This SRP ENERGY STAR Homes Program Builder Master Agreement ("Agreement"), dated as of (ENTER DATE), by and between Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona ("SRP"), and (ENTER BUILDER NAME), an Arizona limited liability company ("Builder").

RECITALS

A. SRP has established the SRP ENERGY STAR Homes Program (sometimes referred to herein as the "Program"), which provides incentives to home builders to build energy efficient homes in SRP’s electric service territory.

B. Builder desires to participate in the Program.

C. SRP is willing to allow Builder to participate in the Program, subject to Builder’s agreement to the terms and conditions of this Agreement and the Eligibility Requirements, as set forth in Exhibit A.

AGREEMENT

In consideration of the foregoing premises and the mutual promises, understandings, and other terms and conditions agreed to herein, SRP and Builder agree as follows:

1. For each Builder subdivision or community that will participate in the Program ("Community"), SRP grants to Builder a limited license to identify the lots specified in each Community as an SRP ENERGY STAR Homes Community, subject to the terms and conditions of this Agreement and the Eligibility Requirements, as set forth in Exhibit A.

2. SRP agrees that “Affiliates” (as defined below) of the Builder may participate in the Program. For purposes of this Agreement, the term “Affiliate” means any entity controlled by Builder through the ownership of fifty percent (50%) or more of the voting securities or other voting rights of such entity. All references in this Agreement to Builder shall be deemed to refer to the Affiliate.

3. Builder acknowledges that each floor plan submitted to SRP, for inclusion in the Program, has been evaluated according to its base price sheet and corresponding feature list. If a design change is made by Builder or requested by a buyer that would diminish the energy efficiency of the home, it is Builder’s responsibility to inform the buyer and SRP in writing that the home may no longer be SRP ENERGY STAR Homes-qualified.

4. Builder hereby permits and grants a license to SRP and its representatives to visit and inspect homes during and after construction for program compliance. As part of the inspection process, Builder agrees to: (i) provide SRP electronic copies of the written plans or drawings, and other documentary material that represents the actual proposed or "as built" construction of the homes in the Community as needed; and (ii) comply with the Program’s Eligibility Requirements. If a home is found to be not in compliance, SRP will notify Builder of the discrepancy(ies), and may withhold incentive payment for the home(s) in question until the noted item(s) have been sufficiently remedied.

5. Builder hereby agrees to provide SRP with timely notice of home construction milestones pertinent to their inspection and testing obligations, including but not limited to home start date, framing completion, insulation completion, and final inspection. Failure to do so may result in loss of incentives for each home for which notice was not provided.
6. SRP may modify the SRP ENERGY STAR Homes Program energy efficiency standards or Program eligibility requirements upon thirty (30) days prior written notice to Builder. If SRP modifies such standards or requirements, Builder shall, for any homes for which construction has not begun, either: (a) revise its construction standards to meet the modified standards and requirements, or (b) forgo incentive payments for the remaining homes. Notwithstanding modification or termination of any such standards or requirements, SRP will continue to honor its commitment to Builder with respect to any homes for which construction had already begun (“Start Date”) before SRP gave Builder written notice, provided final inspection and testing of the home is completed within six months after the date of such notice. SRP shall not be liable to Builder for any damages or costs which may result from the modification of the Program standards or requirements.

7. <<<Intentionally Omitted>>> 

8. This Agreement shall be effective as of the Effective Date, and shall continue until it is terminated. SRP may terminate this Agreement at any time upon thirty (30) days prior written notice to Builder. Notwithstanding the termination of this Agreement by SRP, SRP shall honor its commitment to Builder pursuant to this Agreement with respect to any homes having a Start Date before SRP gave Builder written notice of termination, provided final inspection and testing of the home is completed within six months after the date of such notice.

9. If Builder is not in default hereunder, Builder may terminate this Agreement upon thirty (30) days prior written notice to SRP.

10. Upon termination of this Agreement, it shall be Builder’s responsibility to inform potential buyers that the Community and homes are no longer SRP ENERGY STAR Homes-qualified and that buyers may be ineligible for consideration under an Energy Efficient Mortgage program as offered by any of several organizations (e.g. FNMA, Freddie Mac®). Builder shall also immediately cease use of (and return to SRP) any SRP ENERGY STAR Homes Program marketing materials and cease branding with the SRP name and logo. SRP shall not be liable to any Builder damages or costs which may result from the termination of this Agreement.

