

TERMS OF SERVICE

This document ("Agreement") sets out the Terms of Service for the purchase of electricity between Tara Energy, LLC ("Tara Energy", "we" and "us") and you, the customer ("you", "your" and "Customer"). Customer and Tara Energy may be referred to individually as a "Party" or collectively as "Parties" herein. Your electricity requirements at the service location or ESI ID designated by you on your Enrollment or Renewal Form will be served under this Agreement. This Agreement shall not be applicable to Customers who have a time of use meter.

Tara Energy is your Retail Electric Provider ("REP"). Tara Energy sets the charges you pay for retail electric service. The electricity that Tara Energy sells to you must be transported to your service location over transmission and distribution systems which will continue to be regulated by the Public Utility Commission of Texas ("PUC") and owned by a Transmission and Distribution Service Provider ("TDSP"). The PUC reviews and approves the rates that the TDSP can charge to transport and distribute electricity to your service location. These charges are passed on by Tara Energy to you, the Customer, along with certain charges and fees assessed by the Electric Reliability Council of Texas ("ERCOT").

Types of Products

We provide electricity under three different product types: fixed rate, indexed and variable price. Your EFL specifies the product type and the term that applies to your contract. Please note that only those parts of this "Product Types" section that describe your specific product type will apply to your contract.

Fixed Rate Products. Fixed Rate Products have a contract term of at least three months. Provided that your peak demand does not exceed fifty (50) kW during the term of this Agreement, the price of a fixed rate product may only change during a contract term to reflect actual changes in TDSP charges, changes to the ERCOT or Texas Regional Entity administrative fees charged to loads, or changes resulting from federal, state or local laws that impose new or modified fees or costs on us that are beyond our control. Price changes resulting from these limited circumstances do not require us to provide you with advance notice, however, each bill issued for your remaining contract term will notify you that a price change has been made.

Term Indexed Products. Term indexed products have a contract term of at least three months and a price that changes according to a pre-defined pricing formula that is based on publicly available indices or information. The price for term indexed products may also change without advance notice to reflect actual changes in TDSP charges; changes to the ERCOT or Texas Regional Entity administrative fees charged to loads; or changes resulting from federal, state or local laws or regulatory actions that impose new or modified fees or costs on us that are beyond our control.

Month-to-Month Indexed Products. Month-to-Month indexed products have a contract term of thirty-one (31) days or less and a price that changes according to a pre-defined pricing formula that is based on publicly available indices or information. The price for month-to-month indexed products may also change without advance notice to reflect actual changes in TDSP charges, changes to the ERCOT or Texas Regional Entity administrative fees charged to loads, or changes resulting from federal, state or local laws or regulatory actions that impose new or modified fees or costs on us that are beyond our control.

Variable Price Products. The price of a variable product can change, without notice to you, after your first billing cycle at the sole discretion of Tara Energy. Variable price products have a contract term of thirty-one (31) days or less and a price that varies according to the method disclosed on your EFL.

Associations Members (If Applicable)

Tara Energy may be paying a management fee to your Association to help administer this benefit on behalf of membership. All questions regarding this management fee should be addressed to your Association.

JustGreen Product

Renewable energy certificates or attributes equivalent up to 50% or 100% of your electricity usage for a flat fee each month. You may request to discontinue use of JustGreen at any time, so long as you are not in breach of this Agreement. JustGreen may be suspended or discontinued by us at any time (you will then stop paying for it but the rest of this Agreement will remain in effect). The JustGreen price is \$4.99 to offset 50% or \$9.99 to offset up to 100% of your energy usage with renewable energy.

Length of Service

Your service under this Agreement will begin on your next meter reading date according to applicable rules. In the event that your TDSP is unable to perform the switch as scheduled, you will continue to receive electricity service from your current provider and will not receive a bill from Tara Energy until the actual switch occurs. This date will appear on your first bill. Your initial length of service is indicated on your Enrollment or Renewal Form.

