



Confirmation Date: 04/22/2019

ENERGY TRANSACTION CONFIRMATION
Fixed Price

From: Reliant Energy Retail Services, LLC ("Reliant")
Phone: (713) 537-5232
Fax: (832) 584-2010

To: County of Montague ("Customer") (TIPS # 180402)
Attn: Rick Lewis
Phone Number: (940) 894-2401
Fax Number: _____

Terms: This Energy Transaction Confirmation (this "Confirmation") is subject to the provisions of the Agreement identified below between Customer and Reliant. **Exhibit A** and **Exhibit C** set forth definitions of capitalized terms not defined in this Confirmation.

Agreement: Electric Energy Sales Agreement dated **April 22, 2019**; Reliant Reference #: **1-11NJZUI**

Initial Term: Beginning on the Confirmation Date stated above and continuing until the first Meter Read Date after **December 31, 2033**

Delivery Term: Beginning on the first Meter Read Date on or after the Commencement Date shown on **Exhibit D**, and ending the last day of the Term, as further described in the definition of Delivery Term in **Exhibit A** to the Agreement.

Contract Price: **\$0.03759** per kWh for each Customer Location

Exhibit C: The attached **Exhibit C** applies to this Energy Transaction

Exhibit D: The attached **Exhibit D** applies to this Energy Transaction

Special Provisions: This Confirmation must be executed by Customer and Reliant. Please execute below and return to Reliant. This Confirmation is effective only when Reliant receives and executes it. After execution, Reliant will return to Customer a fully executed copy of this Confirmation. If Reliant does not execute this Confirmation, Reliant will notify Customer, and this Confirmation will have no effect.

RELIANT ENERGY RETAIL SERVICES, LLC

COUNTY OF MONTAGUE

By: _____
Robert J. Gaudette
Vice President

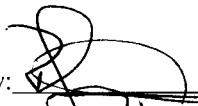
By:  _____
Name: Rick Lewis
Title: County Judge

EXHIBIT C
Fixed Price
Unbundled TDSP – Unbundled Nodal – No Settlement

This Fixed Price Product sets a fixed Contract Price per kWh of Actual Consumption for the Initial Term. In addition, certain charges will be passed through to Customer.

CONTRACT CHARGES

The "**Contract Price**" is the fixed amount per kWh of Actual Consumption set out on the applicable Confirmation.

The Contract Price includes:

1. Energy charges,
2. Ancillary Service Charges,
3. ERCOT fees,
4. Applicable aggregator and broker fees collected from Customer and paid to Customer's aggregator or broker (if any),
and
5. Line losses and UFE charges.

In addition, Customer will pay the following pass through charges listed as separate line items on the Reliant Invoice:

1. Discretionary Service Fees,
2. Competition Charges,
3. Taxes,
4. Transmission and Distribution Charges,
5. Nodal Congestion Charges,
6. Any additional charges that are expressly authorized in this Agreement.

DEFINITIONS

As used herein, the terms "**Day-Ahead**", "**Hub**", "**Load Zone**", "**Real-Time**", and "**Settlement Point Price**" have the meaning set forth in the ERCOT Nodal Protocols.

"**Actual Consumption**" means the Energy measured or reported by the TDSP or estimated by Reliant for the Customer Location for a month for scalar meters and for each hour for IDR meters.

"**Ancillary Service Charges**" means, for each Customer Location, all charges assessed by ERCOT for services necessary to maintain reliable operation of the transmission system in order to support the transmission of Energy from the source of generation to the points of demand.

"**Competition Charges**" means, for each Customer Location, any or all of the following charges: competition transition charges; transition charges as defined in the PURA; excess mitigation credits; and/or substantially similar charges associated with, or resulting from, the opening of the electric market in the State of Texas to REPs, including the recovery of stranded costs as defined by the PURA and increases in transmission and distribution rates charged by the TDSP that result from, or are otherwise attributable to, the redirection of depreciation expenses.

"**Discretionary Service Fees**" means all non-routine deposits, connection fees, metering charges, installation costs for equipment to maintain a Power Factor of not less than 95% lagging at each Customer Location meter, assessments by the TDSP regarding any Power Factor at any Customer Location meter, or any similar amounts that are assessed by and payable to the TDSP related to the purchase and installation of meters and associated equipment and the Customer's use of that equipment to establish or maintain electric service at a Customer Location or to maintain TDSP system requirements, or other charges for equipment or services requested by Customer or required by the TDSP.

"Nodal Congestion" means the difference(s) between the Day-Ahead Settlement Point Price(s) determined by ERCOT for the Load Zones associated with the Customer Locations(s) and the Day-Ahead Settlement Point Price(s) determined by ERCOT for the Hub(s). If the Day Ahead Settlement Point Price(s) are not published by ERCOT or are otherwise unavailable, then for the period(s) for which Day Ahead Settlement Point Price(s) are not available, Nodal Congestion will be based on difference(s) between the Real Time Settlement Point Price(s) determined by ERCOT for the Load Zones associated with the Customer Location(s) and the Hub(s).

"Nodal Congestion Charges" means the amount determined by calculating the product of **"Nodal Congestion"** and the **"Actual Consumption."**

"Power Factor" means the ratio of kW to kilovolt amperes expressed as a percentage, calculated by dividing kW by kilovolt amperes.

