

HEATING AND COOLING ENERGY USAGE LIMITED GUARANTEE

HEATING AND COOLING ENERGY USAGE LIMITED GUARANTEE (the “Limited Guarantee”): ICF Resources, LLC (hereinafter “ICF”) hereby guarantees that the energy you employ to heat and cool your Home (the “H/C Energy”, as defined and calculated in the Annual Account Analysis below) will not exceed the Guaranteed Usage listed on your HERS certificate, subject to the terms and conditions set forth herein. The Guaranteed Usage is calculated using an algorithm to predict electrical (kilowatt hours) energy required to heat and cool your Home in a typical weather year (based on 30 year climate averages). If the H/C Energy for your Home exceeds the Guaranteed Usage for a Period (as defined in the Duration of Limited Guarantee below), ICF will reimburse you 100% of the difference between the Guaranteed Usage and the H/C Energy, subject to the terms and conditions herein (the “Reimbursement Amount”). The Reimbursement Amount will be calculated using the total electrical usage for your Home, excluding taxes, surcharges, penalties, late charge and other miscellaneous, non-energy usage fees charged by your utility provider, during each Period of this Limited Guarantee. ICF may (but is not required to) inspect and measure energy consumption and evaluate energy usage in your Home as it may, in its sole discretion, deem appropriate to, among other things, identify the sources of energy use in your Home. ICF will reasonably coordinate with your builder to have any changes or modifications, as deemed appropriate in ICF’s sole discretion, made to your Home to lower the energy requirements for heating and cooling your Home. ICF shall not be responsible for performance of and/or payment for any changes or modifications to your Home by your builder or any third party under the Heating and Cooling Energy Usage Limited Guarantee.

DURATION OF LIMITED GUARANTEE: The term of this Limited Guarantee will expire three years from your settlement date. Each year of this Limited Guarantee is defined as a “Period”. This Limited Guarantee is not transferable.

YOUR RESPONSIBILITIES: You are automatically enrolled in the Limited Guarantee program upon purchase of your new home if your builder chooses to participate. You are required, however, to meet the responsibilities listed below. Your actions can greatly affect energy use in your Home. You are not covered under this Limited Guarantee unless you exercise prudent energy management for your Home. As a condition precedent to maintaining this Limited Guarantee, you agree to:

1. Use windows and doors prudently when operating the heating, ventilating, and cooling (HVAC) systems of your Home.
2. Follow manufacturer’s instructions regarding operation and service of your Home’s HVAC system, including annual inspections and filter replacement. Refer to your HVAC system owner’s manual for more information.
3. Set the thermostat of your Home at no higher than 72 degrees Fahrenheit during the heating season and no lower than 75 degrees Fahrenheit during the cooling season.
4. Notify ICF of any changes or modifications to your Home, its HVAC system and/or its occupancy after the settlement date. Duke Energy Progress has contracted with ICF to implement and monitor this program. ICF, in its sole discretion, may re-evaluate and make appropriate adjustments to the energy usage in your Limited Guarantee. You will be charged a \$50.00 fee for any such re-evaluations or adjustments. ICF may, in its discretion, refuse to pay a reimbursement amount under this Limited Guarantee for any material changes or modifications to your Home, its HVAC system and/or its occupancy.

5. Submit any claims and notices in writing to: Duke Energy Residential New Construction Program, c/o ICF International, P.O. Box 13015, Raleigh, NC 27605. Any claim must be submitted within 30 days of the end of the period. For example, a claim for the first year of the Limited Guarantee must be submitted within 30 days after the first anniversary of the settlement date. You must include copies of your actual detailed monthly utility statements for your Home for the applicable Period and provide proof (a copy of the invoice) of the HVAC system maintenance and/or service work with your claim.
6. Permit ICF and your builder to access your Home, upon reasonable notice, to inspect, monitor and make changes necessary to ensure that your energy use for heating and cooling meet the values set forth in the Limited Guarantee. ICF shall not be responsible for performance of or any payments related to any changes or modifications of any kind to your Home made by you, your builder or any third party.

