

Global Agreement

REDACTED

Attachment 3 to
ARES Application

Exhibit 1.3

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;

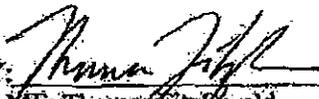
- (vii). all Financial Metrics and other references to financial information shall be calculated on a Modified Consolidated Basis unless explicitly stated to the contrary; and
 - (viii). each exhibit, annex, attachment, and schedule to this Agreement is a part of this Agreement, but if there is any conflict 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

On behalf of each of the Verde Energy Parties:
Verde Energy USA Holdings, LLC
Verde Energy USA, Inc.
Verde Energy USA New Jersey, LLC
Verde Energy USA Pennsylvania, LLC
Verde Energy USA Illinois, LLC
Verde Energy USA Trading, LLC

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

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

BY: 
NAME: Glenn Wright
TITLE: Senior Vice President

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

Verde Energy USA Illinois, LLC

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.

“Pro Forma Business Plan” means the forecasted business results of Verde Energy Holdings, presented on a Modified Consolidated Basis, in a form substantially similar to the Initial Pro Forma Business Plan and such other supporting information as Shell Energy may reasonably request.

“Program Fee” means the sum of _____ payable on the Effective Date.

“Qualified Institution” means (i) the U.S. office of a commercial bank or trust company (which is not an affiliate of a 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 a 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.

“Reporting Requirements” means the reports that Verde Energy Holdings shall submit to Shell Energy within the time frames specified as per Appendix D.

“S&P” means the Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor.

“Scheduling Coordinator Fee” means the monthly fee as set forth on Appendix L to be paid by one or more Verde Energy Parties to Shell Energy pursuant to one or more scheduling coordinator agreements between such Verde Energy Party and Shell Energy based on the combined actual power volumes used by all Verde Energy Parties on a combined basis under one or more scheduling coordinator agreements with Shell Energy, as reflected on the relevant Independent System Operator (“ISO”) settlement statements in the relevant ISO territories (or used by Shell Energy in such ISO territories for the benefit of one or more Verde Energy Parties).

“Secured Account” means each deposit account, whether now existing or hereafter created, that is designated, maintained and under the control of Shell Energy or is pledged to Shell Energy which has been established pursuant to the provisions of a Transaction Agreement for the purposes described therein, including without limitation, securing, collecting, holding, disbursing or applying certain funds, all in accordance with such Transaction Agreement, including, without limitation, as a Primary Secured Account or a Collateral Secured Account, each being a “Secured Account”.

“Service Agreements” means those agreements among the Verde Energy Parties as set forth on Appendix I.

“Service Territories” means the service territories of the utilities set forth on Appendix J.

“Sleeving Fee” means _____ MWh, for commodities or derivatives sleeved through Shell Energy.

“Sleeving Procedure” means the following process in which Verde Energy USA, Inc. may obtain sleeving services from Shell Energy:

Verde Energy USA, Inc. may, but is not required to, provide a quote for a specific product or service to Shell Energy (the “Quote”) from a commodity supplier unaffiliated with Verde Energy Holdings (“Third Party Supplier”). Such Quote shall include the following information:

- (i) Name of Third Party Supplier

- (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

Global Agreement

Appendix C-1 – Exempted Customers

Appendix C-2 – Government Customers

APPENDIX D – Reporting Requirements

Appendix D-5
Cash Collateral Report

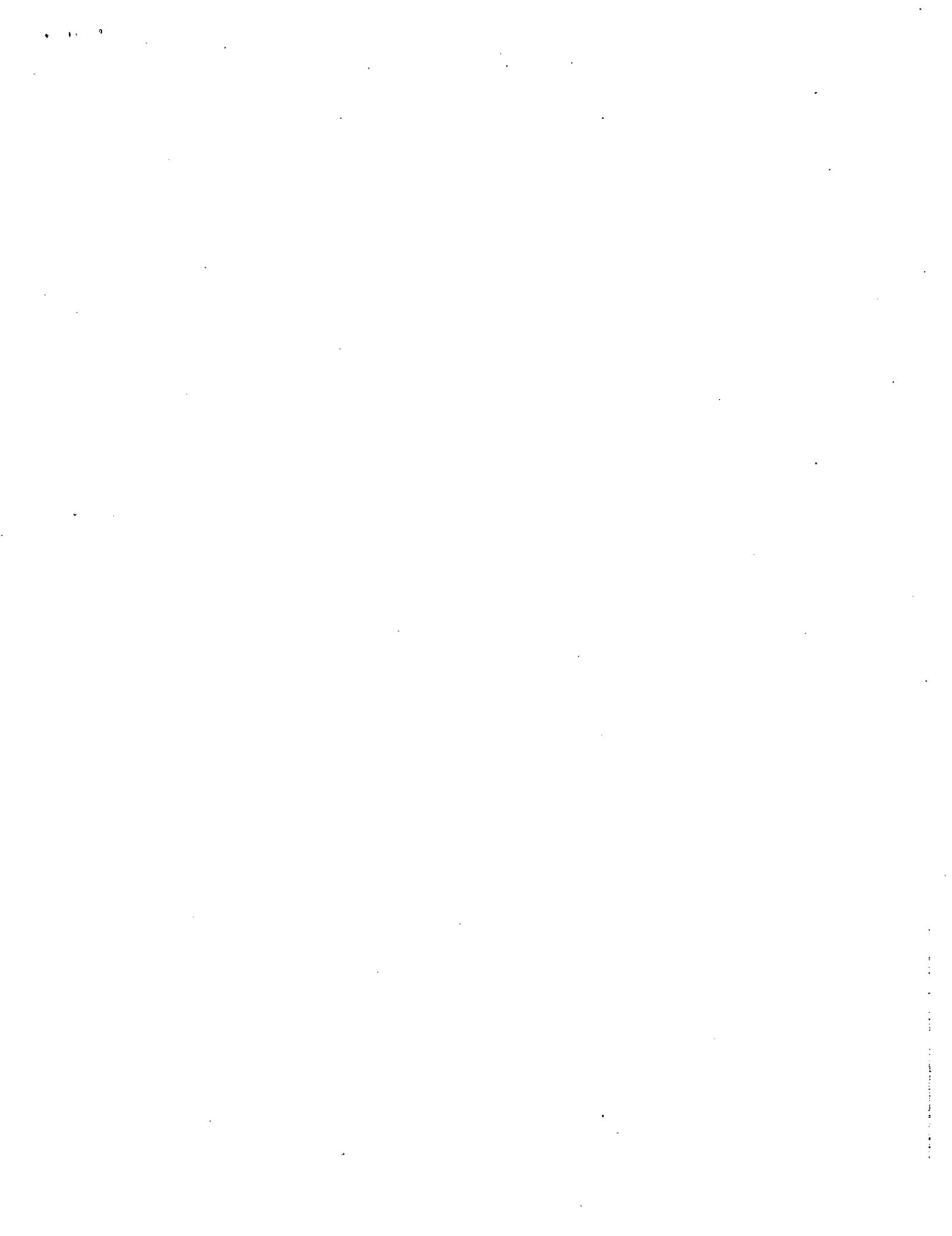
APPENDIX E – Transaction Agreements

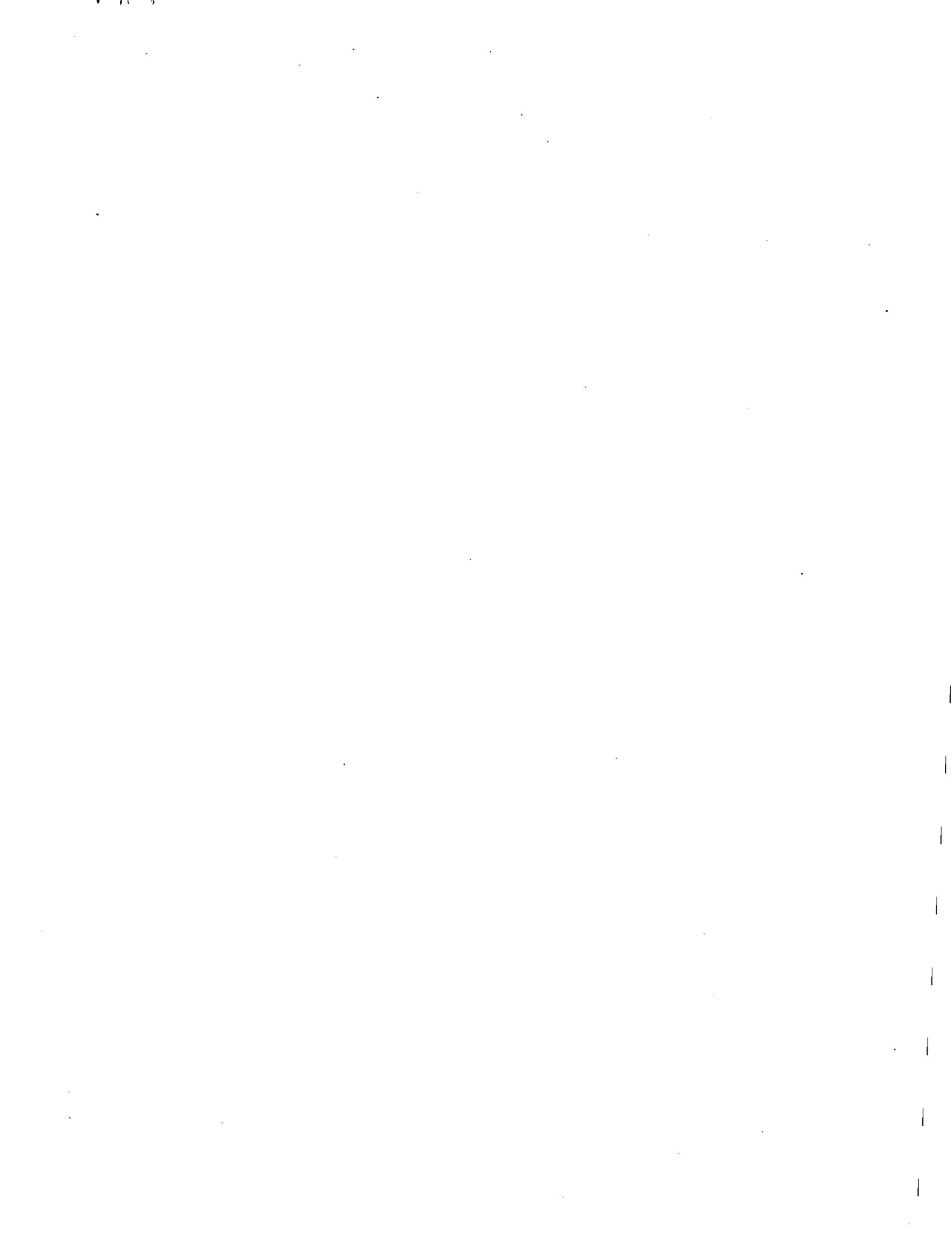
APPENDIX F – Verde Energy Parties

Verde Energy USA Holdings, LLC

Verde Energy USA Illinois, 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	
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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