

**THIRD PARTY SUPPLIER RESIDENTIAL AND SMALL NON-RESIDENTIAL
SALES AGREEMENT**



This notification is for illustrative purposes only, you will receive your personalized Contract Summary with your welcome packet upon the acceptance of your enrollment

CONTRACT SUMMARY

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| <p>Third Party Supplier Information</p> <p>By entering into this contract, you are agreeing to purchase your natural gas supply from this supplier.</p> | <p>State of New Jersey License Number: GSL-0137 Residents Energy, LLC, PO Box 400, Jamestown, NY 14702 1-888-828-7374, contactus@residentsenergy.com www.residentsenergy.com</p> <p>You have chosen Residents Energy as your third party supplier (TPS). Residents Energy is not affiliated with your natural gas distribution company (GDC). Residents Energy is responsible for your gas supply. The charges for the gas supplied by Residents Energy will appear on the bills rendered to you by your GDC, separate and apart from your GDC's charges for delivering the gas.</p> |
| <p>Price Structure</p> | <p>For the first 12 monthly billing cycles the rate will be fixed. After that, the rate may vary based on numerous factors, including the ones detailed in the Terms & Conditions. There is no cap on the variable rate.</p> |
| <p>Generation/ Supply Price</p> | <p>The rate for the first billing cycle will be _____ /therm.</p> |
| <p>Statement Regarding Savings</p> | <p>The rate may be higher or lower than the GDC's rate in any month. There is no guaranty of savings.</p> |
| <p>Amount of time required to change from TPS back to default service or to another TPS</p> | <p>If you cancel your Residents Energy service to return to your GDC or to switch to another TPS, the change will take effect on the next available billing cycle date in accordance with your GDC's rules. It may take one or two billing cycles from the submission of the cancellation request.</p> |
| <p>Incentives</p> | <p>Rebate Program: the Customer must remain in the program for the entire agreed upon term in order to qualify for the rebate. If a Customer cancels at any time prior to the agreed upon term, the Customer shall forfeit all rights and claims to any and all rebate offers. Introductory Price: will be in effect for the introductory price term, at which point the account shall update to the IDT Variable Price and continue on a month to month basis.</p> |
| <p>Right to Cancel/Rescind</p> | <p>If you are a residential customer you may rescind your selection of Residents Energy by contacting your GDC (or by calling Residents Energy at 1-888-828-7374) within seven days of the date of the GDC's confirmation notice.</p> |
| <p>Contract Start Date</p> | <p>You will begin receiving gas supply service from Residents Energy as of the next available billing cycle date as determined by your GDC.</p> |
| <p>Contract Term/Length</p> | <p>The fixed rate segment of this Agreement is twelve (12) monthly billing cycles and this will be followed by the variable rate segment which will continue until either you or Residents Energy provides 30 days' notice of termination to the other.</p> |
| <p>Cancellation/Termination Fees</p> | <p>If you terminate this Agreement during the fixed rate segment, or if Residents Energy terminates this Agreement during the fixed rate segment due to your breach, you will pay a termination fee, as liquidated damages and not as a penalty, for each terminated account, equal to: \$10.00 for each month, or portion thereof, remaining in the fixed rate segment multiplied by the RCE Value (as defined in the Terms & Conditions) of the account.</p> |
| <p>Renewal Terms</p> | <p>This Agreement will continue until either party terminates it.</p> |
| <p>Distribution Company Information</p> | <p>The GDC will continue to deliver the gas to you and you will continue to make payments to the GDC for this service. In the event of any emergencies or outages you should call the GDC.</p> |

See the back of this form for complete terms of the Sales Agreement

1) SCOPE. This is an agreement (“Agreement”) between you (also referred to as “Customer”) and Residents Energy, an independent third-party natural gas supplier, under which you authorize enrollment of your gas account(s) with Residents Energy for natural gas supply. These terms and conditions apply to the purchase by you and sale by Residents Energy, of natural gas as specified herein.

2) AGENCY. Customer designates Residents Energy as its agent for receiving customer billing information from the local gas distribution company (“GDC”), and for nominating and scheduling the transportation and delivery of the natural gas purchased by you to your GDC’s system.

3) PRICE. **A fixed rate is a rate that remains the same for a specified period of time. A variable rate is a rate that changes from time-to-time based on various factors, including weather fluctuations. This Agreement has a fixed rate segment and a variable rate segment.** For the first twelve (12) monthly billing cycles of your natural gas supply pursuant to this Agreement, the rate for the gas supplied will be fixed at _____ per Therm. After that, the rate for the gas supplied will vary based on a number of factors including, but not limited to, current conditions on the NYMEX commodity exchange, the estimated and actual wholesale cost of natural gas, capacity costs, storage costs, balancing costs, cost of transportation of gas to the delivery point, Residents Energy’s expenses and margins and all applicable taxes, fees, or assessments. Residents Energy’s rate, whether fixed or variable, may be higher than your GDC’s rate at any particular time; there is no guarantee of savings. For each monthly billing cycle, the price for the natural gas supplied pursuant to this Agreement will be calculated by multiplying: (i) the fixed or variable rate for the gas, by (ii) the amount of gas consumed as measured by your GDC’s estimated or actual meter reads.

Rebate Programs: From time-to-time Residents Energy may offer a Rebate Program. If Customer participates in Residents Energy’s Rebate Program, Customer must remain an active Residents Energy customer in order to qualify for the rebate(s). If Customer cancels at any time prior to the issuance of the rebate(s), Customer shall forfeit all rights and claims to such rebate(s). All rebate amounts advertised and presented to customers are estimates based upon prior natural gas usage. Actual rebate amounts will be based on Customer’s actual usage, which may vary from any estimate provided. Residents Energy will send any rebate or promotion payment to the customer address given to Residents Energy at the time of enrollment. It is the responsibility of Customer to notify Residents Energy of any changes to Customer’s address either by writing to Residents Energy at PO Box 400, Jamestown, NY 14702 or by calling Residents Energy’s Customer Service Dept. at 1-888-828-7374. Residents Energy will send all rebates and promotional payments via the US Postal Service and is not responsible for invalid addresses or undelivered items.

4) BILLING and PAYMENT. You will normally receive one bill each month for your natural gas supply, issued either by your GDC or by Residents Energy. If your GDC issues the bill, you will pay the GDC in accordance with the payment terms of the GDC’s tariff. If Residents Energy issues the bill, payment of the full amount billed is due 25 days after the date the bill is mailed. Late payments or partial payment balances will be subject to collection fees and/or reasonable attorney’s fees and court cost, as allowed by law. All accounts which are overdue may be referred to a collection agency consistent with New Jersey law. Your bill will be based on scheduled meter readings and/or estimates provided by your GDC. The parties agree to accept, for purpose of accounting for the natural gas delivered under this Agreement, the quantity, quality, and measurement determined by your GDC. A twenty- dollar (\$20) fee will be charged for all returned checks.

5) TITLE and TAXES. Under this Agreement, title to gas shall pass from us to you outside the State of New Jersey. Residents Energy’s rate includes applicable sales tax.

6) TERM and TERMINATION. You will receive a confirmation notice from your GDC to confirm your choice of Residents Energy as your supplier. A residential customer will have seven (7) calendar days from the date of the notice to contact the GDC (or call Residents Energy at 1-888-828-7374) and rescind the selection of Residents Energy. The fixed rate segment of this Agreement is twelve (12) monthly billing cycles and this will be followed by the variable rate segment which will continue until either Residents Energy or Customer provides 30 days’ notice of termination to the other. Residential customers may terminate this Agreement upon 48 hours’ written notice as a result of relocation, a disability that renders the customer unable to pay for Residents Energy’s services, and/or the death of the customer. If there is a material adverse change in the business or financial condition of Customer (as determined by Residents Energy at its discretion) or if Customer fails to meet its obligations under this Agreement or pay or post any required security deposit, then, in addition to any other remedies that it may have, Residents Energy

may terminate this Agreement upon 30 days' notice to Customer. There is no charge for starting or stopping gas supply service. Please note that it may take several billing cycles for your GDC to process the cancellation of service.

7) ASSIGNMENT. Residents Energy may assign or transfer its rights or obligations under this Agreement after first informing you in writing of such transfer or assignment. You may not assign or transfer your rights or obligations under this Agreement.

8) CHOICE OF LAW. This Agreement shall be construed in accordance with, and be governed by, the laws of the State of New Jersey with regard to the conflicts of law provisions thereof.

9) NO WARRANTIES. THERE ARE NO WARRANTIES OR REPRESENTATIONS OTHER THAN THOSE EXPRESSLY SET FORTH HEREIN, AND NO OTHERS SHALL BE HONORED. Should any part of the Agreement be declared invalid for any reason, such decision shall not in any manner affect the validity of the remaining portions of this Agreement, which shall remain in full force and effect as if the part determined to be invalid has not been contained herein at the time of the execution of this Agreement. If at some future date there is a change in a law, rule, or regulation, whereby Residents Energy is prevented, prohibited or frustrated from carrying out the terms of this Agreement, then at the sole discretion of Residents Energy, this Agreement may be cancelled. If at some future date, there is a change in a federal or state approved tariff affecting Residents Energy's cost to purchase natural gas required to provide your service, then, at the sole discretion of Residents Energy, this Agreement may be modified to reflect those costs, in which case Residents Energy will provide you with written notice of such modifications.

