

Terms of Service

The following Terms of Service ("TOS") will apply to those non-residential customers with a peak demand of less than 50 kilowatts ("kW") during any 12-month period¹ ("Small Commercial Customer") who select Champion Energy Services, LLC ("Champion Energy") as their Retail Electric Provider (REP), unless the customer's load is part of an aggregation program whose peak demand is in excess of 50 kW during the same 12-month period. This TOS, combined with the Enrollment Form, Your Rights as a Customer ("YRAC"), and Electricity Facts Label ("EFL"), constitutes your Contract with Champion Energy. These documents may be amended from time to time and the Enrollment Form, EFL and YRAC are hereby incorporated by reference into this TOS (collectively, the "Contract"). For purposes of clarification and where applicable, the Enrollment Form may be in the form of a recorded call where the customer's affirmative consent to contract is verified by a third party verification (TPV) system. As your REP, Champion Energy will arrange for the delivery of electricity from your Transmission & Distribution Service Provider ("TDU") to your service location pursuant to this Contract. The words "we," "us," and "our" refer to Champion Energy, and the words "you" and "your" refer to the Customer.

REP Name: Champion Energy Services, LLC

Corporate Address: 1500 Rankin Road, Suite 200
Houston, TX 77073

Internet: www.championenergyservices.com

E-mail: info@championenergyservices.com

Telephone: 1.877.653.5090
Customer Care Toll-free 24 hours a day,
7 days a week

Address to PO Box 4190
Mail Payments: Houston, TX 77210

Office Hours: 8AM–5PM, M–F, CST

PUCT Certificate No. 10098

To report a power outage, please select your TDU's 24-hour service line from the list below:

CenterPoint (Houston and surrounding areas):	1.800.332.7143
Oncor Electric Delivery (DFW and West Texas):	1.888.313.4747
AEP Central (TCC):	1.866.223.8508
AEP North (TNC):	1.866.223.8508
Texas-New Mexico Power Company (First Choice):	1.888.866.7456
Lubbock Power & Light (Lubbock and surrounding areas):	1.806.775.2509

Right of Rescission

If you are switching your electric service to Champion, as opposed to starting service at a new location or "moving in," you have the right to rescind your acceptance of this Terms of Service without fees or penalties of any kind, within three (3) federal business days after receiving this Terms of Service. You may rescind either by phone at 1-877-653-5090 (toll-free), fax at (281) 653-5080, or email at support@championenergyservices.com. Please provide your name, address, phone number, Electric Service Identifier (ESI-ID), and a statement that you are rescinding your Contract under your three-day right of rescission. If your termination requires an early meter read by your TDU, you will be charged a fee established by your TDU. You are responsible for all charges incurred through the date on which termination is affected by the TDU. This right of rescission does not apply to a renewal or extension of the Agreement.

Eligibility

Champion will not use credit history, utility payment data, or credit score as the basis for determining the price for Small Commercial electric service. Champion cannot and does not deny service or require prepayment or deposits based on a customer or applicant's race, creed, color, national origin, ancestry, sex, marital status, lawful source of income, level of income, disability, familial status, location of a customer/applicant in an economically distressed geographic area, or qualification for low income or energy efficiency services.

¹ As further defined in 16 Tex. Admin. Code § 25.471, as may be amended from time to time.

Champion reserves the right to deny service to any customer whose installation or equipment is known to be hazardous; if the applicant or customer does not comply with all local and state regulations; if the customer or applicant fails to comply with the TDU tariff pertaining to operation of nonstandard equipment or unauthorized attachments that interfere with the service of others; if the applicant applies for service at a location where another customer received, or continues to receive, service and the REP can reasonably demonstrate that the change of account holder and billing name is made to avoid or evade payment of a bill owed to the REP; if the applicant or customer owes a bona fide debt to Champion for electric service; if the applicant or customer has acted as a guarantor for another applicant or customer and failed to pay the guaranteed amount, where such guarantee was made in writing and was a condition of service; and/or if the applicant or customer fails to comply with the credit and deposit requirements set forth in this TOS.

