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February 7, 2012

Ms. Barcy F. McNeal, Secretary
Public Utilities Commission of Ohio
180 E. Broad St., 11th Floor
Columbus, OH 43215-3793

Re: Case No. 11-5886-EL-CRS
Verde Energy USA Ohio, LLC
Public Version Exhibit C-4 (Financial Arrangements)

Dear Ms. McNeal:

Please find enclosed a copy of the public version of Exhibit C-4 (Financial Arrangements) which supersedes the earlier version filed with the application in this case. A supplemental motion for protective order has been filed and three copies of a confidential version of Exhibit C-4 were also submitted under seal.

Thank you in advance for your cooperation.

Sincerely yours,

/s/

Stephen M. Howard

SMH/jaw

Exhibit C-4

(Financial Arrangements)

Case No. 11-5886-EL-CRS

Verde Energy USA Ohio, LLC

ADMINISTRATIVE SERVICES AGREEMENT

THIS ADMINISTRATIVE SERVICES AGREEMENT ("Agreement") is made and entered into this 4th day of November, 2011, by and between Verde Energy USA, Inc. ("Service Provider") and Verde Energy USA Ohio, LLC ("Recipient"). This Agreement provides certain terms and conditions upon which Service Provider shall provide support services to Recipient.

RECITALS:

WHEREAS, Recipient seeks to commence operations in Ohio that require certain regulatory approvals and satisfaction of other conditions precedent;

WHEREAS, Service Provider is willing and able to perform certain services on Recipient's behalf during a transition period of indefinite duration until such time as Recipient is prepared to perform such services for itself; and

WHEREAS, both parties acknowledge and agree that it is to their mutual benefit to have Service Provider provide certain administrative services to Recipient in exchange for fair and reasonable compensation, all in accordance with the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Scope of Services. In exchange for the Fees (as defined below), Service Provider shall provide to Recipient on an as-requested basis certain administrative services which shall include, but not be limited to, the services (collectively, the "Services") described below:

(a) Banking. Service Provider will provide or arrange banking services to Recipient as needed.

(b) Compliance. Service Provider will assist Recipient with its compliance programs and periodically provide compliance auditing services.

(c) Contract Administration. Service Provider will provide contract administration services to Recipient, including, without limitation, sourcing, procurement and negotiation services, as needed.

(d) Corporate Insurance. Service Provider will place certain corporate insurance policies for the protection of the assets and revenues of Recipient and will assist in coordinating coverage between Service Provider and Recipient.

(e) Customer Acquisition. Service Provider will provide or arrange customer acquisition services to Recipient as needed.

(f) Customer Service. Service Provider will provide or arrange customer service services to Recipient as needed.

(g) Energy Procurement. Service Provider will provide or arrange energy procurement services to Recipient as needed. Pursuant to Service Provider's agreements with Shell Energy North America (U.S.) L.P. ("Shell Energy"), Service Provider will procure all of Recipient's wholesale energy supply requirements and arrange scheduling coordination services with PJM. Service Provider will provide access to at least \$1.1 million in credit from Shell Energy to support energy services in Ohio.

(h) Financial Accounting & Reporting. Service Provider will assist Recipient with various accounting/financial reporting issues, including monthly and quarterly financial close activities, as well as with other related matters as needed.

(i) Financial Assurance. Service Provider will provide or arrange financial assurances for Recipient as needed.

(j) Funding of Customer Rebates & Promotions. Service Provider will fund customer rebates and promotions for Recipient as needed.

(k) Information Technology. Where permitted by the underlying license or use agreements, Service Provider will provide Recipient access to Service Provider's voice and data networks, as well as access to Service Provider's enterprise software.

(l) Legal. Service Provider will provide contract review and legal counsel to Recipient as needed.

(m) Licensing. Service Provider will continue to serve as the licensed retail energy supplier in Ohio for customers enrolling either with Service Provider or Recipient until such time as Recipient has established the requisite regulatory and commercial arrangements to perform these services itself.

(n) Website Development & Marketing. Service Provider will provide website development and marketing services to Recipient as needed.

(o) Real Estate Services. Service Provider will procure and provide office space to Recipient including the negotiation of rents and lease terms, as well as the provision of facilities planning and management services, all as needed.

(p) Tax Preparation. Service Provider will assist Recipient with state and federal income tax preparation and provide tax consulting services as needed.

Service Provider may, from time to time, elect to expand, contract or otherwise modify the specific Services enumerated above at mutually acceptable rates.

2. Standard of Care. Service Provider shall use that degree of ordinary care and reasonable diligence in the performance of the Services hereunder that an experienced and qualified provider of similar services under a similar services agreement would use acting in like circumstances.

3. Third Party Costs. Recipient shall pay or reimburse Service Provider for any and all third party charges, costs and expenses Service Provider incurs in connection with the Services or otherwise on behalf of, or for the account of, Recipient.

4. Payment for Services Rendered. Recipient shall pay Service Provider a monthly service fee (the "Fee") of \$2.00 per meter up to 25,000 meters, \$1.00 per meter for 25,001 to 50,000 meters and \$0.50 per meter for 50,001 and more meters.
5. Term and Termination. This Agreement shall remain in effect until terminated by either party on ten (10) days' advance written notice to the other party, whereupon the Services will be discontinued effective on the date set forth in the written notice.
6. Accounting Records and Documents. Service Provider shall be responsible for maintaining accurate accounts and records of all Services rendered pursuant to this Agreement in accordance with applicable laws and regulations. Service Provider shall keep copies of such accounts and records available at its principal offices for audit, inspection, and copying by Recipient and persons authorized by Recipient or any governmental agency having jurisdiction over Recipient during normal business hours.
7. Force Majeure. If any cause or condition shall occur beyond the control of Service Provider which wholly or partially prevents the performance by Service Provider of its obligations hereunder, including, without limitation, any Act of God or the public enemy, fire, explosion, flood, earthquake, war, riot, adverse weather conditions, breakdowns in equipment or facilities, strike, slowdown, work stoppage or other labor trouble or delays in receiving or failures to receive any permits, licenses or approvals from any governmental authority, then Service Provider shall be excused to the extent made necessary by such cause or condition and during the continuance thereof, and Service Provider shall incur no liability by reason of its failure to perform the obligations so excused. Notwithstanding the foregoing, under no circumstances shall any such cause or condition excuse Service Provider's obligation to provide the financial assurance service required by Section 1(i) and energy procurement service required by Section 1(g) of this Agreement.
8. Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, each of the parties hereto and their respective successors and permitted assigns.
9. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the transactions contemplated hereby and supersedes all prior negotiations, commitments, agreements, term sheets and understandings between them with respect thereto.
10. Notices. All notices, requests, consents and other communications hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or duly sent by first class mail, postage prepaid, or by any nationally recognized express courier service, addressed to such party at the address designated in writing by the addressee to the addressor.
11. Amendments. This Agreement may be amended only by the written agreement of the parties.

12. Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement.

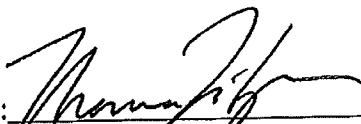
13. Headings. The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

14. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of Connecticut, without regard to its principles of conflicts of laws. Notwithstanding any provision of this Agreement to the contrary, no party shall be required to take any act, or fail to take any act, under this Agreement if the effect thereof would be to cause such party to be in violation of any applicable law, statute, rule or regulation.

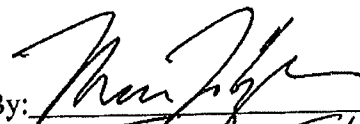
15. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

IN WITNESS WHEREOF, the undersigned have executed this Administrative Services Agreement as of the day and year first written above.

VERDE ENERGY USA, INC.

By: 
Thomas FitzGerald
Its President and CEO

VERDE ENERGY USA OHIO, LLC

By: 
Name: Thomas FitzGerald
Its: President & CEO

GLOBAL AGREEMENT

This Global Agreement ("Agreement") is entered into on this 11th day of August 2011 and effective as of the Effective Date by and among Shell Energy North America (US), L.P. ("Shell Energy") and each of the Verde Energy Parties. In this Agreement Shell Energy and each Verde Energy Party may hereinafter be referred to individually as a "Party" and collectively as the "Parties."

RECITALS

The Parties have developed a substantial business relationship pursuant to which the Parties purchase and sell physical and financial power and related products and provide and receive other related services, including certain credit support arrangements.

The Parties have determined that it is in each of their best interests to develop and agree to a common set of definitions and general terms which shall be incorporated into the individual agreements between them.

Each of the Parties has agreed to adopt the definitions and general terms stated herein and apply such provisions to their individual agreements by reference *mutatis mutandis*.

AGREEMENT

For and in consideration of the promises and the agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. **Definitions.** Capitalized terms used herein, but not otherwise defined have the meanings set forth in Appendix A.
2. **Incorporation by Reference.** The Parties agree that each of the terms of this Agreement, including each Appendix hereto, shall be incorporated by reference into, and become a part of and included in each Transaction Agreement. In the event of a conflict between this Agreement and the Transaction Agreement(s), this Agreement shall control.
3. **Control of Operations.**

initials:

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3.1. EACH OF THE VERDE ENERGY PARTY'S INDIVIDUAL BUSINESS STRATEGIES AND OPERATIONS ARE SUBJECT TO THE SOLE CONTROL AND MANAGEMENT OF SUCH ENTITIES. EACH VERDE ENERGY PARTY SPECIFICALLY ACKNOWLEDGES THAT NEITHER SHELL ENERGY NOR ANY OF SHELL ENERGY'S AFFILIATES, SHAREHOLDERS, PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES OR AGENTS HAS MADE ANY WARRANTIES, PROMISES, PROJECTIONS OR PREDICTIONS TO THEM CONCERNING THE INITIAL PRO FORMA BUSINESS PLAN OR ANY SUBSEQUENT PRO FORMA BUSINESS PLAN (INCLUDING, WITHOUT LIMITATION, ITS VIABILITY, PROFIT POTENTIAL AND POTENTIAL CASH FLOW). EACH VERDE ENERGY PARTY ALSO SPECIFICALLY ACKNOWLEDGES THAT EACH IS SOLELY RESPONSIBLE FOR ITS OWN ACTUAL AND PROJECTED BUSINESS MODEL, STRATEGY, OPERATIONS, REVENUES, EXPENSES, CASH FLOWS, INCOME AND NET PROFITS (OR LOSSES). EXCEPT FOR ANY SHELL ENERGY REPRESENTATION, WARRANTY AND COVENANT EXPRESSLY SET FORTH IN THIS AGREEMENT OR AN APPLICABLE TRANSACTION AGREEMENT, EACH VERDE PARTY HEREBY REPRESENTS, WARRANTS AND ACKNOWLEDGES EACH OF THE FOLLOWING IN CONNECTION WITH THIS AGREEMENT, EACH TRANSACTION AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY: (I) NO REPRESENTATIONS, WARRANTIES, COVENANTS, PROMISES OR AGREEMENTS HAVE BEEN MADE TO IT BY SHELL ENERGY OR BY ANY AGENT OR EMPLOYEE OF SHELL ENERGY; (II) IT IS NOT RELYING ON (AND HEREBY DISCLAIMS ANY RELIANCE ON) ANY STATEMENT, REPRESENTATION, WARRANTY, COVENANT, PROMISE OR AGREEMENT OF SHELL ENERGY OR OF ANY AGENT OR EMPLOYEE OF SHELL ENERGY; AND (III) IT IS RELYING ON ITS OWN JUDGMENT IN ENTERING INTO THIS AGREEMENT. EACH VERDE ENERGY EXPRESSLY WAIVES ANY CLAIMS IT MAY HAVE WITH RESPECT TO THIS AGREEMENT AND ANY TRANSACTION AGREEMENT BASED UPON FRAUDULENT INDUCEMENT.

4. Performance Assurance.

- 4.1. To the extent that any portion of the Performance Assurance Amount is provided by a Verde Energy Party to Shell Energy in the form of cash or is otherwise converted to cash, or in the event that Shell Energy draws on any Letter of Credit provided by a Verde Energy Party because the Letter of Credit will expire before all obligations of such Verde Energy Party under a Transaction Agreement have been satisfied and Shell Energy has not received a substitute Letter of Credit and as result thereof, cash is received by Shell Energy, then in any such circumstances: (i) the relationship between such Verde Energy Party and Shell Energy with respect to such Performance Assurance Amount is one of debtor and creditor with respect to all such cash amounts, (ii) all right, title and interest in such cash is transferred absolutely by such Verde Energy Party to Shell Energy and will vest in Shell Energy free and clear of any liens, claims, charges and encumbrances, and (iii) no security interest will be created in any such cash by any other party, but in each case subject to the following sentence. To the extent it delivers any portion of the Performance Assurance Amount, such Verde Energy Party hereby authorizes Shell Energy to set off and apply all the Performance Assurance Amount in the form of cash, and any and all proceeds resulting therefrom held by Shell Energy against all amounts that may be due or owing by such Verde Energy Party to Shell Energy at any time that an Event of Default has occurred and continues to exist with respect to such Verde Energy Party.
- 4.2. Without limitation of the foregoing, upon the occurrence and continuance of an Event of Default with respect to a Verde Energy Party, Shell Energy may in each case (i) exercise its right of setoff against any and all of the Performance Assurance Amount posted by such Verde Energy Party; (ii) draw on any Letter of Credit issued for its benefit, and (iii) liquidate the Performance Assurance Amount then held by Shell Energy from such Verde Energy Party at any time and from time to time, separately or in combination, free from any claim or right of any nature whatsoever of such Verde Energy Party. Shell Energy may set off and apply the proceeds of the liquidation of the Performance Assurance Amount realized upon exercise of such rights or remedies to reduce such Verde Energy Party's obligations under the Transaction Agreements to which it is a party, in such order as it elects, and such Verde Energy Party shall remain liable for any amounts owing to Shell Energy after such application to the extent of any deficiency. Shell Energy shall remain a debtor of such Verde Energy Party to the extent of any surplus proceeds remaining after exercise of such set off and application until all obligations of such Verde Energy Party are satisfied in full. In addition to such rights, Shell Energy is entitled to receive such proceeds as a further Performance Assurance Amount.

5. Obligations Several / Relationship. The duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation or liability on or with regard to (a) any Verde Energy Party and (b) Shell Energy. Each Party shall be individually and severally liable for its own obligations under this Agreement (except to the extent as may be explicitly stated otherwise in a Transaction Agreement). The relationship of Shell Energy and each Verde Energy Party hereunder is that of independent contractor and not that of agent, representative, partner or joint venturer. No fiduciary duty or relationship shall exist between the Verde Energy Parties and Shell Energy.
6. No Third Party Beneficiaries. This Agreement is intended solely for the benefit of the Parties and nothing in this Agreement shall be construed to create any rights in favor of, any duty to or standard of care with reference to, or any liability to any third party.
7. Amendments and Waivers. No amendment of any provision of any agreement between any of the Parties shall be valid unless the same shall be in writing and signed by each of the Parties to such agreement. No waiver by any Party of any default under such agreement, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant under such agreement or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.
8. Cumulative Remedies. The rights and remedies of the Parties hereunder shall be cumulative, and the exercise or partial exercise of any such right or remedy shall not preclude the exercise of any other right or remedy.
9. Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named in this Agreement and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests or obligations thereunder without the prior written approval of the other Parties.
10. Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions of the agreement or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. In the event any provision hereof conflicts with any applicable law, such provision shall be deemed modified, consistent with the aforementioned intent, to the extent necessary to resolve such conflict.
11. Notices. All communications hereunder shall be in writing and may be delivered by hand delivery, overnight courier service or facsimile. Notice by facsimile or hand delivery shall be effective as of the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day. Notice by overnight courier shall be effective on the next Business Day after it was sent to the appropriate notice address set forth below or at such other address as any Party hereto may have furnished to the other parties in writing:

If to a Verde Energy Party:
101 Merritt Seven Corporate Park, Third Floor
Norwalk, CT 06851
Attention: President
Facsimile: (203) 842-4201

12. Limitation on Liability. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY AND EXCEPT FOR A BREACH OF CONFIDENTIALITY PROVISIONS, IN NO EVENT SHALL ANY PARTY BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, WHETHER IN TORT (INCLUDING NEGLIGENCE), CONTRACT, STRICT LIABILITY OR OTHERWISE. To the extent that any payment is required to be made pursuant to this Agreement is deemed to be or agreed to be liquidated damages, the Parties acknowledge that the damages that would be suffered are difficult to determine and that such payment constitutes a reasonable pre-estimate of the amount of damages.
13. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO ITS CONFLICT OF LAWS PROVISIONS. Each Party agrees that any action or claim arising out of any dispute in connection with this Agreement, any rights or obligations hereunder to the performance or enforcement of such rights or obligations may be brought in the courts of the State of Texas in Harris County or any federal court sitting therein and consents to the non-exclusive jurisdiction of such court. Each Party hereby waives any objection that it may now or hereinafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