For term products, a contract expiration notice will be sent at least 14 days prior to the end of the initial contract term. If you fail to renew your contract with Tara Energy or switch to another REP, your service will automatically continue on a month-to-month basis after the expiration of your initial contract on the Default Renewal Product, which is a variable price product whose price will be determined by current market conditions until cancelled by either you or Tara Energy.

Option to Blend-and-Extend

The Customer may request Tara Energy to structure a new "blend-and-extend" contract that allows the Customer to benefit from the lower market rates in exchange for lengthening its term of contract with Tara Energy. Following such request, at Tara Energy's option, Tara Energy will structure and offer such contract to Customer, who may then choose to accept such contract. In the event that the Customer chooses not to accept the offered contract, Customer will continue to be served under its existing contract with Tara Energy.

Right to Rescission

If you are switching to Tara Energy from a different REP, you may rescind this Agreement without penalty at any time before midnight of the third federal business day after receiving this Agreement. PUC rules permit Tara Energy to assume that you will receive this Agreement three (3) federal business days after we mail it to you. You may call us or write to us to rescind this Agreement at 713-830-1019 or toll-free (866)-438-8272 and 5251 Westheimer Rd. Suite 1000, Houston, TX 77056.

Right to Cancel

Tara Energy may cancel your Agreement if you do not pay your bills in full and on time. We may also cancel this Agreement if we are no longer a REP in your areas or for any other lawful reason, including in response to changing market conditions. Tara Energy will provide you with written notice at least fourteen (14) days prior to cancellation.

Customer may cancel this Agreement without penalty in the event Tara Energy can no longer provide service. Customer may also cancel this Agreement without penalty by giving notice of a move to a different premise and providing reasonable proof of such move, including but not limited to a forwarding address. In the absence of such proof, Tara Energy will charge an Early Termination Fee as stated in your EFL.

In the event of cancellation, (i) you will have to contact another REP directly to have your electric service reconnected and (ii) all amounts owed by you to Tara Energy shall become immediately due and payable.

Billing & Payment

Following the switch to Tara Energy from your current provider, you may receive a bill for less than one month's service. After the initial bill, you will receive a new bill from Tara Energy each month for each ESI ID for which you are receiving service pursuant to this Agreement. Should you switch providers before the end of your billing cycle you will receive a bill for a partial month of service for the last month's service. Additionally, Tara Energy will bill you on behalf of your TDSP for the services the TDSP provides. All bills are due and payable 16 days from the date on the bill for service to all ESI IDs.

If actual charges are not available to Tara Energy at the time of preparation of your invoice, Tara Energy reserves the right to bill you on good faith estimates of charges for the month. If estimated charges are included on your invoice, they shall be identified as such and shall be reconciled against actual charges once Tara Energy has received such actual charges.

Additional Charges & Fees

Tara Energy will charge a one-time late payment penalty of 5% for each delinquent month's charges that remain unpaid after the bill due date. Additionally, Tara Energy will charge 1) a \$30 fee for any returned check, electronic fund transfer or credit card transaction not processed due to insufficient funds or credit availability, 2) a \$22 disconnection notice fee for issuance of an electric service disconnection notice (this fee will be assessed regardless of whether your electric service is actually disconnected), 3) a \$20 reconnection fee in the event that Tara Energy processes a reconnection transaction on your account. Such fees are in addition to any disconnect/reconnect fees that may be assessed by your TDSP. and 4) For plan specific fees please refer to that plan's EFL.

Acceptance by us of any partial payment from you will not relieve you of your obligation to pay the full amount owed. You will be responsible for any non-recurring fees assessed by the TDSP and/or Tara Energy associated with requests for move-in or switch, self selected switches, disconnection and reconnection fees, previous billing errors, meter tampering or meter read errors, or other errors or omissions.

Payment & Discount Programs

In certain circumstances for which Customer must qualify, you may have the right to establish a payment arrangement or deferred payment plan with Tara Energy. A payment plan allows you to pay your bill after the due date, but before the next bill is due. A deferred payment plan is an arrangement between Tara Energy and a Customer that permits the Customer to pay an outstanding bill in installments that extend beyond the due date of the next bill. Tara Energy will confirm all deferred payment plans in writing.

