirements of local and state authorities and the Federal government in connection with the Services hereunder.

(c) EXCEPT AS SPECIFICALLY SET FORTH IN THIS SECTION 5, AE DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES AND THERE ARE HEREBY EXCLUDED ALL APPLICABLE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

6. Indemnification and Limitation of Liability.

(a) AE agrees to indemnify and hold SystemVision Partner and their affiliates, shareholders, officers, directors, employees, agents, successors and assigns harmless from and against any and all claims, suits, actions, liabilities, losses, costs, reasonable attorneys' fees, expenses, judgments or damages resulting from any third party claim made or suit brought against SystemVision Partner, or such persons, to the extent such results from AE's gross negligence or willful misconduct in the performance of the Services, or any material breach of this Agreement by AE, its employees, agents, representatives, subcontractors or invitees.

(b) SystemVision Partner agrees to indemnify and hold AE and its affiliates, shareholders, officers, directors, employees, agents, successors and assigns harmless from and against any and all claims, suits, actions, liabilities, losses, costs, reasonable attorneys' fees, expenses, judgments or damages resulting from any third party claim made or suit brought against AE or such persons, to the extent such results from (i) SystemVision Partner gross negligence or willful misconduct, or (ii) any material breach of this Agreement by SystemVision Partner, its employees, agents, representatives, subcontractors or invitees.

(c) The obligations under the foregoing indemnities are subject to the condition that the party seeking indemnification give the other: (1) prompt written notice of any claim or action for which indemnity is sought; (2) reasonable control of the defense and settlement thereof by the indemnifying party; and (3) cooperation of the other party in such defense.

(d) Notwithstanding the foregoing, the indemnifying party shall obtain the prior written approval of the indemnified party, not to be unreasonably withheld, before entering into any settlement, adjustment, or compromise of a claim, if pursuant to or as a result of such settlement, adjustment or compromise, injunctive or other relief would be imposed against the indemnified party.

(e) EXCEPT FOR CLAIMS UNDER SECTIONS 4 OR 6, IN NO EVENT SHALL AE BE LIABLE IN THE AGGREGATE FOR ANY CLAIM OR DAMAGES RELATED TO, OR AS A RESULT OF, THIS AGREEMENT EXCEEDING THE TOTAL AMOUNT PAID

TO AE HEREUNDER DURING THE YEAR IN WHICH THE CLAIM AROSE. IN ADDITION, IN NO EVENT SHALL AE BE LIABLE FOR SPECIAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY, OR INCIDENTAL DAMAGES RELATED TO, OR AS A RESULT OF, THIS AGREEMENT INCLUDING LOSS OF PROFITS.

7. Miscellaneous.

(a) This Agreement will be governed by the laws of the State of North Carolina without regard to its conflicts of law provisions. Any dispute or claim arising out of, or in connection with, this Agreement shall be finally settled by binding arbitration in Raleigh, North Carolina, in accordance with N.C. Gen. Stat. § 1-569.1 et seq. (the “Revised Uniform Arbitration Act”) and the then-current rules and procedures of the American Arbitration Association by one (1) arbitrator appointed by the American Arbitration Association. The arbitrator shall apply the law of the State of North Carolina, without reference to rules of conflict of law or statutory rules of arbitration, to the merits of any dispute or claim. Judgment on the award rendered by the arbitrator may be reduced to judgment and entered in any court of competent jurisdiction. The parties agree that, any provision of applicable law notwithstanding, they will not request, and the arbitrator shall have no authority to award punitive or exemplary damages against any party.

(b) AE shall perform this Agreement solely as an independent contractor, and as such will select, engage and discharge its employees and otherwise direct and control the performance of the Services. Neither AE nor anyone employed by it shall be, represent, act, or purport to act as, or be deemed to be, the agent, representative, employee, or servant of SystemVision Partner nor shall SystemVision Partner nor anyone employed by it be, represent, act, or purport to act as, or be deemed to be, the agent, representative, employee, or servant of AE. Neither SystemVision Partner nor AE have authority to make any statement, representation, or commitment of any kind or to take any action binding upon the other without the other's prior written authorization.

(c) All notices hereunder shall be delivered (i) personally, (ii) by registered or certified mail, postage prepaid, or (iii) by overnight courier service to the following addresses of the respective parties:

If to AE: North Carolina Advanced Energy Corporation
909 Capability Drive
Suite 2100
Raleigh, NC 27606-3870
Attn: Vice President, Administration

If to SystemVision Partner: _____

Notices shall be effective upon receipt if personally delivered, on the fifth business day following the date of mailing if mailed, and upon receipt if sent by overnight courier service. A party may change its address listed above by notice to the other parties.