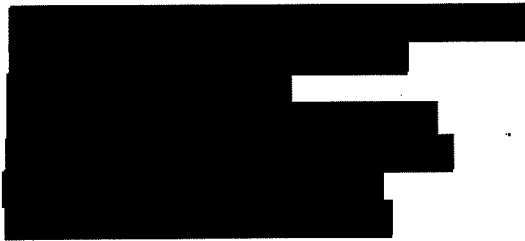
14. Waiver of Jury Trial. EACH PARTY WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OR ENFORCEMENT OF ANY SUCH RIGHTS OR OBLIGATIONS. EXCEPT AS PROHIBITED BY LAW AND EXCEPT FOR A BREACH OF CONFIDENTIALITY PROVISIONS, EACH PARTY WAIVES ANY RIGHT WHICH IT MAY HAVE TO CLAIM OR RECOVER ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. Each Party (i) certifies that neither Party nor any representatives, agents or attorneys of the other Party have represented, expressly or otherwise, that such other Party would not, in the event of litigation, seek to enforce the foregoing waivers or other waivers contained in this Agreement and (ii) acknowledges that, in entering into this Agreement, Each Party is relying upon, among other things, the waivers and certifications contained in this Section 14.
15. Appointment of Administrative Agent. For convenience purposes, each Verde Energy Party hereby appoints Verde Energy USA Holdings, LLC as its administrative agent for the sole purpose of administering the provision of this Agreement on behalf of all of Verde Energy Parties.
16. Titles of Articles, Sections and Subsections. All titles or headings to articles, sections, subsections or other divisions of this Agreement are only for the convenience of the Parties and shall not be construed to have any effect or meaning with respect to the other content of such articles, sections, subsections or other divisions, such other content being controlling as to the agreement between the parties to this Agreement.
17. Interpretation and Construction. In interpreting and construing this Agreement, the following principles shall be followed:
- (i). examples shall not be construed to limit, expressly or by implication, the matter they illustrate;
 - (ii). the terms "herein," "hereof," "hereby," and "hereunder," or other similar terms, refer to this Agreement as a whole and not only to the particular article, section or other subdivision in which any such terms may be employed;
 - (iii). references to sections and other subdivisions refer to the sections and other subdivisions of this agreement;
 - (iv). the word "includes" and its syntactical variants mean "includes, but is not limited to" and corresponding syntactical variant expressions and the term "and/or" shall mean "or";
 - (v). whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified;
 - (vi). the plural shall be deemed to include the singular, and vice versa;

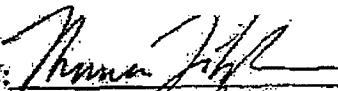
- (vii). all Financial Metrics and other references to financial information shall be calculated on a Modified Consolidated Basis unless explicitly stated to the contrary; and
 - (viii). each exhibit, annex, attachment, and schedule to this Agreement is a part of this Agreement, but if there is any conflict or inconsistency between the main body of this Agreement and any exhibit, annex, attachment, or schedule, the provisions of the main body of this Agreement shall prevail.
18. Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement and each has had the opportunity to consult with legal counsel of their choice. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. The Parties intend that each provision contained in the Agreement shall have independent significance. If any Party has breached any provision contained in this Agreement in any respect, the fact that there exists another covenant relating to the same subject matter (regardless of the relative levels of specificity) that the Party has not breached shall not detract from or mitigate the fact that the Party is in breach of the first covenant.
19. Entire Agreement. This Agreement (including the documents referred to therein) constitutes the entire agreement among the Parties hereto with respect to the subject matter hereof and supersedes any prior understandings, agreements or representations by or among the Parties; written or oral, to the extent they related in any way to the subject matter of the Agreement.
20. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

****SIGNATURE PAGES TO FOLLOW****

SHELL ENERGY NORTH AMERICA (US), L.P.


BY: _____
NAME: Glenn Wright
TITLE: Senior Vice President



BY: 
NAME: Thomas Fitzgerald
TITLE: President and CEO

SHELL ENERGY NORTH AMERICA (US), L.P. ¹⁰

BY: *Glenn Wright*
NAME: Glenn Wright
TITLE: Senior Vice President



BY: _____
NAME: Thomas FitzGerald
TITLE: President and CEO

Appendix A – Definitions

“Account Debtors” means a person obligated on an account, chattel paper, or general intangible, but does not include persons obligated to pay a negotiable instrument, even if the instrument constitutes part of chattel paper¹.

“Bankrupt” means with respect to any entity, such entity (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it and such proceeding remains undismissed for thirty (30) days, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (iv) is generally unable to pay its debts as they fall due.

“Business Day” shall mean a day other than a Saturday, Sunday or legal holiday for commercial banks under the laws of the State of Texas and the Friday following the Thanksgiving holiday.

“Collecting Utility” means the host utility that is billing a Verde Energy Party’s customers in its service territory and (a) collects payments from such customers on behalf of such Verde Energy Party or (b) has purchased such Verde Energy Party’s receivables from such Verde Energy Party within such host utility’s service territory.

¹ Texas Uniform Commercial Code, Section 9.102(a)(3).

"Collateral Secured Account" means the Secured Account to which a Verde Energy Party shall deposit an amount equal to any deposits, security interest or cash collateral required by such Verde Energy Party from its Account Debtors.

"Compliance Certificate" has the meaning set forth on Exhibit D, item 10.

"Credit Rating" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by S&P, Moody's or any other rating agency agreed by the Parties in writing.

"EBITDA" means net income calculated on a Modified Consolidated Basis plus interest expense plus depreciation and amortization expense plus income taxes.

"Effective Date" means August 11, 2011 unless otherwise agreed in writing by each of the Parties hereto.

"FFO" or "Funds from Operations" means Net Income excluding any reduction for depreciation, amortization and deferred taxes, as calculated on a Modified Consolidated Basis.

"Financial Metrics" means those Financial Metrics set forth on **Appendix B** attached hereto.

"Fiscal Year" means the 12 month period ending on December 31 of each year.

"Governmental Requirement" shall mean any law, ordinance, order, rule or regulation of a Governmental Authority.

"Gross Margin" means revenue less Total Direct Costs.

"Initial Pro Forma Business Plan" means Pro Forma Business Plan prepared by Verde Energy Holdings and attached hereto as **Appendix G**.

"Key Members" means those individuals listed on **Appendix H** attached hereto.

"Letter(s) of Credit" means one or more irrevocable, transferable standby letters of credit issued by a Qualified Institution, in a form reasonably acceptable to the Party in whose favor the letter of credit is issued. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

"LIBOR" means the British Bankers' Association Interest Settlement Rate for deposits in United States dollars for a period comparable to the interest period which appears on Bloomberg's, currently the BBAM01 page as of 11:00 a.m. London, England time on the second Business Day preceding the first day of January, April, July and October of each year.

"Modified Consolidated Basis" means the consolidated financial position or results of Verde Energy Holdings and the other Verde Energy Parties (without duplication) as determined in accordance with generally accepted accounting principles consistently applied; provided that all terms of an accounting or financial nature used herein shall be construed, and all computation of amounts and ratios referred to herein shall be made, without giving effect to any election or requirement under any financial accounting standard to value any derivative based asset, derivative based debt or other similar assets or liabilities of the Verde Energy Parties at "fair value" as defined in any such financial accounting standard. For the avoidance of doubt, Modified Consolidated Basis shall exclude any entity other than the Verde Energy Parties.

"Moody's" means Moody's Investor Services, Inc. or its successor.

"Net Worth" means the sum of Verde Energy Holdings' total assets as per its balance sheet prepared on a Modified Consolidated Basis less all liabilities other than Subordinated Debt as shown on such balance sheet.

"Outstanding Loan Agreement Amount" means all amounts owed by the Verde Energy Parties to Shell Energy pursuant to the Loan Agreement.

"Permitted Liens" means (a) statutory liens for current taxes not yet due and payable, or being contested in good faith by appropriate proceedings, (b) mechanics', carriers', workers', repairers', and other similar liens imposed by law arising or incurred in the ordinary course of business for obligations which are not overdue for a period of more than thirty (30) days or which are being contested in good faith by appropriate proceedings, (c) liens in favor of Shell Energy or its affiliates, (d) deposits, cash collateral accounts, pledges or liens to secure statutory or contractual obligations, surety or appeal bonds or other liens of like general nature provided that they arise from regulatory, licensing or tariff requirements or tariff based purchase of receivables programs with utilities and not in connection with the borrowing of money; (e) purchase money liens, provided that no such purchase money liens shall extend to or cover other property of any of the Verde Energy Parties other than the items of equipment or other capital assets so acquired in the ordinary course of business, and (f) extensions, renewals and replacements of liens referred to in clauses (a) through (e).

"Performance Assurance Amount" means the amount calculated in accordance with Appendix C attached hereto.

- (ii) Product/Service
- (iii) Volume
- (iv) Delivery Location
- (v) Term
- (vi) Price

- B. Shell Energy shall review the Quote.
- C. If the Quote is for a product or service that Shell Energy does not offer in its ordinary course of business, then Shell Energy may, in its sole discretion, decline to pursue any transaction associated with the Quote.
- D. If the Quote is for products and services that Shell Energy normally offers in its ordinary course of business and Shell Energy's last look price plus the Sleeving Fee is equal to or less than the Quote, Verde Energy USA, Inc. agrees to purchase the Product from Shell Energy at Shell Energy's last look price. If Shell Energy is unwilling or unable to supply the Product at an aggregate price (inclusive of the Sleeving Fee) that is less than that of the Third Party Supplier, Shell Energy will review and act upon the Quote as follows: If (a) Shell Energy has an existing relationship with such Third Party Supplier, (b) such Third Party Supplier meets Shell Energy's credit requirements (including sufficient credit capacity granted to such Third Party Supplier by Shell Energy and by Shell Energy to such Third Party Supplier for the proposed transaction in addition to the capacity utilized by Shell Energy for its own business purposes) and (c) Shell Energy, Verde Energy USA, Inc. and the Third Party Supplier confirm the details of the Third Party Supplier Quote in real time and Shell Energy and such Third Party Supplier are able to complete a definitive agreement upon terms equivalent to or better than those terms offered by such Third Party Supplier to Verde Energy USA, Inc., then Shell Energy agrees to enter into an arrangement pursuant to which it purchases the specified products or services from such Third Party Supplier upon the terms and conditions agreed between the Third Party Supplier and Shell Energy and resell such products or services to Verde Energy USA, Inc. upon the terms and conditions identical to those provided in the Quote plus a Sleeving Fee.
- E. Shell Energy does not guarantee that it will be able to enter into a definitive agreement with any Third Party Supplier.
- F. Under no circumstances will Shell Energy be obligated to enter into a transaction with any Third Party Supplier who, in Shell Energy's sole discretion, is not creditworthy or would require Shell Energy to provide any form of credit support (other than reliance on Shell Energy's general balance sheet).
- G. Verde Energy USA, Inc. understands and agrees that Shell Energy conducts business on a regular basis with many third parties who may also be a Third Party Supplier. Verde Energy USA, Inc. understands and agrees that the business Shell Energy conducts with such third parties who are also Third Party Suppliers will take precedence over any Quote.

"Subordinated Debt" means debt which has been formally subordinated in writing to Shell Energy pursuant to a form of subordination agreement reasonably acceptable to Shell Energy.

"Supply Buckets" means the average volume over each of the periods as set forth in **Appendix K** for the applicable month beginning with the month following the month of delivery. If for any reason, the forecasted volumes as set forth in Appendix K are materially higher than the Verde Energy Parties' actual purchases of commodities or derivatives from Shell Energy, then after a review of Verde Energy Holdings' most recent Pro Forma Business Plan, Shell Energy may, upon 10 days prior written notice, adjust the Supply Buckets set forth in the table after consultation with Verde Energy Holdings.

"Total Direct Costs" mean the sum of energy costs, including renewable energy standard costs, and transmission and distribution service provider charges.

"Transaction Agreements" mean those agreements listed on **Appendix E** attached hereto.

"Verde Energy Holdings" means Verde Energy USA Holdings, LLC

"Verde Energy Parties" means those entities listed on **Appendix F**.

Global Agreement

Appendix C-1 – Exempted Customers

Appendix C-2 -- Government Customers

APPENDIX D – Reporting Requirements

Appendix D-5
Cash Collateral Report

APPENDIX E – Transaction Agreements

Global Agreement

APPENDIX F – Verde Energy Parties

Verde Energy USA Holdings, LLC

APPENDIX G – Initial Pro Forma Business Plan

APPENDIX H – Key Members

APPENDIX I – Service Agreements

APPENDIX J – Service Territories

Existing Utility Operating Zones 2011-2012

Electric Utilities	POR	ISONE	PJM	
---------------------------	------------	--------------	------------	--

Illinois				
Commonwealth Edison Company			X	

Verde Energy currently operational and serving load in these utilities

* POR program excludes accounts with amounts greater than 60 days. LDC pays 100% of billed amount for accounts in good standing.

APPENDIX K – Supply Buckets

APPENDIX L – Scheduling Coordinator Fees

JOINDER AGREEMENT

Date: February 2, 2012

To: Shell Energy North America (US), L.P. ("Shell Energy")

AND TO: Verde Energy USA Holdings, LLC,

(collectively the "Verde Energy Parties")

RE: Global Agreement among Shell Energy and each of the Verde Energy Parties, dated as of August 11, 2011 as amended, modified, supplemented or restated from time to time (the "Global Agreement")

1. Verde Energy USA Ohio, LLC ("Verde Energy Ohio"), by its execution of this Joinder Agreement, hereby acknowledges and agrees to be bound by, and will act in accordance with, the terms, provisions and conditions of the Global Agreement as a Verde Energy Party thereunder as if it has been an original signatory thereto.
2. Verde Energy Ohio acknowledges that this Joinder Agreement shall be effective upon receipt by Shell Energy of an executed copy of this Joinder Agreement by Verde Energy Ohio and all parties to the Global Agreement.
3. Initially capitalized terms used in this Joinder Agreement but not defined herein shall have the meanings given in the Global Agreement.
4. This Joinder Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict of laws provisions.

Signature Page to Follow

Signature Page to Joinder Agreement (Global Agreement)

Shell Energy North America (US), L.P. *VS3*

BY: 

NAME: Glenn Wright

TITLE: Senior Vice President

Verde Energy USA Ohio, LLC

BY: 

NAME: Thomas FitzGerald

TITLE: President and CEO

On behalf of each of the Verde Energy Parties:

Verde Energy USA Holdings, LLC

BY: 

NAME: Thomas FitzGerald

TITLE: President and CEO

**FIRST AMENDMENT
GLOBAL AGREEMENT**

This FIRST AMENDMENT to the Global Agreement dated August 11, 2011 (the "Agreement") among Shell Energy North America (US), L.P. a Delaware limited partnership ("Shell Energy") and each of the Verde Energy Parties is dated this 2nd day of February, 2012.

RECITALS

WHEREAS, the parties entered into the Agreement; and

WHEREAS, the parties wish to modify certain terms of the Agreement as described herein;

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the mutual agreements contained herein, Shell Energy and each of the Verde Energy Parties agree as follows:

1. Appendix B – Financial Metrics to the Agreement is hereby amended and restated in its entirety with Amended Appendix B – Financial Metrics which is attached hereto.
2. Appendix E – Transactions is hereby amended and restated in its entirety with Amended Appendix E which is attached hereto.
3. Appendix G – Pro Forma Business Plan is hereby amended and restated in its entirety with Amended Appendix G which is attached hereto.
4. Appendix J – Service Territories – is hereby amended and restated in its entirety with Amended Appendix J which is attached hereto.
5. All other terms and conditions of the Global Agreement remain unchanged.

