

Ambit Northeast, LLC

Maryland BGE Residential Service Area

Sales Agreement and Terms of Service

EFFECTIVE: MAY 19, 2011

The following is your Terms of Service Agreement ("Agreement") with Ambit Northeast, LLC, d/b/a/ Ambit Energy, a wholly owned subsidiary of Ambit Energy Holdings ("Ambit Energy" or "Ambit") for the purchase of electricity and/or natural gas service for the plan you selected, as specified in the Electricity Facts Label ("EFL"). Your EFL is hereby made an integral part of this Agreement.

Ambit Energy agrees to sell and Customer agrees to buy the quantity of electricity and/or natural gas supply necessary to meet the Customer's consumption demand. The amount of electricity and/or natural gas supplied is subject to change based upon data affecting consumption obtained by Ambit or your Local Delivery Utility ("LDU" or "BGE"). The words "we," "us," and "our" refer to Ambit Energy, and the words "you" and "your" refer to the Customer. Please retain this Agreement and your EFL for your records.

Ambit Energy is licensed by the Maryland Public Service Commission as an electricity supplier under license number 1R-1992.

Contact Information:

For questions concerning your rate, service initiation, or service cancellation, please contact Ambit Energy using the contact information below:

Ambit Energy

Internet Address: www.ambitenergy.com

P.O. Box 864589

Plano, TX 75086

Customer Service (877) 282-6248

Fax (214) 969-5928

Operating Hours

Monday - Friday 9:00 AM - 7:00 PM EST

Saturdays 11:00 AM - 6:00 PM EST

Local Delivery Utility (LDU)

BG&E

110 West Fayette Street

Baltimore, MD 21201

Phone Number: (410) 234-5000

Maryland Public Service Commission

#6 St. Paul Street

Baltimore, MD 21201

Phone Number (800) 492-0474

RESCISSION PERIOD: You may rescind this agreement within 3 business days of receipt of your Terms of Service. To rescind this Agreement, please call Ambit at (877) 282-6248 or fax your rescission to (214) 969-5928. You are required to sign and date the fax as well as affirmatively state that you would like to rescind the Agreement within the 3 business day rescission period. Thereafter, if you would like to cancel your service with Ambit, please contact Ambit at (877) 282-6248. You can also contact BGE to initiate a service cancellation. Please see the "Switching Procedures" Section of this Agreement for more information.

1. SERVICE TERM: Depending on which plan you have selected, your service under this Agreement is provided under either a fixed-rate ("term") product or a variable-price ("month-to-month") product, as specified in the Electricity Facts Label (EFL). The minimum term, if any, for the product you elected to enroll under is stated in the EFL. If you are a new customer, your selected product will become effective on the day your service begins with Ambit Energy, which coincides with the date your meter is read by your LDU. Because this date is determined by your LDU, Ambit Energy is not able to commit to a specific date for the commencement of service. If you are currently an Ambit Energy customer and are switching to another product, your selected product will become effective within 24 hours of the request to switch to the new plan. A contract expiration notice will be sent to you at least forty-five (45) days prior to the end of your initial contract term.

2. PRICING AND PAYMENT. Unless otherwise agreed to in writing or other form as authorized by the Maryland Public Service Commission, the price for all energy sold under this Agreement is as set forth in this Paragraph 2 of this Agreement. Your term contract rate will be disclosed to you in your EFL at the time of enrollment. Customers who choose a term product have a fixed rate for the entire term and may be charged a fee for early termination. If you selected a variable price plan, your initial rate will be shown on your EFL and thereafter rates are subject to change at the discretion of Ambit Energy. Any monthly recurring fees will also be shown on your EFL, if applicable. Each billing period, you will receive a single invoice from your LDU that includes Ambit Energy electricity supply charges, as well as applicable LDU charges. Your bill includes electric supply charges, electric delivery service, state and local taxes and surcharges.

3. CONSUMER PROTECTIONS. The services provided by Ambit are protected by the terms and conditions of this Agreement and the Home Energy Fair Practices Act ("HEFPA"). Ambit will provide at least fifteen (15) calendar days notice prior to any cancellation of service to Customer. In the event of non-payment of any charges owed to Ambit, Customer may be subject to termination of commodity service and the suspension of distribution service under

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procedures approved by the PSC. Customer may obtain additional information by contacting the PSC at (800) 492-0474, the Department's supplier hotline at (888) 697-7728, or by writing to the PSC at: 6 St. Paul Street, Baltimore, MD 21202-6806.