11. The SRP ENERGY STAR Homes name and logo may only be used to refer to a home, subdivision, or other development specifically submitted for participation in the Program.

12. In any advertising including reference to communities qualified as SRP ENERGY STAR Homes, Builder agrees to display the SRP ENERGY STAR Homes logo only in accordance with the SRP ENERGY STAR Homes program Logo Standards as they may be amended by SRP from time to time. The current version of the Logo Standards is addressed in Exhibit B and incorporated herein by this reference.

13. SRP may provide Builder with SRP ENERGY STAR Homes brochures and other point-of-sale materials for use at sales offices of SRP ENERGY STAR Homes Communities.

14. Builder shall indemnify, defend, and hold harmless SRP and its officers, directors, employees, agents and affiliated entities for, from and against any liability, claim, cost, or expense, including attorneys' fees and legal costs, arising out of or in any way related to Builder's performance of or breach of this Agreement including, without limitation, the failure of any of Builder's homes certified or represented by Builder as SRP ENERGY STAR Homes to comply with the SRP ENERGY STAR Homes standards.

15. SRP agrees to provide Builder with those items set forth in Exhibit C (Marketing and Program Support), attached hereto and incorporated herein by this reference, which will be based on the total number of Community lots (qualified homes committed under this Agreement). Marketing Support will be provided after commitment or anytime thereafter per SRP's and Builder's mutual agreement. SRP may substitute or delete any Marketing Support items listed in Exhibit C at its sole and absolute discretion. For purposes of this Agreement, a "qualified home" shall be one that meets the criteria specified in Exhibit A.
16. This Agreement shall not be assigned, delegated or subcontracted by Builder to any other party (including successors and assigns of Builder) without prior written permission from SRP, which may be withheld in SRP's sole and absolute discretion. Any assignment, delegation or subcontract of this Agreement without SRP's consent shall be void and unenforceable. Homes sold to affiliates, subsidiaries, and other entities or natural persons related to Builder or Builder’s principals shall not be eligible for an Incentive.

17. This Agreement shall be interpreted, governed by, construed in accordance with the laws of the State of Arizona, without regard to conflicts of law principles. SRP and Builder agree that any action, suit, or proceeding arising out of or relating to this Agreement shall be initiated and prosecuted in a state or federal court of competent jurisdiction located in Maricopa County, Arizona, and the parties submit to the jurisdiction and venue of such court. To the fullest extent permitted by law, each party hereby irrevocably waives any and all rights to a trial by jury, and covenants and agrees that it shall not request a trial by jury, with respect to any legal proceeding arising out of or relating to this Agreement.

18. In exchange for the SRP ENERGY STAR Homes Incentive paid to Builder, by its signature below, hereby sells, transfers and conveys to SRP all Environmental Attributes and Environmental Attributes Reporting Rights, as such terms are defined below, associated with the energy savings from homes within the Community complying with the Eligibility Requirements and Incentives for a period of thirty (30) years. This provision shall survive the termination of this Agreement and any subsequent sale(s) of the qualifying homes. "Environmental Attributes" shall mean any and all fuel, emissions, air quality, or other environmental characteristics, including green energy tags, renewable energy credits, energy efficiency credits, carbon credits, or certificates attributable to the energy savings generated by the qualifying homes and in which Builder or any subsequent owner has property rights or will have property rights upon such attributes coming into existence. "Environmental Attributes Reporting Rights" shall mean all rights to report ownership of the Environmental Attributes to any person or entity under Section 1605(b) of the Energy Policy Act of 1992, any successor or replacement statutes, or otherwise. Builder shall, upon SRP’s request, provide SRP any document (e.g., bill of sale) reasonably required to document the sale and SRP’s ownership of the Environmental Attributes and Environmental Attributes Reporting Rights.

19. Builders participating in SRP’s ENERGY STAR Homes Program can initiate complaints by a call, fax or e-mail to either the assigned account representative or to the commercial call center. Information that will need to be provided includes community, lot number or address, and account number if available. The situation will be investigated by an assigned staff member who will identify the cause/source of the complaint and resolve the situation accordingly. SRP’s contractor will be brought in as necessary to assist with analysis and/or resolution of the problem. If the builder is not satisfied with the offered resolution, the situation can be appealed to SRP’s ombudsman for review.