Signature Pages to Follow

First Amendment to Global Agreement
Signature Page

SHELL ENERGY:

SHELL ENERGY NORTH AMERICA (US), L.P. ¹¹³

By: 

Name: Glenn Wright

Title: Senior Vice President

VERDE ENERGY:
PARTIES

VERDE ENERGY USA HOLDINGS, LLC

VERDE ENERGY USA OHIO, LLC

By: 

Name: Thomas Fitzgerald

Title: President and Chief Executive Officer

Global Amendment

AMENDED APPENDIX B – Financial Metrics

Global Amendment

APPENDIX E – Transaction Agreements

Global Amendment

Global Amendment

Global Amendment

Global Amendment

Global Amendment

Global Amendment

Global Amendment

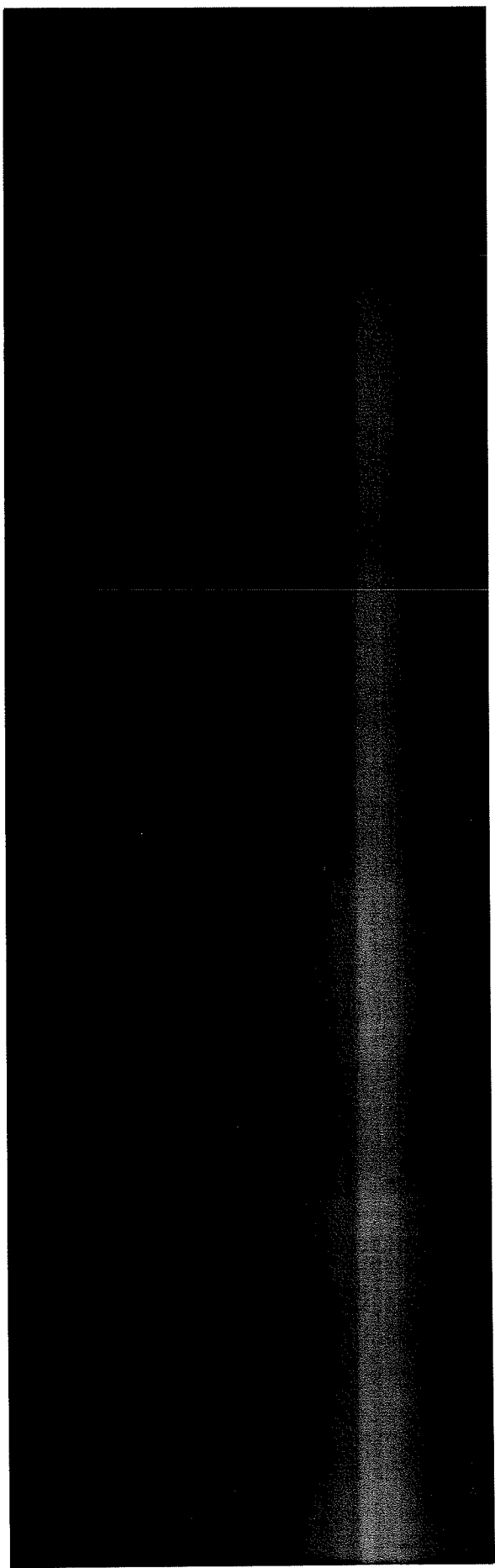
AMENDED APPENDIX F – VERDE ENERGY PARTIES

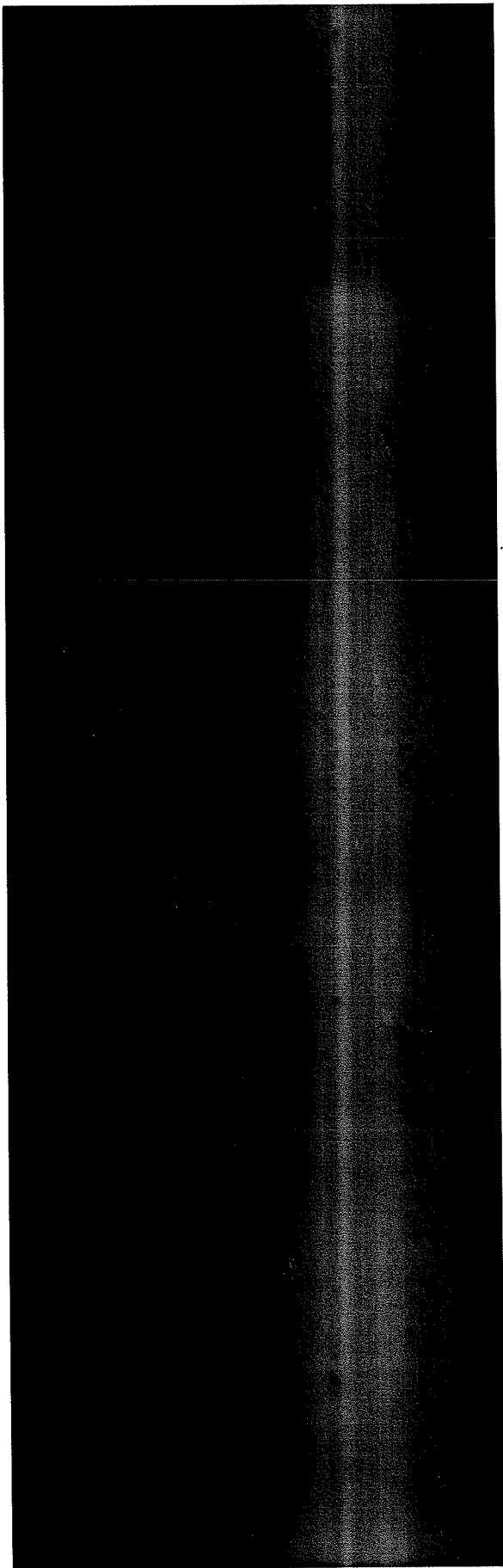
Verde Energy USA Holdings, LLC

Verde Energy USA Ohio, LLC

Global Amendment

**AMENDED APPENDIX G
PRO FORMA BUSINESS PLAN**





APPENDIX I – SERVICE AGREEMENTS

APPENDIX J – SERVICE TERRITORIES

Existing Utility Operating Zones 2012-2013

Electric Utilities	POR	ISONE	PJM
--------------------	-----	-------	-----

Ohio			
Cleveland Electric Company	Yes		X
Duke Energy	Yes		X
Columbus Southern	Yes		X
Dayton Power & Light	Yes		X

* Verde Energy USA currently operational and serving load in these utilities

** POR program excludes accounts with amounts greater than 60 days.. LDC pays 100% of billed amount for accounts in good standing.

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") is made and entered into as of August 11, 2011 and shall become effective as of the Effective Date, by and between SHELL ENERGY NORTH AMERICA (US), L.P., a Delaware limited partnership with offices at 909 Fannin, Plaza Level 1, Houston, Texas 77010 (hereinafter called "Shell Energy" or the "Lender") and each of the Verde Energy Parties (the "Borrower Entities").

RECITALS

The Borrower Entities have requested that Lender provide financing to the Borrower Entities for the sole purpose of assisting the Borrower Entities in the purchase of its power and environmental product requirements, financial derivatives and the provision of related services from Lender and providing collateral support to certain third parties and Lender is willing to provide such financing upon the terms and conditions hereinafter set forth.

In consideration of the mutual covenants and agreements herein contained, Lender and each of the Borrower Entities jointly and severally agree as follows:

AGREEMENT

1. DEFINITIONS.

Capitalized terms used and otherwise defined herein shall have the meanings ascribed to them as set forth in **Appendix A** attached to and made a part of this Agreement or in the Global Agreement.

2. AMOUNT AND TERMS OF CREDIT FACILITIES

Lender hereby agrees to establish such Credit Facilities as are each specifically identified on a Schedule attached hereto from time to time and as agreed upon by each Borrower Entity. Each Borrower Entity agrees that it is jointly and severally responsible for payment and repayment of all amounts owed pursuant to this Agreement (including each individual Credit Facility that is established). Each such Schedule shall identify for such Credit Facility, among other things, the following: the date such Credit Facility was established, the amount of such Credit Facility, the applicable Maturity Date, the repayment terms, the applicable Loan Interest Rate, the Authorized Borrower Entity and, in addition to the other terms and conditions expressly set forth in this Agreement, any specific terms and conditions for such Credit Facility. The Credit Facilities shall be evidenced separately or collectively by one or more promissory notes (the "Promissory Notes") each of which shall be jointly and severally executed by each Borrower Entity.

3. INTEREST.

- 3.1. Interest Calculation. Interest provided in the Notes shall be calculated daily on principal sums actually advanced to the applicable Authorized Borrower Entities pursuant to the terms of this Agreement plus any accrued interest and only from the date or dates of such advances or accruals to the date of repayment. Liability for payment of principal and interest provided in the Notes shall be limited to principal amounts actually advanced to or for the benefit of the applicable Authorized

Borrower Entities pursuant to this Agreement and interest on such amounts calculated as aforesaid. Interest on the Notes shall be calculated on a per annum basis of 360 days and for the actual number of days (including the first day but excluding the last day) elapsed unless such calculation would result in a usurious rate, in which case the interest shall be calculated on a per annum basis of a year of 365 or 366 days, as the case may be. Lender shall provide to the applicable Borrower Entity interest calculations for all interest charges under the Notes.

3.2. Interest Application.

Each Drawdown shall bear interest at the applicable Loan Interest Rate as set forth in such Credit Facility from the date of such advance to the earlier of (i) the date of repayment, or (ii) the applicable Maturity Date. Any amounts of principal or interest not paid when due shall bear interest at the Default Rate.

4. **ACCEPTANCE OF PRE-PAYMENT; NO WAIVER.** The Notes and either of them may be prepaid at any time, and from time to time, in whole or in part, without premium or penalty. The acceptance by Lender of any payment under this Agreement or the Notes which is less than the payment in full of all amounts due and payable at the time of such payment shall not (i) constitute a waiver of or impair, reduce, release or extinguish any remedy of Lender or the rights of Lender to exercise the foregoing option or any other option granted to Lender or any other party to this Agreement or the Notes, governing, guaranteeing or evidencing the loan(s) made hereunder, at that time or at any subsequent time, or nullify any prior exercise of any such option, or (ii) impair, reduce, release, extinguish or adversely affect the obligations of any Borrower Entity, each of who is liable under these Notes.
5. **REPRESENTATIONS AND WARRANTIES OF EACH BORROWER ENTITY**

In order to induce Lender to enter into this Agreement, each Borrower Entity individually represents and warrants, now and continuing throughout the term of this Agreement (which representations and warranties will survive the delivery of the Notes and the making of the loans hereunder), that:

- 5.1. Binding Obligations. The Notes and this Agreement constitute valid and binding, joint and several obligations of each of the Borrower Entities enforceable in accordance with their terms (except that enforcement may be subject to any applicable bankruptcy, insolvency or similar laws generally affecting the enforcement of creditors' rights).
- 5.2. No Legal Bar or Resultant Lien. The Notes and this Agreement do not and will not result in the breach of, or constitute a default under, any provisions of its articles of organization, regulations, or any material contract, agreement, instrument or Governmental Requirement to which any Borrower Entity is subject, or result in the creation or imposition of any Lien upon any Property of any Borrower Entity, other than those permitted by this Agreement or a Transaction Agreement.
- 5.3. No Consent. Each Borrower Entity's execution, delivery and performance of the Notes and this Agreement do not require the consent or approval of any other Person which has not been obtained, including, without limitation, any Governmental Authority.

- 5.4. Existence. Each Borrower Entity is duly organized, legally existing and in good standing under the laws where it was formed.
- 5.5. Power and Authorization. Each Borrower Entity is duly authorized and empowered to create and issue the Notes and execute, deliver and perform this Agreement. All action on each Borrower Entity's part requisite for the due creation and issuance of the Notes and for the due execution, delivery and performance of this Agreement has been duly and effectively taken.

6. COVENANTS OF EACH BORROWER ENTITY

Each Borrower Entity covenants with Lender as follows:

- 6.1. Payments. Each Borrower Entity will make all payments required pursuant to this Agreement, including each Credit Facility on a timely basis.
- 6.2. Use of Funds. All funds drawn under a Credit Facility will be used for the sole purpose specified in such Credit Facility.
- 6.3. Inspections. Lender, or its representatives, will be permitted access to inspect and review at any time during normal business hours each Borrower Entity's records concerning payments made with advances hereunder; provided, however, that if no Event of Default has occurred under this Agreement, Lender will provide two (2) Business Days advance written notice to such Borrower Entity of such inspection and review.
- 6.4. Further Assurances. Each Borrower Entity will execute such additional instruments as may be reasonably requested by Lender in order to carry out the intent of this Agreement.

7. EVENTS OF DEFAULT AND REMEDIES

- 7.1. Events of Default. Any of the following events shall constitute an Event of Default hereunder (each an "Event of Default"):

- 7.2. Acceleration of Payment. Upon the occurrence of any Event of Default under Section 7.1.4, the entire principal amount of the Indebtedness then outstanding hereunder or under the Notes, together with interest then accrued thereon shall become immediately due and payable, all without written notice and without presentment, demand, notice of intent to accelerate, notice of acceleration, protest, notice of protest or dishonor or any other notice of default of any kind, all of which are hereby expressly waived by each Borrower Entity. Lender shall also have the right, upon the occurrence and at any time during the continuance of any other Event of Default described in Section 7.1 hereof, at its election to declare the Notes to be immediately due and payable without presentment, protest, or notice of any kind, all of which are hereby expressly waived by each Borrower Entity.
- 7.3. Termination of Commitment. Upon the happening of any Event of Default, any obligation of Lender to advance funds hereunder, and all other obligations (if any) of Lender hereunder, shall immediately cease and terminate.
- 7.4. Funds Expended. Any of Lender's funds used for the purposes referred to in this Article 7 shall be deemed advances under the Notes or under this Agreement, and in any event shall bear interest at the post-maturity rate as set forth herein.

8. CONDITIONS TO EACH ADVANCE

Conditions to Each Advance. Lender shall not be obligated to make any advance under this Agreement including any Credit Facility unless and until the following conditions shall have been satisfied (with proof thereof in form and sufficiency as may be reasonably requested by Lender) or waived by Lender:

9. SECURITY

As security for the obligations hereunder, each Borrower Entity has executed a security agreement and a secured account agreement and has posted the Performance Assurance

Amount (if any) and has entered into such other security arrangements as set forth in the applicable Transaction Agreements. In an Event of Default by a Borrower Entity and in addition to any other rights that Lender may have, each Borrower Entity hereby jointly and severally authorizes Lender to offset such Borrower Entity's obligations to Lender hereunder against any such security arrangements.

10. GENERAL TERMS AND PROVISIONS

- 10.1. Advance Not a Waiver. No advance of loan proceeds hereunder shall constitute a waiver of any of the covenants or conditions of Lender's obligation to make further advances nor, in the event any Borrower Entity is unable to satisfy any such condition, shall any such advance or waiver have the effect of precluding Lender from thereafter declaring such inability to be an Event of Default as hereinabove provided.
- 10.2. Conditions for Benefit of Lender. All conditions to the obligations of Lender to make advances hereunder are imposed solely and exclusively for the benefit of Lender and its assigns, and no other Person shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that Lender will refuse to make advances in the absence of strict compliance with any or all of such conditions, and any or all of such conditions may be freely waived in whole or in part by Lender at any time if, in Lender's sole discretion, Lender deems it advisable to do so.
- 10.3. Compliance Responsibility. Notwithstanding the review and approval by Lender of any matters specified in this Agreement, Lender shall have no responsibility hereunder for compliance by any Borrower Entity with Governmental Requirements. EACH BORROWER ENTITY EXPRESSLY ASSUMES SUCH RESPONSIBILITY AND SHALL INDEMNIFY AND HOLD LENDER HARMLESS FROM ANY CLAIM, ACTION, OR SUIT CLAIMING BREACH OF SUCH RESPONSIBILITY BY LENDER.
- 10.4. Drawdown Notices Provisions. Drawdown Notices may be sent to Lender via facsimile in accordance with the notice provisions set forth above or via electronic mail to such electronic mail addresses as may be specified by Lender from time to time in writing. Drawdown Notices sent via electronic mail shall be deemed received by Lender when opened by Lender. Each Borrower Entity understands and agrees that Lender does not represent or warrant that it is able to receive electronic mail communication or that such communication will be opened in a timely manner. Should any Borrower Entity choose to send any Drawdown Notice via electronic mail, it does so at its own risk. Lender agrees to use commercially reasonable efforts to promptly notify the applicable Borrower Entity via electronic e-mail when it receives and opens a notice request via electronic mail, but it shall not be considered a default of Lender's obligations hereunder should it inadvertently fail to do so.
- 10.5. Compensation to Lender; Interest. It is the intention of the parties hereto to conform strictly to applicable usury laws. Accordingly, if the transactions contemplated hereby would be usurious under applicable law (including the laws of the State of Texas and the laws of the United States of America), then,

notwithstanding anything to the contrary in the Notes, this Agreement, the security agreements or any agreement entered into in connection with or as security for the Notes, it is agreed as follows: (i) the aggregate of all consideration which constitutes interest under applicable law that is contracted for, charged or received under the Notes, this Agreement, the security agreements, any agreement entered into in connection with or as security for the Notes or otherwise in connection with the Notes, shall under no circumstances exceed the maximum amount of interest allowed by applicable law, and any excess shall be credited on the Notes by the holder thereof (or, if the Notes shall have been paid in full, refunded to the applicable Borrower Entity); and (ii) in the event that the maturity of the Notes is accelerated by reason of an election of the holder thereof resulting from any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest may never include more than the maximum amount allowed by applicable law, and excess interest, if any, provided for in this Agreement or otherwise shall be canceled automatically as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited on the Notes (or, if the Notes shall have been paid in full, refunded to such Borrower Entity).

- 10.6. Monetary References. All references to any monetary amount shall be deemed to be in the currency of the United States of America, unless expressly stated otherwise.
- 10.7. Renewal, Extension or Rearrangement. All provisions of this Agreement and the security agreements relating to the Notes or other Indebtedness shall apply with equal force and effect to each and all promissory notes hereinafter executed which in whole or in part represent a renewal, extension for any period, increase or rearrangement of any part of the Indebtedness originally represented by the Notes or of any part of such other Indebtedness and this Agreement shall remain in effect so long as any Indebtedness remains outstanding.
- 10.8. Global Agreement. Shell Energy and each Borrower Entity agree that except as otherwise expressly provided to the contrary herein, the terms of the Global Agreement entered into among Shell Energy and each Borrower Entity on August 11, 2011 as may be amended, supplemented, modified and restated from time to time, are incorporated herein and shall apply to this Agreement *mutatis mutandis*.

[This Agreement is signed on the next page.]

Loan Agreement

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the Effective Date.