4. EMERGENCY SERVICE. In the event of an electric or gas emergency, you should immediately call your local utility and emergency personnel. To obtain customer assistance from BGE in the event of an emergency, please call BGE toll-free at (877)778-2222 for electricity emergencies and (800)685-0123 for gas emergencies.

5. INFORMATION RELEASE AUTHORIZATION. Customer authorizes Ambit to obtain and review information regarding Customer's credit history from credit reporting agencies and the following information from the LDU: consumption history; billing determinants; credit information; public assistance status; and existence of medical emergencies, status as to whether Customer is 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 Ambit or its agents to determine whether it will commence and/or continue to provide energy supply service to Customer and to facilitate regular invoicing and collection of monies owed. Customer's execution of this Agreement shall constitute authorization for the release of this information to Ambit. This authorization will remain in effect during the Initial Term and any Renewal Term of the Sales Agreement. Customer may rescind this authorization at any time by providing written notice thereof to Ambit or calling Ambit at (877) 282-6248. Ambit reserves the right to cancel this Agreement in the event Customer rescinds the authorization.

6. DISPUTE RESOLUTION. In the event of a billing dispute or a disagreement involving any essential element of this Agreement, the parties will use their best efforts to resolve the dispute. Customer should contact Ambit in writing at 1801 North Lamar, Suite 200, Dallas, TX 75202, or by telephone at (877) 282-6248. The dispute or complaint relating to a residential customer may be submitted by either party at any time to the PSC pursuant to its Complaint Handling Procedures ("Procedures"). Payment obligation for disputed amounts will be withheld until such dispute is resolved through mutual agreement or as warranted by PSC decision.

7. SWITCHING PROCEDURES. It may take up to sixty (60) days for Customer's account(s) to be returned to the LDU depending on LDU cancellation procedures, and Customer is responsible for all Ambit supply charges until Customer returns to the LDU or goes to another supplier. Early cancellation of fixed rate agreements by Customer will incur an early termination fee (ETF) as specified in the customer's EFL. A final bill will be rendered within twenty (20) days after the final scheduled meter reading or if meter is inaccessible, an estimate of consumption will be used in the final bill. Estimates may be tried up subsequent to the final bill. Pursuant to HEFPA, Customer's distribution service may be suspended if Customer fails to pay Ambit's outstanding balance. Ambit may cancel an Agreement for reasons other than non-payment at any time, by providing written notice to the other party at least forty-five (45) days prior to

the intended date of termination.

8. MEASUREMENT. The parties accept for purposes of accounting for electricity and/or gas supplied under this Agreement, the quantity, quality, and measurement determined by the LDU.

9. AGENCY. Customer appoints Ambit as its agent to acquire the supplies necessary to meet its electricity and/or gas needs, contract for and administer transportation, transmission and related services over interstate facilities and those of the LDU needed to deliver electricity and/or gas to the Customer's premises. These services are provided on an arm's-length basis and market based compensation is included in the price noted in your EFL.

10. BILLING AND PAYMENT. Unless otherwise agreed to in writing, Ambit will invoice monthly for electricity and/or gas supplied under this Agreement. Customer will pay each invoice in full within twenty (20) days of the invoice date or be subject to a late payment charge of 1.5% per invoice, per month. A \$30.00 fee may be applied for returned checks, returned electronic fund transfers, and/or rejected credit card transactions. Customer may receive a single bill for both commodity and delivery costs from either Ambit or the LDU, or each of the LDU and Ambit may invoice separately. Customer payments remitted in response to a consolidated bill shall be prorated in accordance with procedures adopted by BGE. In the event of failure to remit payment when due, Ambit will have the right to terminate commodity service and to seek suspension of distribution service in conformance with HEFPA.

11. DEFAULT LIABILITY. FOR BREACH OF ANY PROVISION OF THIS AGREEMENT FOR WHICH AN EXPRESS REMEDY IS PROVIDED, SUCH EXPRESS REMEDY SHALL BE THE SOLE AND EXCLUSIVE REMEDY. THE BREACHING PARTY'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER DAMAGES AT LAW OR IN EQUITY SHALL NOT APPLY. IF NO EXPRESS REMEDY IS PROVIDED, AMBIT'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY (WHICH WILL NOT EXCEED THE AMOUNT OF CUSTOMER'S SINGLE LARGEST MONTHLY INVOICE DURING THE PRECEDING TWELVE MONTHS). SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES AT LAW OR IN EQUITY ARE HEREBY WAIVED. IN NO EVENT SHALL CUSTOMER OR AMBIT BE LIABLE FOR ANY PUNITIVE, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, INDIRECT, THIRD-PARTY CLAIMS OR OTHER DAMAGES WHETHER BASED ON CONTRACT, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, OR FOR LOST PROFITS ARISING FROM A BREACH OF THIS AGREEMENT.

12. GOVERNING LAW. Venue for any lawsuit brought to enforce any term or condition of this agreement or to construe the terms hereof shall be exclusively in the State of Texas. This Agreement shall be construed under and shall be governed by the laws of the State of Texas. If at some future date there is a change in any law, rule, regulation or pricing structure, or there is a regulatory or judicial ruling or decision which shall have a detrimental economic impact

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upon Ambit's performance under this Agreement, or in the event that compliance with such change, ruling or decision shall result in a material change in the way prices are calculated under this Agreement, or a material change in the level of components of pricing under this Agreement, or Ambit is otherwise prevented, prohibited or frustrated from carrying out this Agreement, Ambit shall have the right to terminate this Agreement upon fifteen (15) days' notice.

13. ASSIGNMENT. Customer may not assign this Agreement, in whole or in part, or any of its rights or obligations hereunder without the prior written consent of Ambit. Ambit may, without Customer's consent: (a) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial agreement; (b) transfer or assign this Agreement to a supplier affiliate of Ambit; (c) transfer or assign this Agreement to any supplier succeeding to all or substantially all of the assets of Ambit; and/or (d) transfer or assign this Agreement to another approved supplier or other entity authorized by the PSC. Upon any such assignment, Customer agrees that Ambit shall have no further obligations hereunder.

14. SEVERABILITY. If any provision of this Agreement is held by a court or regulatory agency of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force without being invalidated in any way.

15. NO WARRANTIES. Unless otherwise expressly set forth in this Agreement, Ambit provides and Customer receives no warranties, express or implied, statutory, or otherwise and Ambit specifically disclaims any warranty of merchantability or fitness for a particular purpose.

16. DELAY OR FAILURE TO EXERCISE RIGHTS. No partial performance, delay or failure on the part of Ambit in exercising any rights under this Agreement and no partial or single exercise thereof shall constitute a waiver of such rights or of any other rights hereunder.

17. FORCE MAJEURE. The term "Force Majeure" shall mean any cause not reasonably within the control of the Party claiming suspension and which by the exercise of due diligence, such Party is unable to prevent or overcome, including but not limited to, any act or cause which is deemed a Force Majeure by the LDU or any transportation or transmitting entity. If either party is unable, wholly or in part, by Force Majeure to perform or comply with any obligations or conditions of this Agreement, such party shall give immediate written notice, to the maximum extent practicable, to the other party. Such obligations or conditions, so far as they are affected by such Force

Majeure, shall be suspended during the continuance of any inability so caused, and such party shall be relieved of liability and shall suffer no prejudice for failure to perform the same during the period. The party claiming suspension of obligations must in good faith attempt to mitigate and/or terminate the Force Majeure.

18. TAXES AND LAWS. Except as otherwise provided in this Agreement or by law, all taxes of whatsoever kind, nature and description, due and payable with respect to Customer's performance of its obligations under this Agreement, shall be paid by Customer. The parties' obligations under this Agreement are subject to present and future legislation, orders, rules, or regulations of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided herein.

19. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement between the parties with respect to the terms and conditions of this transaction; any and all other agreements, understandings and representations by and between the parties with respect to the matters addressed herein are superseded by this Agreement.

20. ACCEPTANCE AND AMENDMENTS. This Agreement shall not become effective until accepted by Ambit. Ambit reserves the right to reject Customer or to cancel this Agreement upon failure of Customer to maintain satisfactory credit standing as determined by Ambit, or to meet minimum or maximum threshold consumption levels as determined by Ambit. Ambit may amend the terms of this Agreement at any time, consistent with any applicable law, rule or regulation, by providing notice to Customer of such amendment at least thirty (30) days prior to the effective date thereof.