"Transmission and Distribution Charges" means, for each Customer Location, all transmission and distribution charges and other cost recovery charges and fees outlined in the TDSP's tariff and billed to Reliant for TDSP's services to deliver Energy to the applicable Customer Location; provided, such charges and fees will not include any Competition Charges.

CUSTOMER'S ACKNOWLEDGMENT

Customer acknowledges that Reliant and its affiliates are in the business of buying and selling power within the ERCOT market for each of their own accounts and that such participation in the foregoing market may affect the calculation of the Settlement Point Prices. Notwithstanding the foregoing, Customer agrees to pay the amounts provided for in this Agreement that may be based upon the Settlement Point Prices, as promulgated by ERCOT. Subject to the Customer's right to dispute a Reliant Invoice as set forth in this Agreement, Customer will not withhold payment for any reason, including, investigatory activities undertaken by ERCOT or PUCT. Nothing in this Agreement restricts Reliant or any of Reliant's affiliates from participating in ERCOT market activities that may affect the Settlement Point Prices.

**EXHIBIT D
Fixed Price**

Customer Location Information:

#	CUSTOMER LOCATION NAME	CUSTOMER LOCATION ADDRESS	CITY	ST	ZIP	ESID	COMMENCEMENT DATE
1	Montague County	100 S GRAND ST	MONTAGUE	TX	76251	10400514236490001	8/1/2026
2	Montague County	102 S RUSK ST UNIT 100W SECLT	MONTAGUE	TX	76251	10400512545390002	8/1/2026
3	Montague County	335 E FRANKLIN ST UNIT SEWER	MONTAGUE	TX	76251	10400513350740001	8/1/2026
4	Montague County	120 S RUSK ST UNIT 8150W STRTLT	MONTAGUE	TX	76251	10400512545390001	8/1/2026
5	Montague County	9500 HPS W/P UNIT 9500W STRTLT	MONTAGUE COUNTY	TX	76251	10400516009390001	8/1/2026
6	Montague County	301 AUSTIN ST BARN	NOCONA	TX	76255	10400512539150001	8/1/2026
7	Montague County	335 E FRANKLIN ST UNIT 100W SECLT	MONTAGUE	TX	76251	10400513350740002	8/1/2026
8	Montague County	5 CAPP'S CORNER RD	SAINT JO	TX	76265	10400513864480001	8/1/2026
9	Montague County	121 1/2 GRAND ST	MONTAGUE	TX	76251	10400513463550001	8/1/2026
10	Montague County	5 CAPP'S CORNER RD UNIT 100W SECLT	SAINT JO	TX	76265	10400513864480002	8/1/2026
11	Montague County	121 S GRAND ST JAIL	MONTAGUE	TX	76251	10400513291830001	8/1/2026
12	Montague County	N GRAND ST SEWER	MONTAGUE	TX	76251	10400515675810001	8/1/2026
13	Montague County	11339 N STATE HIGHWAY 59	MONTAGUE	TX	76251	10400515745090001	8/1/2026
14	Montague County	130 S GRAND ST BLDG CTHS	MONTAGUE	TX	76251	10400512545310001	8/1/2026

ELECTRIC ENERGY SALES AGREEMENT (Public Entity Master Agreement)

This Electric Energy Sales Agreement (this "**Agreement**") between **RELIANT ENERGY RETAIL SERVICES, LLC**, a Delaware limited liability company ("**Reliant**"), and **COUNTY OF MONTAGUE**, a political subdivision of the State of Texas ("**Customer**") (TIPS # 180402) (individually referred to as a "**Party**" and collectively, the "**Parties**") (including all attached and referenced exhibits and annexes, which are incorporated in this Master Agreement, and all Energy Transactions, which together form a single, integrated agreement, this "**Agreement**") is effective on this **22nd day of April, 2019** (the "**Effective Date**"). **Exhibit A** sets forth definitions of capitalized terms not defined in the text.

PART 1: MASTER AGREEMENT SCOPE.

1.1 **Scope.** This Master Agreement commences on the Effective Date and continues month to month thereafter, unless terminated by either Party upon 30 days prior written Notice to the other Party, but this Agreement will continue to apply until all Energy Transactions are completed or terminated, final invoices are issued, and all amounts owed are paid in full. Further, all obligations regarding indemnity, payment of Taxes, limitations of liability, and waivers survive termination indefinitely, and confidentiality obligations survive termination for the period of the applicable statute of limitations.

1.2 **Energy Transactions.** The Parties from time to time may, but are not obligated to, enter into one or more Energy Transactions for the purchase and sale of electricity ("**Energy**") subject to this Master Agreement. An Energy Transaction may be formed by the Parties' agreement and evidenced by an Energy Transaction Confirmation issued by Reliant and signed by the Parties. Each Energy Transaction Confirmation must specify a product **Exhibit C**, attached to the Energy Transaction Confirmation, as the basis of the Energy Transaction. Each Energy Transaction Confirmation must also include an **Exhibit D** describing Customer Locations, Benchmark Quantities, and pricing components applicable to the Energy Transaction. If an inconsistency exists between the terms of this Master Agreement, an Energy Transaction Confirmation, and **Exhibit C** and **Exhibit D**, the Energy Transaction Confirmation prevails over this Master Agreement, and **Exhibit C** and **Exhibit D** prevail over the cover page to the Energy Transaction Confirmation.

1.3 **Energy Transaction Term; Transition Term.** The "**Initial Term**" of an Energy Transaction will be set forth in the Energy Transaction Confirmation. If any Customer Location(s) have not been switched to a new REP at the end of the Initial Term, then Reliant may continue to sell Energy to Customer for the Customer Locations, in accordance with this Agreement, and this Agreement will continue in effect for successive one month terms (collectively, the "**Transition Term**") until all Customer Location(s) are switched to a new REP (the Initial Term and the Transition Term, collectively, the "**Term**"). The Contract Charge for each month of the Transition Term (the "**Transition Charge**"), together with any new product terms, will be posted on Reliant's online account management website at www.reliant.com (the "**Site**"). It is the Customer's responsibility to access the Site for each Transition Charge and no other Notice will be provided. At any time after the end of the Initial Term, if allowed by Law, Reliant may terminate the Energy Transaction Confirmation by transferring any remaining Customer Location(s) to the POLR or the appropriate REP.

PART 2: ENERGY TRANSACTIONS.

2.1 **Sales and Purchases.** Reliant will sell to Customer, and Customer will purchase from Reliant, Energy to satisfy all of Customer's Energy Requirements for each Customer Location for the Delivery Term. Customer Information forms

the substantial basis for the calculation of charges for the Energy Transactions. To the best of Customer's knowledge, Customer Information is true and accurate as of the date furnished to Reliant and as of the Effective Date. Customer will take all actions necessary to effect the Energy Transactions, including, if requested by Reliant, executing an authorization form permitting Reliant to request changes of the Meter Read Date(s) for one or more Customer Locations. During the Delivery Term, Customer may not (a) have generation that is synchronously connected to the TDSP at any Customer Location, (b) resell any portion of the Energy purchased from Reliant to any third party, or (c) be qualified as a Resource in ERCOT.

2.2 **Delivery of the Energy.** Customer acknowledges that the TDSP owns and controls the electric transmission or distribution wires or equipment, has custody and control of the Energy sold and purchased under this Agreement, and has the responsibility to deliver the Energy to the Customer Locations. Reliant has no liability, obligation, or responsibility for the operations of the TDSP or for the interruption, termination, failure to deliver, or deterioration of the TDSP's transmission or distribution service.

2.3 **Contract Charge.** For all Energy deliveries under this Agreement, Customer agrees to pay Reliant the Contract Charge.

2.4 **Billing.** Following each month during the Delivery Term, Reliant will render to Customer the Reliant Invoice setting forth all charges and amounts due. Within five Business Days after the Effective Date, Customer will notify Reliant in writing of the address to which Reliant may submit invoices. Reliant's ability to invoice Customer is dependent on the TDSP's and ERCOT's ability to furnish Reliant all necessary information, including the Meter Read Dates for scalar meters and recorded data for interval data meters. Absent that information from the TDSP or ERCOT, Reliant may invoice Customer based on estimated data. After Reliant receives the required information, the estimated Reliant Invoice will be adjusted on a subsequent Reliant Invoice to reconcile differences between estimated and actual data.

2.5 **Payment.** Customer must pay, as specified in **Exhibit B**, the amount due stated on the Reliant Invoice on or before the later of (a) the 30th day after the Reliant Invoice date, or if not a Business Day, the immediately following Business Day, or (b) the due date for payment required under Chapter 2251 of the Texas Government Code (the "**Due Date**"). If an invoice is not paid by the Due Date, then Reliant will apply to Customer's account a late fee on the unpaid amount equal to the lesser of one percent or the maximum amount permitted by Law.

2.6 **Payment Disputes.** If Customer disputes amounts shown on the Reliant Invoice, Customer must (a) notify Reliant no later than 21 days after receipt of the Reliant Invoice and (b) pay Reliant the undisputed amount and furnish Reliant a written explanation specifying the amount disputed and the basis for the dispute. Upon receipt of notice that Customer disputes a Reliant Invoice, Reliant will promptly provide supporting documentation and such other information that Customer may reasonably request for purposes of verifying the disputed amount. Within 10 Business Days of resolution, if Customer owes Reliant money, then Customer must pay Reliant the amount owed plus interest at the Interest Rate from, and including, the Due Date to, but excluding, the date Reliant receives payment. Any amounts improperly billed and collected from Customer will be credited to Customer on its next Reliant Invoice, together with interest at the Interest Rate.

PART 3: DEFAULTS AND REMEDIES.

3.1 **Events of Default.** Each of the following events is an "Event of Default" with respect to an affected Party (the "Defaulting Party"):

- (a) failing to make any required payment when due, if the failure is not cured within five Business Days after written Notice;
- (b) making a material, false, or misleading representation or warranty under this Agreement, and not correcting the representation or warranty within five Business Days after written Notice;
- (c) failing to perform any covenant not excused by Force Majeure if not cured within five Business Days after written Notice;
- (d) making an assignment or general arrangement for the benefit of creditors;
- (e) becoming a party, voluntarily or involuntarily, to an action under bankruptcy or similar laws for the protection of creditors; or
- (f) becoming bankrupt or insolvent.

No waiver by the other Party (the "Non-Defaulting Party") of any one or more Events of Default will be construed as a waiver of any other Event of Default.

3.2 **Early Termination.** If an Event of Default occurs, the Non-Defaulting Party may take one or more of the following actions for as long as the Event of Default continues:

- (a) establish a date ("**Early Termination Date**") on which this Agreement and all Energy Transactions terminate; and
- (b) disconnect, or cause to be disconnected, each Customer Location from electric service, or, if disconnection is not allowed by Law, transfer each Customer Location to the POLR or another REP as specified by Law.

The Parties agree that if Customer causes an Event of Default by switching away one or more Customer Locations to another REP prior to the expiration of the Initial Term, the Early Termination Date will be the earliest date a Customer Location is switched. Regardless of which Party is the Defaulting Party, Customer agrees that if an Early Termination Date occurs, it will remain liable to timely pay Reliant all charges for Energy sold until each Customer Location is transferred or is disconnected from electric service. If an Early Termination Date occurs, the Non-Defaulting Party determines its resulting damages as of the Early Termination Date pursuant to **Section 3.3** below.

3.3 **Damages.** The actual damages of the Non-Defaulting Party are that Party's Costs, plus its Losses and minus its Gains, if any, determined as set forth in the definitions in **Exhibit A** and in this Section. If an Early Termination Date occurs before the Delivery Term begins, the damages will be calculated as though Reliant had delivered Energy to Customer throughout the Delivery Term until the end of the Initial Term. The Non-Defaulting Party will aggregate its Gains or Losses and Costs into a single net amount (the "**Termination Payment**"). If the calculation of the Termination Payment yields a positive amount, the Defaulting Party will owe that amount to the Non-Defaulting Party. If the calculation of the Termination Payment yields a negative amount, the Termination Payment will be zero and neither Party will owe a Termination Payment. Any Termination Payment owed to the Non-Defaulting Party will be setoff against any other amounts owing between the Parties under this Agreement and any other agreement, and a single, net amount payable ("**Net Settlement Amount**") will be due by one Party (the "**Payor**") to the other Party (the "**Payee**"). Promptly following the Early Termination Date, the Non-Defaulting Party will calculate the Net Settlement Amount and provide notice to the Defaulting Party. The Payor must pay the Net Settlement Amount to the Payee within five Business Days of the Defaulting Party's receipt of the Non-Defaulting Party's notice. The Net Settlement Amount will accrue interest at the Interest Rate from, and including, the Early Termination Date to, but excluding, the date the Payee receives payment.

PART 4: LIMITATION OF LIABILITIES. The Parties confirm that the express remedies and measures of damages provided in this Agreement satisfy its essential purposes. If an express remedy is provided, that remedy is the sole and exclusive remedy. If no remedy is expressly provided, the obligor's

liability will be limited to direct actual damages as the sole and exclusive remedy. Except as provided in Section 6.5, all other remedies at law or in equity are waived. Except with respect to the recovery of Costs, neither Party will be liable for consequential, incidental, punitive, exemplary, or indirect damages, or other business interruption damages, by statute, in tort or contract, under any indemnity provision, or otherwise.

PART 5: REPRESENTATIONS. Each Party represents and warrants to the other Party continuing throughout the Term unless otherwise stated, that:

- (a) it has the power and authority to sign and perform this Agreement; and
- (b) it has knowledge and experience in business matters that enable it to evaluate the merits and risks of entering into this Agreement.

In connection with the negotiation and execution of this Agreement and each Energy Transaction, each Party represents to the other Party that:

- (a) it is acting as principal (and not as agent for any other party or in any other capacity, fiduciary or otherwise, unless expressly stated);
- (b) the other Party is not acting as a fiduciary or financial or investment advisor for it;
- (c) it has consulted with its own legal, regulatory, tax, business, investment, financial, and accounting advisors to the extent it considers necessary, and it has made its own decisions based upon its own judgment and upon any advice from those advisors as it deems necessary, and not upon any advice of the other Party;
- (d) the other Party has not given to it (directly or indirectly through any other person) any advice, counsel, assurance, guarantee, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence, or benefit (either legal, regulatory, tax, financial, accounting, or otherwise) of this Agreement or any Energy Transaction;
- (e) it is entering into this Agreement and each Energy Transaction with a full understanding of all of the risks (economic and otherwise) and it is capable of assuming and willing to assume those risks; and
- (f) it has the capacity to evaluate and continually monitor (internally or through independent professional advice) this Agreement, each Energy Transaction, and the relevant markets (including the appropriateness or suitability thereof) and has made its own decision to enter into this Agreement and each Energy Transaction and to independently evaluate and monitor same on its own behalf.

In connection with the negotiation and execution of this Agreement, Reliant verifies that it does not boycott Israel and will not boycott Israel during the Term of this Agreement.

PART 6: OTHER MATTERS.

6.1 **Taxes.** Customer is responsible for and will pay Reliant for all Taxes arising from or measured by the transactions contemplated by this Agreement or Reliant's receipts from those transactions, whether the Law imposes the Taxes on Reliant or Customer or the transactions. Reliant may collect Taxes from Customer by including them on the Reliant Invoice. Reliant will recognize a lawful sales tax exemption on a prospective basis only after Customer provides proper documentation to Reliant. If Customer is due a sales tax refund because of Reliant's failure to timely recognize valid exemption documentation, Reliant may credit the overpaid sales tax to Customer's account. Customer is responsible for petitioning the taxing authority for all other sales tax refunds.

6.2 **Force Majeure.** If a Party is unable because of Force Majeure to perform its obligations and that Party gives Notice of the event to the other Party as soon as practicable after its occurrence, then the obligations of the Party affected by the event (other than payment for Energy received and performance of other transactions or other obligations incurred before the Force Majeure event) will be suspended for the duration of the Force Majeure event. A Party may furnish Notice orally, but must provide a written Notice within two Business Days

after the oral Notice. Nothing in this Section requires Reliant to supply, or Customer to receive, Energy at points other than the Customer Locations.

6.3 Law and Waiver of Consumer Rights. The rights and duties of the Parties are governed by, construed, enforced, and performed in accordance with the Law of the State of Texas (without giving effect to principles of conflicts of laws). With respect to any disputes arising out of or relating to this Agreement, exclusive jurisdiction and venue shall be proper in the state and federal courts located in Harris County, Texas. **Each Party waives, to the fullest extent permitted by Law, any right it may have to a trial by jury in respect of any suit, action, claim, or proceeding relating to this Agreement.** The Parties agree that Section 2.201 of the Texas Business & Commerce Code (relating to the statute of frauds) applies to this Agreement and electricity is considered a "good" for purposes of this Agreement. **Reliant makes no representations or warranties except those expressly stated in these terms, and disclaims all other warranties, express or implied, including merchantability, conformity to models or samples, and fitness for a particular purpose.** To the extent allowed by Law, Customer acknowledges and agrees that the Customer Protection Rules for Retail Electric Service adopted by the PUCT pursuant to PURA (PUCT Subst. Rules §25.471, et seq.) do not apply to this Agreement. Customer voluntarily waives its rights, if any, under the Deceptive Trade Practices – Consumer Protection Act, Section 17.41 et seq., Texas Business & Commerce Code, providing consumers special rights and protections and Customer has consulted with an attorney of its own selection with respect hereto.

6.4 Change in Law. If either Party or its activities related to this Agreement are affected by any Law enacted after the Effective Date ("**Change in Law**") that makes performance of this Agreement unenforceable or illegal, then either Party, without any payment obligation or other liability (other than payment for Energy received and performance of other transactions or other obligations incurred before termination), may terminate this Agreement without consent of, and upon Notice to, the other Party, upon the earlier of 60 days prior Notice or other prior Notice effective on the date the Change in Law becomes effective. If a Change in Law becomes effective relating to the wholesale or retail electricity market in ERCOT resulting in new or modified fees, costs of performance, including, but not limited to, Reliant's cost of goods sold (COGS) determined in accordance with generally accepted accounting principles (GAAP), or other charges being incurred by Reliant and other ERCOT market participants (the "**Incremental Amounts**"), then to the extent incurred by Reliant, all of the Incremental Amounts may be reasonably allocated to Customer. This allocation may include, but is not limited to, allocation on a per MWh basis prorated according to Customer's usage compared to all affected Reliant customers' usage, and billed to Customer as an authorized charge or adjustment to the Contract Price.

If there is any Change in Law that imposes taxes, fees, charges, impositions, assessments, or restrictions or allowance requirement(s) for Emissions that increase the cost of fossil-fueled generating facilities in ERCOT to generate or supply electricity, then instead of the charges set forth in the paragraph above, Customer will be obligated to pay an additional charge billed as a separate line item on the Reliant Invoice, calculated as follows: $\$X/\text{ton multiplied by } Y$ tons/MWh ("**Emissions Charge**"), where $\$X$ is equal to the prevailing market price per ton of Emissions allowances as of the date of determination, using the average of three broker quotations obtained by Reliant or other reasonable means to establish market price, and Y is equal to the generation-weighted average annual carbon dioxide output emissions rate in tons per megawatt-hour from power plants operating in ERCOT as reported in the most recent version of eGRID available at the time the calculation is required, provided that the emissions data are not more than three years old. Should suitable eGRID data not be available, a mutually agreed-upon alternate source will be used. In the alternative, if the Change in Law related to Emissions is imposition of a tax on Emissions, then the X value in the Emissions Charge will be equal to the tax rate. The Emissions Charge will be adjusted annually in the last week of December in each year of the Term, by recalculating the values of X and Y above as of the date of determination.

"**Emissions**" means emissions into the atmosphere that include, in whole or in part, carbon dioxide (CO₂), that are produced as the result of combustion of fossil fuels for the purpose of generating electricity.

6.5 Confidentiality. Neither Party will disclose any terms or documents provided under or relating to this Agreement to a third party (other than a Party's and its affiliates' employees, lenders, counsel, permitted assignees, consultants, accountants, or prospective purchasers who have agreed to confidentiality), except in order to comply with Law. The Parties are entitled to all remedies available at Law or in equity to enforce, or seek relief in connection with, this obligation, subject to **Part 4**.

6.6 Assignment. (A) If Customer desires to sell or lease all or a portion of Customer Locations to another entity, Customer may assign this Agreement to the assignee as to all Customer Locations or cause the assignee to enter into an agreement with Reliant on the same terms and conditions set forth in this Agreement as to that portion of Customer Locations sold or leased, on the following conditions:

- (1) Customer is not a Defaulting Party;
- (2) the assignee satisfies Reliant's collateral and credit requirements; and
- (3) the assignee assumes Customer's obligations in writing and in a form legally adequate for that purpose;

(B) Reliant may assign this Agreement without Customer's consent, under the following circumstances or conditions:

- (1) in connection with any financing or other financial arrangements involving the assignment, sale, pledge, or encumbering of this Agreement or its accounts, revenues, or proceeds;
- (2) the assignment is to an affiliate of Reliant;
- (3) the assignment is to any person or entity succeeding to all or a substantial portion of Reliant's assets; or
- (4) the assignment is to a certified REP; and
- (5) in the cases of (B)(2) and (B)(3) above, the assignee is at least as creditworthy as Reliant as of the Effective Date and assumes Reliant's obligations in writing and in a form legally adequate for that purpose.

If a Party makes an assignment in compliance with (A), (B)(2), (B)(3), or (B)(4) above, the assigning Party will have no further obligations regarding future performance with respect to the assigned Customer Locations, except to make full payment for obligations incurred before the date the assignee agrees to assume the obligations and to comply with continuing confidentiality obligations. Except as provided in this Section, neither Party may assign this Agreement or any of its rights or obligations without the other Party's prior written consent, which consent may not be unreasonably withheld.

6.7 Partial Termination. Customer may delete one or more, but not all, Customer Locations (and associated Benchmark Quantities as determined by Reliant in its sole discretion) from the Agreement ("**Partial Termination**"), only if Customer (a) closes those Customer Location(s) for the remainder of the Term, or (b) sells those Customer Location(s) and the buyer of the locations does not assume obligations to purchase energy under this Agreement. Customer must provide Reliant with at least 30 days prior written notice of its intent to delete Customer Location(s) from the Agreement on these conditions. Customer must pay Reliant a partial Termination Payment for the deleted Customer Location(s). Reliant will calculate the partial Termination Payment in the same manner as provided in **Section 3.3**, using only the Benchmark Quantities for the deleted Customer Locations, and bill the amount of the partial Termination Payment on a subsequent Reliant Invoice. This **Section 6.7** does not apply to deletion of Customer Locations permitted by **Section 6.11**.

6.8 Relationship of the Parties. Nothing in this Agreement (a) constitutes or implies a joint venture, partnership, association, or any fiduciary or similar obligation or liability between the Parties or (b) provides any benefit to any third party or entitles any third party to any claim, cause of action, remedy, or right of any kind, other than in connection with an assignment to a permitted assignee.

Reliant does not provide, and nothing in this Agreement will be construed as providing, advice regarding the value or advisability of trading in commodities that would cause Reliant or any of its affiliates to be considered a commodity-trading advisor under applicable Law.

6.9 **Documentation.** Nothing in this Master Agreement limits any particular confirmation procedures intended to form transactions under the terms of any exhibits or annexes attached to any Energy Transaction Confirmation or this Master Agreement. This Agreement together with the Energy Transaction Confirmations constitutes the entire agreement between the Parties and supersedes any prior or contemporaneous agreements or representations affecting the subject of this Agreement and the Customer Locations. Facsimile signatures are effective as originals. Except as provided in **Section 6.4**, if a provision becomes unlawful or unenforceable, the other provisions of this Agreement will remain in full force and effect, except that if either Party determines, in its sole discretion, that the unlawful or unenforceable provision causes a material change to the original purpose of this Agreement, the Parties will promptly enter into negotiations to replace the provision with a valid and enforceable provision that preserves the original intent of the Parties. All amendments must be reduced to writing and executed by the Parties, except (i) as otherwise provided in **Section 1.3**, and (ii) amendments to add or delete Customer Locations and amend Benchmark Quantities. If Customer and Reliant agree to add or delete Customer Locations, the additions and deletions will be implemented as follows: (i) Customer may request an amendment to **Exhibit D** by sending to Reliant an email requesting that a Customer Location be added or deleted, identifying any resulting changes to Benchmark Quantities, and attaching the addition/deletion form provided by Reliant (the "**Email Request**"); and (ii) the amendment will be effective only when Reliant sends an email to Customer confirming acceptance of the amendment and attaching an amended **Exhibit D** showing the agreed additions or deletions (the "**Email Confirmation**"). Each Party is entitled to assume that emails sent from the other Party under this provision are sent by an authorized representative.

6.10 **Notices.** Unless provided otherwise, the Parties will send Notices relating to this Agreement in writing by regular mail, electronic mail (confirmed receipt), overnight carrier, facsimile, or hand delivery. Notice by regular mail will be deemed received three Business Days after mailed. Notice by registered or certified mail, return receipt requested, will be deemed received on the date the receiving Party signed for it. Notice by facsimile, Internet, or hand delivery will be deemed received by close of the Business Day transmitted or delivered (if transmitted or delivered after that close, it will be deemed received by the close of the next Business Day). Notice by overnight mail or courier will be deemed received two Business Days after the day it was sent.

6.11 **Adding and Deleting Customer Locations 10% per Contract Year Band Tolerance.** During each Contract Year, Customer may add new Customer Locations, or delete existing Customer Locations sold or closed up to a cumulative total of 10% above or below total annual Benchmark Quantities for that Contract Year, so long as Customer is not a Defaulting Party. Customer will inform Reliant of the requested additions and deletions through the email process in **Section 6.9**. "**Contract Year**," as used in this section, means the consecutive 12 month periods beginning on the first day of the Delivery Term. If a Contract Year is less than 12 months, the Benchmark Quantities for that period will be pro-rated according to the number of months in the period.