ANNUAL ACCOUNT ANALYSIS: Your utility bills include all the energy you use for your Home, including activities other than heating and cooling (such as lighting, appliances, pools and spas). Upon your submission of a claim for a Period, ICF will determine whether you are entitled to receive a Reimbursement Amount under this Limited Guarantee by estimating the part of your total energy use that applies only to heating and cooling your Home, called the H/C Energy, and then comparing this energy use to the Guaranteed Usage (on your HERS certificate). The following is a description of the method ICF uses to estimate your H/C Energy use: First, for the claimed Period, ICF calculates the average of your three lowest months of energy use when your Home is occupied. ICF assumes that this average estimates the energy you used for activities other than heating and cooling your Home. That average is then multiplied by 12 and subtracted from your total energy use during the claimed Period. The remaining amount estimates the H/C Energy, which is the energy used to heat and cool your Home during the claimed Period. If appropriate, ICF also may, in its sole discretion, adjust the H/C Energy to exclude energy use not related to heating and cooling your Home, such as seasonal use of pools and spas, and to account for any change in energy use for heating and cooling your Home related to any change or modification to your Home, its HVAC System or its occupancy.

LIMITATION OF LIABILITY: This Limited Guarantee does not cover claims due to the malfunction or improper installation or maintenance of the HVAC system; noncompliance by your builder or its subcontractors with Program Requirements of the Residential New Construction Incentive Program; or abuse, neglect, accident, or acts of God, including but not limited to flood, fire, or natural INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES WHATSOEVER (INCLUDING BUT NOT LIMITED TO LOST PROFITS OR INTERRUPTION OF BUSINESS) ARISING OUT OF OR RELATED TO THE SERVICES PROVIDED UNDER THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES no express or implied guarantees, representations, or promises of any kind relating to your heating, cooling or other energy costs for your Home; your builder's or its subcontractors' compliance with the terms of the program; the construction of your Home; and/or mold, radon or any other environmental contaminants or pollutants, whether biological or chemical in source or characteristics. ICF shall not be liable to you or any other person or entity for any indirect, incidental, special or consequential damages whatsoever (including but not limited to lost profits or interruption of business) arising out of or related to the services provided under this agreement, even if advised of the possibility of such damages. Notwithstanding the foregoing, in no event shall ICF's liability under this Limited Guarantee exceed the Reimbursement Amount as defined in and calculated under the terms herein.

CHOICE OF LAW: This Limited Guarantee is governed by, and shall be construed in accordance with, the laws of North Carolina, without regard to its choice of law considerations.

MEDIATION: Any dispute arising under this Limited Guarantee shall be resolved by mediation in accordance with the Commercial Mediation Rules (“Rules”) of the American Arbitration Association, which Rules shall govern such mediation. In advance of the mediation, the parties shall agree whether the mediation shall be binding or non-binding. Such mediation shall be conducted at a mutually agreeable location located within your county of legal residence. The parties shall agree upon a mediator, or if the parties cannot agree within 30 days of the filing of a mediation demand, mediator shall be appointed by the American Arbitration Association in accordance with the rules. Each party will share equally the fees of the mediator and costs of the mediation. The attorney fees incurred by any party in connection with the mediation will be borne solely by the party incurring those attorney fees. If the parties agree upon a binding mediation, then a judgment enforcing any mediation award may be entered in accordance with North Carolina law by any federal or state court with jurisdiction over ICF and you.

ENTIRE AGREEMENT: This Limited Guarantee constitutes the entire agreement and understanding between the parties, and supersedes any and all prior agreements, understandings, promises and/or representations made with or to you by ICF International or any other person or entity concerning the subject matter of this Limited Guarantee. This Limited Guarantee cannot be amended or modified without a written agreement signed by an authorized representative of ICF International that specifically references this Limited Guarantee.

For more information call Toll Free 1.844.385.3762.