Tara Energy offers an Average Billing Plan to give you the convenience of having a predictable monthly bill amount. To qualify for the Average Billing Plan, (i) a Customer must not be currently delinquent, or (ii) a residential Customer must be receiving a rate reduction (i.e., a LITE-UP discount). Delinquent Customers (not receiving a LITE-UP discount) should contact Tara Energy to determine if they qualify for the average billing plan. The average energy charge is calculated by using up to your last twelve (12) months' kWh usage multiplied by your current price per kWh, divided by twelve (12) months. This amount is added to your estimated monthly TDSP charges, your base monthly charge, and any applicable regulatory charges, assessments and taxes. Additionally, you remain responsible for any non-recurring charges from your TDSP. Periodically, but not less than once each year, Tara Energy will review your account and calculate a new average bill amount accordingly; any overpayment will be credited to your account or refunded to you, and any underpayment will be collected from you in equal installments over the next reconciliation period. You may opt-out of the Average Billing Plan at any time by paying your full balance due and providing written notice of your desire to be removed from the Average Billing Plan to Tara Energy. The Average Billing Plan does not affect your obligation to pay for all actual usage and other associated charges, taxes and fees. Failure to pay your monthly bill on or before the stated due date may result in Tara Energy proceeding with normal collection activities including the assessment of late fees, disconnection for non-pay, etc.

Rate discounts through the LITE-UP Texas Discount Program were reinstated by the Texas Legislature to provide discounts to eligible customers during the summer months. To apply for eligibility directly with the program administrator, LIDA, please call 1-800-241-7011. Tara Energy offers the benefits of this program as required by applicable rule. Additionally, if you need help paying your bill, you may qualify for additional low-income energy assistance programs in your community.

Tara Energy offers each Customer the opportunity to voluntarily contribute to a bill payment assistance program for qualified residential Customers. You may find more information about Tara Energy's bill payment assistance program on your billing statement.

Additional information regarding any of the aforementioned programs may be obtained by contacting a Tara Energy customer service representative at 713-830-1019 (or (866)-438-8272).

Default & Disconnection of Service for Nonpayment

If you fail to remit payment as specified above in Billing and Payment, Tara Energy may order the TDSP to disconnect electric service to the premise(s) served under this Agreement. You will be liable to Tara Energy for all billed amounts and any charges associated with disconnection of service for nonpayment and reconnection. We reserve the right to pursue all legal remedies available to us to collect any amounts lawfully owed. In the event you fail to pay your bill in accordance with this Agreement, you agree to pay reasonable collection costs and expenses (including attorney's fees and third party collection fees) we incur as a result of our attempt to collect any amounts you owe.

In the event that you have more than one agreement with Tara Energy for service to ESI IDs not receiving service under this Agreement, any failure to pay under another agreement with Tara Energy will constitute a default under this Agreement and shall give Tara Energy the right to terminate this Agreement and seek any other remedy available to Tara Energy at law or in equity.

Credit Eligibility & Deposits

By applying for service, you agree that Tara Energy may check your personal credit. Failure to demonstrate satisfactory credit, will allow Tara Energy to require a deposit prior to receiving service. You will not be required to pay an initial deposit, if you are at least 65 years of age and you do not have a current delinquent balance with your current REP, or if you have been a victim of family violence

and can provide a certification letter pursuant to PUCT Substantive Rule §25.478(a)(3)(D)

<http://www.puc.texas.gov/agency/ruleslaws/subrules/electric/25.478/25.478.pdf>. Customers who provide sufficient information to demonstrate that they qualify for the low-income rate reduction program may pay a required deposit that exceeds \$50.00 in two equal installments.

Additionally, you may be required to pay a deposit once service has begun if you have paid late twice or been disconnected during the previous twelve (12) months. The total amount of all deposits required shall not exceed an amount equivalent to the greater of one-fifth of the estimated annual billing for electric service or the sum of the estimated billings for electric service for the next two (2) months. The estimated billing for initial deposits is based on a reasonable estimate of the average usage for the applicable customer class. The deposit shall earn and be paid interest as per PUCT guidelines at the stated PUCT rate. Upon termination of the contract or twelve (12) consecutive on-time payments, the deposit, less any money owed, will be returned to the Customer.

