



TXU Conservation Program and TXU iThermostat™ Agreement and Terms and Conditions

As the owner ("Owner," "you," or "your") and occupant of the subject residential property identified at the time of enrollment ("Property"), Owner agrees that these terms and conditions ("Agreement") shall apply to Owner's enrollment and participation in the TXU Conservation Program and installation and use at the Property of a Web-enabled, remotely programmable TXU iThermostat device (or "Thermostat(s)"), including access to a proprietary Web portal. Participation in the TXU Conservation Program and installation and use of the TXU iThermostat, as described below, together constitute the "Program" for purposes of this Agreement. By your enrollment in the Program and installation and use of the TXU iThermostat, you agree to these terms and conditions.

The TXU iThermostat includes professional visual inspection of the heating, ventilation and air conditioning system(s) ("HVAC") that will be controlled by one or more of the Thermostats at the Property where the Thermostat(s) will be installed, professional installation at the Property of one or more Thermostats, and provision to Owner of a broadband Internet gateway and software providing network access to a proprietary web portal with advanced programming and energy-use tracking features ("Web portal") compatible with the TXU iThermostat (collectively, "Equipment").

There is a two-year minimum term commitment ("Initial Term") to participate in the Program. The Initial Term will start upon the date the Equipment is installed by a TXU Energy authorized independent contractor at the Property and is communicating with the network. Upon expiration of the Initial Term, this Agreement will automatically renew on a month-to-month basis ("Renewal Term") while you remain a TXU Energy electricity customer until such time as either you or TXU Energy terminates the Agreement.

During the Initial Term and any Renewal Term, you agree to pay any applicable initial and/or monthly fee (plus applicable taxes), described when you enrolled for the Program ("iThermostat Monthly Fee"), which you acknowledge and agree will be included as a separate charge on your monthly TXU Energy retail electricity service bill and will be due with your TXU Energy bill payment after the Equipment has been installed.

You will be subject to a \$150 early cancellation fee, or the cancellation fee detailed upon your enrollment, if you do not pay the iThermostat Monthly Fee, switch to another retail electric provider, or if you elect to terminate your participation in the Program after the Equipment is installed but prior to the end of the Initial Term. You will NOT be charged an early cancellation fee a) if, prior to the end of the Initial Term, you move from or otherwise cease to own or occupy the Property, or b) after completion of the Initial Term. Upon termination of the Program for any reason, your access to the Web portal will be revoked, and TXU Energy may request that you return the Internet gateway, but you may keep your TXU iThermostat, which will function as a standalone programmable thermostat.

Compatible HVAC systems and high-speed Internet access, including a wired or wireless router with available port, are required for installation and functionality of the TXU iThermostat.

Compatible HVAC systems include:

- Electric Furnace
- Heat Pump
- Hydronic Zone Heat (2 Wires)
- Millivolt Heat Only Systems (Floor or Wall Furnace)
- Standard Central Air Conditioning (Single and Two stage)
- Standard Heat and Cooling (Single and Two stage)
- Standard Heat Only (Single and Two stage)

Incompatible HVAC systems include:

- Digital Control (Carrier Infinity)
- Dual-Fuel
- Electric Baseboard Cooling/Heat with Individual Built-In Thermostat
- Hydronic Zone Heat (3 Wires)
- Damper Systems (Zone systems or multiple thermostats on the same HVAC system)

The compatibility or incompatibility of your HVAC system and Internet access will be determined by a TXU Energy authorized independent contractor.

Participation in the TXU Conservation Program is required with your TXU iThermostat. The TXU Conservation Program allows TXU Energy to periodically, briefly cycle your heating and cooling system(s) that are connected to a TXU iThermostat on and off (typically no more than 10 to 15 minutes every half hour) or to modify your temperature setpoints no more than four degrees up to one to four hours, as determined by TXU Energy, in order to reduce electricity demand during peak energy usage hours from May through September. By participating in the TXU Conservation Program, you acknowledge and agree that such demand response events may occur, but you may opt out of any individual event without penalty through the Web portal or by contacting TXU Conservation Program customer service at 1-844-820-2914. TXU Energy reserves the ability, but not the obligation, to initiate demand response events.

During the Initial Term and any Renewal Term, you authorize TXU Energy to obtain meter data from your local transmission and distribution utility for the Property at which the Equipment is installed, as long as you remain a participant in the Program at the Property. The TXU iThermostat Web portal, provided by EnergyHub, Inc., utilizes information about your electrical consumption and, if enabled by you, location of your mobile device, to provide enhanced energy-efficiency features, including feedback about your energy use and location-activated thermostat adjustments. For details about the use of your information for these features and EnergyHub terms of use, visit www.energyhub.com/privacy-policy and www.energyhub.com/tos.

TXU Energy assumes no liability for any omissions, outcomes, errors or damage to persons or property arising, directly or indirectly, from the installation or use of the Equipment or Owner's participation in the Program. In the event of Equipment defect, TXU Energy will replace the Equipment at no cost to Owner during the Initial Term. **DISCLAIMER OF WARRANTIES: EXCEPT AS OTHERWISE PROVIDED HEREIN, TO THE EXTENT PERMITTED BY LAW, THE PROGRAM AND EQUIPMENT ARE PROVIDED ON AN "AS IS" BASIS AND WITHOUT WARRANTIES OF ANY KIND. WE MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE CONCERNING THE PROGRAM OR EQUIPMENT AND DO NOT AUTHORIZE ANYONE TO MAKE ANY WARRANTIES ON OUR BEHALF. THIS DOES NOT DEPRIVE YOU OF ANY WARRANTY RIGHTS YOU MAY HAVE AGAINST ANYONE ELSE.** You agree that TXU Energy shall not be liable for problems relating to unavailability or operability of the Web portal, and that you will defend, indemnify, and hold us harmless from any claims arising out of use of the Program or the Equipment, breach of the Agreement, or violation of any laws or regulations or the rights of any third party by you or any person on your account or that you allow to use your Equipment.

If you cease to own or occupy the Property prior to the end of the Initial Term or decide for any reason to terminate participation in the Program during the Initial Term or any Renewal Term, you agree to notify TXU Energy in writing within thirty days.

This Agreement applies only to the Program. A separate Terms of Service Agreement applies to your TXU Energy retail electricity service, and you remain subject to all terms and conditions set forth in that document for that service.

TXU Energy may modify or suspend the Program, the TXU Conservation Program, or this Agreement at any time with notice to Owner. In the event of modification, your continued participation in the Program and use of the Equipment after such notice constitutes your acceptance of such modification. In the event of any such modification or suspension of the Program that includes discontinuance of access to the Web portal, the TXU iThermostat will continue to operate as a standalone device and can still be manually programmed and controlled as a typical programmable thermostat.

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