LENDER:

SHELL ENERGY NORTH AMERICA (US), L.P. CS

By: Thomas P. Stokes

Name: Thomas P. Stokes

Title: Vice President Finance and Treasurer

On behalf of each Borrower Entity

BORROWER ENTITIES:

VERDE ENERGY USA HOLDINGS, LLC

By: Thomas Fitzgerald

Name: Thomas Fitzgerald

Title: Chief Executive Officer

APPENDIX A -- DEFINITIONS

"Agreement" shall mean this Loan Agreement, as it may from time to time be amended or supplemented.

"Authorized Borrower Entity" means the Borrower Entity authorized to issue a Drawdown Notice for funds under a Credit Facility.

"Borrower" means a Borrower Entity that is authorized to request a Drawdown on the applicable Credit Facility.

"Borrower Entities" means those entities listed on **Appendix B** to this Agreement, provided that each such entity is also a signatory to this Agreement.

"Credit Facility" means the financing facility described in a Schedule attached hereto.

"Cross Default Amount" shall mean the sum of

"Drawdown" means any advance under a Credit Facility.

"Drawdown Date" means the date in which a Drawdown occurs.

"Drawdown Notice" means an irrevocable notice from an Authorized Borrower Entity to a Lender in the required form requesting a Drawdown in the form attached hereto as Exhibit A.

"Event of Default" shall have the meaning set forth in Section 7.1 of this Agreement.

"Indebtedness" shall mean any and all amounts owing by Borrower to Lender in connection with the Notes or this Loan Agreement (including the Credit Facilities).

"Loan Interest Rate" shall have the meaning ascribed to in the applicable Schedule.

"Notes" shall mean Promissory Note or Promissory Notes evidencing each Credit Facility and the term "Note" shall mean any of them.

"Pooled Principal Amount" shall mean, initially the sum of
The Pooled Principal Amount shall decrease by
to the sum of as of February
28, 2012.

If the Borrower Entities exit a particular market, the Pooled Principal Amount shall be reduced in accordance with the table below:

	<u>Pooled Principal Amount Reduction</u>
PJM	
ISO-NE	

Loan Agreement

"Property" shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"Shell Energy" shall mean Shell Energy North America (US), L.P. and its permitted successors and assigns.

"TDSPs" shall mean transmission and distribution service providers.

APPENDIX B – BORROWER ENTITIES

VERDE ENERGY USA HOLDINGS, LLC

EXHIBIT A
FORM OF DRAWDOWN NOTICE

TO: SHELL ENERGY NORTH AMERICA (US), L.P.

FROM: [•]

DATE: Insert Date

1. This Drawdown Notice is delivered to you pursuant to Schedule • the Loan Agreement dated as of July __, 2011, between • as an Authorized Borrower Entity and SHELL ENERGY NORTH AMERICA (US), L.P. as Lender (the "Loan Agreement"). Capitalized terms used herein, and not otherwise defined herein, shall have the meanings attributed to such terms in the Loan Agreement.

2. Borrower Entity hereby requests the following Drawdown:

- (a) Drawdown Date: _____
- (b) Amount of Drawdown: _____
- (c) Payment, issuance or delivery instructions: _____

3. Borrower Entity hereby warrants and represents unto Lender that the following is true, correct, and complete as of the date of the Drawdown Notice:

A. The sum of (i) the principal amount outstanding under the Note plus (ii) the amount of the Drawdown requested is not greater than the Pooled Principal Amount.

B. All conditions precedent to the making of the advance requested by this Drawdown have been fully satisfied.

C. All representations and warranties set forth in the Loan Agreement are true and correct as if made on the Effective Date.

D. No Event of Default or event that could become an Event of Default under the Loan Agreement after notice or lapse of time has occurred and is continuing.

EXECUTED this ____ day of _____, 201__.

Yours very truly,

By: _____
Name: _____
Title: _____

NOTE: If the Drawdown Notice is pursuant to the Collateral Credit Facility, attach a copy of the request for collateral support from the party requesting the Collateral or the applicable utility

EXHIBIT B - FORM OF PROMISSORY NOTE

US :

Date: August 11, 2011

Verde Energy USA Holdings, LLC,

and

(collectively, the Borrower Entities), each with principal offices at 101 Merritt Seven Corporate Park, Third Floor, Norwalk, CT 06851, for value received, jointly and severally promise to pay in accordance with the terms of the Loan Agreement (as defined below), with the balance being due in full on or before the earliest of (i) the Primary Term Date or (ii) the occurrence of an Event of Default under the Loan Agreement, to the order of Shell Energy North America (US), L.P., a Delaware limited partnership ("Shell Energy"), at Shell Energy's offices located at 909 Fannin, Plaza Level 1, Houston, Texas 77010 or at such other address as Shell Energy may advise from time to time, in coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, the principal sum of _____ or so much thereof as may be advanced and from time to time and outstanding under the Revolving Credit Facility and/or the Collateral Credit Facility pursuant to the Loan Agreement.

All capitalized terms which are used but not defined in this Note shall have the same meanings as in the Loan Agreement dated August 11, 2011, between the Borrower Entities and Shell Energy (such Loan Agreement, together with all amendments or supplements thereto, being the "Loan Agreement").

In addition to the principal amount referred to in the first paragraph of this Note, the Borrower Entities also jointly and severally agree to pay interest on all amounts advanced hereunder and remaining from time to time outstanding from the date hereof until maturity at the rate set forth in the Loan Agreement. Past due principal and interest shall bear interest from maturity (whether caused by acceleration or otherwise) until paid at the rate set forth in the Loan Agreement. Interest shall be calculated on the basis of the actual number of days elapsed (including the first day, but excluding the last) and computed as if each year consisted of 360 days unless such calculation would result in a usurious rate, in which event interest shall be calculated on the basis of a 365 or 366 day year, as the case may be.

Accrued interest and principal advances hereunder are due and payable in full at the maturity of this Note.

This Note may be prepaid at any time, and from time to time, in whole or in part, without premium or penalty.

Payment made by a Borrower Entity under this Note shall be made in immediately available funds before 2:00 p.m., Houston time, on the date that such payment is required to be made. Any payment received and accepted by Shell Energy after such time shall be considered for all purposes (including the calculation of interest, to the extent permitted by law) as having been made on the next following Business Day.

If the date for any payment hereunder falls on a day which is not a Business Day, then for all purposes of this Note the same shall be deemed to have fallen on the next following Business Day, and such extension of time shall in such case be included in the computation of payments of interest.

Each Borrower Entity expressly waives valuation and appraisal, demand and presentment for payment, notice of nonpayment, notice of intent to demand or accelerate, notice of demand, notice of acceleration, protest, notice of protest, notice of dishonor, bringing of suit, and diligence in taking any action to collect amounts due hereunder and in the handling of any collateral securing amounts due or to become due hereunder.

This Note is issued pursuant to and subject to the terms and provisions of the Loan Agreement. Reference is made to the Loan Agreement for provisions for the acceleration of the maturity hereof on the occurrence of certain events specified therein, for interest rate computations, for the reimbursement of attorneys' fees or other costs of collection or enforcement, and for all other pertinent purposes. In the event of a conflict between the terms and provisions of this Note and the Loan Agreement, the terms and provisions of the Loan Agreement shall prevail.

THIS NOTE SHALL BE DEEMED TO HAVE BEEN EXECUTED IN THE STATE OF TEXAS AND SHALL BE GOVERNED BY THE LAWS OF SUCH STATE (WITHOUT GIVING EFFECT TO CONFLICT OF LAWS RULES OR CHOICE OF LAWS RULES THEREOF).

THIS NOTE, THE LOAN AGREEMENT, THE GLOBAL AGREEMENT AND THE OTHER TRANSACTION AGREEMENTS TO WHICH EACH PARTY HERETO IS A PARTY THERETO REPRESENT THE FINAL AGREEMENT OF THE PARTIES WITH RESPECT TO THE TRANSACTIONS CONTEMPLATED HEREIN AND THEREIN AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

ON BEHALF OF EACH OF THE BORROWER ENTITIES:

BORROWER ENTITY:

VERDE ENERGY USA HOLDINGS, LLC

By: _____
Name: Thomas FitzGerald
Title: Chief Executive Officer

SCHEDULE 1 – REVOLVING CREDIT FACILITY

Establishment Date:	Effective Date
Borrower Entity entitled to draw on this Credit Facility (Authorized Borrower Entity):	
Revolving Credit Facility Amount:	Pooled Principal Amount less any amounts outstanding under the Collateral Credit Facility
Revolving Credit Facility Maturity Date:	
Loan Interest Rate:	

1. Revolving Credit Facility. Subject to the provisions of this Agreement, Lender hereby agrees to establish a revolving credit facility up to the Revolving Credit Facility Amount (the "Revolving Credit Facility"). The principal amount outstanding under the Revolving Credit Facility may revolve and an authorized Borrower Entity may borrow, repay and re-borrow amounts under the Revolving Credit Facility; provided, however, that at no time shall the principal amount outstanding under the Revolving Credit Facility exceed the Revolving Credit Facility Amount.
2. Promissory Notes. To evidence the Revolving Credit Facility, the Borrower Entities have issued, executed and delivered to Lender a Promissory Note dated of even date with this Agreement, in which the balance is payable in full on or before the Revolving Credit Facility Maturity Date, bearing interest at the Loan Interest Rate for the Revolving Credit Facility and which is otherwise in the form attached hereto as **Exhibit B** (the "Promissory Note").
- 3.

4. Drawdown of Revolving Credit Facility. The Borrower Entity may request Drawdowns by delivering a Drawdown Notice to Lender before 9:30 a.m. (Houston local time) on the requested Drawdown Date or the Borrower Entity shall be deemed to have requested a Drawdown on the applicable due date for any remittance required pursuant to Section 6.3 of the Verde Energy Inc. Security Agreement; provided, however, that the principal amount outstanding under the Revolving Credit Facility at any time may not exceed Revolving Credit Facility Amount. The Borrower Entity hereby irrevocably directs Lender to deposit all funds drawn from the Revolving Credit Facility under this Agreement and the Promissory Note into the Primary Secured Account.
5. Repayment of Revolving Credit Facility. All amounts outstanding under the Revolving Credit Facility together with all interest accrued under the Revolving Credit Facility shall be due and payable on the earlier of (i) the applicable Tranche Repayment Date, (ii) the Revolving Credit Facility Maturity Date, or (iii) the occurrence of an Event of Default under the Loan Agreement and the acceleration of the Notes by Shell Energy, provided, however, if such date is not a Business Day, then payment of the principal and interest is due on the next Business Day.
6. Use of Funds under the Revolving Credit Facility. All Drawdowns of the Revolving Credit Facility shall be used for the sole purpose of paying amounts owed by a Borrower Entity to Lender under one or more of the Transaction Agreements or as otherwise set forth in Section 6.3 of the Verde Energy Inc. Security Agreement.

Lender and each Borrower Entity agrees to the establishment of this Revolving Credit Facility pursuant to the Loan Agreement between the Lender and each Borrower Entity dated August 11, 2011.

LENDER:

SHELL ENERGY NORTH AMERICA (US), L.P. 

By: 

Name: Thomas P. Stokes

Title: Vice President Finance and Treasurer

BORROWER ENTITIES:

VERDE ENERGY USA HOLDINGS, LLC

By: 

Name: Thomas FitzGerald

Title: Chief Executive Officer

SCHEDULE 2 – COLLATERAL CREDIT FACILITY

Establishment Date:

Effective Date

Borrower Entities entitled to Draw on this
Credit Facility (Authorized Borrower Entities):

██████████ and

Collateral Credit Facility Amount:

The Pooled Principal Amount less any
amounts outstanding under the Revolving
Credit Facility

Collateral Credit Facility Maturity Date:

Loan Interest Rate:

1. Establishment of Collateral Credit Facility.

Subject to the provisions of this Agreement, Lender hereby agrees to post collateral up to the Collateral Credit Facility Amount in accordance with applicable Tariff requirements, for the benefit of Borrower, in the form of cash, letters of credit or guaranties with PJM Interconnection, LLC ("PJM") or ISO New England, Inc. ("ISO-NE") in support of such Borrower Entity's business in the Service Territories.

2. Collateral Posting.

-
3. Promissory Notes. To evidence the Collateral Credit Facility, each Borrower Entity has issued, executed and delivered to Lender a Promissory Note dated of even date with this Agreement, in which the balance is payable in full on or before the Collateral Credit Maturity Date, bearing interest at the Loan Interest Rate for the Collateral Credit Facility and which is otherwise in the form attached hereto as **Exhibit B** (the "Promissory Note").
 4. Drawdown on Collateral Credit Facility. Lender shall not be obligated to post any amounts pursuant to the Collateral Credit Facility if an Event of Default has occurred or is continuing under this Agreement or the Transaction Agreements or when the amount of a Drawdown Notice, when aggregated with prior Requests for Collateral Support, exceed the amount then available under the Collateral Credit Facility. Lender shall give each Borrower Entity prompt notice of the foregoing.

4.3. Repayment of Collateral Credit Facility. Except as otherwise provide below, all amounts outstanding under the Collateral Credit Facility, together with all interest accrued under the Collateral Credit Facility shall be due and payable on the earlier of

(i) the Collateral Credit Facility Maturity Date; or (ii) the occurrence of an Event of Default under the Loan Agreement and acceleration of the Notes, provided, however, if such date is not a Business Day, then payment of the principal and interest is due on the next Business Day. All interest accrued under the Collateral Credit Facility, for the immediately preceding month, shall be due and payable on the last day of each month; provided, however, if such day is not a Business Day, then payment of the interest is due on the next Business Day following the last day of the month.

4.4. Third Party Draws on Collateral Postings. Should a third party which is holding any amount drawn under the Collateral Credit Facility draw on such collateral in payment of amounts owed to it by a Borrower Entity for any reason other than Lender having committed an Event of Default under the ISO-NE Scheduling Coordinator Agreement or the PJM Scheduling Coordinator Agreement, such Borrower Entity agrees to remit to Lender such amount, together with any accrued but unpaid interest within one (1) Business Day following the date such amount is drawn due to actions by such Borrower Entity.

4.6. Use of Funds under the Collateral Credit Facility. The Borrower Entities shall expend all advances made by Lender to such Borrower Entity under the Collateral Credit Facility only for posting required collateral with ISO-NE, PJM and for posting required collateral with TDSPs in support of such Borrower Entity's business with customers in the Service Territories.

Lender and each Borrower Entity agree to the establishment of this Collateral Credit Facility pursuant to the Loan Agreement between the Lender and the Borrower Entities dated August 11, 2011

SIGNATURE PAGES TO FOLLOW

SCHEDULE 2 - COLLATERAL CREDIT FACILITY
SIGNATURE PAGES
August 11, 2011

LENDER:

SHELL ENERGY NORTH AMERICA (US), L.P.

By: 

Name: Thomas P. Stokes

Title: Vice President Finance and Treasurer

BORROWER ENTITIES:

VERDE ENERGY USA HOLDINGS, LLC

By: 

Name: Thomas FitzGerald

Title: Chief Executive Officer

JOINDER AGREEMENT

Date: February 2, 2012

To: Shell Energy North America (US), L.P. ("Shell Energy")

AND TO: Verde Energy USA Holdings, LLC,

(collectively the "Verde Energy Parties")

RE: Loan Agreement among Shell Energy and each of the Verde Energy Parties, dated as of August 11, 2011 as amended, modified, supplemented or restated from time to time (the "Loan Agreement")


Promissory Note dated August 11, 2011 in the amount of
(the "Promissory Note")

1. Verde Energy USA Ohio, LLC ("Verde Energy Ohio"), by its execution of this Joinder Agreement, hereby acknowledges and agrees to be bound by, and will act in accordance with, the terms, provisions and conditions of the Loan Agreement and Promissory Note as a Verde Energy Party thereunder as if it has been an original signatory thereto.
2. Verde Energy Ohio acknowledges that this Joinder Agreement shall be effective upon receipt by Shell Energy of an executed copy of this Joinder Agreement by Verde Energy Ohio and all parties to the Loan Agreement and Promissory Note.
3. Initially capitalized terms used in this Joinder Agreement but not defined herein shall have the meanings given in the Loan Agreement.
4. This Joinder Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict of laws provisions.

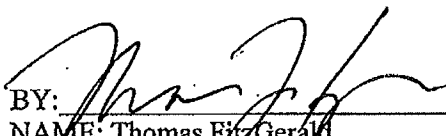
Signature Page to Follow

Signature Page to Joinder Agreement (Loan Agreement)


Shell Energy North America (US), L.P. *PS*

BY: 
NAME: Thomas P. Stokes
TITLE: Vice President – Treasurer and Finance

Verde Energy USA Ohio, LLC

BY: 
NAME: Thomas FitzGerald
TITLE: President and CEO

On behalf of each of the Verde Energy Parties:
Verde Energy USA Holdings, LLC

BY: 
NAME: Thomas FitzGerald
TITLE: President and CEO

**FIRST AMENDMENT
LOAN AGREEMENT**

This FIRST AMENDMENT to the Loan Agreement dated August 11, 2011 (the "Agreement") among Shell Energy North America (US), L.P. a Delaware limited partnership ("Shell Energy") and each of the Borrower Entities is dated this 2nd day of February, 2012.