If you receive service under this Contract and have Small Commercial demand-metered electric service, Champion reserves the right to pass through any usage and demand charges from your TDU as stated in your EFL. Demand charges (if applicable) are assessed by your TDU and passed onto your monthly invoice. Demand charges are based on each customer's maximum 15-minute demand on the TDU distribution system each month. Demand is measured in kW. Customers are billed according to kW of demand for their rate.

Fixed Rate Products

Term and Pricing — Fixed rate products have a contract term of at least three months. The price of a fixed rate product may only change during a contract term to reflect actual changes in TDU charges; changes to the Electric Reliability Council of Texas ("ERCOT") or Texas Regional Entity administrative fees charged to loads; or changes resulting from federal, state, local or public utility commission laws that impose new or modified fees or costs on REPs, including Champion, that are beyond our control. Price changes resulting from these limited circumstances do not require us to provide you with advance notice; however, each bill issued for your remaining contract term will notify you that a price change has been made.

All customers are responsible for (i) any and all applicable federal, state, and local taxes and charges, including gross receipts tax (if applicable), whether such tax is a separate pass through line item on a TDU invoice or included in the price of electricity, as required by law, rule or regulation ("Taxes"), and (ii) any and all regular recurring and non-recurring TDU delivery charges and/or fees. If you are a tax exempt entity, you must provide Champion with all necessary certificates and supporting documentation to qualify for tax exempt status. If you are exempt from Gross Receipts Tax due to living in an unincorporated area, it is your responsibility to provide us with this information so that Champion can update your account accordingly. If Champion does not receive the required tax exemption certificates and information within thirty (30) days of enrollment, you will need to petition the State of Texas for any tax refunds you believe are due.

Pricing

Champion will bill you the Fixed Energy Charge, as defined on your EFL, for the Initial Term of your Contract. This Fixed Energy Charge is subject to the verification of the correct load profile as assigned by ERCOT, reflects the value of Congestion Revenue Rights, and is only for Small Commercial electric service. The Fixed Energy Charge includes the following:

<input checked="" type="checkbox"/>	Cost and charges for electricity supply including transmission and distribution losses/UFE (sometimes referred to as "line losses")
<input checked="" type="checkbox"/>	Existing applicable ancillary services including regulation up and down charges, non-spinning reserve service, responsive reserve service (RRS), Reliability Must Run (RMR), and ERCOT Contingency Reserve Service (ECRS), if applicable
<input checked="" type="checkbox"/>	Applicable ISO/QSE charges and fees
<input checked="" type="checkbox"/>	Firm Fuel Supply Service Charge
<input checked="" type="checkbox"/>	Renewable portfolio standard (RPS) charges, if applicable
<input checked="" type="checkbox"/>	Reliability Unit Commitment (RUC) Make-Whole Uplift, RUC Clawback, and/or RUC Decommitment applicable charges
<input checked="" type="checkbox"/>	Locational basis charges
<input checked="" type="checkbox"/>	Market default and uplift securitization charges related to Winter Storm Uri

You are also responsible for and Champion will bill you for your Monthly Base Charge (if applicable) and Public Utility Commission of Texas ("PUC") Assessment. Champion will bill you for any special TDU surcharges or assessments incurred by you or your TDU.

Your electricity service charges will be calculated as follows:

Fixed Energy Charge (your Fixed Energy Charge x total kWh consumed) + Base Charge (if applicable) + TDU delivery charges and TDU surcharges + any applicable late payment fees + any applicable Champion non-recurring discretionary charges + all applicable taxes, including reimbursement of Gross Receipts Tax and PUC Assessment.

Note: PUCT Assessment will be a separate line item on your bill, but is included in your "Average Price per kWh" as listed on your EFL.

Champion does not charge for service initiation, regardless of method. However, the TDU providing electricity delivery to your service location charges fees for service connection for switch of service from one REP to another and for move-ins of new service. Additional fees apply from the TDU for priority move-ins, date-specific switches or move-ins, and off-cycle switches, which enable your service to start earlier or on a specific date. Current rate schedules for each TDU service area are provided under the Itemization of Non-Recurring Charges for Service section in this document.