Changes in Laws or Regulations

In the event that there is a Change in Law (as defined below), Tara Energy reserves the right to modify this Terms of Service. Tara Energy will provide you with fourteen (14) calendar days' advance written notice of any modification, either in your bill or in a separate mailing. The modifications will become effective on the date stated in the notice unless you cancel your Agreement in writing. You may cancel your Agreement without penalty no later than the effective date of the modification. Notice is not required for a modification that benefits you. Change in Law means any change in federal, state or local law or any legislative or regulatory action that imposes new or modified fees or costs on Tara Energy that are beyond Tara Energy's control.

Dispute Procedures

If you have any questions, concerns, complaints or a dispute regarding your Tara Energy service or this Agreement, please call our Customer Service number at 713-830-1019 or toll-free (866)-438-8272. See "Your Rights as a Customer" for further information on customer disputes. Any communications concerning disputed debts, including an instrument tendered as full satisfaction of a debt, are to be sent to the attention of the "Legal Department" at Tara Energy, LLC 5251 Westheimer Rd. Suite 1000, Houston, TX 77056. Any dispute with respect to a bill is deemed to be waived unless Tara Energy is notified in writing within sixty (60) days of the bill date.

Discrimination

Tara Energy cannot deny service or require a prepayment or deposit for service based on a customer's race, creed, color, national origin, ancestry, sex, marital status, lawful source of income, level of income, disability, familial status, location of customer in a economically-distressed geographic area or qualification for low-income or energy efficiency services. Further, Tara Energy cannot use a credit score, credit history, or utility payment data as the basis for determining the price for residential electric service for a product with a term of 12 months or less.

Customer Warranties

Customer warrants and represents that: (i) Customer is the owner or lessee of record for all ESI ID locations to be served hereunder and Customer has the authority to enter into this Agreement for service to each of these ESI IDs; (ii) any and all of the data given, and representations made, concerning electric service to its ESI IDs are true and correct to the best of Customer's knowledge; and (iii) Customer shall consume and not resell any power purchased hereunder with the exception of power consumed by Customer's tenants or lessees.

WARRANTY

CUSTOMER ACKNOWLEDGES AND AGREES THAT TARA ENERGY DOES NOT PRODUCE, TRANSMIT OR DISTRIBUTE POWER AND, AS A RESULT, TARA ENERGY CANNOT WARRANT, AND DOES NOT WARRANT IN ANY MANNER, THE ELECTRICITY PROVIDED. NO REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, SHALL APPLY TO TARA ENERGY'S PERFORMANCE OF ITS OBLIGATIONS IN THIS AGREEMENT AND ALL SUCH WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED AND CUSTOMER HEREBY WAIVES ALL SUCH WARRANTIES. TARA ENERGY MAKES NO REPRESENTATION AS TO THE SUFFICIENCY, QUALITY OR CONTINUATION OF THE SERVICES PROVIDED HEREIN.

LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

THE REMEDY IN ANY CLAIM OR SUIT BY YOU AGAINST TARA ENERGY WILL BE LIMITED TO DIRECT ACTUAL DAMAGES. BY ENTERING INTO THIS AGREEMENT, YOU WAIVE ANY RIGHT TO ANY OTHER REMEDY. IN NO EVENT WILL EITHER TARA ENERGY OR YOU BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES. THESE LIMITATIONS APPLY WITHOUT REGARD TO THE CAUSE OF ANY LIABILITY OR DAMAGES.

Force Majeure Event

If an event occurs which makes it impossible for Tara Energy to perform under this Agreement (a "Force Majeure Event"), including but not limited to (i) a failure of any wholesale supplier and/or TDSP to perform any contract with Tara Energy, (ii) force majeure or similar event as declared by our wholesale supplier(s) and/or the TDSP(s), (iii) act of God, (iv) extraordinary weather occurrence, (v) fire or explosion, (vi) any governmental action, prohibition or regulation, or (vii) war, civil disturbance or other national emergency, our performance under this Agreement shall be excused for the duration of such event. Tara Energy shall promptly notify Customer of the Force Majeure Event, any resulting contingency, and the contemplated effect thereof on the provision of service. Upon elimination or cessation of the Force Majeure Event and any contingency, the obligations herein of Tara Energy to provide service to Customer shall be reinstated. Tara Energy reserves the right to terminate this Agreement should the event or the need for contingency not be eliminated within forty-five (45) days after the occurrence.