RECITALS

WHEREAS, the parties entered into the Agreement; and

WHEREAS, the parties wish to modify certain terms of the Agreement as described herein;

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the mutual agreements contained herein, Shell Energy and each of the Borrower Entities agree as follows:

1. Appendix B – Borrower Entities is hereby amended and restated in its entirety with Amended Appendix B which is attached hereto.
2. The term Revolving Credit Facility Amount as set forth in Schedule 1 – Revolving Credit Facility, is hereby amended and restated in its entirety as follows:

Revolving Credit Facility Amount: Pooled Principal Amount less any amounts outstanding under the Collateral Credit Facility less any amounts outstanding under the Interim Credit Facility

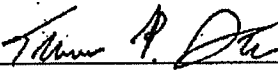
3. The term Collateral Credit Facility Amount as set forth in Schedule 2 – Collateral Credit Facility, is hereby amended and restated in its entirety as follows:

Collateral Credit Facility Amount: Pooled Principal Amount less any amounts outstanding under the Revolving Credit Facility less any amounts outstanding under the Interim Credit Facility

4. Schedule 3 – Interim Financing Credit Facility which is attached hereto is added to the Agreement.
5. All other terms and conditions of the Agreement remain unchanged.

SHELL ENERGY:

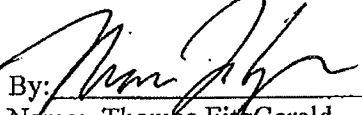
SHELL ENERGY NORTH AMERICA (US), L.P.

By: 
Name: Thomas P. Stokes
Title: Vice President and Treasurer

VERDE ENERGY:
PARTIES

VERDE ENERGY USA HOLDINGS, LLC

VERDE ENERGY USA OHIO, LLC

By: 
Name: Thomas FitzGerald
Title: President and Chief Executive Officer

APPENDIX B – BORROWER ENTITIES

VERDE ENERGY USA HOLDINGS, LLC

VERDE ENERGY USA OHIO, LLC

SCHEDULE 3 – INTERIM FINANCING CREDIT FACILITY

Establishment Date: February 2, 2012
Borrower Entity entitled to draw on this Credit
Facility (Authorized Borrower Entity):
Interim Financing Credit Facility Amount:

Interim Financing Credit Facility Maturity
Date:
Loan Interest Rate:

1. Interim Financing Credit Facility. Subject to the provisions of this Agreement, Lender hereby agrees to establish an interim financing credit facility up to the Interim Financing Credit Facility Amount (the "Interim Financing Credit Facility"). Borrower may draw on this facility once for the purpose stated in Section 5 below.
2. Promissory Note. Borrower agrees that amounts drawn on this Interim Financing Credit Facility are included within the Promissory Note issued, executed and delivered to Lender dated August 11, 2011 in which the balance is payable in full on or before the Interim Financing Credit Facility Maturity Date, bearing interest at the Loan Interest Rate for the Interim Financing Credit Facility.
3. Repayment Date. Amounts drawn under the Interim Financing Credit Facility shall be repaid in equal installments, together with any accrued interest, on the last day of each month beginning
4. Repayment of Interim Financing Credit Facility. Amounts outstanding under the Interim Financing Credit Facility together with all interest accrued under the Interim Financing Credit Facility shall be due and payable on the earlier of (i) the applicable Repayment Date, (ii) the Interim Financing Credit Facility Maturity Date, or (iii) the occurrence of an Event of Default under the Loan Agreement and the acceleration of the Notes by Shell Energy, provided, however, if such date is not a Business Day, then payment of the principal and interest is due on the next Business Day.
5. Use of Funds under the Interim Financing Credit Facility. All Drawdowns of the Interim Financing Credit Facility shall be used for the sole purpose of

Signature Page to Follow

Schedule 3 – INTERIM FINANCING CREDIT FACILITY
Signature Page

Lender and each Borrower Entity agree to the establishment of this Interim Financing Credit Facility pursuant to the Loan Agreement between the Lender and each Borrower Entity dated August 11, 2011, as amended.

LENDER:

SHELL ENERGY NORTH AMERICA (US), L.P. ^{WS}

By: Thomas P. Stokes

Name: Thomas P. Stokes

Title: Vice President Finance and Treasurer

BORROWER ENTITIES:

VERDE ENERGY USA HOLDINGS, LLC

VERDE ENERGY USA OHIO, LLC

By: Thomas FitzGerald

Name: Thomas FitzGerald

Title: Chief Executive Officer

**MASTER POWER PURCHASE AND SALE AGREEMENT
COVER SHEET**

This *Master Power Purchase and Sale Agreement*, based on the Edison Electric Institute's Version 2.1 (modified 4/25/00) ("Master Agreement") is made as of the following date: August 11, 2011 (the "Effective Date") and effective as of the Effective Date. The *Master Agreement*, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the "Agreement." The Parties to this Master Agreement are the following:

Name: Verde Energy USA, Inc. ("<u>Verde Energy</u>" or "<u>Party A</u>")	Name: Shell Energy North America (US), L.P. ("<u>Shell Energy</u>" or "<u>Party B</u>")
All Notices:	All Notices:
Street: 101 Merritt 7, Third Floor	Street: 909 Fannin, Plaza Level 1
City: Norwalk, CT Zip: 06851	City: Houston, Texas Zip: 77010

The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff: FERC Market-Based Rate Tariff, Approved and Effective on September 15, 2009, Docket Numbers: ER09-1423-001 and ER09-1423-002, as amended from time to time.

Party B Tariff: First Revised Rate Schedule FERC No. 1, Approved on May 8, 2008, effective April 25, 2008, Docket Number ER08-656-000, as amended from time to time.

Article Two		
Transaction Terms and Conditions	<input checked="" type="checkbox"/> Optional provision in <u>Section 2.4</u> . If not checked, inapplicable.	
Article Four		
Remedies for Failure to Deliver/Receive	<input checked="" type="checkbox"/> Accelerated Payment of Damages. If not checked, inapplicable.	
Article Five	<input checked="" type="checkbox"/> Cross Default for Party A:	
Events of Default; Remedies	<input checked="" type="checkbox"/> Party A: _____	Cross Default Amount _____
	<input type="checkbox"/> Other Entity: _____	Cross Default Amount \$ _____
	<input type="checkbox"/> Cross Default for Party B:	
	<input type="checkbox"/> Party B: Shell Energy	Cross Default Amount \$NIL
	<input type="checkbox"/> Other Entity: _____	Cross Default Amount \$ _____
	5.6 Closeout Setoff	
	<input type="checkbox"/> Option A (Applicable if no other selection is made.)	
	<input checked="" type="checkbox"/> Option B - Affiliates shall mean with respect to Party A, the Verde Energy Parties (other than Party A)	
	<input type="checkbox"/> Option C (No Setoff)	
Article 8	8.1 Party A Credit Protection:	
Credit and Collateral Requirements	(a) Financial Information:	
	<input type="checkbox"/> Option A <input type="checkbox"/> Option B Specify: _____ <input checked="" type="checkbox"/> Option C Specify: None	

	(b) Credit Assurances:
	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Applicable
	(c) Collateral Threshold:
	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Applicable
	Party B Independent Amount: _____
	Party B Rounding Amount: _____
	(d) Downgrade Event:
	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Applicable
	If applicable, complete the following:
	<input type="checkbox"/> It shall be a Downgrade Event for Party B if Party B's Credit Rating falls to BBB- Credit Watch or lower from S&P or Baa3 Credit Watch or lower from Moody's or if Party B is not rated by either S&P or Moody's.
	<input type="checkbox"/> Other: Specify: _____
	(e) Guarantor for Party B: Not Applicable
	Guarantee Amount: Not Applicable
	8.2 Party B Credit Protection:
	(a) Financial Information:
	<input type="checkbox"/> Option A <input type="checkbox"/> Option B Specify: _____ <input checked="" type="checkbox"/> Option C Specify: Reporting Requirements as defined in the Global Agreement
	(b) Credit Assurances:
	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Applicable
	(c) Collateral Threshold:
	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Applicable
	If applicable, complete the following:
	Party A Collateral Threshold: With respect to Party A, as of any valuation date shall mean the lowest of:

	(iii) "Threshold Amount" shall mean
	Party A Independent Amount: _____
	Party A Rounding Amount: _____
	(d) Downgrade Event:

	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Applicable	
	(e) Guarantor for Party A: Verde Energy USA Holdings, LLC	
Article 10		
Confidentiality	<input checked="" type="checkbox"/> Confidentiality Applicable	If not checked, inapplicable.
Schedule M	<input type="checkbox"/> Party A is a Governmental Entity or Public Power System	
	<input type="checkbox"/> Party B is a Governmental Entity or Public Power System	
	<input type="checkbox"/> Add Section 3.6. If not checked, inapplicable	
	<input type="checkbox"/> Add Section 8.4. If not checked, inapplicable	
Other Changes	Specify, if any: See additional provisions set forth below.	

ADDITIONAL PROVISIONS. The following provisions are amended, added or deleted as indicated:

Article One – General Definitions

Insert the following introductory paragraph immediately before Section 1.1: Capitalized terms used in the Agreement, but not defined in this Article 1 (or not otherwise defined within the body of the Agreement), shall have the meanings set forth in the Global Agreement.

1.1 “Affiliates” Delete in its entirety and replace as follows: With respect to Party A, the term “Affiliates” shall mean the Verde Energy Parties (other than Party A) and with respect to Shell Energy, the term “Affiliates” shall mean the

1.3 “Bankrupt” Delete in its entirety.

1.4 “Business Day” Delete in its entirety.

1.12 “Credit Rating” Delete in its entirety.

1.19 “Effective Date” Delete in its entirety.

1.26 “Interest Rate” means Default Interest Rate.

1.27 “Letter(s) of Credit” Delete in its entirety.

1.30 “Moody’s” Delete in its entirety.

1.50 “Recording” Delete the reference to “Section 2.4” and replace it with “Section 2.5”.

1.51 “Replacement Price” Delete in line 5 “at Buyer’s option” and replace it with “absent a purchase”.

1.52 “S&P” Delete in its entirety.

1.53 "Sales Price" Delete in line 5 "at Seller's option" and replace it with "absent a sale".

Article Two - Transactions Terms and Conditions

2.4 Additional Confirmation Terms. Delete from line 7, after the words "unless agreed to", the words "either orally or".

Article Three – Obligations and Deliveries

3.2 Transmission and Scheduling. Transmission and Scheduling of the Master Agreement shall be amended by adding the following at the end thereof:

3.3 Force Majeure. Delete from the last sentence "resume performance of" and replace it with "make-up".

Article Four – Remedies For Failure to Deliver

4.1 Seller Failure. Relabel as 4.1(a) and a new Section 4.1(b) shall be added to deal with Seller Failure with respect to Firm (LD) Transactions and Firm (No Force Majeure) Transactions in ERCOT:

4.2 Buyer Failure. Relabel as Section 4.2(a) and a new Section 4.2(b) shall be added to deal with Buyer Failure with respect to Firm (LD) Transactions and Firm (No Force Majeure) Transactions in ERCOT:

4.3 Suspension of Performance. Notwithstanding, and in addition to the remedies provided pursuant to Sections 4.1 and 4.2, if Seller or Buyer fails to schedule and/or deliver/receive all or part of the Product pursuant to a Transaction for a period of _____ or more consecutive days during any Delivery Period, and such failure is not excused under the terms of the Product, by the other Party's failure to perform or by agreement of the Parties, then upon _____ prior notice, and for so long as the non-performing Party fails to perform, the performing Party shall have the right to suspend its performance under such Transaction. In the event the performing Party suspends performance pursuant to this Section 4.3, it shall not be obligated to resume performance until it has received notice from the non-performing Party at least one _____ prior to the date upon which the non-performing Party intends to resume its performance.

Article Five – Events of Default; Remedies

5.1(e) Add the words “and to provide or maintain Performance Assurance as required herein.”

5.1(g) Delete from line 8 "or becoming capable of at such time of being declared".

5.1 (h)(v) Add to the last sentence "made in connection with this Agreement" immediately after the words "any guaranty".

5.1(i) Add as a new subsection: "an Additional Event of Default occurs."

5.2 Declaration of an Early Termination Date and Calculation of Settlement Amount. Delete the last sentence and replace it with the following:

5.3 Net Out of Settlement Accounts. Add the following sentence as the new last sentence of this paragraph: "For the avoidance of doubt, notwithstanding any provision of this Agreement that may be interpreted to the contrary, the Defaulting Party shall not be entitled to recover any Losses upon Termination pursuant to Section 5.2."

5.4 Notice of Payment of Termination Payment. Add the following at the end: "The Termination Payment shall bear interest at the Default Interest Rate from the date upon which notice is effective until paid. Notwithstanding any provision to the contrary contained in this Agreement, the Non-Defaulting Party shall not be required to pay to the Defaulting Party any amount under Article 5 until the Non-Defaulting Party receives confirmation satisfactory to it in its reasonable discretion that all other obligations of any kind whatsoever of the Defaulting Party to make any payments to the Non-Defaulting Party or any of its Affiliates under this Agreement or otherwise which are due and payable as of the Early Termination Date (including for these purposes amounts payable pursuant to Excluded Transactions) have been fully and finally performed and that the Defaulting Party has returned any Performance Assurance of the Non-Defaulting Party's that is held simultaneously or before the Non-Defaulting Party makes any Termination Payment hereunder.

5.7 Suspension of Performance. Delete from line 5 "ten (10)" and replace it with "twenty (20)".

Article Six – Payment and Netting

6.4 Netting of Payments. Delete from line 2 "on the same date" and add in line 3 "during any given month" immediately after "all Transactions".

Article Seven – Limitations

7.1 Limitation of Remedies, Liability and Damages. (i) Delete in line 15 "UNLESS EXPRESSLY HEREIN PROVIDED". (ii) Add in line 19 "PROVIDED, HOWEVER, NOTHING IN THIS SECTION SHALL AFFECT THE ENFORCEABILITY OF THE PROVISIONS OF THIS AGREEMENT RELATING TO REMEDIES FOR FAILURE TO DELIVER/RECEIVE IN SECTIONS 4.1 AND 4.2, AND CALCULATION AND PAYMENT OF THE TERMINATION PAYMENT IN SECTIONS 5.2 AND 5.3." immediately after the words "ANY INDEMNITY PROVISION OR OTHERWISE". Add to the end of the last sentence "AND ARE NOT PENALTIES".

Article Eight – Credit and Collateral Requirements

8.1 Party A Credit Protection

8.2(d) Downgrade Event. Add in line 5 "or fails to maintain such Performance Assurance or guaranty or other credit assurance for so long as the Downgrade Event is continuing" immediately after "receipt of notice".

The following new provisions are added to Article Eight:

8.4 UCC Waiver. Add the following as Section 8.4: **[Subject to Credit Agreement]**

"**Section 8.4:** Section 8 of the Agreement and, if applicable, the Transaction Agreements, set forth the entirety of the agreement of the Parties regarding credit, collateral and adequate assurances. Except as expressly set forth in the options elected by the Parties in respect of Sections 8.1 and 8.2, in Section 8.3 and in the relevant portions of the other Transaction Agreements, neither Party:

(a) has or will have any obligation to post margin, provide letters of credit, pay deposits, make any other prepayments or provide any other financial assurances, in any form whatsoever, or

(b) will have reasonable grounds for insecurity with respect to the creditworthiness of a Party that is complying with the relevant provisions of Section 8 of this Agreement;

and all implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines, are hereby waived."

8.5 Disputed Calculations.

(a) If the Pledging Party disputes the amount of Performance Assurance requested by the Secured Party and such dispute relates to the amount of the Contract Exposure claimed by the Secured Party, then the Pledging Party shall:

(i) notify the Secured Party of the existence and nature of the dispute not later than the 12:00 p.m. Central Prevailing Time on the first Business Day following the date that the demand for Performance Assurance is made by the Secured Party, and

(ii) provide Performance Assurance to or for the benefit of the Secured Party in an amount equal to the Pledging Party's own estimate, made in good faith and in a commercially reasonable manner, of the Pledging Party's Collateral Requirement. In all such cases, the Parties thereafter shall promptly consult with each other in order to reconcile the two conflicting amounts.

If the Parties have not been able to resolve their dispute on or before the second Business Day following the date that the demand is made by the Secured Party, then the Secured Party shall obtain market quotations from two Reference Market Makers within two (2) Business Days (taking the

arithmetic average of those obtained to obtain the average Current Mark-to-Market Value; provided, that, if only one (1) quotation can be obtained, then that quotation shall be used and if no quotations can be obtained, Secured Party's original calculation shall be applicable) for the purpose of recalculating the Current Mark-to-Market Value of each Transaction in respect of which the Parties disagree as to the Current Mark-to-Market Value thereof, and the Secured Party shall inform the Pledging Party of the results of such recalculation (in reasonable detail). Performance Assurance shall thereupon be provided, returned, or reduced, if necessary, on the next Business Day in accordance with the results of such recalculation.

(b) If the Secured Party disputes the amount of Performance Assurance to be reduced by the Secured Party and such dispute relates to the amount of the Contract Exposure claimed by the Secured Party, then the Secured Party shall

(i) notify the Pledging Party of the existence and nature of the dispute not later than the 12:00 Central Prevailing Time on the first Business Day following the date that the demand to reduce Performance Assurance is made by the Pledging Party and

(ii) effect the reduction of Performance Assurance to or for the benefit of the Pledging Party in an amount equal to the Secured Party's own estimate, made in good faith and in a commercially reasonable manner, of the Pledging Party's Collateral Requirement.