Contract Term & Renewal

The Fixed Energy Charge for the Initial Term of this Contract is as set forth in the EFL and the Enrollment Form. Your service under this Contract will begin on the date you and Champion agree to or on the meter read date set by your TDU. For Fixed Rate Products, Champion will provide you with at least three written notices of contract expiration ("Contract Expiration Notices"). If you are on Fixed Rate Product with a term of four months or longer, Champion will send you a final Contract Expiration Notice at least thirty (30) days prior to contract expiration. If you are on Fixed Rate Product with a term of four or fewer months, Champion will send you a final Contract Expiration Notice at least fifteen (15) days prior to contract expiration. If you fail to take action before the expiration of your Initial Term, your service will transition to a month-to-month variable product at a variable price set by Champion described in the associated EFL which will be provided in your Contract Expiration Notice, unless you execute a new authorization of price and term with Champion, or until your service is terminated by you or Champion.

Early Termination

Upon termination of this Contract prior to the expiration of the Term (occurring outside of the three (3) federal business day right of rescission afforded to you, or your right to terminate as a result of a material change in the terms of service of this Contract occurring after the effective date), Champion reserves the right to provide you with an invoice for the sum of all ETFs owed in accordance with the following schedule (ETF schedule) based on annual historic consumption:

Annual kWh	ETF Calculator (per unused month)
< 100,000	\$50 per unused month
100,001 - 200,000	\$100 per unused month
200,001 - 300,000	\$150 per unused month
300,001 - 400,000	\$200 per unused month

All ETFs assessed and invoiced by Champion must be paid by you in accordance with the applicable billing terms of this Contract.

Billing

You will be billed monthly for your electricity service with Champion. Your bill may be sent electronically in lieu of written mailings if you and Champion agree to such an arrangement. You will not be charged a fee to receive a standard bill via U.S. Mail. Bills will be issued within thirty (30) calendar days of obtaining meter usage, regardless of if the bill is based on

actual or estimated usage, and other billing information from your TDU, unless it becomes necessary to validate the supplied usage information and billing information. You are entitled to request copies of your billing records once a year at no cost.

Champion reserves the right to send you an estimated bill for usage and provide you a true-up of your electricity usage the following month, or upon receipt of actual usage from the TDU. Champion reserves the right to include in any subsequent bill adjustments related to previous billings, meter read errors, miscalculation of taxes, or other errors or omissions. If the TDU determines that your meter has not been delivering accurate meter reads due to meter error or tampering, you will be billed for and are required to pay any recalculated charges due to replacement meter readings from the TDU. You will have the right to pay any restated or recalculated charges in a deferred payment plan with installments equal to the number of billing months restated or recalculated.

Average Billing

For customers enrolled in Average Billing on a twelve (12) month Average Billing Plan, your monthly bill will be based on your average monthly electricity charges for the most recent 12 months of usage, the current fixed price rate, and an estimate for TDSP Utility charges and taxes, divided by 12. Then, the Champion monthly bill amounts will be adjusted up or down based on the difference between your actual monthly charges and the original monthly electricity charge estimates used to establish the Average Bill amount at the beginning of your Average Billing Plan. If you do not have previous bills in your name at the service location, Champion will take the previous usage that is available for the service location and apply your current price to calculate your average monthly charge. You will receive a true-up bill yearly (every 12 months) or if your Average Billing Plan is terminated. Any remaining account balance will be due in full with the yearly true-up bill or upon such termination. For more details, visit www.championenergyservices.com/my-account/average-billing.

Payment & Payment Arrangements

All bills are due and payable within 16 days of the mail date of the bill. You may be charged a fee by a third party provider to make payments using their systems, including phone, Internet, and cash payment centers. Champion accepts payment by check and bank draft at no charge. If you enroll in our Automatic Bill Pay program, please continue to remit payment until your bill indicates your account has been enrolled into the program.