(d) Any delay in the performance of any of the duties or obligations of either party hereto (except the payment of money owed) shall not be considered a breach of this Agreement and the time required for performance shall be extended for a period equal to the period of such delay, provided that such delay has been caused by or is the result of any acts of God; acts of the public enemy; insurrections; riots; embargoes, labor disputes, including strikes, lockouts, job actions, or boycotts; fires; explosions; or floods. The party so affected shall give prompt notice to the other parties of such cause and shall take whatever reasonable steps are necessary to relieve the effect of such cause as rapidly as possible.

(e) In case any one or more of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

(f) This Agreement shall bind the parties and their successors and permitted assigns. Neither party may assign this Agreement without the prior written consent of the other. The term "assignment" shall include any transfer by merger, acquisition, stock transfer or other consolidation with another entity. Any assignment attempted without the written consent of the other parties shall be void.

(g) All payment obligations accrued prior to the date of termination and Sections 4, 5, 6, and 7 shall survive the termination or expiration of this Agreement and remain binding upon and for the benefit of the parties hereto.

(h) This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all written or oral prior agreements or understandings with respect thereto. No course of dealing or usage of trade shall be used to modify the terms hereof. In the event of a conflict between the provisions contained in the body of this Agreement and appendix hereto, this Agreement shall control.

(i) No waiver, amendment, or modification of any of the terms of this Agreement shall be valid unless in writing and signed by authorized representatives of both parties hereto. Failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of such rights nor shall a waiver by either party in one or more instances be construed as constituting a continuing waiver or as a waiver in other instances.

(j) This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original and all of which shall constitute the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the Effective Date.

NORTH CAROLINA ADVANCED ENERGY CORPORATION

By: _____

Printed Name:

Title:

Date: _____

SystemVision Partner

By: _____

Printed Name: _____

Title: _____

Date: _____

APPENDIX A

SERVICES PROVIDED BY AE

AE agrees to provide the Services described below to SystemVision Partner. All such Services shall be provided in strict accordance with the terms and conditions of the SystemVision Two-Party Services Agreement to which this Appendix A is attached.

1. **House Plan and Specification Review.** Within fourteen (14) business days of AE's receipt of plans, specifications and the completed AE Plan Review Input Form from SystemVision Partner detailing the housing which SystemVision Partner proposes to construct, AE shall review such plans and specifications and shall make modifications to such plans and revise the specifications as necessary so that the housing will meet the Program Standards attached as Exhibit 1 to this Appendix A (the "Program Standards"). AE shall provide SystemVision Partner with a copy of the revised plans and specifications together with a non-binding good faith estimate of the additional cost required to construct each house reviewed in compliance with the Program Standards.

2. **Construction Manager, Contractor, Sub-Contractor and Housing Counselor Training.** AE will provide reasonable training of SystemVision Partner, its construction manager and sub-contractors as necessary to ensure that the contractors and sub-contractors understand the revised plans and specifications, Program Standards and the construction techniques for achieving the Program Standards. It is anticipated that (i) the training of the general contractor, the housing counselors and the employees/executive directors of SystemVision Partner shall be primarily classroom training, (ii) the HVAC contractor shall receive both classroom and on-site training and (iii) the insulation contractor will receive on-site training; however AE shall use its professional judgment to ensure that all parties are appropriately trained.

3. **On-site Quality Control.** During the course of construction of the housing by SystemVision Partner, AE will make sufficient visits to the site(s) to (i) inspect the work being done by SystemVision Partner, its construction manager and subcontractors to assure such work is being done in accordance with the Program Standards and (ii) to assist the construction manager and subcontractors in meeting the Program Standards. AE shall not be obligated to inspect or test each house constructed by SystemVision Partner. On houses which are inspected, there will be three inspections. One shall occur after the framing, one shall occur after the insulation and one after the house is completed. If the house fails an inspection, and the home must be reinspected, SystemVision Partner will be obligated to pay reinspection fees according to Appendix B fee schedule.

4. **Performance Testing.** AE shall implement a performance testing and certification program. For homes completed or passing the Program Standards after January 1, 2012 the program will lead to the AE Comfort and Energy Use Guaranty. Homes completed or passing the Program Standards after January 1, 2012 may be certified as an "ENERGY STAR" Home under the US EPA/US DOE "ENERGY STAR for the New Home Industry Program" for an

additional cost as stated in Appendix C. AE shall perform tests on as many homes as it deems necessary to provide the certifications and guarantees. While any home may be tested, every home may not be tested.

