

About EcoSmart Solution:

EcoSmart Solution LLC (ESS) is a sustainable energy service provider integrating sustainable infrastructure technology in Master Planned Communities and other real estate developments. ESS believes that sustainable real estate investments require sustainable technical solutions. It is not just because it's the right thing to do, it also makes sound financial sense. Building codes are requiring Homebuilders and Developers to meet increasingly aggressive energy efficiency standards. This can be expensive and impact the affordability and viability of real estate projects. ESS provides and finances energy efficiency infrastructure solutions for Developers and Homebuilders to overcome these challenges in selected markets in the United States.

ESS delivers a streamlined platform, through their team of experts and a unique network of strategic partnerships in technology, consumer brands, engineering services and more, for Homebuilders to craft affordable, zero energy capable homes. Solutions include geothermal heating and cooling, energy efficient insulation, rooftop solar photovoltaic power, energy storage, EV charging, energy saving appliances and home automation products.

ESS was founded in 2015 by global real estate investment firm Taurus Investment Holdings (TIH). In Texas, TIH is the Developer of Whisper Valley, an award-winning master planned community including 7,500 homes and 2 million square feet of commercial space. The ESS program was successfully launched at Whisper Valley in 2018.

In April of 2019, Shell New Energies a subsidiary of Royal Dutch Shell, made a significant

investment in ESS and is an active Joint Venture partner of the company.

Shell is one of the largest energy companies in the world and is also a leader in the transition to sustainable energy. Shell sees ESS as an innovative, applied strategy to bring zero energy capable homes as the new standard to the U.S. housing market and to drive electrification of the energy infrastructure in Master Planned Communities. Shell is investing capital and providing technological expertise to help the team at ESS further enhance their offerings to Developers, Homebuilders, and Homeowners in support of Shell's strategy to offer clean energy solutions.

What will ESS do for you:

ESS as a provider of energy services and infrastructure for real estate development projects will provide everything you need to ensure your development is not only highly sustainable, but extremely successful.

We work closely with you and your team during the planning, design and construction phases of your project to seamlessly integrate our ESS technologies with the community infrastructure.

We work with Homebuilders in the community to enhance energy efficiency, comfort and resilience of the living space of your residents.

ESS will serve Homeowners and community residents by providing a reliable energy system designed to save natural resources and dramatically reduce energy costs.

How does the ESS Solution Work:

For each potential project, ESS evaluates site conditions, real estate market depth, and the development plan in order to produce a customized energy strategy.

The ESS infrastructure system will typically have the following components:

GeoGrid: This is a geothermal district system that uses underground boreholes for a thermal exchange ground loop and piping to create a specific thermal exchange capacity for heating/cooling demand. We will install a vertical borehole and thermal exchange ground loop for each home and install a horizontal underground piping network to connect to a centralized closed loop system, not unlike a water main, throughout the community. The borehole and thermal exchange ground loop and piping network become an integrated system that provides energy for the HVAC system for each home.

ESS uses reliable HDPE piping for the GeoGrid and the system is a closed loop system with no impact on the environment. Geothermal heating and cooling typically save up to 65% of energy consumed when compared to a conventional HVAC system.

The ESS GeoGrid can connect thousands of homes into a managed thermal energy system which becomes part of the community infrastructure.

The ESS Geogrid infrastructure includes a thermal energy management center housing a central pumping system with system monitoring,

and if necessary, an auxiliary heating and cooling system, to insure optimal operation of the Geogrid throughout the year.

Geothermal Heat Pumps: Each home in the community is provided with an ESS certified geothermal (ground source) heat pump which uses the thermal energy capacity drawn from the GeoGrid. The heat pump provides both heating and cooling and does not require outside compressor units, eliminating noise in the community.

We also provide technology that uses the geothermal heat pump to produce domestic hot water. The life span of a geothermal heat pump typically exceeds 20 years and delivers a more comfortable and healthier heating and cooling environment within the home.

Solar Photovoltaic: ESS works with each builder to install solar photovoltaic panels on each home or provides a community solar field to produce electricity. The installed PV system is sized to provide the target HERS rating and may also utilize individual home carports with solar.

Energy Management Platform - Google Nest: Using smart home technology, we provide Google Nest products that optimize energy use according to each Homeowner's schedule while also safeguarding their home. The 'Works with Nest' program serves as the portal to smart homes, integrating more than 10,000 products. The ESS solution includes products such as the Nest Learning Thermostat, an energy management platform that enables each Homeowner to control and other smart home products for more comfort and a healthier living. The ESS Energy Management Platform monitors the operation of the Geothermal Heat pump

and the Homeowners energy consumption through an ESS energy monitoring application to enable ESS to optimize the system operation and Homeowners to manage their energy costs.