In all such cases, the Parties thereafter shall promptly consult with each other in order to reconcile the two conflicting amounts. If the Parties have not been able to resolve their dispute on or before the second Business Day following the date that the demand is made by the Pledging Party, then the Secured Party's Contract Exposure shall be recalculated by Secured Party requesting quotations from two (2) Reference Market-Maker within two (2) Business Days (taking the arithmetic average of those obtained to obtain the average Current Mark-to-Market Value; provided, that, if only one (1) quotation can be obtained, then that quotation shall be used and if no quotation can be obtained, Secured Party's original calculation shall be applicable) for the purpose of recalculating the Current Mark-to-Market Value of each Transaction in respect of which the Parties disagree as to the Current Mark-to-Market Value thereof, and the Secured Party shall inform the Pledging Party of the results of such recalculation (in reasonable detail). Performance Assurance shall thereupon be provided, returned, or reduced, if necessary, on the next Business Day in accordance with the results of such recalculation.

(c) Definitions. With respect to this Section 8.5 the following definitions will apply.

"Calculation Date" means any Business Day on which a Party chooses or is requested by the other Party to make the determinations referred to in Sections 8.1(c), 8.2 (c) and this Section 8.5.

"Collateral Requirement" means the Secured Party's Contract Exposure minus the amount of Performance Assurance transferred to the Secured Party.

"Contract Exposure" means an amount equal to (x) the Termination Payment that would be payable from the Providing Party to the Requesting Party, as if an Early Termination Date had been declared pursuant to Article 5 of this Agreement (notwithstanding whether or not an Event of Default has occurred) and all Transactions had been terminated; (y) plus the net amount of all other

payments owed but not yet paid between the Parties, whether or not such amounts are then due, for performance already provided pursuant to any and all Transactions conducted under the Agreement; (z) less the amount of any Performance Assurance then held by the Requesting Party.

"Current Mark-to-Market Value" of an outstanding Transaction, on any Calculation Date, means the amount, as calculated in good faith and in a commercially reasonable manner, which a Party to the Agreement would pay to (a negative Current Mark-to-Market Value) or receive from (a positive Current Mark-to-Market Value) the other Party as the Settlement Amount (calculated, only for purposes of establishing Contract Exposure in connection with setting Performance Assurance levels, at the mid-point between the bid price and the offer price) for such Transaction.

"Pledging Party" means either Party, when that Party receives a demand for or is required to transfer Performance Assurance.

"Reference Market-maker" means a leading dealer in the relevant market selected by a Party determining its Contract Exposure in good faith from among dealers which satisfy all the criteria that such Party applies generally at the time in deciding whether to offer or to make an extension of credit.

"Secured Party" means either Party, when that Party makes a demand for or is entitled to receive Performance Assurance.

"Settlement Amount" means, with respect to a Transaction and the Non-Defaulting Party, the Losses or Gains, and Costs expressed in U.S. Dollars, which such Party incurs as a result of the liquidation of a Terminated Transaction pursuant to Article 5 of this Agreement.

8.6 Letter of Credit.

As used herein, a "Letter of Credit Default" shall be deemed to have occurred if, without Shell Energy's prior written approval,

Drawing Conditions:

(A) A Letter of Credit shall provide that a drawing may be made on the Letter of Credit in an amount (up to the face amount for which the Letter of Credit has been issued, less any drawing

previously made, if any,) that is equal to all amounts that are due and owing from the Pledging Party but have not been paid to the Secured Party within the time allowed for such payments under this Agreement (including any related notice or grace period or both). A drawing may be made on the Letter of Credit in this instance upon submission to the bank issuing the Letter of Credit of one or more certificates specifying the amounts due and owing to the Secured Party in accordance with the specific requirements of the Letter of Credit. Partial drawing and multiple drawings shall be allowed. The Pledging Party shall remain liable for any amounts due and owing to the Secured Party and remaining unpaid after the application of the amounts so drawn by the Secured Party.

(B) A Letter of Credit shall also provide that a drawing may be made of the entire, undrawn portion of such Letter of Credit if the Pledging Party shall fail to renew or cause the renewal of each outstanding Letter of Credit at least ten (10) Business Days prior to the expiration of the relevant Letter of Credit. A drawing may be made on the Letter of Credit in this instance upon submission to the bank issuing such Letter of Credit of one or more certificates that such failure has occurred in accordance with the specific requirements of the Letter of Credit. The cash proceeds from any such draw on a Letter of Credit shall be held by the Secured Party as Performance Assurance under the Agreement. Notwithstanding the foregoing, the Secured Party shall not be entitled to make such a drawing unless the Collateral Requirement applicable to the Pledging Party at such time equals or exceeds the Pledging Party's Minimum Transfer Amount. "Minimum Transfer Amount" shall mean and shall be applicable only to Party A.

(C) Notwithstanding the Secured Party's receipt of cash proceeds of a drawing under the Letter of Credit, the Pledging Party shall remain liable (y) for any failure to transfer sufficient Performance Assurance or (z) for any amounts owing to the Secured Party and remaining unpaid after the application of the amounts so drawn by the Secured Party.

(D) If a Pledging Party's Guarantor shall furnish a Letter of Credit hereunder, the amount otherwise required under such Letter of Credit may at the option of such Guarantor be reduced by the amount of any Letter of Credit established by such Pledging Party, which complies with the terms herein of this Agreement (but only for such time as such Pledging Party's Letter of Credit shall be in effect). In the event a Pledging Party shall be required to furnish a Letter of Credit hereunder, the amount otherwise required under such Letter of Credit may at the option of such Party be reduced by the amount of any Letter of Credit established by such Pledging Party's Guarantor, which complies with the terms herein of this Agreement (but only for such time as such Guarantor's Letter of Credit shall be in effect).

(E) In all cases, the costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Credit shall be borne by the Pledging Party.

8.7 Administration of Cash.

(A) The Secured Party shall be entitled to hold Performance Assurance in the form of Cash provided that the following conditions are satisfied: (1) it is not a Defaulting Party and (2), the Secured Party or its Guarantor has a Credit Rating from S&P or Moody's and the lowest Credit Rating for the Secured Party or its Guarantor is BBB or Baa2 or higher from S&P or Moody's. Notwithstanding the

provisions of applicable law, the Secured Party shall have the right to sell, pledge, assign, invest, commingle or otherwise dispose of or use in its business any cash that it holds as Performance Assurance hereunder, free from any claim or right of any nature whatsoever of the Pledging Party, including any equity or right of redemption by the Pledging Party. If the Secured Party has elected to sell, pledge, assign, invest, use, commingle or otherwise dispose of such cash, Secured Party shall be deemed to be holding such Performance Assurance for the purpose of exercising (i) any right to request or obligation to return Performance Assurance under the Agreement or (ii) its rights or remedies as a secured party hereunder. To the extent the Secured Party is entitled to hold Cash, the Interest Amount payable to the Pledging Party on Cash shall be calculated using the Performance Assurance Interest Rate set forth below.

(B) If such Party is entitled to hold Cash, then it will be entitled to hold Cash or to appoint an agent which is a Qualified Institution (a "Custodian") to hold Cash for it provided that the conditions for holding Cash that are set forth in the above Section 8.7 (A) are satisfied. If such Secured Party or its Custodian fails to satisfy any conditions for holding cash or if Secured Party is not entitled to hold cash at any time, then the Secured Party will Transfer, or cause its Custodian to Transfer the cash to a segregated, safe keeping or custody account with a Qualified Institution no later than the close of business on the next Business Day following such non-compliance.

In the event that the Secured Party or its Custodian is holding Cash and upon request, the Secured Party will Transfer (or caused to be Transferred) to the Pledging Party, in lieu of any interest or other amounts paid or deemed to have been paid with respect to such Cash (all of which may be retained by the Secured Party or its Custodian), the Interest Amount. The Pledging Party shall invoice the Secured Party monthly setting forth the calculation of the Interest Amount due, and the Secured Party shall make payment thereof by the later of (A) the third Local Business Day of the first month after the last month to which such invoice relates or (B) the third Local Business Day after the day on which such invoice is received. On or after the occurrence of a Event of Default with respect to the Pledging Party or an Early Termination Date as a result of an Event of Default with respect to the Pledging Party, the Secured Party or its Custodian shall retain any such Interest Amount as additional Performance Assurance hereunder until the obligations of the Pledging Party under the Agreement have been satisfied in the case of an Early Termination Date or for so long as such Event of Default is continuing in the case of an Event of Default.

Definitions. With respect to this Section 8.7 the following definitions will apply.

"Interest Amount" means with respect to a Party and an Interest Period, the sum of the daily interest amounts for all days in such Interest Period; each daily interest amount to be determined by such Party as follows: (a) the amount of Cash held by such Party on that day; multiplied by (b) the Performance Assurance Interest Rate for that day, divided by (c) 360.

"Interest Period" means the period from (and including) the last Local Business Day on which an Interest Amount was Transferred by a Party (or if no Interest Amount has yet been Transferred by such Party, the Local Business Day on which Cash was Transferred to such Party) to (but excluding) the Local Business Day on which the current Interest Amount is to be Transferred.

"Qualified Institution" means (i) the U.S. office of a commercial bank or trust company (which is not an Affiliate of either party) organized under the laws of the United States (or any state or a political subdivision thereof), or (ii) the U.S. branch of a foreign bank (which is not an Affiliate of either party), in each case having assets of at least \$10 billion, and having Credit Ratings of at least A3 by Moody's and at least A- by S & P.

"Transfer" means, with respect to any Performance Assurance or Interest Amount, and in accordance with the instructions of the Party entitled thereto (a) in the case of Cash, payment or transfer by wire transfer into one or more bank accounts specified by the recipient (b) in the case of Letters of Credit, delivery of the Letter of Credit or an amendment thereto to the recipient.

Article Ten – Miscellaneous

10.1 **Term of Agreement.** Delete in its entirety and replace with the following: "Subject to Article 5, the term of this Master Agreement shall commence on the Effective Date and continue through the Primary Term Date whereupon thereafter this Master Agreement shall remain in effect until terminated by either Party upon thirty (30) days' prior written notice; provided, however, that such termination shall not affect or excuse the performance of either Party under any provisions of this Master Agreement that by its terms survives any such termination and, provided further, that this Master Agreement and any other documents executed and delivered hereunder shall remain in effect with respect to the Transaction(s) entered into prior to the effective date of such termination until both Parties have fulfilled all obligations with respect to such Transaction(s), or such Transaction(s) have been terminated under Section 5.2 of this Agreement.

10.5 **Assignment.** As set forth in Global Agreement.

10.6 **Governing Law.** As set forth in Global Agreement.

10.7 **Notices.** As set forth in Global Agreement.

10.8 **General.** Add at the end of the second to last sentence: "and the rights of either Party pursuant to (i) Article 5, (ii) Section 7.1, (iii) Section 10.11 (iv) Waiver of Jury Trial provisions, if applicable, (v) Arbitration provisions, if applicable, (vi) the obligation of either Party to make payments hereunder shall also survive the termination of the Agreement or any Transaction."

10.10 **Bankruptcy Issues.** Delete Section 10.10 in its entirety and replace with the following: "The Parties intend that (i) all Transactions constitute a "forward contract" within the meaning of the United States Bankruptcy Code (the "Bankruptcy Code") or a "swap agreement" within the meaning of the Bankruptcy Code; (ii) all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute "settlement payments" within the meaning of the Bankruptcy Code; (iii) all

transfers of Performance Assurance by one Party to the other Party under this Agreement constitute "margin payments" within the meaning of the Bankruptcy Code; and (iv) this Agreement constitutes a "master netting agreement" within the meaning of the Bankruptcy Code."

10.11 Confidentiality.

(i) Add to the first sentence "the existence of this Master Agreement or any non-public financial statements disclosed by a Party" after the phrase "conditions of a Transaction".

(ii) Add to the first sentence "or the Party's Affiliates" between "other than the Party's" and "employees".

(iii) Add to the first sentence "insurers," between "accountants," and "or".

(iv) Add to the first sentence "or to the extent such information is delivered to such third party for the sole purpose of calculating a published index" after the phrase "or regulatory proceeding".

(v) Add at the end of the section: "With respect to information provided in connection with a Transaction, this obligation shall survive for a period of _____ following the expiration or termination of such Transaction. With respect to financial statements provided in connection with the Agreement, this obligation shall survive for a period of _____ following the date such financial statements were provided to a Party"

The following new provisions are added to Article Ten:

10.12 Market Disruption.

Index Transactions. If the Contract Price for a Transaction is determined by reference to a third-party information source, then the following provisions shall be applicable to such Transaction.

(b) Corrections to Published Prices. For purposes of determining a Floating Price for any day, if the price published or announced on a given day and used or to be used to determine a relevant price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount will, not later than three (3) Business Days after the effectiveness of that notice, pay, subject to any applicable conditions precedent, to the other Party that amount, together with interest at the Default Interest Rate for the period from and including the day on which payment originally

was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

10.13. No Challenges; Defense of Agreement. Neither Party will exercise any of its respective rights under Section 205 or Section 206 of the Federal Power Acts to challenge or seek to modify any of the rates or other terms and conditions of this Agreement.

10.14 FERC Standard of Review; Mobile-Sierra Waiver. The following is added to the Agreement as Section 10.14: FERC Standard of Review; Mobile-Sierra Waiver.

(a) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in subsection (b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting sua sponte, shall solely be the "public interest" application of the "just and reasonable" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527, 128 S.Ct. 2733 (2008) (the "Mobile-Sierra" doctrine).

(b) In addition, and notwithstanding the foregoing subsection (a), to the fullest extent permitted by applicable law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under §§ 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable law or market conditions that may occur. In the event it were to be determined that applicable law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this subsection (b) shall not apply, provided that, consistent with the foregoing subsection (a), neither Party shall seek any such changes except solely under the "public interest" application of the "just and reasonable" standard of review and otherwise as set forth in the foregoing section (a).

10.16 Utility Disclaimer. Each Party further agrees that, for purposes of this Agreement, the other Party is not a "utility" as such term is used in 11 U.S.C. Section 366, and each Party waives and agrees

not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding wherein such Party is a debtor. In any such proceeding, each Party further waives the right to assert that the other Party is a provider of last resort.

10.17. WAIVER OF THE BENEFIT OF NEW YORK UNFAIR TRADE LAWS. IF NEW YORK LAW GOVERNS, BOTH PARTIES WAIVE THEIR RIGHTS, IF ANY, UNDER THE NEW YORK CONSUMER PROTECTION LAW, N.Y. Gen. Bus. Law §22-A-349 ET SEQ., WHICH GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER CONSULTATION WITH AN ATTORNEY OF PARTY A'S OWN SELECTION, PARTY A HAS VOLUNTARILY CONSENTED TO THIS WAIVER.

10.20. California Direct Access Provisions. Not applicable.

10.21. Sleeving Services. In the event that Shell Energy is unable or unwilling to offer products or services to Party A at a desired location or at a mutually acceptable price, then Shell Energy will consider acting as a "sleeve" for Party A in accordance with the Sleeving Procedure in exchange for the Sleeving Fee.

10.22. Supply Limits. To assist the parties in planning and forecasting and without imposing a duty on either party to purchase and/or sell any particular quantity of Product, Party A understands that Shell Energy is not obligated to supply any Product or enter into any financial derivatives to or with Party A where at any one time Shell Energy's obligations under the aggregate of all outstanding

Transactions between Shell Energy and Party A requires Shell Energy to deliver Product, products or have any exposure from financial derivatives to or with Party A in excess of the amounts specified in the Supply Buckets. Party A is not obligated to purchase any quantity of Product from Shell Energy.

10.23. Program Fee. Subject to the provisions hereof and in addition to the Contract Price and any other expense, cost, or fee described in this Agreement, Party A, as Buyer, shall pay Shell Energy, as Seller, a Program Fee. Such Program Fee shall be due and payable as of the Effective Date.

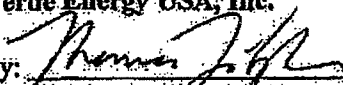
10.24. Global Agreement. Shell Energy and Party A agree that except as otherwise expressly provided to the contrary herein, the terms of the Global Agreement entered into between the Parties on August 11, 2011 as may be amended, supplemented, modified and restated from time to time, are incorporated herein and shall apply to this Agreement *mutatis mutandis*.

SCHEDULE P – PRODUCTS AND RELATED DEFINITIONS: ADD THE FOLLOWING:

“Other Products” If the Parties agree to a service level/product defined by reference to a different agreement (for example, the WSPP Agreement) for a particular Transaction, then, unless the Parties expressly state and agree that all the terms and conditions of such other agreement will apply, such reference to a service level/product shall be as defined by such other agreement, including if applicable, the regional reliability requirements and guidelines as well as the specific excuses for performance, Force Majeure, Uncontrollable Forces, or other such excuses applicable to such other agreement, to the extent inconsistent with the terms of this Agreement, but all other terms and conditions of this Agreement remain applicable.”