Assignment

You may not assign or transfer this Agreement, in whole or in part, or any of your rights or obligations hereunder without the prior written consent of Tara Energy, which shall not be unreasonably withheld. Tara Energy may assign this Agreement, in whole or in part, without your consent.

Miscellaneous

This Agreement shall be governed by and construed, enforced, and performed in accordance with the laws of the State of Texas and shall supersede any previous promises, understandings and agreements. The provisions of the Uniform Commercial Code ("UCC") shall apply to this Agreement and electricity shall be a "good" for purposes of the UCC.

<http://www.statutes.legis.state.tx.us/Docs/BC/htm/BC.2.htm>. If any provision of this Agreement is deemed invalid, illegal or otherwise unenforceable, Customer and Tara Energy agree that it shall be modified to the minimum extent necessary to render it valid, legal and

enforceable. If such provision cannot be modified in a manner that would make it valid, legal and enforceable, such provisions shall be severed from the Agreement, and all other provisions hereof shall remain in full force and effect. In the event there is a conflict between the Your Rights as a Customer document and these Terms of Service, these Terms of Service shall prevail.

Demand Response Participation

Tara Energy will notify Customer of any Demand Response Event. The customer may participate in the Demand Response Event or opt-out of the Demand Response Event that may affect Customer's electric service. Customer may permanently opt out of participation in Demand Response Events by calling Tara Energy's customer service department. If Customer participates in the Demand Response Event, Customer will be eligible to receive a benefit that reflects a portion of cost savings that result directly from Customer's participation in the Demand Response Event. Tara Energy, at its sole discretion, will determine cost savings, if any, and the benefit that the customer is entitled to receive associated with the Demand Response Event. Tara Energy may, when applicable and at its sole discretion, distribute any benefit related to a Demand Response Event to Customer.

Tara Energy will distribute any accrued but undistributed benefit to Customer upon termination of this contract. Tara Energy may distribute any benefit in any form including by issuing a check for such benefit or by applying such benefit to any outstanding balance due and owing from Customer to Tara Energy.

The following paragraphs apply only to Customers on a contract that includes a free Thermostat: Thermostat

Customers that select a retail electricity product bundled with a Thermostat will receive a Thermostat (referred to as "Equipment" in this TOS) free of charge from Tara Energy that Tara Energy or its authorized representative will install. After Tara Energy installs the Equipment, the Equipment becomes the property of Customer, the Equipment is no longer the property of Tara Energy and Tara Energy claims no right or interest in the Equipment.

Access to Your Premises

Customer agrees to allow Tara Energy and its agents the right, when necessary or requested, to enter at reasonable times and on reasonable notice, customer's property upon which the Services and/or Equipment will be provided (the "Premises"), for purposes of installing, configuring, maintaining, inspecting, upgrading, replacing and removing the Services and/or Equipment used with any of the Services. Customer warrants that it is the owner of the Premises. Customer acknowledges that it has authority to enter into this Agreement because Customer owns the Premises.

Installation

Customer understands that a Tara Energy subcontractor shall install the Equipment in the Premises on a date that is mutually agreed upon by Customer and Tara Energy. The date on which the Equipment is installed shall be the "Installation Date".

Usage

Tara Energy has no responsibility for the operation or support, maintenance or repair of any Equipment after it is installed on the Installation Date. Customer agrees to use the Equipment as specified by the Equipment's manufacturer. To use the Equipment, Customer will need the Equipment and, if required for the selected thermostat, a Gateway/Router that meets the Equipment manufacturer's specifications. Tara Energy has no responsibility for the operation or support, maintenance or repair of any equipment, software or services that Customer elects to use in connection with the Equipment (the "Customer Equipment").