20. This Agreement, together with the attached exhibits, constitutes a complete statement of the terms and conditions applicable to this program and supersedes all prior representations or understandings, whether written or oral. SRP shall not be bound by or liable for any statement, representation, promise, inducement or understanding of any kind that is not set forth herein. Except as otherwise specifically provided herein, no supplement, modification or amendment of this Agreement shall be binding and enforceable unless executed in writing by the parties.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK
Executed as of the date first appearing above.

**BUILDER NAME**
an Arizona limited liability company

By: ________________________________

Name: ______________________________

Title: ______________________________

Signature Date: _____________________

**SRP**
an agricultural improvement district organized and existing under the laws of the State of Arizona

By: ________________________________

Name: Daniel Dreiling

Title: Director Customer Programs

Signature Date: _____________________
Exhibit A

Program Year 2020 Eligibility Requirements and Incentives

This exhibit outlines the program eligibility requirements (“Eligibility Requirements”) and incentive structure (“Incentives”) for the SRP ENERGY STAR Homes Program (“Program”) in Program Year 2020. For this exhibit, SRP’s Program Year will begin on May 1, 2019 and end on April 30, 2020. This exhibit is entered into between SRP and Builder pursuant to the existing Builder Master Agreement, whose terms and conditions of which are incorporated by reference herein.

1.0 ELIGIBILITY REQUIREMENTS:

1.1 Communities submitted for inclusion in the Program must be located within SRP electric service territory, and the single-family detached homes (“Homes”) must have individual SRP electric service meters installed when complete;
  1.1.1 Communities shall consist of a minimum of 10 single-family homes in a contiguous subdivision. The homes shall be detached or may have one attached wall (duplex).

1.2 Builder must demonstrate current status as an ENERGY STAR New Homes Builder Partner.
  1.2.1 All homes within a submitted community must achieve and demonstrate ENERGY STAR Qualified status, utilizing the Performance Path of ENERGY STAR Version 3 (Revision 05 or later) Program Guidelines;

1.3 Installed heating and air conditioning equipment shall meet or exceed current US Department of Energy equipment efficiency standards, and shall be controlled by ENERGY STAR certified smart thermostats. A list of certified products can be found using the following link: https://www.energystar.gov/productfinder/product/certified-connected-thermostats/results.

1.4 Installed water fixtures shall meet the following standards:
  1.4.1 Toilets must have an EPA WaterSense label or an average flush rate of 1.28 GPF or less.
  1.4.2 Showerheads must have an EPA WaterSense label or flow rate of 2.00 GPM or less.
    1.4.2.1 EXCEPTION: One (1) standard flow showerhead may be installed within each home.

  1.4.3 Bathroom faucets must have an EPA WaterSense label or flow rate of 1.5 GPM or less.
    1.4.3.1 EXCEPTION: Aerators with flow rates of 1.5 GPM or less may be installed on standard flow bathroom faucets.

  1.4.4 ALTERNATE: Proof of compliance with the EPA WaterSense New Homes program will satisfy the water efficiency requirements of this program.

1.5 Installed mechanical ventilation systems shall comply with ASHRAE 62.2-2010 per ENERGY STAR Version 3 guidelines.
  1.5.1 EXCEPTION: Exhaust-only ventilation strategies, utilizing whole-home or local exhaust fan(s), shall incorporate a minimum of one dedicated fresh air inlet.
    1.5.1.1 Air inlet shall be dampered and sized to match the calculated CFM exhaust flow.
    1.5.1.2 Air inlet shall be filtered per ASHRAE 62.2-2010, section 6.7.
    1.5.1.3 Air inlet shall be located per ASHRAE 62.2-2010, section 6.8.
2.0 DOCUMENT SUBMITTAL:

2.1 Builder shall convey to SRP in a form and timing to be agreed upon by SRP and Builder, information including the participating address(es), lot number(s), plan number(s), square footage(s), HERS rating(s) and Start Date(s). This information shall serve as the basis for incentive payments by SRP to Builder. If this information is not provided to SRP within ninety (90) days of the SRP electric account start date initiated by the owner/occupant of an address, the incentive payment for that address will be forfeited by the Builder.

