

RESIDENTS ENERGY

315 North Main Street, PO Box 400, Jamestown, NY 14702
1-888-828-7374



COMBINED RESIDENTIAL AND SMALL NON-RESIDENTIAL SALES AGREEMENT

<<Customer Name>> <<Customer Address>>
<<Contact Person>> <<Telephone Number>>
<<LDC Name>> <<LDC Acct #:>>
<<Service/Rate Class>>
<<Gas, Electric / Gas and Electric>>

CUSTOMER DISCLOSURE STATEMENT

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| Price | Fixed All prices may be modified in response to a subsequent change in law, order, rule, regulation, or state-approved tariff. See Section 15 of the Agreement.” |
| How price is determined | A fixed price of ____ per kWh of electricity consumed. A fixed price of ____ per CCF/Therm of natural gas consumed. |
| Length of the agreement and end date | For Fixed Rate service the Initial Term of the agreement is 12 months. For more details See Section 2-Term. |
| Process customer may use to rescind the agreement without penalty | A residential Customer may rescind by calling the toll free number within 3 business days of receipt of the Sales Agreement. |
| Amount of Early Termination Fee (“ETF”) and method of calculation | No early termination fee. |
| Amount of Late Payment Fee and method of calculation | Failure to pay bills on time may result in a late payment fee of 1.5% or the amount otherwise provided in the local distribution company’s tariff. |
| Provisions for renewal of the agreement | Upon completion of the Initial Term, unless otherwise agreed to, the agreement continues on a month-to-month basis at a variable rate methodology until terminated by either party. For more details see Section 2 - Term. |
| Guaranteed Savings | This agreement does not offer guaranteed savings below the utility price. |
| Renewable Energy Product | 30 % of any electricity provided by Residents Energy under this agreement shall be derived from renewable energy sources. |
| Promotional Offers | <<Promotion>> |

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

7. Agreement to Sell and Purchase Energy. This is an agreement between Residents Energy, LLC. ("RESI"), an independent energy services company, and the undersigned customer ("Customer") under which Customer shall initiate natural gas and/or electricity service and begin enrollment with RESI (the "Agreement"). Subject to the terms and conditions of this agreement, RESI agrees to sell and deliver, and Customer agrees to purchase and accept the quantity of natural gas and/or electricity, as estimated by RESI, necessary to meet Customer's requirements based upon consumption data obtained by RESI or the delivery schedule of the local Distribution Company (the "LDC"). RESI is not affiliated with and does not represent the LDC. The amount of natural gas and/or electricity supplied under this Agreement is subject to change based upon data reflecting Customer's consumption obtained by RESI or the LDC's delivery schedule. The LDC will continue to deliver the natural gas and/or electricity supplied by RESI.

8. Term. This Agreement shall commence as of the date Customer's notice regarding the change of Customer's provider to RESI is deemed effective by the LDC, and shall continue for 2 months thereafter (the "Initial Term"). Unless otherwise agreed to, upon completion of the Initial Term, this Agreement will continue on a month-to-month basis with a monthly variable rate methodology until either the Customer or RESI cancels or terminates this Agreement by providing 15 days' notice of termination to the other party. At least 30 days and no more than 90 days prior to the end of the Initial Term, RESI will notify Customer in writing of the Customer's right to renew, reject or renegotiate this Agreement.

9. Pricing, Billing, and Termination. Unless otherwise agreed to in writing, the price for all natural gas sold under this Agreement during the Initial Term thereof, shall be the fixed price per CCF/Therm set forth on the Customer Disclosure Statement, plus all applicable taxes. The price for all natural gas sold under this Agreement after the Initial Term thereof, shall, unless otherwise agreed to, be a variable price which each month shall reflect the wholesale cost of natural gas (including commodity, capacity, storage and balancing), transportation to the delivery Point, and other market-related factors, plus all applicable taxes, fees, charges or other assessments and RESI's costs, expenses and margins. Unless otherwise agreed to in writing, the price for all electricity sold under this Agreement during the Initial Term thereof, shall be the fixed price per kWh set forth on the Customer Disclosure Statement, plus all applicable taxes. The price for all electricity sold under this Agreement after the Initial Term thereof, shall, unless otherwise agreed to, be a variable price which each month reflect the cost of electricity obtained from all sources (including energy, capacity, settlement, ancillaries), related transmission and distribution charges and other market-related factors, plus all applicable taxes, fees, charges or other assessments and RESI's costs, expenses and margins.

If there is a material adverse change in the business or financial condition of Customer (as determined by RESI 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, RESI may terminate this Agreement upon 15 days' notice to Customer.

RESI will invoice Customer monthly for natural gas and/or electricity supplied under this Agreement, as measured by the LDC, and Customer will pay each invoice in full within 20 days of the invoice date. Failure to pay on time may result in a late payment charge of 1.5%, or the amount otherwise provided in the LDC's tariff. Customer may receive a single bill for both commodity and delivery costs from either RESI or the LDC, or each of the LDC and RESI may invoice Customer separately. Customer payments remitted in response to a consolidated bill shall be pro-rated (when so required) in accordance with procedures adopted by the New York State Department of Public Service (the "DPS"). RESI may assign and sell Customer accounts receivable to the LDC. In the event of failure to remit payment when due by a residential customer, RESI may terminate commodity service and seek suspension of distribution service in conformance with the Home Energy Fair Practices Act ("HEFPA"). A \$20 fee will be charged for all returned payments.