Please call us if you anticipate having difficulty paying your bill by the due date. You may be eligible for payment assistance or a deferred payment plan in which you can pay 25% of the amount due and defer the remainder of the amount due in equal installments over the next 3 months. To qualify for a deferred payment plan, you must not have defaulted under a previous deferred payment plan with Champion or have received more than 2 disconnection notices in the last 12 months. You will need 3 months of payment history with Champion prior to qualifying for a deferred payment plan. Deferred payment plans are also available, separate from the requirements above, for customers whose bills become due during an extreme weather emergency as declared by your TDU or who were previously under-billed by \$50.00 or more and need to make installment payments. Pursuant to 16 TAC 25.480, a deferred payment plan must be formalized in writing and the agreed-upon balances will be billed on the customer's monthly invoice. As a condition of accepting the deferred payment plan, you may be asked if Champion can place your account on a switch-hold until you satisfy the terms of the deferred payment plan. A switch-hold means you will not be able to buy electricity from other companies while the switch-hold is in place until you pay the total deferred balance. If Champion places a switch-hold on your account, it will be removed after your deferred balance is paid and processed. While a switch-hold applies, if you are disconnected for not paying, you will need to pay Champion to get your electricity turned back on.

Texas Prompt Payment Act Terms: In accordance with the Texas Prompt Payment Act, if you qualify as a governmental entity (See Texas Government Code, Chapter 2251), payment is due to Champion thirty (30) days from the date the electricity is delivered or a correct invoice is received, whichever is the later of the two. If you, in good faith, dispute a payment, you must notify Champion of an error in an invoice submitted for payment by Champion not later than the 21st day after the date you receive the invoice. If the dispute is resolved in favor of Champion, then Champion is entitled to receive interest on the unpaid balance of the invoice beginning on the date the payment for the invoice is overdue. A payment is considered overdue beginning the 31st day from the date the electricity was delivered or a correct invoice is received, whichever is the later of the two. If the dispute is resolved in your favor, Champion shall submit a corrected invoice that must be paid in accordance

with Section 2251.021.

If the corrected invoice is not paid by the appropriate date, the unpaid balance accrues interest at the rate in effect on September 1st of the fiscal year in which the payment becomes overdue. The interest calculation is one percentage point higher than the prime rate published in the Wall Street Journal on the first business day of July of the preceding fiscal year.

<https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2251.htm>

Failure to Make Payment/Delinquency Policy

We encourage you to contact Champion to secure an arrangement before your account becomes delinquent or is disconnected for nonpayment. Please contact Champion to discuss eligibility and applicability of payment arrangements. Non-payment of your bill may result in the termination of this Contract, or disconnection of your electric service, whichever is applicable, after proper notice. All bills will be deemed past due and delinquent at the close of business on the day the bill is due. Champion will provide you with a disconnection notice in the event you do not pay your bill by its due date or make suitable arrangements with us for its payment.

You will have ten (10) days from the date of the disconnection notice to pay your account balance. If your account balance is not paid in full by the date indicated on the disconnection notice, your service will be suspended, and any charges assessed by your TDU will be charged to your account. You will be charged and are responsible for paying any early termination fees as listed on your EFL. To restore service without re-applying for service with Champion, your outstanding charges must be paid within five (5) days of service suspension and a charge of \$30.00 for service restoration will be assessed to your account, in addition to any charges for service restoration assessed by your TDU. Charges for suspension and restoration of service will be assessed if we must order the transactions, regardless of if your service is actually suspended or restored. If you pay your amount due after a suspension order is issued, your TDU may receive a restoration order prior to your service being suspended; therefore, you may not actually lose service but will still incur the charges. You can avoid these charges by paying your bill by its due date; Champion offers automatic bill pay through my account online to ensure your bills are paid timely.

If service suspension occurs, Champion reserves the right to refuse service to you or to require you to reapply for service in addition to paying all outstanding amounts owed to Champion and a deposit, prior to having service re-initiated to your premise.