As part of the certification process, HVAC subcontractors shall be required to submit to AE written documentation that all heating, air conditioning, and ventilation equipment has been installed in accordance with manufacturers' specifications and Program Standards. AE will provide to the HVAC subcontractors a form for this purpose. If, through testing and inspections ("Performance Testing"), AE determines that equipment has been installed contrary to manufacturers' specifications, SystemVision Program Standards, or ENERGY STAR, SystemVision Partner will require that the HVAC contractor shall, at its expense, make all necessary repairs as necessary in order for the equipment to meet the manufacturers' specifications and the Program Standards. If there is disagreement between AE and the contractor about whether or not manufacturers' specs have been met, a technical representative of the manufacturer shall be called in to make the final determination.

After a house fails the Performance Testing for the first time, AE will, at its discretion,

- i. work with SystemVision Partner and/or appropriate subcontractors to bring the house up to standards; or
- ii. bring the house up to program standards itself; or
- iii. refuse to certify the house due to non-cooperation of third parties. It is understood that this option is a last resort, and will only be used after substantial efforts by AE have been made to resolve the issues.

AE will make reasonable efforts to work with SystemVision Partner and/or appropriate subcontractors to help them bring the house up to Program Standards.

If a house does not pass Performance Testing the second time due to failure of SystemVision Partner or its contractors to follow AE's directions, AE shall have no further responsibility under this Agreement as to such house unless, SystemVision Partner and/or the contractor agree to pay AE for the cost of any future supervision and/or Performance Testing. Then, AE will continue to work with SystemVision Partner and/or the contractor until such house passes Performance Testing.

5. **Certification and Guaranty.** Once AE has successfully completed the performance testing for a particular house or subset of houses built by SystemVision Partner, AE will certify to SystemVision Partner (the "AE Certification") that the house(s) constructed by SystemVision Partner meets the Program Standards and will receive SystemVision certification and AE will issue a Comfort and Energy Use Guaranty (the "Guaranty") for such house. A specific house does not need to be tested by AE in order for AE to provide a certification for such house. The Guaranty shall extend for two (2) years and may be enforced by the original owner/occupant of the house. The Guaranty shall either be in the form attached hereto as Exhibit 2 to this Appendix A or may consist of only an Energy Use Guaranty, depending on the construction methods used.

6. **ENERGY STAR Home Certification.** System Vision Partners may pursue ENERGY STAR certification for homes at an additional cost as outlined in Appendix B. It will

be up to SystemVision Partner to inform AE that a home will be pursuing ENERGY STAR during the plan review process.

Exhibit 1 to Appendix A

Affordable Housing with *SystemVision*[™]

Program Standards

1. Air Tightness

- 1.1. There shall be a continuous, durable air barrier enclosing the conditioned space. This includes features such as chases, knee walls, soffits, garage interfaces, intersecting walls, tubs and showers and dropped ceilings. Also, sheetrock shall be sealed to top plate at all attic/wall interfaces using caulk, foam, or equivalent material.
- 1.2. Tightness shall be less than or equal to .30 CFM50 per square foot of conditioned envelope area. Among other areas, this will require attention to air sealing the sub-floor to bottom plate; holes under tubs; window and door rough openings; attic hatches and electrical, plumbing and mechanical penetrations.

2. Ventilation and Moisture Management

- 2.1. There shall be a filtered whole-house mechanical fresh air ventilation system in compliance with ASHRAE 62.2.
- 2.2. All bathrooms shall have a fan vented to the outside that exhausts 20 CFM continuously or 50 CFM intermittently. (For intermittent, requires a minimum fan rating of 70 CFM)
- 2.3. All kitchens shall have a fan vented to the outside that exhausts 100 CFM. (Requires a minimum fan rating of 120 CFM)
- 2.4. All ventilation ducts, excluding kitchen exhaust ducts, shall be insulated.
- 2.5. All ventilation ducts shall terminate at or beyond the exterior skin of the building.
- 2.6. All crawlspaces shall be closed in accordance with www.crawlspaces.org.

3. Insulation and Windows

- 3.1. Insulation shall be installed to manufacturer's specifications, with no substantial gaps, voids, compression or wind intrusion. Insulation and the air barrier shall be installed in physical contact with each other.
- 3.2. Insulation levels shall, at minimum, equal those required by the 2009 IECC.
- 3.3. Raised heel trusses, or equivalent, shall be used to ensure full insulation value over the top plate of the exterior wall.