2.1.1 HERS ratings(s) shall be provided for the base floor plan and maximum glazing (window and sliding glass door) configuration of each plan number for each community, using the worst-case solar orientation.

2.1.1.1 Revisions to previously enrolled plan numbers will only be accepted if the revised HERS rating is three (3) or more points above or below the HERS rating of the previously enrolled plan number.

2.1.1.2 Unless specifically requested by SRP, the Builder will not be required to submit revisions to the HERS ratings of enrolled plan numbers that are caused by subsequent releases of the RESNET-accredited energy modeling software.

2.2 Builder shall convey to SRP information relevant to the qualification of a home. Items requested may include, but are not limited to: a complete set of blueprints; a set of Manual J 8th edition-based room-by-room load calculations; material specifications or energy efficiency ratings for all insulating products, windows/glazing, exterior doors, water heating units, and space heating and cooling units for the home design to be constructed. This information shall serve as the basis for SRP quality and compliance reviews.

3.0 ENERGY MODELING, INSPECTIONS AND TESTING:

3.1 Energy modeling, inspections and testing are the responsibility of the Builder, and shall be conducted in accordance with ENERGY STAR Version 3 Guidelines.

3.1.1 Builder shall contract with a RESNET-accredited Ratings Provider.

3.1.2 Energy modeling shall be conducted with RESNET-accredited software.

3.1.3 Inspections and Testing shall be conducted in accordance with RESNET Mortgage Industry Home Energy Rating Systems Standards.
4.0 **BUILDER INCENTIVES:**

4.1 SRP shall pay Builder a performance incentive for every eligible new home built under the program that meets the Eligibility Requirements listed in this exhibit, provided Incentives are still available for the Program Year. Each home shall only be eligible for one performance incentive. The value of the performance incentive will be determined by the eligible home’s Home Energy Rating System (HERS) Index for the base configuration and maximum glazing of the plan number enrolled in the program at the time of the home’s Start Date, as provided by the Builder. The payment (“Incentive”) shall be:

<table>
<thead>
<tr>
<th>Achievement</th>
<th>Performance Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Qualified &amp; HERS Index ≥ 66</td>
<td>$0/home</td>
</tr>
<tr>
<td>Program Qualified &amp; HERS Index 61-65</td>
<td>$500/home</td>
</tr>
<tr>
<td>Program Qualified &amp; HERS Index ≤ 60</td>
<td>$1,200/home + $100/point below 60</td>
</tr>
</tbody>
</table>

(ex. A qualified home with a HERS Index of 55 will receive $1,700.)

4.2 Builder will be eligible for Incentive payment upon completion of the following requirements: (a) Builder has given SRP documentation that each home individually or by grouping has passed all inspection and testing required; (b) SRP electric service for the home has been established; and (c) Builder has provided SRP with the information specified in Section 2.0 of this exhibit.

5.0 **INCENTIVE AVAILABILITY:**

5.1 SRP will pay Builder an Incentive for eligible new homes on a first-come, first-served basis until all incentive funding has been depleted, or the program year ends. SRP will not pay Incentives thereafter. The incentives available for Program Year 2020 (“Available Incentives”) shall be:

<table>
<thead>
<tr>
<th>Program Year 2020 Available Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6,500,000</td>
</tr>
</tbody>
</table>
Exhibit B

Logo Standards

Please contact your SRP Program Manager for the latest SRP ENERGY STAR Homes logos and logo usage information.
Exhibit C

Marketing and Program Support

- Consultative services by SRP staff to assist the Builder in qualifying each home design within a Community for inclusion in the program.

- Placement of the participating Builder’s name and location on SRP's web page [http://www.srpnet.com](http://www.srpnet.com) targeted to new homebuyers.

- A link on SRP’s web site to the page on the Builder's web site promoting the participating Builder.

- Interior signage within each model.

- Doormats at each model and at sales office.

- Camera-ready SRP ENERGY STAR Homes logos for use in Builder's promotion campaign for the Community.

- Marketing brochure and utility estimates identifying the benefits of buying an SRP ENERGY STAR Home.