You must remit final payment by the due date on the final bill to avoid having your account turned over to a collection agency. Late payments, or delinquent or past due balances will result in a penalty equal to 5% of the month's past due amount, less any charges for which you have already been assessed a late fee. A \$30 insufficient funds fee per transaction (or the maximum amount allowed by law) will be assessed to your account for any transaction not processed due to non-sufficient funds ("NSF"), payment stops or chargebacks, or credit availability for any method of payment including checks, bank drafts or credit card transactions. Champion reserves the right in such instances to require future payments from you to be made by cash. If you participate in our auto-bill-pay program and your payment is dishonored for any reason, Champion reserves the right to remove you from the auto-bill-payment program and you will no longer be eligible for any unpaid benefits. If a payment to restore service after non-payment is returned for insufficient funds, Champion has the right to suspend your service without notice.

If you fail to make timely payments of the amounts due under this Contract and we refer your outstanding balance to an attorney or collection agent for collection, or if we file a lawsuit, or collect your outstanding balance through probate, bankruptcy, or other judicial proceedings, then you agree to pay reasonable fees and expenses (including late fees, interest, administrative costs and attorney fees) that we incur in the collection process.

Critical Care Eligibility

If you have special service requirements involving dependency on electrical equipment or powered medical equipment, please advise Champion's Customer Care Department when such service needs arise, as it is your responsibility to advise us of this need. Champion will not disconnect for non-payment if you inform us, prior to the disconnection date stated on the notice, that you have a critical need for electric service, as determined through qualifying as either a "critical load public safety

customer" or a "critical care industrial customer." To qualify as a critical load public safety or critical care industrial customer, please submit a written statement attesting to your eligibility as a customer for whom electric service is considered crucial for the protection or maintenance of public safety. Additionally, customer must have a determination of eligibility pending with or approved by the TDU. Pursuant to a process determined collaboratively between the TDU and Champion, eligibility will be determined through a collaborative process between the customer, Champion and TDU.

Change in Terms and Conditions

Champion will provide you with written notice 14 days in advance of any material change in this Terms of Service except as otherwise stated herein. Champion will not change the price or term of a fixed price product at any time during the Initial Term, except as outlined in your EFL and this Agreement. If the price of a fixed term product is changed in accordance with the provisions as stated on your EFL, each bill issued for the remainder of the Initial Term will show the changes on one or more separate line items or will include a conspicuous notice stating that the amount billed includes price changes allowed by a change in law &/or the PUCT rules. Champion is not required to notify you of material changes that benefit you or for changes that are mandated by regulatory agencies.

Cancellation or Termination of Your Electric Service

If you take actions that cancel or terminate your electric service with Champion under the TOS prior to the end of the Initial Term specified in your Contract, you may be responsible to pay an Early Termination Fee ("ETF"), as specified in your EFL. Your termination fees will be waived if you switch electric providers within 14 days of your contract's expiration date. Cancellation or termination of the TOS does not excuse your obligation to pay outstanding balances or an ETF that may apply. If you nevertheless wish to cancel or terminate your electric service with Champion early, you may do so by contacting Customer Care at 1 (877) 653-5090 (toll-free) to see what options are available for you.

If you move from your existing service address to a new premise during the contract term and provide a forwarding address to Champion, you will not be responsible for the cancellation fee stated in the EFL. Please provide Champion with a signed cancellation form, available from Customer Care at 1 (877) 653-5090, to cancel or terminate the TOS, no less than 5 business days and no more than 60 days in advance of the requested termination date. Champion will use good faith efforts to cancel or terminate your service with the TDU on the requested termination date; however, we cannot be responsible if the TDU is unable to fulfil your requested termination date. You will be responsible for all charges incurred through the date the TDU can fulfil your termination. If you cancel or terminate the Terms of Service, Champion's obligations will conclude after the meter read date when Champion is no longer designated as your REP or when your electric service is disconnected by the TDU. If your termination requires an off-cycle meter read or otherwise incurs charges from the TDU, you will be responsible for payment of those charges. Your obligations under the TOS will end when the outstanding balance on your account is paid in full. Cancellation or termination of the TOS does not excuse the obligation of Customer to pay outstanding balances or an ETF that may apply.