Removal

Customer may have the Equipment removed at any time after installation. Customer may either remove the Equipment at its own expense or Customer may request that Tara Energy remove the Equipment from its home. Tara Energy will remove the equipment and charge \$125/hour for removal.

Moves

Customer will give Tara Energy 45 days prior written notice if Customer plans to move from the Premises (each, a "move") and wants Tara Energy's assistance to move the Equipment. When the Customer moves, Customer will have 2 options for assistance: (1) Tara Energy will move the Equipment to Customer's new location at no cost to you as long as (a) Customer remains a Tara Energy Electricity Customer (b) and Customer owns the new location or (2) Customer can remove the equipment as provided for in Removal section above. Customer can also terminate this Agreement as provided for in Right to Cancel section above.

Limited Warranty, Liability & Indemnity. THE EQUIPMENT IS PROVIDED "AS IS," WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED. ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF PERFORMANCE, NONINFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY, ARE HEREBY DISCLAIMED AND EXCLUDED UNLESS OTHERWISE PROHIBITED OR RESTRICTED BY GOVERNING LAW. CUSTOMER EQUIPMENT MAY BE DAMAGED OR SUFFER SERVICE OUTAGES AS A RESULT OF THE INSTALLATION, SELF-INSTALLATION, USE, INSPECTION, MAINTENANCE, REPAIR, AND REMOVAL OF EQUIPMENT. YOU UNDERSTAND THAT YOUR COMPUTER OR OTHER DEVICES MAY NEED TO BE OPENED, ACCESSED OR USED EITHER BY YOU OR BY US OR OUR AGENTS, IN CONNECTION WITH THE INSTALLATION OF THE EQUIPMENT. TARA ENERGY WILL NOT BE LIABLE FOR ANY LOSS, DAMAGE OR INJURY OF ANY TYPE ARISING OUT OF OR RELATED TO THIS AGREEMENT OR CAUSED OR CONTRIBUTED TO IN ANY WAY BY THE USE AND OPERATION OF THE EQUIPMENT, OR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, EVEN IF REASONABLY FORESEEABLE.

YOU AGREE TO INDEMNIFY, DEFEND AND HOLD HARMLESS TARA ENERGY AND ITS AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, SUPPLIERS, AND AGENTS AGAINST ALL CLAIMS AND EXPENSES (INCLUDING REASONABLE ATTORNEY FEES) ARISING OUT OF THE USE OF THE EQUIPMENT AND/OR THE CUSTOMER EQUIPMENT, OR THE BREACH OF THIS AGREEMENT BY YOU OR ANY OTHER USER.

Entirety of Agreement

It is the intention of the Parties that the Agreement shall contain all terms, conditions, and protections in any way related to, or arising out of, the sale and purchase of the electricity, and supersedes, any and all prior such agreements between the Parties hereto, whether written or oral, as to the provision of electric service to any of Customer's ESI IDs. Both Parties have agreed to the wording of the Agreement and any ambiguities therein shall not be interpreted to the detriment of either Party merely by the fact that such Party is the author of the Agreement. The Agreement may not be modified or amended except in writing, duly executed by both Tara Energy and Customer.

Contact Information

Tara Energy, LLC, Certificate No. 10051, is a licensed retail electric provider. Any questions or inquiries regarding this Agreement may be directed to a Tara Energy customer service representative at CustomerSupport@justenergy.com, 713-830-1019 or 866-438-8272. We are available Monday-Friday 8:00 AM-7:00 PM CST. Our internet address is www.TaraEnergy.com. Our fax number is 832-553-7383. Our mailing address is: Tara Energy, LLC P.O. BOX 3607, Houston, TX 77253.

In case of an emergency or to report an outage, please contact your electric utility (Transmission and Distribution Service Provider - TDSP) directly. CenterPoint: 1-800-332-7143; Oncor: 1-888-313-4747; Texas New Mexico Power: 1-888-866-7456; AEP Central: 1-866-223-8508; AEP North: 1-866-223-8508