

**\$639 First-Year Heat Utility Consumption Cost Guarantee
for 1156 Square Foot Edison Model Homes from
Eastwood Custom Homes**

1. **Heating Consumption Guarantee:** Eastwood Custom Homes, Inc. of Traverse City, MI, (“Eastwood”) designed and constructed your home at _____ with the goal of energy efficiency in mind. Eastwood is so confident it achieved its goal that it is willing to extend you this guarantee. Eastwood hereby guarantees that your electric bill for heating your home will not exceed \$639 for the first year that you own your home. Following the closing of the purchase of your home, for a period of one (1) year beginning on the date of your second (2nd) billing statement, Eastwood guarantees that the total cumulative amount of the heating bills will not exceed \$639.00 for the twelve (12) successive months. This guarantee is limited to the cost of electricity billed specifically for heating the 1156 square foot home and specifically excludes all money related to any and all other energy consumption, including without limitation, heating water and air conditioning.

2. **Calculation of Metering of Electricity for Heating.** The electricity for heating purposes must be metered separately from all other electricity and not exceed \$0.10980/ KW. You must provide evidence, if requested by Eastwood, that the meter is dedicated solely to monitor the use of electricity for heating the home. Eastwood reserves the right to independently inspect the home to confirm the meter is dedicated at any time during the term of this warranty. If Eastwood finds the meter is not dedicated solely to heat sources, Eastwood may void this warranty and have no further obligation hereunder.

3. **Homeowner Responsibilities:** Since your use of the home can substantially affect the energy consumption of your home, this guarantee will not apply to and Eastwood will not be liable hereunder if you fail to do any of the following:

- (a) Close all windows and doors when the heating system is in operation. This includes not leaving the door open other than for normal ingress and egress.
- (b) Install drapes, curtains, blinds or window coverings on all windows and glass doors.
- (c) Maintain temperature no higher than 70 degrees, 65 degrees in the bedrooms.
- (d) Implement every effort to conserve heat.
- (e) Every month provide Eastwood copies of the monthly bills from the utility company, for the purpose of review, during the one-year guarantee period.

Eastwood reserves the right to perform a home inspection at any time during the term of this guarantee. Further, Eastwood may, at its discretion, make modifications to the home to make the home more energy efficient during the term of this Agreement.

4. **Limitations and Conditions:**

(a) EASTWOOD MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE ELECTRICAL OR ANY OTHER ENERGY USAGE OR CONSUMPTION OF THE HOME.

(b) This guarantee will also not apply if any of the following shall occur:

- 1. Homeowner is found to exceed the temperature recommendations for winter operations as set forth in the guarantee.
- 2. Homeowner modifies or changes any portion of the structure which breaks the envelope of the home or which affects the operation of the heating system or elements.

3. The home is used for purposes other than a single-family residence.
4. Homeowner makes modifications to alter the distribution of air to any room.
5. Homeowner fails to have the heating system serviced properly or modifications are made on the heating equipment, distribution or ventilation system.
6. The homeowner is not the occupant of the home.
7. Homeowner fails to comply with any of the responsibilities listed above.

(c) In the event that the home's first-year heating costs exceed \$639, Eastwood is only liable to pay the difference between \$639 and the expense billed for heating the home excluding any and all finance, service or other fees or charges not directly related to the use of electricity to heat the home. In no event, will Eastwood's liability to you be greater than or exceed \$639. Eastwood shall not be liable for any other cost, payments, damages or expenses whether they are direct, consequential or incidental thereto.

5. **Claims:** All claims must be submitted to Eastwood no later than forty five (45) days after the expiration of the twelve (12) month guarantee period as set forth herein ("Submittal Period"). Any and all claims submitted after the expiration of the Submittal Period will be invalid and Eastwood will have no liability to pay any monies under such claims. All claims must be submitted in writing along with complete copies of all electric bills for the guarantee period. You must send the information to:

Eastwood Custom Homes, 231 S. Airport Rd. West, Traverse City, MI 49686, or via fax to (231) 941-4297, attention William F. Clous.

Date: _____

EASTWOOD CUSTOM HOMES

 By: William F. Clous
 Its: President

HOMEOWNERS:

