TERMS OF SERVICE - RESIDENTIAL
VARSITY ENERGY

Thank you for choosing Varsity Energy LLC ("Varsity Energy") for your retail electricity needs.

This terms of service ("TOS") explains the terms and conditions that apply to your purchase of electricity from Varsity Energy (Varsity, we, our, us). Your contract with us includes the TOS; your enrollment authorization in writing, by telephone, or through the internet; the Electricity Facts Label ("EFL"); and the Your Rights as a Customer ("YRAC") disclosure document, collectively the "Contract." The terms "includes" or "including" mean "including without limitation." By accepting electricity service from Varsity Energy, you are entering into a Contract with us and you will be bound by the Contract.

CONTACT INFORMATION

Name	Varsity Energy LLC
Certificate Number	10271
Toll-Free Telephone Number	877-827-7389
Fax Number	877-688-0611
Website	www.varsityenergy.com
Email	bench@varsityenergy.com
Address	2925 Richmond Ave, Suite 1200, Houston, TX 77098

Varsity Energy customer service representatives are available to help you Monday through Friday from 8:00 A.M. to 5 P.M. Central Standard Time (CST) excluding federal holidays. To reach us outside of office hours, you can email or fax us.

OUTAGE REPORTING AND SERVICE REQUESTS

In the event of a power outage or for a service request, please call the appropriate number that corresponds to your Transmission and Distribution Service Provider ("TDSP"):

TDSP	Outage Reporting	Service Request
AEP Texas	866-233-8508	877-373-4858
CenterPoint Energy	800-332-7143	800-332-7143
Oncor Electric Delivery	888-313-4747	888-313-6862
Texas-New Mexico Power	888-866-7456	888-866-7456

PRICING AND FEES

You agree to pay the price indicated in the EFL and all amounts shown on your bill. Some products may require an advanced/smart meter that records your usage more frequently and you will only be eligible for these products and prices if the appropriate meter and any other necessary equipment are installed at your location. You agree to pay all applicable Taxes (defined below) and any fees charged by any governmental entity.

Non-Recurring TDSP Charges
You agree to pay non-recurring fees charged by the TDSP that are necessary to implement and/or maintain electricity service for you. Non-recurring fees by the TDSP may include service connection, disconnection or reconnection fees, meter test fees, or special out-of-cycle meter read fees and such other fees or charges lawfully imposed by the TDSP.

Non-Recurring Varsity Energy Charges
Late Payment Fee: We may charge a one-time fee of up to 5 percent of the past due balance for any delinquent or past due balance.

Insufficient Funds Fee: We may charge up to $30 for each payment transaction that is returned unpaid or not processed including returned bank drafts, returned electronic fund transfers, and rejected credit card or debit card transactions.

Disconnect Notice Fee: We may charge up to $10 each time we send you a disconnection notice.

Disconnect Recovery Fee: We may charge up to $30 if you fail to pay the past due amount before the expiration date of any disconnect notice issued by Varsity Energy. This would be in addition to any TDSP charges related to disconnections/reconnections.

Early Termination Fee: We may charge a fee for early cancellation of your Contract as described in your EFL.

TERMS AND CONDITIONS FOR SPECIFIC PRODUCTS

Varsity Energy may offer the following product types. Only the specific section for your product type will apply to your Contract. Your EFL contains your specific product type information and related terms.

FIXED RATE PRODUCTS
Fixed rate products have a Contract term of at least three (3) months and the price of a fixed rate product will only change to reflect changes in TDSP charges;

changes to the Electric Reliability Council of Texas ("ERCOT") or Texas Regional Entity ("TRE") administrative fees charged to loads; or changes resulting from federal, state, or local laws or regulatory actions that impose new or modified fees or costs outside of the control of Varsity Energy.

Changes to Contract Provisions
We can make changes to the provisions of the Contract at any time during the Contract term with appropriate notice except for changes to your price (other than as stated in this section) or the length of your Contract term. We will notify you of any change to the Contract in writing at least fourteen (14) days before any change to the Contract will take effect or be applied to your bill. If you do not cancel the Contract before the effective date of the change, the change will become effective on the date stated in the notice. Notice is not required for a change that is beneficial to you.

Contract Expiration Notice
An expiration notice will be sent to you at least thirty (30) days before the end of your initial Contract term in your EFL. This expiration notice will be sent by mail or by e-mail if you have requested to receive contract-related notices electronically. If you do not take action to switch to another provider upon the expiration of your term, you will continue to be served by Varsity Energy under a default renewal monthly product after the end of the Contract term until you select another Varsity Energy electricity plan, switch to another provider, or we disconnect or terminate your electricity service.

INDEXED PRODUCTS (TERM)
Term indexed rate products have a Contract term of at least three (3) months and the price of a term indexed rate product will change based on a pre-defined pricing methodology. The pricing methodology is based on publicly available information such as price indices.

The price of a term indexed rate product may also change to reflect changes in TDSP charges; changes to the ERCOT or TRE administrative fees charged to loads; or changes resulting from federal, state, or local laws or regulatory actions that impose new or modified fees or costs outside of the control of Varsity Energy.

Changes to Contract Provisions
We can make changes to the provisions of the Contract at any time during the Contract term with appropriate notice except for changes to your price (as stated in this section related to the pricing methodology) or the length of your Contract term. We will notify you of any change to the Contract in writing at least fourteen (14) days before any change to the Contract will take effect or be applied to your bill. If you do not cancel the Contract before the effective date of the change, the change will become effective on the date stated in the notice. Notice is not required for a change that is beneficial to you.

Contract Expiration Notice
An expiration notice will be sent to you at least thirty (30) days before the end of your initial Contract term in your EFL. This expiration notice will be sent by mail or by e-mail if you have requested to receive contract-related notices electronically. If you do not take action to switch to another provider upon the expiration of your term, you will continue to be served by Varsity Energy under a default renewal monthly product after the end of the Contract term until you select another Varsity Energy electricity plan, switch to another provider, or we disconnect or terminate your electricity service.

INDEXED PRODUCTS (MONTH-TO-MONTH)
Month-to-month indexed rate products have a Contract term of thirty-one (31) days or less and the price of a month-to-month indexed rate product will change based on a pre-defined pricing methodology. The pricing methodology is based on publicly available information such as price indices.

The price of a month-to-month indexed rate product may also change to reflect changes in TDSP charges; changes to the ERCOT or TRE administrative fees charged to loads; or changes resulting from federal, state, or local laws or regulatory actions that impose new or modified fees or costs outside of the control of Varsity Energy.

Changes to Contract Provisions
Changes to the provisions of the Contract may be made by us at any time during the Contract term except for changes to the length of your Contract term. We will notify you of any change to the Contract in writing at least fourteen (14) days before any change to the Contract will take effect or be applied to your bill. If you do not cancel the Contract before the effective date of the change, the change will become effective on the date stated in the notice. Notice is not required for a change that is beneficial to you.

VARIABLE PRICE PRODUCTS
Variable price products have a Contract term of thirty-one (31) days or less and the price of a variable price product may change after the first billing cycle at the sole discretion of Varsity Energy based on a variety of factors.

Prior to the first billing cycle, the price of a variable price product may only change to reflect changes in TDSP charges; changes to the ERCOT or TRE administrative fees charged to loads; or changes resulting from federal, state, or local laws or regulatory actions that impose new or modified fees or costs outside of the control of Varsity Energy.

Changes to Contract Provisions
We can make changes to the provisions of the Contract at any time with appropriate notice except for changes to the length of your Contract term. We will notify you of any change to the Contract in writing at least 14 days before any change to the Contract will be applied to your bill or take effect. If you do not cancel the Contract before the effective date of the change, the change will become effective on the date stated in the notice. Notice is not required for a change that is beneficial to you.

DEPOSITS

You may have to provide an initial deposit before receiving electricity service if you cannot demonstrate satisfactory creditworthiness; however, we do not deny service based on your credit score. A deposit may be required to continue to receive electricity service if you have been late paying your bill more than once during the last twelve (12) months or your service has been disconnected for non-payment.

If you transfer your service with us to a new address, your existing deposit may be transferred to your new address. You may also be required to provide an additional deposit to continue to receive electricity service if 1) your average annual electricity service bill for the last twelve (12) months is at least twice the amount of the original estimated annual bill and 2) a notice of disconnection has been issued in the previous twelve (12) months. If a deposit is required, the total amount of your deposit will not exceed an amount equal to the greater of either 1) the sum of the next two months of your estimated billings or 2) one-fifth (1/5) of your estimated annual billing. If we hold your deposit longer than thirty (30) days, your deposit will accrue interest from the day we received it at the interest rate established yearly by the Public Utility Commission of Texas ("PUCT"). We will credit any accrued interest on your deposit to your account annually or on your final bill.

You may avoid paying a cash deposit if one of the following conditions are met 1) you are at least 65 years of age and you do not have a delinquent balance with your current electric service provider or 2) you have been a victim of family violence and can provide a certification letter by the Texas Council on Family Violence. Please contact us for additional information if you believe you may be eligible for one of these options.

If you establish satisfactory credit with us by making timely payments for twelve (12) consecutive months, then we will apply the deposit plus accrued interest to your account. If you do not establish satisfactory credit with us during the time you receive service from us, we will apply the deposit plus accrued interest against the outstanding balance on your final bill. After your deposit has been applied to your final bill, we will bill you for any remaining balance, and the bill will be due upon receipt or we will refund any credit balance to you or transfer the credit balance to your new provider at your request and with your new provider's consent.

BILLING AND PAYMENT

Billing
We will provide a monthly bill that will include 'current charges' and the 'amount due' which will be due and payable 16 calendar days from the dates shown on the bill. As specified in the EFL, you may receive an electronic bill as a condition of receiving service under a specific product offer. If not required as a condition described in the EFL, you may request an electronic bill in lieu of a bill sent via regular mail. You agree that we may issue a bill less frequently if we do not receive meter readings or usage information from the TDSP or ERCOT in time to prepare and send a monthly bill. We may also issue bills less frequently if you agree to accept alternate payment arrangements.

Payment
You may make payment electronically or by regular mail. You have the option of paying your bill electronically through bank draft/electronic check, debit card, or credit card for no additional charge. You have the option to set up recurring bank draft or credit card payment for amounts owed. If you do not pay your bill by the due date, we may charge you a Late Payment Penalty Fee (with the amount described in the Pricing and Fees section) each time you are late to pay. Late Payment Fees will not exceed the maximum amount permitted by Law. "Law" means any law, statute, regulation, rule, ERCOT protocol, exchange rule, decision, writ, order, decree or judgment, or any interpretations by any court, agency or instrumentality that has jurisdiction. PUCT Substantive rules can be viewed at http://www.puc.texas.gov/agency/rulesnlaws/subrules/electric/Electric.aspx; ERCOT protocols can be viewed at http://www.ercot.com/mktrules/nprotocols. If you receive a disconnection notice, you may be charged a Disconnect Notice Fee (with the amount described in the Pricing and Fees section) each time we send a disconnection notice. If you receive a disconnection notice we may also charge you a Disconnect Recovery Fee (with the amount described in the Pricing and Fees section). If you do not make a valid payment of the full past due amount before the due stated in the disconnection notice, your service is subject to disconnection as stated in the disconnection notice. This charge will apply regardless of whether your electric service is actually disconnected.

We reserve the right to refuse or void payment methods (e.g. credit card, debit card and echeck) if there are two or more returned, cancelled, or reversed payments by your financial institution(s) in a rolling 12-month period.

We reserve the right to adjust your bill. We may calculate a bill based on estimated meter readings absent actual meter readings from the TDSP or ERCOT. Once actual meter readings are received, we will issue a bill or make adjustments on a subsequent bill.

Payment Arrangement and Plans
Please call us if you anticipate having difficulty paying your bill by the due date. You may be eligible for payment assistance, a deferred payment or payment extension plan, or other alternate payment arrangements.

A deferred payment plan is an extended payment plan in which lets you pay an outstanding balance in installments over a period of time. As part of starting a deferred payment plan, we may require a down payment of no more than fifty (50) percent of the amount due. We may ask you to pay the remaining balance owed on a deferred payment plan in equal installments over at least five (5) billing cycles. If you enter into a deferred payment arrangement, Varsity Energy may request that the TDSP place a switch-hold on an Electric Service Identifier ("ESI ID"), to the extent allowed by the PUCT, which would prevent a switch transaction from being completed for the ESI ID and shall prevent a move-in transaction from being completed pending documentation that the applicant for electric service is a new occupant not associated with the customer for whom the switch-hold was imposed.

A payment extension plan gives you a short-term extension to pay the full amount of an outstanding balance on your account.

You will not be eligible for a deferred payment or payment extension plan if you have received two (2) or more disconnection or termination notices during the past twelve (12) months or you have received service from us for less than three (3) months and cannot demonstrate a satisfactory payment history with a prior provider. If you are on a deferred payment or payment extension plan or other alternate payment arrangement, you will still be responsible for any fees assessed on your account for being past due as described in the Pricing and Fees section. Varsity Energy reserves the right to pursue disconnection of electric service if you do not meet the terms of the deferred payment arrangement.

You may be eligible for our level payment plan if your account does not have a past due balance (i.e. delinquent). Delinquent customers should contact customer service to determine if they qualify for the level payment plan. Under this plan you will receive an estimated bill that is the same amount each month for an agreed upon term length (subject to periodic review and adjustment). At the end of the term we will reconcile the amount you have paid against the amount you would have paid based on actual usage, and the difference will be applied to your next bill. We may require a deposit to participate in the plan. Level billing does not affect your obligation to pay for all actual usage and other associated charges, taxes and fees.

Energy assistance and rate reduction programs may be available for qualified customers who have experienced an emergency or hardship temporarily affecting their ability to pay their bills. Call us to obtain more information about the various assistance programs that may be available to you.

If you do not promptly pay the amounts due and we refer your outstanding balance to an attorney or collection agent for collection, 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 attorney fees that we incur in the collection process.

RECISSION RIGHT

If you are switching to Varsity Energy from another provider, you can cancel your acceptance of the Contract with us without penalty or fee of any kind by contacting us before midnight of the third federal business day after the date of your enrollment authorization and receipt of the TOS.

Please contact us as noted below and include the following:

Request to cancel the Contract
Name, address and phone number
Account number or ESID number

To rescind service, you may call us at 1-877-827-7389, fax us at 1-877-688-0611, or email us at bench@varsityenergy.com.

SERVICE DISCONNECTION

We may request disconnection of your electricity service, at all active ESI ID addresses, if you do not pay your deposit or the past due amount of your electricity bill is not paid in full by the due date of the disconnect notice. We will notify you in writing at least ten (10) days before we disconnect electricity service. We further reserve the right to apply any past due amounts from one ESI ID to another account that you may have with us. If you make a payment by echeck to satisfy the amount due to be reconnected and your payment is later returned for insufficient funds, we reserve the right to disconnect your service again. If you attempt to make a payment for reconnection via echeck and have a history of two or more returned payments for insufficient funds, we reserve the right to void the payment attempt and request that a payment be submitted via credit or debit card. After disconnection of service for non-payment, if your disconnect balance has not been satisfied, we may submit a move-out transaction to the TDSP after 10 days which will terminate our service requirements to you at that ESI ID address. We may request disconnection of your electricity service without prior notice immediately under specific situations such as the existence of a dangerous condition at your service address, theft of service, or you provide fraudulent or false information to obtain electricity service from us.

CONTRACT TERMINATION

Your Contract term is stated in the EFL. At the end of your Contract term, you may cancel or terminate your Contract by switching to a new provider. If you cancel the Contract before the end of your Contract term, you agree to pay the penalty or early termination fee indicated in the EFL and you must select another provider to continue to receive electricity service. If you move from your existing premise during the Contract term and provide a forwarding address to us for another premise, you will not be responsible for the early termination fee stated in the EFL. We may also request that you provide reasonable evidence that you no longer occupy the location covered by the Contract. In order to ensure timely processing, you should notify us at least five (5) federal business days before the requested move-out date. Our obligations will end after the meter read date where we are no longer designated as your provider or when your electricity service is disconnected by the TDSP. Your obligations under the Contract will end when any remaining outstanding account balance is paid in full.

ANTI-DISCRIMINATION

We cannot deny service or require a prepayment or deposit for service based on your race, creed, color, national origin, ancestry, sex, marital status, lawful source of income, level of income, disability, familial status, location in an economically distressed geographic area, or qualification for low income or energy efficiency services. We also cannot use a credit score, a credit history, or utility payment data as the basis for determining the price for electricity service for products with a Contract term of twelve (12) months or less.

CUSTOMER INFORMATION

By entering into this Contract, you hereby authorize your TDSP to release to Varsity Energy certain information that we need to provide you with service including your address, phone number, account numbers, and historical usage information.

CRITICAL CARE AND CHRONIC CONDITION CUSTOMER

If you have a person permanently residing in your premise who has been diagnosed by a physician as being dependent upon an electric powered medical device to sustain life, you may apply for designation as a Critical Car Residential Customer. If you have a person permanently residing in your premise who has been diagnosed by a physician as having serious medical condition that requires an electric-powered medical device or electric heating or cooling to prevent the impairment of a major life function through a significant deterioration or exacerbation of the condition, you may apply for designation as a Chronic Condition Residential Customer. To be considered for such designation, the PUCT approved form must be submitted by fax or email to the TDSP by a physician. The TDSP will then notify you of the final status of your designation as a Critical Car or Chronic Condition Residential Customer and will also notify you when such designation will expire and whether you will receive a renewal notice. The TDSP will also notify us about your status. Designation as a Critical Care or Chronic Condition Residential Customer does not relieve you of your obligation to pay for electricity service that you receive from us.

COMPLAINTS OR DISPUTES

If you have any questions, concerns, or complaints, please contact us. For a complaint involving a disputed bill, the REP will not initiate collection activities or terminate or disconnect service or report the delinquency to a consumer reporting agency with respect to the disputed portion of the bill. However, after appropriate notice, the REP may disconnect your service for non-payment of any undisputed portion of the bill.

In the event we cannot respond to your question or complaint, we will promptly investigate the matter and report our findings to you within 21 days. If you are dissatisfied with the results of the investigation, you may request a supervisory review. Varsity will advise you of the results of the supervisory review within 10 business days of your request. If the matter relates to a disputed billing amount, during this time, you will not be required to pay the disputed portion of your bill. If for any reason you are not satisfied with our response, you may contact the PUCT. The PUCT contact information is as follows:

PUCT Department	Consumer Protection Division
Toll-Free Telephone Number	888-782-8477 or 512-936-7120
Fax Number	512-936-7003
TTY	512-936-7136
Website	www.puc.state.tx.us
Email	customer@puc.state.tx.us
Address	P.O. Box 13326, Austin, TX 78711-3326

LIMITATIONS OF LIABILITY

YOU AGREE THAT CAUSES AND EVENTS BEYOND OUR CONTROL INCLUDING ACTS OF GOD, ACTS OF ANY GOVERNMENTAL AUTHORITY, ACCIDENTS, STRIKES, LABOR TROUBLE, AND EVENTS OF FORCE MAJEURE OCCURRING WITH RESPECT TO THE TDSP, ERCOT, OR OTHER THIRD PARTY SYSTEMS OR ASSETS (A FORCE MAJEURE EVENT) MAY RESULT IN INTERRUPTIONS IN SERVICE AND THAT WE WILL NOT BE LIABLE FOR THOSE INTERRUPTIONS. YOU ALSO AGREE THAT WE ARE NOT RESPONSIBLE FOR GENERATING YOUR ELECTRICITY OR FOR TRANSMITTING AND DISTRIBUTING ELECTRICITY TO YOUR SERVICE ADDRESS. FURTHERMORE, YOU AGREE THAT WE WILL NOT BE LIABLE WITH RESPECT TO ANY THIRD PARTY SERVICES, THAT OUR LIABILITY NOT EXCUSED BY REASON OF FORCE MAJEURE OR OTHERWISE WILL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, AND NEITHER OF US ARE LIABILE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES. YOU WAIVE ALL OTHER REMEDIES AT LAW OR IN EQUITY. THESE LIMITATIONS APPLY EVEN IF THE DAMAGES RESULT FROM NEGLIGENCE WHETHER SOLE, JOINT, CONCURRENT OR ACTIVE OR PASSIVE. THERE ARE NO THIRD PARTY BENEFICIARIES TO THE CONTRACT.

REPRESENTATIONS AND WARRANTIES

The electricity sold under this Contract will be supplied from a variety of generating sources. If you purchase a renewable product from us, you are financially supporting renewable energy generation sources, and the required amount renewable energy credits will be retired to authenticate the renewable component of the product specified in your EFT. Your TDSP does not necessarily deliver and you will not necessarily receive the specific electricity generated from that renewable source at your service address. WE MAKE NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THE CONTRACT, AND WE EXPRESSLY DISCLAIM ALL OTHER WARRANTIES, WRITTEN OR ORAL, EXPRESS, OR IMPLIED INCLUDING MERCHANTABILITY, CONFORMITY TO MODELS OR SAMPLES AND FITNESS FOR A PARTICULAR PURPOSE.

ASSIGNMENT

You may not assign your Contract with us, in whole or in part, or any of your rights or obligations under the Contract without our prior written consent. Varsity Energy may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financing agreement or receivables purchase program, and may assign this agreement to another energy supplier, energy services company or other entity as authorized by the Texas Public Utility Commission, under the same aggregate terms and conditions as the original agreement.

TAXES

You will be responsible and indemnify us for any and all Taxes. “Taxes” means all federal, state and local taxes, fees, governmental charges, and assessments presently or hereafter imposed on you as purchaser of electricity, on us as seller of electricity, or on electricity sales transactions including gross receipts taxes, municipal administrative fees, and generation, utility, TDSP, regulatory, BTU or electricity taxes and assessments.

GOVERNING LAW

The Contract is governed by the laws of the State of Texas. The Texas Uniform Commercial Code applies to this TOS and electricity is deemed a “Good.” The Uniform Commercial Code can be viewed at the following website: http://www.statutes.legis.state.tx.us/?link=BC.

MISCELLANEOUS

If either party or its activities under the Contract become subject to any Law enacted during the Contract term that renders the Contract unenforceable or illegal, then either you or Varsity Energy may terminate the Contract without the consent of, and upon thirty (30) days’ notice, to the other, and without any obligation, payment, or otherwise (other than payment obligations for electricity previously supplied to you). Obligations regarding indemnity, payment of Taxes, limitations of liability, and waivers will survive the termination of the Contract indefinitely. The Contract constitutes the entire agreement between you and us to purchase electricity for the covered ESID(s) and supersedes any prior agreements. There are no prior or contemporaneous agreements or representations affecting this Contract.

If either of us waives any one or more defaults by the other in the performance of any of the provisions of the Contract, then such waiver will not be construed as a waiver of any other default or defaults whether of a like kind or of a different nature.