PART 7: CUSTOMER ACKNOWLEDGEMENT. Customer acknowledges that Energy prices may be subject to substantial volatility based on economic conditions, fuel prices, seasonal electricity demands, generator outages, weather and other factors. Customer also acknowledges that past results regarding electricity products are not necessarily an indication of future results.

This Agreement may be executed in multiple counterparts to be construed as one as of the Effective Date.

RELIANT ENERGY RETAIL SERVICES, LLC

By: _____
Robert J. Gaudette
Vice President

COUNTY OF MONTAGUE

By:  _____
Name: Rick Lewis
Title: County Judge



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EXHIBIT A: CERTAIN DEFINITIONS

The following terms have the stated meanings and apply to singular and plural forms, and the term "including" means including, without limitation.

"Benchmark Quantity" means Customer's expected kWh electricity consumption for the Term, which may be set out on the applicable **Exhibit D**, depending on the Customer's product. If Customer's expected consumption is not set out on the applicable **Exhibit D**, Reliant will determine the Benchmark Quantity by reference to Customer Information and Customer's 12 months of electricity consumption before the Effective Date or the most recent Amendment or Energy Transaction Confirmation, or for new facilities, Customer Information and electricity consumption of comparable facilities, each as may be adjusted in accordance with this Agreement.

"Business Day" means each day that Federal Reserve member banks in New York City are open for business.

"Claims" means all claims or actions, threatened or filed before or after this Agreement is terminated, and whether groundless, false, or fraudulent, that directly or indirectly relate to a subject matter of an indemnity, and resulting losses, damages, expenses, attorneys' fees, and court costs however incurred.

"Commencement Date" is stated for each Customer Location in **Exhibit D** to the applicable Energy Transaction Confirmation.

"Costs" means fees, commissions, administrative, operating, and other transaction costs, reasonably incurred as a result of the termination of obligations under, and in entering into new obligations that replace, the Energy Transactions, and reasonable attorneys' fees incurred in connection with enforcing a Party's rights.

"Customer's Energy Requirements" means an amount of Energy equal to 100% of the actual Energy requirements of the Customer Location(s), as measured by the TDSP during the Delivery Term, not to exceed the physical capabilities of TDSP's facilities or contravene applicable utility service rules or tariffs or Law.

"Customer Information" means information regarding Customer's business, Customer Locations, with meter or account numbers, historical and projected Energy usage, load factors, time of use, hours of operation, utility rate classes, agreements, and schedules, and other information reasonably required to substantiate Customer's Energy Requirements.

"Customer Location" means each of Customer's premises or facilities in ERCOT that are described on **Exhibit D** to the applicable Energy Transaction Confirmation.

"Delivery Term" means, with respect to an Energy Transaction, for each Customer Location, the period commencing on the first Meter Read Date on or after the Commencement Date, and ending the last day of the Term, but, if a switch of supplier is required, then the Delivery Term commences on the later of (a) the first Meter Read Date on or after the Commencement Date and (b) the date that all actions have been taken by the TDSP, ISO, and ERCOT for Reliant to sell Energy to Customer for each Customer Location and for Customer to purchase and receive the Energy from Reliant for each Customer Location, including fully switching Customer to Reliant. No interruption or delay in purchases or sales after the Commencement Date, including Force Majeure, will operate to extend the Delivery Term.

"Energy Transaction" means a transaction for the purchase and sale of Energy effectuated pursuant to **Section 1.2** upon the Parties' agreement to the Initial Term, **Exhibit D**, **Exhibit C**, and any other matters agreed upon by the Parties, all as set forth in the Energy Transaction Confirmation.

"Energy Transaction Confirmation" means a confirmation signed by the Parties in form legally adequate evidencing the terms required for an Energy Transaction.

"ERCOT" means the Electric Reliability Council of Texas.

"Force Majeure" means an event (a) not within the reasonable control of the Party claiming suspension ("**Claiming Party**") (or in the case of third party obligations or facilities, the third party), (b) not caused by the negligence of the Claiming Party, and (c) which the Claiming Party, exercising due diligence, is unable to overcome or for which the Claiming Party is unable to obtain commercially reasonable substitute performance. Force Majeure includes: (a) an event of Force Majeure affecting the TDSP or ERCOT, (b) a suspension, curtailment, or service

interruption by the TDSP or ERCOT, or (c) acts of god, acts of terrorism, civil insurrection, or war.

"Gain" means the Present Value of the economic benefit (exclusive of Costs) to a Non-Defaulting Party resulting from the termination of the Energy Transactions, determined by comparing the Present Value of each Terminated Contract to the Present Value of each Replacement Contract, in the same manner that Losses are determined. If the Present Value of a Terminated Contract exceeds the Present Value of a Replacement Contract for Customer as the Non-Defaulting Party, Customer is deemed to have realized a Gain. If the Present Value of a Replacement Contract exceeds the Present Value of a Terminated Contract for Reliant as the non-defaulting Party, Reliant is deemed to have realized a Gain.

"Grid" means the transmission and distribution systems of TDSPs in ERCOT.

"Interest Rate" means the lesser of (a) an annual rate equal to 2% over the per annum prime lending rate published in *The Wall Street Journal* under "Money Rates" and in effect on the first day of the month during which the charge is assessed or damages are determined, as the case may be, or (b) the interest rate required under Chapter 2251 of the Texas Government Code; provided that the Interest Rate charged and collected may never exceed the maximum rate permitted by Law.