10) FORCE MAJEURE. Except as otherwise set forth herein, force majeure is the only excuse for non-performance and all other excuses (at law or in equity) are waived. Except from payment obligations, a force majeure event will, upon notice, excuse both parties' performance during the event. "Force Majeure" means those events not reasonably anticipated on the effective date hereof and outside the control of the claiming party and include force majeure events associated with your GDC or the commodity supplier or other entity used to deliver natural gas to Customer's residence.

11) LIMITATION OF LIABILITY. In no event shall Residents Energy or Customer be liable to the other or to any third party for any indirect, incidental, consequential, punitive, reliance or special damages, including without limitation, damages for lost profits, advantage, savings or revenues of any kind or increased cost of operations, whether or not Residents Energy or Customer has been advised of the possibility of such damages. Customer acknowledges that Residents is not responsible for the delivery of natural to Customer and as such is not responsible for any damages caused by any service outage, defect or failure. Residents Energy's liability for other claims arising in connection with any service under this Agreement, if not otherwise limited by another provision of this Agreement, shall be limited to proven direct damages incurred by Customer, if any.

12) INDEMNIFICATION. Customer is responsible for the indemnification of Residents Energy against any and all liabilities resulting from Customer's failure to fully comply with this Agreement, and damage or injury caused by the natural gas after its delivery to Customer's residence, except liability resulting from the negligence of Residents Energy.

13) ENTIRE AGREEMENT. This Agreement, including the Contract Summary, constitutes the entire agreement between you and Residents Energy. You acknowledge that you are not relying on any advice, statements, recommendations or representations of Residents Energy or its sales personnel other than those made in this Agreement, and that you have made your own decision to enter into this Agreement. Customer has caused this Agreement to be executed pursuant to the methods authorized by BPU regulations at N.J.A.C 14:4-2.3.

14) DISPUTE RESOLUTION, MANDATORY ARBITRATION. You agree to contact Residents Energy in writing and attempt to resolve all billing disputes or service problems directly in good-faith. All disputes regarding transmission, distribution, power outages, and bills from your GDC should be directed to your GDC. Any claim for damages arising out of, or related to, the provision of Residents Energy's services under this Agreement that is not resolved directly between the parties, shall be resolved by arbitration before the American Arbitration Association ("AAA") conducted under the AAA Commercial Rules and, if Customer is a residential customer, the Consumer-Related Disputes Supplementary Procedures.

BY ENTERING INTO THIS AGREEMENT, YOU ARE GIVING UP YOUR RIGHTS TO SEEK MONETARY DAMAGES IN COURT, AND THE RIGHT TO A JURY TRIAL. THE ABILITY TO CONDUCT DISCOVERY IN ARBITRATION IS LIMITED AND THE ARBITRATOR'S DECISION IS SUBJECT TO VERY LIMITED REVIEW BY COURTS. ARBITRATORS CAN AWARD THE SAME DAMAGES AND RELIEF THAT A

COURT CAN AWARD. THE AAA SHALL HAVE THE POWER TO RULE ON ANY CHALLENGE TO ITS OWN JURISDICTION OR TO THE VALIDITY OR ENFORCEABILITY OF ANY PORTION OF THIS ARBITRATION PROVISION.

15) PROTECTION OF CUSTOMER RIGHTS. Residents Energy hereby provides notice that its services are governed by the terms of this Agreement, the rules and regulations issued by your GDC, and the Board of Public Utilities (BPU). The BPU Bureau of Consumer Relations can be contacted at 1-800-624-0241. Your GDC's transportation and distribution functions will continue to be regulated by the BPU. Natural gas service may be disconnected only by your GDC and only in compliance rules set by the BPU.

16) CONTACT INFORMATION. Any questions regarding these terms and conditions or your service with Residents Energy should be directed to us in writing at Residents Energy, LLC, PO Box 400, Jamestown, NY 14702. Residents Energy may also be contacted at 1-888-828-7374. Your GDC will continue to deliver the natural gas to you, you still make payment to your GDC for this service and you will still call your GDC in the case of an energy related emergency such as a gas leak. Your GDC's contact information is provided in the Contract Summary.