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

Verde Energy USA, Inc.

By: 
Name: Thomas FitzGerald
Title: Chief Executive Officer

Shell Energy North America (US), L.P.

By: _____
Name: Glenn Wright
Title: Senior Vice President

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

Verde Energy USA, Inc.

By: _____

Name: Thomas FitzGerald

Title: Chief Executive Officer

Shell Energy North America (US), L.P. 5

By: Glenn Wright

Name: Glenn Wright

Title: Senior Vice President

SCHEDULING COORDINATOR AGREEMENT
(PJM Interconnection, LLC)

This SCHEDULING COORDINATOR AGREEMENT (this "Agreement"), dated as of August 11, 2011 and effective as of the Effective Date, sets forth the rates, terms and conditions under which **Shell Energy North America (US), L.P.** ("Shell Energy"), a Delaware limited partnership, agrees to perform Scheduling Coordinator Services (as defined below) for **Verde Energy USA, Inc.** ("Customer"), a Delaware corporation. Shell Energy and Customer are hereinafter collectively referred to as "Parties" and individually as "Party." Capitalized terms used, and not otherwise defined, herein shall have the meaning ascribed to those terms in the PJM Interconnection, L.L.C. (or any successor organization, "PJM") Open Access Transmission Tariff (OATT or Tariff) or, to the extent that a term is not defined in the OATT, such term shall be as defined in the following documents: the Operating Agreement, the Reliability Assurance Agreement or other agreements between PJM and its members (such other agreements hereinafter referred to as the "PJM Agreements"), giving controlling precedence to those documents in the order in which they are listed here and, in the case of PJM Agreements to that agreement which defines the term in greatest detail.

1. Term, Effective Date and Initial Service Date.

- (a) Effective Date. Subject to Sections 1(b) and 1(c), this Agreement shall be effective on the Effective Date and, except as otherwise earlier terminated in accordance with this Section 1, shall continue through the Primary Term Date (the "Initial Term"). The Initial Service Date shall occur on the later of the Effective Date and the fulfillment of all of the various express conditions precedent set forth in this Agreement. Upon the conclusion of the Initial Term, this Agreement shall automatically renew for successive periods, unless either Party has given the other Party at least written notice prior to the end of the then effective term that it does not wish to renew this Agreement or unless terminated by a Party under the provisions of Sections 1(c) or 1(e).
- (b) FERC Notice or Approval. If Shell Energy reasonably determines that this Agreement is, or may be, required to be filed with the Federal Energy Regulatory Commission ("FERC") for notice or approval prior to commencing performance of Scheduling Coordinator Services hereunder, then the Initial Service Date shall not commence until the date of such notice filing or, if approval is required, the date of a FERC order accepting this Agreement without material modification unacceptable to either Party. In no event shall Shell Energy be required to provide Scheduling Coordinator Services under this Agreement prior to satisfaction of all mandatory FERC requirements. In the event of any delay in the satisfaction of any such requirements, then, notwithstanding any other provision of this Agreement, at any time prior to the filing of such notice or FERC's issuance of all required approval(s) (as the case may be), either Party may terminate this Agreement upon five (5) days prior written notice to the other Party.
- (c) Good Standing as Condition Precedent to Certain Obligations. The Initial Service Date shall not commence until the date Customer fulfills all requirements to be a Participant in good standing with PJM. In the event of any delay in the satisfaction of any such

requirements, then, notwithstanding any other provision of this Agreement, either Party may terminate this Agreement upon five (5) days prior written notice to the other Party. Customer's failure to maintain Participant in good standing status with PJM shall be deemed a default in observance of a material covenant under this Agreement. During any interval that Customer is not a Participant in good standing with PJM, and notwithstanding any other provision of this Agreement, Shell Energy shall be relieved of all its duties and obligations under this Agreement, except duties and obligations arising prior to the loss of such standing; provided that Shell Energy, in its sole commercial discretion, may continue to provide all, or any portion of, the services contemplated under this Agreement during any period that Customer is not a Participant in good standing with PJM but is not precluded from buying or selling in the PJM Interchange Energy Market, the PJM Capacity Credit Market or any other market operated by PJM; and, in any event, Customer shall continue to be bound by the terms and conditions hereof and remain responsible for paying all amounts specified herein for any Scheduling Coordinator Services rendered, or otherwise, plus any extraordinary costs incurred by Shell Energy in performing under such circumstances.

- (d) Termination for Cause. If one of the following events occurs (an "Event of Default") with respect to one Party (the "Defaulting Party"), the other Party (the "Non-Defaulting Party") shall have the right to terminate this Agreement, upon the delivery of written notice of such termination to the Defaulting Party:

- (e) Other Termination. Notwithstanding anything to the contrary in this Agreement, either Party may terminate this Agreement at any time for any or no reason by providing: (i) for any termination occurring within _____ following the date of this Agreement, _____ days prior written notice to the other Party; and (ii) for any termination occurring thereafter, _____ days prior written notice to the other Party.

- (f) Effect of Termination or Expiration. (i) Notwithstanding anything else set forth herein, the termination or expiration of this Agreement shall not relieve either Party of:

- (1) any unfulfilled obligation or undischarged liability of such Party existing as of the termination or expiration date;

- (2) the consequences of any breach or default under this Agreement to the extent not excused by this Agreement; or
 - (3) any obligations or liabilities arising from provisions of this Agreement that either expressly or by their nature survive the termination or expiration of this Agreement.
- (ii) Upon a termination pursuant to Section 1(d), all amounts due to the Non-Defaulting Party will become immediately due and payable upon demand, and all amounts due to the Defaulting Party shall become due and payable the later of demand and _____ days after the termination of this Agreement. If the Defaulting Party has not paid to the Non-Defaulting Party any amounts due by the time an amount is due from the Non-Defaulting Party to the Defaulting Party, then the Non-Defaulting Party may offset any amounts still due it under this Agreement from any amount to be paid to the Defaulting Party.
 - (iii) Any amounts owed by either Party to the other upon a termination pursuant to Section 1(e) shall become due and payable within _____ days after the termination of this Agreement. Any corrections or adjustments to payments previously made shall be determined, and any refunds made (subject to invoice adjustments pursuant to Sections 5(a) and 5(b)).
- (g) LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN NO EVENT SHALL SHELL ENERGY'S TOTAL LIABILITY TO CUSTOMER HEREUNDER EXCEED THE AMOUNT OF THE SCHEDULING COORDINATOR FEES ESTIMATED TO BE PAID FOR THE CURRENT MONTH'S TRANSACTIONS TIMES _____ TO SHELL ENERGY BY CUSTOMER FOR THE SERVICES PROVIDED HEREUNDER.
 - (h) LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN NO EVENT SHALL CUSTOMER HAVE ANY LIABILITY TO SHELL ENERGY HEREUNDER FOR ANY SPECIAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES.
2. Services to be Performed by Shell Energy and Related Obligations. Commencing upon the Initial Service Date and thereafter until this Agreement expires or is otherwise terminated, Shell Energy shall provide Customer with the following services (the "Scheduling Coordinator Services"):
- (a) PJM Region: With respect to the sale of electricity to customers of Customer within the PJM Region, Shell Energy, pursuant to the terms of this Agreement, shall conduct the bidding, scheduling, and settlement activities with PJM required to effect such sales of Customer, and cause such electricity to be delivered, all for the benefit of Customer; provided, however, Shell Energy shall be entitled to decline to provide Scheduling Coordinator Services for Customer with respect to any portion of the PJM Region that are beyond the scope of Shell Energy's normal business activity as it pertains to scheduling load in PJM, in which case, Customer may perform such services itself in such areas as Shell Energy declines to serve or engage another service provider to provide such services in such areas.
 - (b) Scheduling Energy: Shell Energy shall submit the following Customer information to PJM, to the extent required to provide the Scheduling Coordinator Services: _____ (the "PJM

Schedules”). Shell Energy shall not take title to energy, but shall act only as Customer’s exclusive Scheduling Coordinator to the PJM markets. In the event that the PJM Schedules deviate consistently from actual usage, Shell Energy reserves the right to unilaterally modify the PJM Schedules before submitting them to PJM, and Customer shall be responsible for all charges relating to the changes. With respect to the PJM Schedules provided by Customer, Shell Energy shall allow a deviation from actual usage but reserves the right to adjust such Day-Ahead Demand Bid so that the PJM Schedules are within of actual usage on an hourly basis. Furthermore, in the event that the PJM Schedules do not deviate consistently from actual usage, upon mutual agreement by Customer and Shell Energy, Shell Energy, nevertheless, may modify the PJM Schedules.

- (c) Capacity: Provided that the Master Power Agreement between Customer and Shell Energy dated August 11, 2011 remains in effect, Shell Energy may provide a price to Customer for capacity. Shell Energy does not make any guarantees that capacity will be available in any month or that Shell Energy will make an offer to provide available capacity. If Customer purchases capacity through PJM, Shell Energy will pass-through all costs and any charges related to all capacity purchases directly to Customer. If Shell Energy sells capacity to Customer directly, such capacity will be sold at an agreed upon price and will be furnished under the Master Power Agreement. In addition, Customer may be charged or credited by PJM for other Capacity related charges, for load shifting or other settlements, and Shell Energy will pass-through all costs and any related charges to Customer.
- (d) PJM Invoices and Settlements: Subject to Customer’s fulfillment of the requirements of Section 3(k) below and PJM’s remittance of invoices to Shell Energy, Shell Energy will be responsible for paying all regular PJM invoices, on behalf of Customer, which invoices are currently issued on a weekly and monthly basis. The weekly and monthly invoices include, but are not limited to, Spot Market Energy and Day-Ahead Scheduling Reserve charges, capacity charges, and ancillary services charges, non-hourly services charges, prior month resettle charges, any other resettle charges, and other miscellaneous charges, fees and advances. Shell Energy will pay the PJM invoices on behalf of Customer pursuant to PJM rules and procedures. Shell Energy will invoice Customer for all such charges, fees and advances that Shell Energy pays PJM on Customer’s behalf (at actual charges from PJM, without markup). Notwithstanding anything to the contrary and for the avoidance of all doubt, Customer understands and agrees that Customer ultimately is responsible for all charges, fees and advances that are invoiced by PJM for any activity required to manage its customer load at PJM. Shell Energy will make payments under the PJM timeline, and Customer will be responsible for any additional costs incurred by Shell Energy to meet the timeline.
- (e) On-going Reporting. To the extent available to Shell Energy, Shell Energy will provide to Customer such data as Customer may reasonably request from time-to-time that applies to Customer’s daily/hourly PJM activity.
- (f) Discrepancies: Shell Energy shall use reasonable efforts to assist Customer in resolving any third-party disputes relating to the Scheduling Coordinator Services provided by Shell Energy to Customer. Such assistance may include attempting to resolve any disagreements or discrepancies with the PJM, including the filing of disputes on Customer’s behalf with the PJM where appropriate, but shall not include any disputes encompassed in PJM ADR Procedures or the rendering of legal advice. Each Party

agrees to immediately advise the other Party in writing of any disputes that may arise with the PJM pertaining to Customer. To avoid duplication of effort and confusion and unless Shell Energy expressly declines to handle a particular matter in writing, the Parties agree that Shell Energy shall initiate and coordinate the communication between Customer and the PJM pertaining to any dispute. Customer hereby expressly authorizes Shell Energy to make a reasonable settlement of any dispute that Customer may have with the PJM attributable to any action that Shell Energy is authorized to take on behalf of Customer pursuant to this Agreement at Customer's sole cost. In addition to the Scheduling Coordinator Service Fee, Customer shall be responsible for reimbursing Shell Energy for Shell Energy's reasonable costs in providing such assistance.

- (g) PJM Collateral Requirements. As of the Initial Service Date and thereafter until this Agreement expires or is otherwise terminated, Shell Energy agrees to provide or post collateral or other Financial Security as required by the Tariff based on Customer's Peak Market Activity upon such terms and up to a maximum aggregate amount available under the Collateral Credit Facility set forth under the Loan Agreement. Customer shall be solely responsible for posting any collateral or other Financial Security equal to its Peak Market Activity as required by the Tariff in excess of the amount available under the Collateral Credit Facility and for any collateral or other security that may be required by any other party or source. Notwithstanding anything to the contrary and for the avoidance of all doubt, Shell Energy's obligation with respect to this provision shall end on the day that this Agreement expires or is otherwise terminated and, at such time, such amount must be repaid by Customer to Shell Energy in accordance with the terms of the Loan Agreement. Customer will save, indemnify and keep Shell Energy harmless from and against any and all liability arising out of this provision, indebtedness or liability at any time owing to or in favor of Shell Energy. Shell Energy reserves the right to withhold or modify any scheduling activities in the event Shell Energy has not received from Customer the collateral required by the Tariff in excess of the amount available under the Collateral Credit Facility. This provision shall survive termination or expiration of this Agreement.
- (h) Shell Energy Excused. Shell Energy shall be excused from performing its obligations under this Agreement to the extent that any of the following prevents, delays or interferes with Shell Energy's ability to perform such obligations:
 - (i) Exposure Limits. Shell Energy shall be excused from performing its obligations under this Agreement (including scheduling any product with the PJM or incurring any additional exposure to PJM on Customer's behalf)
 - (j) Compliance. Shell Energy shall comply with all procedures, rules and regulations, and maintain all necessary authorizations for it to perform its obligations under this Agreement, including, but not limited to, the regulations of PJM, NERC, the FERC, and

LDC in which Customer is selling energy to end-use customers in such LDC's service territory.

- (k) PJM Annual FTR Auction: Shell Energy shall submit Customer's load requirements in the annual auction in relation to Customer's Planning Year ARR revenue. Shell Energy will consult with Customer on the bidding strategy and results.

3. Customer's Obligations.

- (a) Load Forecasting: Customer shall forecast its load by hour and by location (transmission zone, aggregate or single bus) and timely provide the PJM Schedules in writing to Shell Energy. Customer acknowledges that Shell Energy will rely on Customer to develop and provide the PJM Schedules to Shell Energy for the purposes of preparing and submitting to PJM on Customer's behalf.
- (b) Daily Timeline: By 5:00 p.m. eastern prevailing time on the days listed below under "Schedule Provided", Customer shall provide Shell Energy with final hourly load forecasts by location (transmission zone, aggregate or single bus) for the respective flow days listed below under "Flow Day". Below are the days for the final forecasts to be provided for the respective Flow Days:

<u>Schedule Provided:</u>	<u>Flow Day:</u>
Monday	Wednesday
Tuesday	Thursday
Wednesday	Friday
Thursday	Saturday
Friday	Sunday, Monday, Tuesday

If the deadline of providing a forecast(s) is a not a Business Day, then the forecast(s) to be provided on that day shall be provided on the Business Day prior. For purposes of this Agreement "Business Day" means any day except a Saturday, Sunday, the Friday immediately following the Thanksgiving holiday, the weekday before and after the Christmas holiday, or a Federal Reserve Bank holiday. Shell Energy will review the load forecast and seek Customer's direction and agreement on the scheduling plan. Customer shall provide to Shell Energy all information required to schedule the load, including information required under the Tariff and PJM Agreements. Customer understands and agrees that all information it provides to Shell Energy must be accurate, complete and consistent with Customer's scheduling plans. Customer shall comply with all rules, regulations, policies and procedures of the PJM in all scheduling matters. Customer acknowledges that Shell Energy will be communicating information that Shell Energy receives from Customer to the PJM and is relying on Customer to provide accurate and complete information. **WITHOUT LIMITING CUSTOMER'S OBLIGATIONS UNDER SECTION 8 OF THIS AGREEMENT, CUSTOMER AGREES THAT IT WILL INDEMNIFY AND HOLD HARMLESS SHELL ENERGY AND ITS AFFILIATES AND THEIR RESPECTIVE AGENTS, REPRESENTATIVES, CONTRACTORS, SUBCONTRACTORS, PARTNERS, MEMBERS, PARTICIPANTS, PRINCIPALS, SHAREHOLDERS, DIRECTORS, TRUSTEES, OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS OF ANY OF THEM (COLLECTIVELY, "SHELL ENERGY RELATED PARTIES") WITH RESPECT TO ANY FINES OR PENALTIES THAT MAY BE ASSESSED AGAINST SHELL ENERGY RELATED PARTIES BY PJM FOR**

INACCURATE OR INCOMPLETE INFORMATION THAT CUSTOMER PROVIDES TO SHELL ENERGY.

- (c) Contact List. Customer shall provide Shell Energy with a 24-hour emergency contact list, setting forth the contacts' names, titles, voice telephone numbers, facsimile numbers, e-mail addresses and physical location.
- (d) No Customer Rights. Customer shall be solely responsible for all electric service and other contractual obligations that it may promise to third parties, including any customer service functions, and nothing in this Agreement shall be construed as giving rise to any contractual or other relationship between Shell Energy and such customers, or conferring any third-party beneficiary rights to such customers.
- (e) Hedging. Customer shall be solely responsible for determining its hedging strategies and entering any hedging agreements or arrangements.

All hedging agreements or arrangements between the Parties shall be separately documented.