"kW" means kilowatt and **"kWh"** means kilowatt-hour.

"Law" means any law, statute, regulation, rule, ERCOT protocol, exchange rule, decision, writ, order, decree, or judgment, or any interpretation thereof by any court, agency, or instrumentality having jurisdiction, including ERCOT.

"Losses" means the amount equal to the Present Value of the economic loss, if any, to a Party resulting from the termination of Energy Transactions. Economic loss does not include Costs. Economic loss is determined as follows:

(a) If Customer is the Non-Defaulting Party, economic loss is the Present Value of each Terminated Contract subtracted from the Present Value of a Replacement Contract.

(b) If Reliant is the Non-Defaulting Party, economic loss is the Present Value of a Replacement Contract subtracted from the Present Value of each Terminated Contract.

"Meter Read Date" means the actual meter read date that corresponds to the TDSP's regularly scheduled meter read date, as ascertained from the meter reading schedule published on the TDSP's website.

"Notice" means all notices, requests, and Reliant Invoices to be made as specified in **Exhibits B** or **D**.

"POLR" means the REP designated by the PUCT required to offer Energy to any requesting customer in a specified territory.

"Present Value" means a discounted value calculated using the one year London InterBank Offered Rate quoted in the *Wall Street Journal* as of the Early Termination Date.

"PUCT" means the Public Utility Commission of Texas.

"PURA" means the Public Utility Regulatory Act.

"REP" means a seller of Energy that is permitted under the PURA to sell Energy to customers located in the State of Texas.

"Reliant Invoice" means the monthly invoice(s) rendered by Reliant to Customer reflecting amounts payable by Customer. "Monthly" means either a calendar month or such other period of approximately 30 days based on the TDSP's schedule for reading meters at Customer Locations and established to allow for invoicing of all Customer Locations on the Reliant Invoice.

"Replacement Contract" means a replacement contract for the applicable Energy Transaction whose value is calculated by using Customer's Energy Requirements based on the Benchmark Quantity for each Customer Location and relevant market prices as of the Early Termination Date for the remainder of the Term. To ascertain the market prices of a Replacement Contract, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of New York Mercantile Exchange futures contracts, quotations from leading dealers in Energy swap contracts, and other bona fide third party offers, all adjusted for the remainder of the Term, as applicable, load shape, and basis differential. The Non-Defaulting Party is not required to enter into a Replacement Contract to determine its damages.



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"Resource" means facilities capable of providing Energy or load capable of reducing or increasing the need for Energy or providing Ancillary Services, as defined in **Exhibit C**, to the ERCOT System, as described in the ERCOT protocols.

"Taxes" means all federal, state, and local taxes, fees, governmental charges, and assessments, presently or hereafter imposed on Customer as purchaser of Energy, on Reliant as seller of Energy, or on the Energy Transactions, including Texas state and local sales and use taxes, the Texas gross receipts tax on utility companies, the PUCT gross receipts tax assessment on REPs, municipal administrative fees on REPs, and generation, utility, regulatory, Btu, or electricity taxes and assessments, but excluding taxes imposed on net income.

"TDSP" means the entities that own the transmission and distribution equipment for delivering the Energy to a Customer Location, and any successors to those entities.

"Terminated Contract" means an Energy Transaction that has been terminated. Its value is the Energy Transaction's Present Value had it not been terminated. The Present Value is calculated as of the Early Termination Date using Customer's Energy Requirements based on the Benchmark Quantity for each Customer Location for the remainder of the Term.



EXHIBIT B: NOTICES AND PAYMENTS

RELIANT

NOTICES & CORRESPONDENCE:

Reliant Energy Retail Services, LLC
910 Louisiana Street
Houston, Texas 77002
Attn: Reliant Contract Management

P.O. Box 3412
Houston, Texas 77253-3412
Attn: Reliant Contract Management

Facsimile No: (832) 584-2010

With a copy to:
Vice President, Sales and Marketing

Email Request (**Section 6.9**): Email your Customer Care specialist or [Solutions @ reliant.com](mailto:Solutions@reliant.com)
Reliant's Customer Care Number: (888) 315-1558

BILLING & ACCOUNTING MATTERS:

Reliant Energy Retail Services, LLC
P.O. Box 1532
Houston, Texas 77251-1532
Attn: Invoicing

Telephone: (888) 275-6859

PAYMENTS:

Payment by Wire/ACH to
Bank of New York Mellon (or Mellon Bank NA)
Transit Routing # 043000261
Account Name: Reliant Energy Retail Services, LLC
Acct. # 119-2420

Overnight Payment Option:
Reliant Energy Retail Services, LLC
Dept - 0954
1501 North Plano Rd.
Richardson, Texas 75081

Regular Payment Option:
Reliant Energy Retail Services, LLC
Dept. 0954
P.O. Box 120954
Dallas, Texas 75312-0954

CUSTOMER

NOTICES & CORRESPONDENCE

COUNTY OF MONTAGUE
PO BOX 475
MONTAGUE TX 76251-0475
Attention: Rick Lewis
Telephone No.:(940) 894-2401
Facsimile No.:
E-Mail Address: co.judge@co.montague.tx.us

PAYMENTS

Bank: _____
ABA Routing # _____
Account # _____