3.4. Wall framing techniques that reduce thermal bridging shall be used. Acceptable options include:

Continuous rigid insulation sheathing ($\geq R-3$ in Climate Zones 1-4, $\geq R-5$ in Climate Zones 5-8); or

Structural Insulated Panels (SIPs); or

Insulated Concrete Forms (ICFs); or

Advanced framing including all of the below:

Corners insulated $\geq R-6$,

Header assemblies above windows and doors $\geq R-6$ in CZ 1-4 or $\geq R-8$ in CZ 5-8,

Framing limited at windows and doors to that which is structurally necessary,

Continuous insulation behind interior/exterior wall intersections using ladder blocking or a single partition stud,

In general, exterior wall framing limited to that which is structurally necessary.

3.5. Windows and glass doors shall have an overall solar heat gain co-efficient (SHGC) of .30 or less and an overall U-value of .35 or less.

3.6. Homes in Climate Zones 1-4 with more than 10 linear feet of ductwork in the attic shall have a radiant barrier in the attic.

4. HVAC Sizing and Installation

4.1. Heat pumps shall have a minimum SEER rating of 14 and a minimum HSPF of 8.2.

4.2. Heat pumps shall have an outdoor thermostat installed to prevent supplementary heater operation when the heat pump is capable of meeting the load.

4.3. Furnaces shall be 90% efficient and their cooling systems shall have a minimum SEER rating of 13.

4.4. All duct connections shall be sealed with a UL listed "bucket" mastic product.

4.5. Duct leakage, measured in cubic feet per minute at 25 Pascals, shall not exceed 3% of the conditioned square footage.

4.6. Mechanical systems shall be sized to within $\frac{1}{2}$ ton of the ACCA Manual J. ACCA Manual J room-by-room load calculations, including all inputs, shall be submitted for each plan to verify sizing.

4.7. The measured airflow for each room shall be within $\pm 10\%$ of the ACCA Manual J calculation.

4.8. Refrigerant charge shall be installed per manufacturer's specifications.

4.9. Inert gas (nitrogen) shall be used during any brazing/soldering of refrigerant lines.

4.10. Indoor and outdoor system components shall be “matched” according to the Air Conditioning and Refrigeration Institute (ARI) directory.

5. Pressure Balancing

5.1. All rooms within the conditioned space – except baths and laundry – shall not exceed +/- 3 Pascals pressure differential with respect to the outside when interior doors are closed and the air handler is operating. Returns, transfer grilles or jump ducts shall be used to balance each room in addition to door undercuts.

6. Energy Star, Fixtures and Appliances

6.1. Home shall meet Energy Star® Home requirements. (Required until January 1, 2012)

6.2. Home shall have an Energy Star® labeled refrigerator, dishwasher or clothes washer if any is supplied to the home.

6.3. Home shall not have any incandescent lights.

6.4. Recessed lights, if used, shall be air tight and insulation contact (IC) rated.

6.5. Electric water heaters shall have an energy factor (EF) of at least .93. Gas water heaters shall have an EF of at least .61.

6.6. From the water heater, the first three feet of hot and cold pipes shall be insulated to $\geq R-4$.

6.7. Toilets shall be 1.3 GPF or less (including dual-flush models). Showerheads shall be 2.25 GPM or less. Kitchen faucets shall be 2.2 GPM or less. Bath faucets shall be 1.5 GPM or less.

7. Combustion Safety

7.1. Any combustion appliance inside the conditioned space, other than gas ranges and wood fireplaces, must be direct vent or power vented. Vent free gas logs are not allowed.

7.2. One hard-wired carbon monoxide (CO) detector shall be installed per 1,000 sq. feet of living space in homes which have any combustion appliance within the conditioned space or which have an attached garage. (minimum 1 per floor)

Exhibit 2 to Appendix A – Services Provided by AE

AE Comfort and Energy Use Guaranty

ENERGY USE GUARANTEE:

Advanced Energy guarantees to the Original Homeowner for the two-year period after the original homeowner purchases the home, that the energy required to heat and cool the building will not exceed the Guaranteed Usage. Guaranteed Usage will be adjusted based on changes in energy rates and in the event of unusual weather conditions for the locale of the property. Should the Actual Usage for heating and cooling exceed the Guaranteed Usage in any one-year period, Advanced Energy will reimburse the Homeowner for 100% of the cost of the difference. The Guaranty will begin on the latter of the second month after closing or when the home's certification is issued by AE. If closing occurs on the home more than two (2) years after the certification is achieved, the Guaranty is not available to the homeowner.