- (f) Customer Billing Excluded. Customer shall be solely responsible for billing and collection services with regard to its customers, and Shell Energy shall have no responsibility or involvement with such matters.
- (g) Participant Standing and Compliance. Customer must be a Market Participant, Transmission Customer or Member (collectively, "Participant") in good standing with PJM as necessary to conduct all of the activities contemplated under this Agreement and agrees to take such actions as are necessary to maintain such standing with PJM, subject to Paragraph 2(g). Participant good standing status includes, but is not limited to, Participant's demonstrated ability to meet PJM's credit requirements as set forth in Attachment Q, PJM Credit Policy, to the OATT and to comply with the general obligations of Market Participants as set forth in Schedule 1, PJM Interchange Energy Market, to the Operating Agreement. Subject to Paragraph 2(g), Customer shall comply with all procedures, rules and regulations, and maintain all necessary authorizations for it to perform its obligations under this Agreement, including, but not limited to, the regulations of PJM, NERC, the FERC, and any LDC in which Customer is selling energy to end-use customers in such LDC's service territory.
- (h) Access. Customer shall provide Shell Energy full access to all PJM documentation, and electronic data and systems. This includes, but is not limited to, markets data and reports, operational data, billing and settlement data and files, and meter data; as well as, access to all relevant PJM systems (i.e., Customer's account in eSchedules for load bidding and scheduling). Customer will use commercially reasonable efforts to have Shell Energy given administrator status in Customer's account on the PJM systems. Customer understands and agrees that Shell Energy will be unable to perform the Scheduling Coordinator Services specified herein should Customer in any way limit or hinder Shell Energy's access to such documentation, data and systems.

- (i) Customer Responsibility for Schedules Submitted on Its Behalf. Customer acknowledges and accepts full responsibility for all schedules (whether or not modified) submitted by Shell Energy on its behalf to the PJM and agrees that it shall be responsible for all charges relating to such schedules.
 - (j) Capacity. Customer is responsible for determining its capacity obligations with respect to PJM and satisfying such obligations.
 - (k) PJM Invoices and Settlements: Customer shall name Shell Energy as the billing contact for all PJM related charges as of the Initial Service Date and thereafter for the remaining term of the Agreement and direct PJM to remit all invoices for Customer relating to such period directly to Shell Energy for settlement.
 - (l) Performance Assurance. Shell Energy expressly retains the right to require and Customer acknowledges that Shell Energy will require additional security in the form of cash or Letters of Credit in amount equal to the Performance Assurance Amount.
4. Fees for Scheduling Coordinator Services. Customer shall pay to Shell Energy the following fees:
- (a) Scheduling Coordinator Service Fee. Customer shall pay Shell Energy the Scheduling Coordinator Fee. Customer shall pay Shell Energy the Scheduling Coordinator Fee based on Customer's Day-Ahead schedules (Demand Bids or Bilateral Transactions) and Real-Time settlements (including any Bilateral Transactions) based on initial meter reads, and Customer shall pay on any additional real-time daily settlements that PJM makes. The forecast will be trued-up to Customer's actual usage by PJM under PJM's settlement procedures. Shell Energy shall re-bill or credit Customer, and Customer shall pay or receive, according to the updated actual usage as billed by PJM.
 - (b) Dispute Resolution Assistance Fee. An amount, if any, equal to Shell Energy's reasonable internal and third party costs associated with providing services pursuant to Section 2(e) of this Agreement.
5. Invoicing and Payment
- (a) Invoicing. Unless Shell Energy otherwise notifies Customer in writing at least 90 days in advance of any change, Shell Energy will invoice Customer on a monthly basis for services rendered pursuant to this Agreement. Customer understands that Shell Energy may be required to pay PJM on a sub-weekly, weekly and monthly basis. Shell Energy reserves the right to, at any time, either charge Customer a carrying charge for the sub-weekly/weekly/monthly invoice payment timing difference or invoice Customer utilizing the same schedule as PJM invoices Shell Energy. If Shell Energy decides to bill Customer sub-weekly or weekly, terms of the sub-weekly or weekly payment will be determined at that time and Paragraph 5(b) shall be modified accordingly. For purposes of this Agreement, the carrying charge shall be equal to the amount in which PJM invoices Shell Energy on a sub-weekly or weekly basis (the "PJM Invoice") multiplied

by the Carrying Charge Rate multiplied by the number of days between the due date of the PJM Invoice and the due date of the invoice from Shell Energy to Customer for such month of service.

- (b) Payment Information. Unless otherwise modified as provided in Paragraph 5(a) of this Agreement, by the tenth Business Day of each month, Shell Energy shall deliver to Customer a statement, which may be based on reasonable estimated amounts if actual amounts are not available, in electronic form and in hard copy setting forth amounts due by Customer to Shell Energy under this Agreement (including, but not limited to, all weekly and monthly charges, fees and assessments incurred by Shell Energy at or associated with the transmission zones or buses for which Customer is eligible to submit demand bids, Spot Market Energy and Day-Ahead Scheduling Reserve charges, ancillary services charges, PJM Settlement charges, Dispute Resolution Assistance Fees, capacity charges from PJM, the Scheduling Coordinator Fee and the carrying charge, if any) for the immediately preceding month together with any reconciliation from previous months. Customer shall pay all amounts owed by it under this Agreement in U.S. dollars by wire transfer in immediately available funds to the account set forth below by 16th day of such month or, if such day is not a Business Day, then on the next Business Day. At its sole option, Shell Energy may net any amounts it owes Customer under this Agreement or the Transaction Agreements to which both Customer and Shell Energy are parties with the amounts otherwise owing from Customer hereunder, in which case Shell Energy's statement to Customer shall reflect such netting, and Customer or Shell Energy shall pay the net amount owed, as appropriate. Shell Energy may revise the monthly invoice after the 10th Business Day of the month and Customer is obligated to pay the original invoiced amount and any revised amount by the 16th day of the month or, if such day is not a Business Day, then on the next Business Day.

Payments by Customer to Shell Energy shall be made via interbank transfer to the following account:

Payments by Shell Energy to Customer shall be made via interbank transfer to the following account:

Each invoice rendered under this Agreement shall be subject to adjustment by Shell Energy in order to true-up charges based on PJM settlements and other data. After revised PJM settlement and other data becomes known to Shell Energy, Shell Energy shall deliver to Customer a revised invoice reflecting debits or credits, as applicable, to

the previous billing amounts. Shell Energy's right to adjust invoices hereunder shall specifically survive termination of this Agreement.

Any amounts not paid by the due date will be deemed delinquent and will accrue interest at the Default Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full.

6. **Affiliate Group.** Customer represents and covenants to Shell Energy that the entities listed on Appendix A are wholly owned or affiliated and for purposes of Customer's agreement with PJM pursuant to the Operating Agreement of PJM Interconnection, LLC, Customer and each of the entities listed on Appendix A may be treated collectively as a single PJM Participant (as such term is defined in the PJM Tariff). Customer agrees that it will not, without Shell Energy's prior written consent, register, treat or allow any entity other than the entities set forth on Appendix A to be considered a member of its Affiliate Group for purposes of its interaction with PJM without Shell Energy's prior written consent.
7. **Force Majeure.** If a Party, through no gross negligence, willful misconduct, fraud or intentional tort on its own part, is rendered unable, by an event of Force Majeure, as defined below, to carry out wholly or in part its obligations under this Agreement and if such Party gives written notice and full particulars of such event of Force Majeure to the other Party promptly after the occurrence of the event relied on, then the obligations of the Party affected by such event of Force Majeure, other than the obligation to make payments then due or becoming due hereunder, shall be suspended from the inception and throughout the period of continuance of any such inability so caused, but for no longer period, and the affected Party shall use commercially reasonable efforts to remedy the event of Force Majeure with all reasonable dispatch. The term "Force Majeure" shall mean an event that is beyond the control of the Party affected including but not limited to any act of God, act of the public enemy, invasion, insurrection, ice, explosion, breakage or accident to machinery or equipment, flood, earthquake, tornado, storm, fire, lightning, epidemic, war, riots, civil disturbance or disobedience, labor dispute, material shortage, sabotage, terrorist activity, restraint, curtailment, order, regulation or restriction imposed by court order, governmental, military or lawfully established civilian authorities, emergency circumstances upon the property or equipment of PJM, and action or non-action by or inability to obtain the necessary authorization or approvals from any governmental agency or authority, which by exercise of due diligence such Party has been unable to overcome. Force Majeure shall not include economic hardship.
8. **Indemnification.**

- (a) **Customer Indemnity and Release.** **SUBJECT TO SECTION 1(h)CUSTOMER SHALL RELEASE, DEFEND, HOLD HARMLESS AND INDEMNIFY THE SHELL ENERGY RELATED PARTIES (as defined above) FROM, FOR AND AGAINST ANY AND ALL DIRECT OR THIRD-PARTY LOSSES, CLAIMS, CHARGES, EXPENSES, DEMANDS, JUDGMENTS, LIABILITIES, FINES, PENALTIES, (INCLUDING BUT NOT LIMITED TO ANY FINES OR PENALTIES BY THE PJM), TAXES AND ATTORNEY'S FEES RELATING TO OR ARISING DIRECTLY OR INDIRECTLY FROM THIS AGREEMENT OR THE PROVISION OF THE SCHEDULING COORDINATOR SERVICES,**

EXCEPT TO THE EXTENT DIRECTLY RESULTING FROM A SHELL ENERGY PARTY'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT, FRAUD OR INTENTIONAL TORT.

- (b) **Shell Energy Indemnity and Release.** SUBJECT TO SECTION 1(g), SHELL ENERGY SHALL RELEASE, DEFEND, HOLD HARMLESS AND INDEMNIFY CUSTOMER AND ITS AFFILIATES AND THEIR RESPECTIVE AGENTS, REPRESENTATIVES, CONTRACTORS, SUBCONTRACTORS, PARTNERS, MEMBERS, PARTICIPANTS, PRINCIPALS, SHAREHOLDERS, DIRECTORS, TRUSTEES, OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS OF ANY OF THEM (COLLECTIVELY, "CUSTOMER RELATED PARTIES") FROM, FOR AND AGAINST ANY AND ALL DIRECT OR THIRD-PARTY LOSSES, CLAIMS, CHARGES, EXPENSES, DEMANDS, JUDGMENTS, LIABILITIES, FINES, PENALTIES, (INCLUDING BUT NOT LIMITED TO ANY FINES OR PENALTIES BY THE PJM), TAXES AND ATTORNEY'S FEES RELATING TO OR ARISING DIRECTLY OR INDIRECTLY FROM THIS AGREEMENT OR THE PROVISION OF THE SCHEDULING COORDINATOR SERVICES, EXCEPT TO THE EXTENT DIRECTLY RESULTING FROM A CUSTOMER RELATED PARTY'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT, FRAUD OR INTENTIONAL TORT.
- (c) **Scope of Indemnities, Releases and Allocation of Liability.** EXCEPT AS EXPRESSLY PROVIDED OTHERWISE, THE INDEMNITIES, RELEASES AND ALLOCATIONS OF LIABILITY IN THIS AGREEMENT ARE WITHOUT REGARD TO THE CAUSES OF LOSSES, INCLUDING THE NEGLIGENCE OR GROSS NEGLIGENCE OF ANY INDEMNIFIED PARTY, RELEASED PERSON OR PERSON AWAY FROM WHICH A LIABILITY IS ALLOCATED, WHETHER SUCH NEGLIGENCE IS SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE, OR THE STRICT LIABILITY OF AN INDEMNIFIED PARTY, RELEASED PERSON OR PERSON AWAY FROM WHICH A LIABILITY IS ALLOCATED.
9. **Confidential Information.** Each Party shall hold in confidence all confidential information disclosed to it by the other Party or its representatives that, including this Agreement, proprietary practices, technical information, information regarding management policies, economic policies, financial and ownership information, marketing strategies and practices and other data and any information that is designated as "confidential" or "proprietary" ("Confidential Information"). For the avoidance of doubt, Shell Energy considers its scheduling and trading strategies and the pricing information to be proprietary and confidential and Customer considers its customer information, load profile, sales and marketing strategies and operations to be proprietary and confidential. Furthermore, Customer is subject to state regulation that imposes strict confidentiality on customer identification. Confidential Information shall not include (a) information that is publicly available, or (b) information obtained by a Party from a third party not known to be under an obligation of non-disclosure to Customer or Shell Energy, as the case may be. The obligations in this Section 9 shall continue in effect during the term of this Agreement and for two years after the termination date. Notwithstanding the foregoing, each Party may disclose Confidential Information (i) to the extent necessary to perform this Agreement, (ii)

to any governmental authority or as otherwise required by law, but only to the extent legally required to do so, and (iii) to its advisors, auditors, legal counsel and insurers provided they agree to similar prohibitions on disclosure.

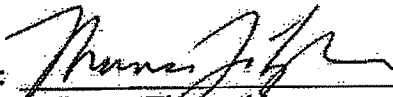
10. **No Dedication of Facilities.** Neither the Scheduling Coordinator Services performed by Shell Energy under this Agreement nor either Party's actions or inactions under this Agreement shall constitute or be construed as a dedication of the systems or assets, or any portion thereof, of either Party to the public or to the other Party.
11. **Complete Agreement.** This Agreement is the Parties' complete and final expression of agreement on the subject matter of this Agreement and supersedes all prior agreements, representations, understandings, negotiations, offers and communications, whether oral or written, regarding the subject matter of this Agreement.
12. **Authorized Representatives.** Each Party shall designate in writing one or more persons as its authorized representative(s) to act on its behalf in carrying out the provisions of this Agreement. The Parties shall be bound by the oral and written communications, directions, requests, decisions and other actions taken by their respective authorized representative.
13. **Change in Tariff or PJM Operating Procedure.** If there is a change in the PJM's Tariff or operating procedure that has an impact on the implementation of this Agreement, the Parties agree to use commercially reasonable efforts to conform this Agreement to accommodate such changes.
14. **Drafting Ambiguity.** The rules of construction that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments, exhibits, or schedules to this Agreement.
15. **Global Agreement.** Shell Energy and Customer agree that except as otherwise expressly provided to the contrary herein, the terms of the Global Agreement entered into between Shell Energy, Customer and others on August 11, 2011 as may be amended, supplemented, modified and restated from time to time, are incorporated herein and shall apply to this Agreement *mutatis mutandis*.

To evidence their acceptance of this Agreement, the Parties have caused their authorized representatives to sign below as of the date set forth in the introductory paragraph.

SHELL ENERGY NORTH
AMERICA (US), L.P.

VERDE ENERGY USA, INC.

By: _____
Name: Glenn Wright
Title: Senior Vice President

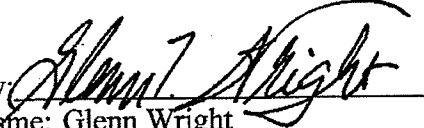
By: 
Name: Thomas Fitzgerald
Title: Chief Executive Officer

to any governmental authority or as otherwise required by law, but only to the extent legally required to do so, and (iii) to its advisors, auditors, legal counsel and insurers provided they agree to similar prohibitions on disclosure.

10. **No Dedication of Facilities.** Neither the Scheduling Coordinator Services performed by Shell Energy under this Agreement nor either Party's actions or inactions under this Agreement shall constitute or be construed as a dedication of the systems or assets, or any portion thereof, of either Party to the public or to the other Party.
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SHELL ENERGY NORTH 
AMERICA (US), L.P.

By: 
Name: Glenn Wright
Title: Senior Vice President

VERDE ENERGY USA, INC.

By: _____
Name: Thomas Fitzgerald
Title: Chief Executive Officer

Appendix A
PJM Affiliate Group Members

Verde Energy USA Holdings, LLC

**FIRST AMENDMENT
SCHEDULING COORDINATOR AGREEMENT
(PJM INTERCONNECTION, LLC)**

This FIRST AMENDMENT to the Scheduling Coordinator Agreement (PJM Interconnection, LLC) dated August 11, 2011 (the "Agreement") among Shell Energy North America (US), L.P. a Delaware limited partnership ("Shell Energy") and Verde Energy USA, Inc. ("Customer") is dated this 2nd day of February, 2012.

RECITALS

WHEREAS, the parties entered into the Agreement; and

WHEREAS, the parties wish to update Appendix A to the Agreement to include Customer's newly formed affiliate, Verde Energy USA Ohio, LLC;

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the mutual agreements contained herein, Shell Energy and Customer agree as follows:

1. Appendix A of the Agreement is hereby amended and replaced in its entirety with Amended Appendix A which is attached hereto.
2. All other terms and conditions of the Scheduling Coordinator Agreement remain unchanged.

Shell Energy:

SHELL ENERGY NORTH AMERICA (US), L.P. B3

By: 

Name: Glenn Wright

Title: Senior Vice President

Customer:

Verde Energy USA, Inc.

By: 

Name: Thomas Fitzgerald

Title: Chief Executive Officer

Appendix A
PJM Affiliate Group Members

Verde Energy USA Holdings, LLC

Verde Energy USA Ohio, LLC

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

2/7/2012 10:17:14 AM

in

Case No(s). 11-5886-EL-CRS

Summary: Exhibit Public Version Exhibit C-4 (Financial Arrangements) electronically filed by Mr. Stephen M Howard on behalf of Verde Energy USA Ohio, LLC