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## **MEMORANDUM OF UNDERSTANDING**

**Between**

**The Ryland Group, Inc.**

**And**

**Residential Energy Services Network, Inc.**

### **1.0 Purpose**

The Ryland Group, Inc., on behalf of itself and its affiliated residential building companies (Ryland Homes) and the Residential Energy Services Network (RESNET) enters into this Memorandum of Understanding (MOU) in order to promote the construction of energy efficient homes.

### **2.0 Goal of Agreement**

The goal of this Memorandum of Understanding is to show consumers the value of a new home verses existing homes and, by labeling homes with a Home Energy Rating System Index (HERS).

It is the current intent of Ryland Homes, under this agreement, to market the HERS Index on all homes in new projects. Ryland Homes may phase its participation by market due to the need to establish relationships and agreements with RESNET raters and to determine necessary disclosures by market.

The intent of this agreement is to raise consumers' knowledge of new home performance using the HERS Index.

It is expected that this agreement will serve as a model to other production builders that would have positive outcomes for consumers, RESNET and the new home industry.

### **3.0 Terms and Conditions of the MOU**

The intent of this agreement is that Ryland Homes will provide an energy label on every home that Ryland Homes builds in new projects. The energy label will contain the RESNET HERS Index of either the specific home that was built or the HERS Index of

the home rated from plans and specifications (base model). Ryland Home's current HERS label is attached in Attachment A.

3.1 All or base models of homes constructed by Ryland Homes will be evaluated by a RESNET rater following RESNET's standards, and labeled accordingly.

#### 4.0 Administration of the Agreement

4.1 Each **organization** agrees to identify a contact person(s) to monitor and assess implementation and application of the agreement within their **organization** and to address inquiries, disputes or questions arising from the implementation of the agreement.

4.2 Each **organization** agrees that this agreement is a dynamic and evolving instrument that may be amended with the consent of both **organizations**. The **organizations** agree to initiate periodic reviews of this agreement every year after 2011, and the operation of the agreement when such request is made by one of the organizations.

4.3 This memorandum of understanding shall be for an initial term expiring December 31, 2011. Thereafter this memorandum of understanding shall renew annually. Either **organization** may terminate this memorandum of understanding by giving the other party at least sixty (60) days prior written notice of such termination. Termination may be without cause and the neither party shall have any liability to the other as a result of such termination.

Signature of Organizations

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Joseph Sabella, Vice President of Operations  
Homebuilding Operating Group  
The Ryland Group, Inc.

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Date

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Steve Baden, Executive Director  
RESNET

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Date

## **Attachment A**



# HERS Home Energy Rating System

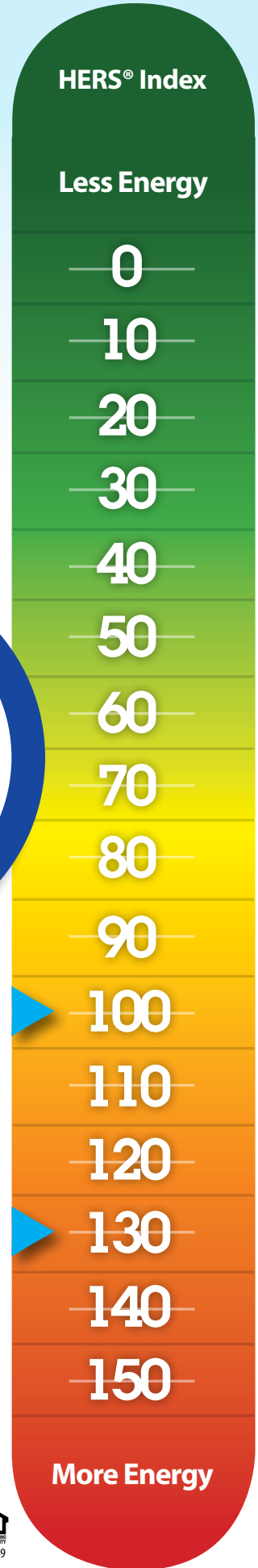
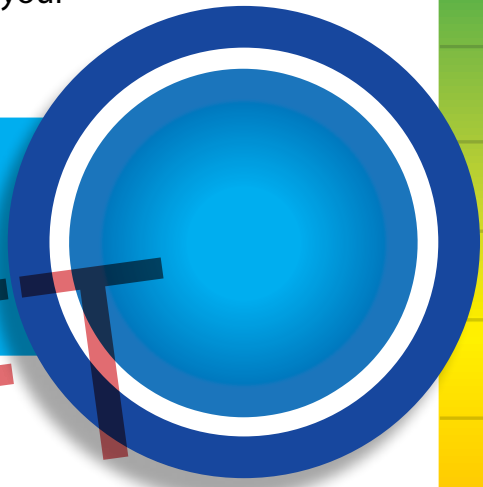
## What is a HERS Index?

The HERS Index is a scoring system established by the Residential Energy Services Network (RESNET) in which a home built to the specifications of the HERS Reference Home (based on the 2006 International Energy Conservation Code) scores a HERS Index of 100, while a net zero energy home scores a HERS Index of 0. The lower the HERS Index, the more efficient the home, which means you will save on your monthly energy bills.

Home Plan:

**DRAFT**

Estimated energy efficiency of this home is better than a typical new home.



The HERS® Index is a registered trademark of RESNET. Additional information on the HERS Index, energies efficiencies and RESNET can be found at <http://www.resnet.us>. The pre-construction HERS Index for the home plan shown is for the base plan with the structural options indicated above. The as-built HERS Index rating for a particular home may be different than the pre-construction HERS Index due to factors such as structural options, additional optional features and home orientation. The HERS Index is computed by an independent rater who is a member of RESNET using RESNET approved software. The HERS Index is not a warranty or guaranty of energy efficiency. Estimated energy efficiency is the percentage difference between the HERS Index for the home plan and the typical new home. The typical new home HERS index of 100 is based on a home built to the 2006 International Energy Conservation Code. The typical existing home HERS Index of 130 is a U.S. Department of Energy rating per its EnergySmart<sup>SM</sup> Home Scale located at <http://www1.eere.energy.gov/buildings/challenge/energysmart.html>. Ryland Homes is not affiliated with RESNET and hires independent RESNET approved energy raters. Ryland Homes is an ENERGY STAR® partner. ENERGY STAR® qualified homes meet strict energy efficient guidelines set by the United States Environmental Protection Agency (EPA). For more information visit <http://www.energystar.gov>. See Sales Counselor for a complete list of HouseWorks® features. © 2011 The Ryland Group, Inc.

Rating date \_\_\_\_\_



**RYLAND  
HOMES®**

# HERS Home Energy Rating System

**Home Plan:**

**Home Address:**

**Estimated energy  
efficiency of this home  
is **DRAFT** better than  
a typical new home.**



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Rating date \_\_\_\_\_



RG249

HERS® Index

Less Energy

0

10

20

30

40

50

60

70

80

90

100

110

120

130

140

150

More Energy

Typical  
New  
Home

Typical  
Existing  
Home