Energy Efficient Appliances: ESS offers a package of highly rated home appliances such as ovens, microwaves, dishwashers, refrigerators, washers and dryers.

Energy storage: The integration of a community wide or individual home storage solutions are options offered by ESS. Battery storage creates advantages for your community and allows Homeowners to be part of a managed electrical storage system.

Energy storage systems create resiliency and protection from power outages or other failures of the grid, and can enable homes to maintain indoor climate control even during a grid outage. ESS, through its Shell partnership, can provide best in class energy storage solutions for ESS communities and homeowners.

EV Charging: All homes are prewired for level 2 electrical vehicle charging stations. ESS offers the option of including a charging station with each home if desired by the builder or homeowner. ESS, through its Shell partnership, can provide best in class charging solutions for ESS communities and homeowners.

What is the general process for us to work together:

We will be sharing some confidential information with you and will ask you to sign a non-Disclosure Agreement.

We encourage you to visit the Whisper Valley community in Austin, Texas which is our flagship ESS community. It is fully operational, and we

would look forward to showing you the ESS solution in action. We can arrange for you to meet with some of our Homebuilders and Homeowners to get first-hand knowledge of their experience with the ESS solution.

We will do some initial homework on you and your potential project. If we both feel there is good chemistry and a solid opportunity, we will provide you with a Letter of Intent (LOI) for your review and approval. The LOI will layout the business terms for our venture and become the basis for the legal agreements to follow.

Once the LOI is agreed upon, ESS will conduct a detailed Feasibility Analysis. We will evaluate your project from several perspectives: technical, financial, marketability, site conditions and entitlements. We will also perform an initial energy evaluation including a geotechnical survey of the thermal conductivity and capacity for the site. Combined, these allow ESS to determine the optimal strategy and implementation program for your project.

During the Feasibility Analysis, we will provide you preliminary legal agreements based on the LOI for your review. The Feasibility Analysis is an investment in the community and ESS will ask the Developer to share in the costs of the analysis. ESS will reimburse the Developer for this cost upon the execution of the ESS Developer agreement.

Upon a successful Feasibility Analysis, we will work with you to finalize and execute the necessary legal agreements. We then will be your energy partner and get to work on implementing the ESS solution for your project.

What ESS will provide the Developer:

We will first provide you with a Feasibility Analysis which produces a specific energy strategy and implementation plan for your project.

Typically, the Feasibility Analysis will include the conceptual design of the system components that ESS would install and operate, definition of the areas needed for the GeoGrid, a financial program for the home owner including operating fees and schedule, a preliminary construction schedule for the GeoGrid installation, pricing for the other components of the ESS system, a summary of the warranty, maintenance and service program, the ESS energy performance certification process for each home, and our Homebuilder, Sales Agent and Homeowner training and education programs.

Upon execution of the ESS Development Agreement our team will work closely with your project management team and engineering consultants. ESS will develop construction plans and specifications for our system components and obtain the necessary approvals.

ESS will install the system components, closely coordinating our work with your development professionals and builders. The development and Homebuilder schedule need not to be changed.

ESS also will provide a specific marketing and education program for your team and future residents. We will become your integrated energy expert and support sales and services. The ESS infrastructure is provided at no cost to the developer and will be operated and maintained by ESS.

What does the Developer need to agree to and provide ESS:

During the ESS Feasibility Analysis, the Developer need to allow ESS access to the project site and to provide ESS with documents regarding existing site conditions, the master plan for the projects, prospective building architectural plans, records of entitlements, and specific engineering studies that ESS will need for its analysis.

Developer will acknowledge that ESS will rely on information it is provided in preparing their financial analysis. The Developer would make members of their management and design teams available to ESS for questions on their work or other project issues.

The Developer will not object to ESS contacting governmental or other approval agencies to confirm entitlements or other project specific conditions.

The Developer will grant access to the project for ESS to conduct a geotechnical site investigation. At coordinated locations, ESS will drill boreholes in order to evaluate existing soil profiles and thermal conductivity. The Developer will share any existing geotechnical studies of the project.

During our construction plan design phase, the Developer would give ESS access to project engineering consultants and allow us to use their plan files to layout and coordinate our designs.

The Developer would provide ESS space on the property to install our GeoGrid and other infrastructure, primarily the vertical wells and horizontal piping system and a thermal energy management center.

The land for the GeoGrid and other ESS infrastructure can be provided in the form of a permanent easement. For vertical wells we typically need an area of about 2 feet by 2 feet located in the backyard of the building lot. For the horizontal piping system, we typically need a five-foot-wide corridor. We don't mind being next to other utilities and in some cases can have other utilities in the same trench.

The Developer would agree not to utilize natural gas or other carbon sourced fuels for the homes and other buildings in the project or project phase. ESS would also be given an exclusive right to own and operate the ESS system in all portions of the project.