COMFORT GUARANTEE:

Advanced Energy guarantees the comfort of the Original Homeowner for two years. Comfort is defined as a temperature differential of no greater than plus or minus 3 degrees F from the thermostat location to the center of any conditioned room within the zone. Should a comfort question arise, an Advanced Energy agent will evaluate the situation.

HOMEOWNER RESPONSIBILITIES:

In order to maintain this guaranty, the Homeowner agrees to:

1. Prudent use of windows and doors when HVAC system is in operation.
2. Operate and service heating, cooling, and ventilation (HVAC) systems as recommended by the manufacturer. Change HVAC and ventilation filters according to manufacturer recommendations.
3. Maintain thermostat settings no higher than 72 degrees F during the heating season and no lower than 76 degrees F during the cooling season.
4. Apprise Advanced Energy of any alterations or modifications to the property, facilities, equipment or occupancy that affect energy consumption so that appropriate adjustments can be made to the Guaranteed Usage. An additional fee will be required to evaluate or modify the Guaranteed Usage.
5. Submit any claims in writing with copies of monthly energy billing information to Advanced Energy within 30 days of the end of each annual period of the guarantee. Send to Advanced Energy, Guaranty Dept., 909 Capability Drive, Suite 2100, Raleigh, NC 27606.

ANNUAL ACCOUNT ANALYSIS:

Upon receipt of claim with energy billing information, Advanced Energy will prepare and return to the Homeowner an account analysis showing any reimbursement the Homeowner may be entitled to according to the guarantee. At its discretion Advanced Energy agents may inspect,

meter or make repairs as necessary to lower the energy requirements for heating and cooling in the future. Heating and Cooling usage will be calculated by the following method: 1) The Base Load will be the average energy used for the three lowest months of full occupancy, multiplied times twelve; 2) Adjustments will be made for exceptional energy loads such as pools and hot tubs, 3) The total annual bill minus the annual base load minus adjustments equals the heating and cooling bill.

LIMITATIONS:

Advanced Energy shall not be liable for any incidental or consequential damages resulting from breach of this Energy Use Guarantee other than expressly stated above, or any express or implied guarantee arising under state law. Guaranteed Usage will be adjusted based on changes in energy rates and in the event of unusual weather conditions for the locale of the property. The Advanced Energy Use Guarantee will not apply if excessive energy use results from the malfunction of heating, ventilation, and cooling equipment or failure of the Homeowner to fulfill all Homeowner Responsibilities. The Homeowner understands that Advanced Energy makes no warranties which extend beyond the warranty described hereof, including any express or implied warranties of merchantability or fitness for purpose. Without limiting the general disclaimers above, Advanced Energy makes no representations or warranties of any kind, express or implied, to anyone with respect to indoor Radon and Air Quality concerns.

APPENDIX B

COMPENSATION PROVIDED TO AE BY SystemVision Partner

AE will be compensated for the performance of all Services as follows:

SystemVision Partner will be charged \$1050.00 per house participating in the Guaranty Program (in addition to reinspection fees listed below). If Energy Star Certification is requested, SystemVision Partner will pay AE an additional \$500 per Energy Star Certification.

For all homes:

The \$1,050 per house fee includes up to three home inspections. For additional inspections, SystemVision Partner will be charged a flat rate of \$50 for the first reinspection and all reinspections thereafter will be charged at a rate of \$150 per hour, including travel time to and from the site, not to exceed \$300. Additional inspections may be required due to non-compliance with Standards. Payment will be due and payable upon completion of all the Services as to any such house. Full payment is due even if a house fails Performance Testing and AE refuses to re-certify the house due to non-cooperation of third parties, or a house fails Performance Testing on two successive occasions. Payment must be made within thirty (30) days of AE invoicing SystemVision Partner.

For a specific house, if (1) after AE's initial House Plan and Specification Review, and (2) AE's informing SystemVision Partner of the measures and non-binding estimated extra cost for the house to comply with the Program Standards, SystemVision Partner decides not to pursue SystemVision certification, then AE will be paid \$150 within thirty (30) days of AE's invoicing SystemVision Partner and AE will have no further obligation to render the remaining Services for such house.

Any payments not made when due shall accrue interest from the date due until the date paid at twelve percent (12%) per annum or, the maximum per annum rate permitted by law, if less.