10. Assignment. Customer may not assign its interests in or delegate its obligations under this Agreement without the express written consent of RESI. RESI 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 DPS with 30 days' written notice to Customer.

11. Information Release Authorization. Customer authorizes RESI to obtain and review information regarding Customer's credit history from credit reporting agencies and the following information from the LDC: consumption history; billing determinants; account number; credit information; public assistance status; participation in utility low income discount programs; existence of medical emergencies, status as to whether Customer as a medical emergency, is human needs, elderly, blind or disabled and data applicable to cold weather periods under PSL § 32 (3); and information pertaining to PSL § 33, tax status and eligibility for economic development or other incentives. This information may be used by RESI to determine whether it will commence and/or continue to provide energy supply service to Customer and will not be disclosed to a third party unless required by law. Customer's execution of this Agreement shall constitute authorization or the release of this information to RESI. This authorization will remain in effect until this Agreement is terminated by Customer or RESI. Customer may rescind this authorization at any time by providing written notice thereof to RESI or by calling RESI at 1-888-828-7374. RESI reserves the right to cancel this Agreement in the event Customer rescinds the authorization.

12. Consumer Protections. The services provided by RESI to Customer are governed by the terms and conditions of this Agreement and HEFPA for residential customers. RESI will provide at least 15 days' notice prior to the cancellation of service to Customer. A residential customer may be subject to termination of commodity service and the suspension of distribution service under procedures approved by the DPS. Customer may obtain additional information by contacting RESI at 1-888-828-7374 or the DPS at 1-800-342-3377 (General helpline), or by writing to the DPS at: New York State Department of Public Service, Office of Consumer Services, Three Empire State Plaza, Albany, New York 12223, or through its website at: <http://www.dps.ny.gov>.

13. Cancellation. A residential Customer may rescind this Agreement within 3 business days after the signing or receipt of this Agreement, whichever comes first, by contacting RESI at 1-888-828-7374 or in writing. Customer is liable for all RESI charges after rescission, cancellation or termination until Customer returns to the LDC in accordance with its rules or goes to another supplier. A final bill will be rendered within twenty (20) days after the final scheduled meter reading or if access is unavailable, an estimate of consumption will be used in the final bill, which will be trueed up subsequent to the final meter reading.

14. Agency-Gas. Customer hereby designates RESI as agent to; (a) arrange and administer contracts and service agreements between Customer and RESI and between the interstate pipeline transporters of Customer's natural gas supplies; (b) nominate and schedule with the interstate pipeline the transportation of Customer's natural gas supplies from the Sales point to the Delivery Points, and with the LDC for the transportation of the Customer's natural gas supplies from the Delivery Points to the Customer's end-use premises; and (c) aggregate Customer's natural gas supplies with such supplies of other customers served by RESI to maintain qualification for LDC transportation service and resolve imbalances that may arise during the term of this Agreement. RESI as agent for the Customer will schedule the delivery of adequate supplies of natural gas that meet the Customer's city gate requirements as established by the LDC and in response to information provided by the LDC. The Sales Point or the natural gas supplies provided under this Agreement will be a point or points located outside the State of New York as selected from time to time by RESI to assure service availability. The Delivery Points for the natural gas transported by interstate pipelines will be the city gate stations of the LDC. RESI agrees to arrange for the transportation of the natural gas supplied under this Agreement from the Sales Points to the Delivery Points and from the Delivery Points to the Customer's end-use premises. These services are provided on an arm's length basis and market-based compensation is included in the price noted above.

15. Agency-Electric. Customer hereby designates RESI as agent to, (a) arrange and administer contracts and service agreements between Customer and RESI and those entities, including the New York Independent System Operator ("NYISO"), engaged in the generation transmission and delivery of Customer's electricity supplies; and (b) nominate and schedule with the appropriate entities, including the LDC, for the delivery of electricity to the Sales Point(s) and the Customer's end-use premises. RESI, as agent for the Customer, will schedule the delivery of adequate supplies of electricity that meet the Customer's requirements as established by the LDC and in response to information provided by the LDC. The Sales Point for the electricity will be a point at the NYISO RESI load bus (located outside of the municipality where Customer resides). These services are provided on an arm's length basis and market based compensation is included in the price noted above.

16. Title: Customer and RESI agree that title to, control of, and risk of loss to the electricity or natural gas supplied by RESI under this Agreement shall transfer from RESI to Customer at the Sales Point(s). Customer will be liable for and pay all taxes or surcharges, which are imposed with respect to the sale of the natural gas or electricity. If Customer is exempt from such taxes, Customer is responsible for identifying and requesting any exemption from the collection of the taxes by filing appropriate documentation with RESI.

17. Warranty. This Agreement, including any enrollment form and applicable attachments, makes up the entire Agreement between Customer and RESI. RESI makes no representation or warranties other than those expressly set forth in this Agreement, and RESI EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE.

18. Force Majeure. RESI will make commercially reasonable efforts to provide natural gas and/or electricity hereunder but RESI does not guarantee a continuous supply of natural gas and/or electricity to Customer. Certain causes and events out of the control of RESI ("Force Majeure Events") may result in interruptions in service. In the event that RESI is rendered unable, wholly or in part, to perform its obligations under this Agreement due to events not reasonably anticipated or within either party's control, RESI will not be liable for any interruptions caused by a Force Majeure Event, and RESI is not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, fire, flood, storm, terrorism, war, civil disturbance, acts of any governmental authority, accidents, strikes, labor disputes or problems, required maintenance work, inability to access the local distribution utility system, curtailment by the LDC of RESI's transportation capacity, the LDC's appropriation of natural gas, non-performance by the LDC (including, but not limited to, a facility outage on its gas distribution lines or electric facilities), or any other cause beyond RESI's control.

19. Liability. The remedy in any claim or suit by Customer against RESI will be solely limited to direct actual damages (which will not exceed the amount of Customer's single largest monthly invoice amount in the immediately preceding 12 months). All other remedies at law or in equity are hereby waived. In no event will either RESI or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

20. Indemnification. Customer is responsible for and will indemnify RESI against any and all liabilities resulting from Customer's failure to fully comply with this Agreement, and from any damage or injury caused by the electricity and/or natural gas after its delivery to the Sales Point(s).

21. Severability. Should any part of this Agreement be declared invalid for any reason, such decision shall not in any manner affect the validity of the remaining portion of this Agreement which shall remain in full force and effect as if the part determined to be invalid had not been contained herein at the time of the execution of this Agreement.

22. Change in Law. If at some future date there is a change in any law, order, rule, regulation or state-approved tariff whereby RESI is prevented, prohibited, or frustrated from carrying out the terms of the Agreement, then, at the sole discretion of RESI, this Agreement may be cancelled. If at some future date there is a change in any law, order, rule, regulation, or state approved tariff affecting RESI's costs to purchase electricity and/or natural gas required to provide your service, then, at the sole discretion of RESI, this Agreement may be modified to reflect those costs.

23. Modification. RESI may supplement, modify, or amend the non-material terms of this Agreement upon at least 30 days prior written notice to Customer. Such amended Agreement will supersede any previous agreement between Customer and RESI. Upon receipt of written notice pursuant to this Section, Customer may cancel the Agreement at any time prior to the commencement of the next billing cycle by providing written notice to RESI.

24. RESI Contact Information. Customer may contact RESI's Customer Service Center at 1-888-828-7374, Monday through Friday 8:00 a.m. - 6:00 p.m. EST (contact center hours subject to change). Customer may write to RESI at: RESI, 315 North Main Street, PO Box 401 Jamestown, NY 14702 or email Residents Energy at contactus@residentsenergy.com

25. Dispute Resolution. The services provided by RESI to Customer are governed by the terms and conditions of this Agreement and HEFPA for residential customers. In the event of a billing dispute or a disagreement involving RESI's service hereunder, the parties will use the best efforts to resolve the dispute. Customer should contact RESI by telephone or in writing as provided above. The dispute or complaint relating to a residential customer may be submitted by either party at any time to the DPS pursuant to its Complaint Handling Procedure ("Procedures") or calling the DPS at 1-800-342-3377. Customer must pay the bill in full, except for the specific disputed amount, during the pendency of the dispute, and such payment shall be refunded if warranted by the decision of DPS.

26. Choice of Laws. Venue for any lawsuit brought to enforce any term or condition of this Agreement or to construe the terms hereof shall lie exclusively in the State of New York. This Agreement shall be construed under and shall be governed by the laws of the State of New York without regard to the application of its conflicts of law principles.

27. Taxes and Laws. Except as otherwise provided in the Agreement or provided by law, all taxes of whatsoever kind, nature and description due and payable with respect to service provided under this Agreement, other than taxes based on RESI's net income, shall be paid by Customer, and Customer agrees to indemnify RESI and hold RESI harmless from and against any and all such taxes.

28. Emergency Service. The LDC will continue to respond to leaks and emergencies. In the event of a gas leak, service interruption or other emergency, Customer should immediately call the LDC at Con Edison 1-800-75CONED; Orange and Rockland at 1-877-434-4100; KeySpa 718-643-4050 (NYC) and 1-800-490-0045 (Long Island); Niagara Mohawk at 1-800-892-2341; Central Hudson at 1-800-527-2714; RG&E at 1-800-743-1701; NYSEG at 1-800-572-1131; National Fuel at 1-800-444-3130 and emergency personnel. Customer should then call RESI at 1-888-828-7374.

29. Parties Bound. This Agreement is binding upon the parties hereto and their respective successors and legal assigns.

Customer and RESI have caused this Agreement to be executed by individuals authorized to bind each party, and Customer has reviewed all of the terms herein.

In the case of telephonic or electronic enrollment execution shall be deemed provided pursuant to the methods authorized under the New York Uniform Business Practices.