Disconnection Without Notice

Champion or your TDU may disconnect your service without notice (i) if a known dangerous condition exists at the premise; (ii) where service is connected without authority by a person who has not made application for service; (iii) where service is reconnected without authority after disconnection for nonpayment; (iv) where there has been tampering with the meter or other service provider equipment; or (v) where there is evidence of theft of service.

Establishment of Satisfactory Credit

You may qualify to receive service from Champion by demonstrating satisfactory credit through one of the following methods: a) Provide a letter from your current or most recent REP which verifies that you have not been delinquent paying an electric bill more than once during the past twelve (12) months or had service terminated or disconnected for non-payment within the last twelve (12) months, or b) Demonstrate satisfactory credit in accordance with Champion's credit policy. Champion reserves the right to utilize credit-reporting agencies to document your credit/payment history. Customers/applicants unable to demonstrate satisfactory credit may be required to pay a deposit. Champion may deny electric service to customers/applicants who refuse or are unable to comply with the credit and deposit requirements. A customer/applicant who previously has been a customer of Champion, and whose service was terminated or disconnected

for non-payment of their electric bill or theft of service (including fraud, misrepresentation, or meter tampering), or who left a bona fide debt to Champion, will be required, before service is reinstated, to pay all amounts due to Champion, or execute a deferred payment agreement, if eligible, along with any required deposit and fees, as appropriate, and reestablish credit.

Deposits

Small Commercial Customers unable to demonstrate satisfactory credit may be required to post a deposit or other acceptable collateral to receive service. Estimated billings for an initial deposit from an applicant may be based upon a reasonable estimate of average usage for the customer class or may be based on the customer's estimation of anticipated usage or the premise's actual historical usage; the amount of deposit will not exceed the greater of either the sum of your estimated billings for the next two months or one-fifth of your estimated annual billing. Applicants who have provided a letter of credit will qualify to have the deposit waived; please call us for additional information regarding customer deposits. Champion will not require an initial deposit from an existing Small Commercial Champion Customer unless that Small Commercial Customer, during the previous 12 months of service under a commercial agreement, has been late paying a bill more than once or has had service terminated or disconnected for nonpayment. Additional deposits may be required from an existing Small Commercial customer if the average of your actual billings for the last 12 months is at least twice the amount of the original average of the estimated annual billings; and a termination or disconnection notice has been issued or the account's electric service has been terminated or disconnected within the previous 12 months.

An initial or additional deposit from an existing Small Commercial Customer will be based upon actual historical usage; to the extent it is available. If an initial or additional deposit is required for an existing Small Commercial Customer, Champion may require the Small Commercial Customer to pay the deposit within ten days after issuance of a written notice that requests such deposit, and a disconnection notice may be combined with or issued concurrently with the request for deposit. Service may be terminated or disconnected, whichever is applicable, if the additional deposit is not paid within this ten day period if Champion has issued a written termination or disconnection notice to the Small Commercial Customer. An initial or additional deposit may be required to add an additional service location under an existing account, or if you are transferring service from one commercial location to another without terminating service at one location within 30 days.

Interest on and Refund of Deposits

- You will accrue interest on your deposit, if held more than 30 days, at an annual rate established by the PUCT.
- If you have paid your bill for electric service for 24 consecutive months without having more than two (2) late payments, you can request your deposit be refunded or credited to your account.
- In the alternative, when your account with Champion is closed, your deposit and accrued interest, less any outstanding balance owed to Champion for electric service, will be refunded.

Force Majeure

Champion will make commercially reasonable efforts to supply electricity but does not guarantee a continuous supply of electricity. Customer acknowledges that certain causes and events outside of Champion's control (Force Majeure events) may result in interruptions in service and Champion will not be liable for any such interruptions. Champion does not generate electricity, nor does it transmit or distribute electricity. Therefore, Customer agrees that Champion will not be liable for damages caused by electricity, TDU, or Force Majeure events, including acts of God, acts of any governmental authority, acts of terrorists or enemies of the state, accidents, strikes or lock outs, labor troubles, required maintenance work, inability to access the TDU system, non-performance by the TDU, or any cause beyond Champion's control.