The Developer would agree to add terms and conditions to the Homeowner Association Documents and other legal documents that call for ESS to own and operate the ESS system.

The Developer would agree to require all the Homebuilders in the project to comply with the ESS energy solutions and system requirements.

The Developer will work with ESS on a marketing plan for the project which typically includes content and links on the project web site, press and media placements and special events.

The Developer would allow ESS to place a lien on any unsold lots in a specific phase of the project where ESS has already installed the GeoGrid and other ESS infrastructure. The lien would only be placed at the earlier of either one year after the Developer has sold 75% of the lots to a Homebuilder(s) and 5 years after the date ESS first commences installation of the GeoGrid. This would apply to specific phases of the project. Also, the obligation of the developer

to reimburse ESS for the GeoGrid infrastructure costs in the case that the developer is not able to sell the lots of a specific phase to a builder needs to be discussed.

The Developer would pay the appropriate ESS fees for any community structures or amenities that utilize the ESS system.

If ESS is not able to provide the services to operate and maintain the GeoGrid or other services which ESS receives the ESS service Fee for ESS will assign the assets to the developer or an entity assigned by the developer (e.g. HOA).

The details of the relationship will be described in the ESS development agreements to be executed prior to the installation of the ESS infrastructure.

What will ESS provide to the Homebuilders:

ESS will work with each of your Homebuilders to evaluate their home designs for energy efficiency and constructability using HERS ratings (target of HERS 20 in Whisper Valley). ESS will create a specific performance standard for the Homebuilders and will provide a package of system components to be purchased by the Homebuilder that generally includes the following:

- Geothermal heat pump
- Solar photovoltaic system
- ESS energy management platform/Google Nest
- Energy efficient appliances
- Energy Storage (optional)
- EV Charging (optional)

ESS will work with the Homebuilder to make sure system components are competitively priced.

ESS will provide a transferable vendor warranty to the Homebuyers for system components purchased.

ESS will provide a specific marketing and education strategy to support sales and after sales services.

What will the Homebuilders need to agree to and provide ESS:

Homebuilders will need to provide ESS with plans and specifications for their homes for ESS review and analysis.

The Homebuilders must agree to work with ESS to refine and modify their home design to meet the ESS performance standards.

Home Builder agrees to obtain a Confirmed HERS rating for every home built in an EcoSmart Community.

The home builder must agree to purchase the ESS Package and install the EcoSmart required equipment outlined above per ESS standards on each home built in an EcoSmart community.

The Homebuilders agree to pay ESS a fee for their proportionate share of the GeoGrid system installation, geothermal heat pumps and other system components. Typically, this is added to the cost of the home and is passed on to the Homebuyer at the time of closing.

The Homebuilder will not be required to place a deposit or pay ESS for the provided system components during the construction of a home. ESS would be paid at the time of home closing.

When a Homebuilder starts the construction of a home, ESS will be allowed to place a lien on the lot for the ESS fee amount based on the home

size and share of the GeoGrid system. The lien is released with the payment of the ESS fee at house closing.

If a Homebuilder constructs a model home, ESS fees will be due and payable at the time of a certificate of occupancy is issued for the home or in no case later than one year from the date of commencement of construction of the model home.

In the event that a Homebuilder owns lots without a home constructed on it in a specific phase of the project where ESS has already installed the GeoGrid and other ESS infrastructure, ESS will be allowed to place a lien on the lot for its proportionate share of the GeoGrid system. The lien would only be placed two years after the Homebuilder has purchased the lots from the Developer.

The Homebuilders will work with ESS on a marketing plan for the project which typically includes content and links on the builder web site, press and media placements and special events.

What will ESS provide to the Homeowners:

ESS will provide the Homeowners an information kit, access to an ESS community specific web site and customer service to address questions and concerns on operating their new home.

Currently each Homeowner qualifies for federal tax credits (ITC) which can exceed \$10,000 in income tax deductible rebates. ESS will operate and maintain the GeoGrid system for the benefit of the Homeowners.

ESS will install software on the energy system to monitor and track heat pump operation, energy

usage and patterns. This information will be used to optimize the system operation.

ESS will provide the Homeowner with an energy monitoring mobile app to visualize and track their energy consumption with a data privacy and usage policy.

What will the Homeowners need to agree to and provide ESS:

Homeowners will be required to sign an agreement with ESS for energy services.

All energy system components within the house are to be purchased by the Homeowners from ESS at closing. ESS will maintain ownership of the GeoGrid and other community wide energy infrastructure.

There will be a monthly service charge to Homeowners payable to ESS for maintenance of the GeoGrid. The amount of the fee will vary by region but is typically \$40-\$80 per month depending on the size of the home.

The EcoSmart monthly service charges is unconditional, it must be paid even if the Homeowner removes or disables the system.

The Homeowner will allow ESS to monitor their energy system and collect data.