Itemization of Non-Recurring Charges for Service

**or the maximum allowed by law*

Charge Name	Price
Non-Sufficient Funds Fee*	\$30.00
Application Fee	FREE
Late Payment Fee	5% of the month's past due amount

Disconnection Recovery Fee	\$30.00
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Change in Law or Regulation

In the event there is a change (including a change in interpretation) in law, regulation, rule, ordinance, order, directive, filed tariff, decision, writ, judgment, or decree by a governmental authority or agency (including ERCOT), including, without limitation, changes in TDU tariffs and ERCOT protocols, including those changes affecting fees, costs, or charges imposed by ERCOT or the PUCT or other government entity, changes in market rules, changes in load profiles or changes in nodal and zonal definitions, and any such change results in Champion incurring additional costs and expenses in providing your electricity service, these additional costs and expenses will be your responsibility and they will be assessed in your monthly bill as a pass-through charge.

Bankruptcy

This Contract and the transactions described herein constitute a forward contract as defined in section 101(25) of title 11 of the United States Code (the "Bankruptcy Code"). The Parties agree that Champion is a "forward contract merchant" as defined in section 101(26) of the Bankruptcy Code, that the termination rights of the Parties will constitute contractual rights to liquidate transactions that will not be abridged by any filing of any petition as set forth in section 556 of the Bankruptcy Code, that any payment related hereto or made hereunder will constitute a "settlement payment" as defined in 101(51A) of the Bankruptcy Code, and that the exceptions to the applicability of the Bankruptcy Code as set forth in sections 362(b)(6), 546(e), 548(d), 553(a)(2)(B)(ii), 553(a)(3)(C) and 553(b)(1) will apply. The full context of the law can be found at <https://uscode.house.gov/view.xhtml?path=/prelim@title11/chapter1&edition=prelim>.

Limitation of Liability

Liabilities not excused by reason of Force Majeure or otherwise will be limited to direct actual damages. Neither Champion nor customer will be liable to the other for consequential, incidental, punitive, exemplary or indirect damages. These limitations apply without regard to the cause of any liability or damage. There are no third party beneficiaries to this Contract.

Representations and Warranties

The electricity sold under this Contract will meet the quality standards of the applicable local distribution utility and will be supplied from a variety of sources. Champion makes no representations or warranties other than those expressly set forth in this Contract and expressly disclaims all other warranties, express or implied, including warranties of merchantability and fitness for a particular purpose. Customer represents and warrants that they are a Small Commercial Customer as such terms are defined in Chapter 25 of the Substantive Rules of the PUCT. **If Customer's ceases to have a peak demand of less than 50 kilowatts ("kW") during any 12-month period and instead surpasses the 50 kW threshold, Customer understands and consents that Champion may, at Champion's sole discretion, switch Customer to a matrix or commercial agreement with for the remainder of Customer's Term with Champion.** The full context of this rule can be found at <http://www.puc.state.tx.us/rules/subrules/electric/index.cfm>.

Assignment and Binding Effect

Neither Party may assign this Contract or any of its rights or obligations under this Contract without the express written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding the above, Champion may, without the consent of Customer, (a) assign this Contract to any affiliate or to any party succeeding to a substantial portion of the assets of Champion, or (b) assign, pledge or otherwise collaterally assign its rights under this Contract to Champion's supplier of certain physical and/or financial commodities. Any successor or assignee of the rights of either Party shall be subject to all the provisions and conditions of this Contract to the same extent as though such successor or assignee were the original Party under this Contract

PUCT Rules

Customer and Champion acknowledge and agree that the Customer Protection Rules enacted by the PUCT (Section 25, Subchapter R), that were written to protect residential and Small Commercial Customers, apply to this Contract. The complete text of the PUCT Customer Protection Rules referenced herein can be found at

<http://www.puc.state.tx.us/rules/subrules/electric/index.cfm>.