

Ambit New York, LLC

New York Service Area

Sales Agreement and Terms of Service

EFFECTIVE: JUNE 22, 2011

The following is your Terms of Service Agreement ("Agreement") with Ambit New York, 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.

Ambit Energy agrees to sell and Customer agrees to buy the quantity of electricity and/or gas delivered to you, as measured or estimated by your Local Delivery Utility (LDU). Ambit Energy is a(n) Energy Services Company (ESCO) and will supply electricity and/or gas for your residence or business address enrolled under this Agreement. The words "we," "us," and "our" refer to Ambit Energy, and the words "you" and "your" refer to the Customer. Retain this Agreement for your records.

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 a.m. – 7:00 p.m. ET

Saturdays 11:00 a.m. – 6:00 p.m. ET

In the event of an electricity or gas emergency, outage or service interruption, you should immediately contact your LDU emergency personnel:

Con Edison

Electricity & Gas (877) 262-6633

Nat Grid (Formerly Keyspan & Niagra Mohawk)

Electricity (800) 572-1131

Gas (800) 572-1121

NYSEG

Electricity (800) 867-5222

Gas (800) 892-2345

RG&E

Electricity (800) 743-1701

Gas (800) 743-1702

IMPORTANT INFORMATION REGARDING YOUR AMBIT PLAN

SERVICE TERM: Month to Month

Unless specified otherwise, the term shall commence as of the date the change of provider to Ambit is deemed effective by the incumbent utility and shall commence for a one (1) month term ("Initial Term"). This Agreement shall automatically renew for successive one (1) month periods ("Renewal Term") unless either party notifies the other party in writing of its desire not to renew, at least thirty (30) days prior to the next meter read date. The Customer has the right to cancel this agreement within three business days after its receipt ("Rescission Period").

PUBLISHED SUPPLY RATE: Electricity

Rate includes, but is not limited to, the cost of electricity, including energy, capacity, settlement, ancillaries, related transmission and distribution charges and other market-related factors; plus all applicable taxes, fees, charges, costs, expenses and margins.

PUBLISHED SUPPLY RATE: Natural Gas

Rate includes, but is not limited to, the cost of natural gas commodity, capacity, storage, balancing, transportation to the delivery point, and agency services; plus all applicable taxes, fees, charges, costs, expenses and margins.

PRICE: Variable Rate. (Electric & Gas)

Ambit Energy's Guaranteed Savings Plan Customers: The price for all energy sold under this Agreement for the first two billing cycles shall be set based upon a seven percent (7%) discount to the incumbent utility's published supply rate for the applicable customer class designated by the incumbent utility for your service location(s) enrolled under this Agreement. Thereafter, your rate will be set at a competitive variable market rate with an annual savings of 1% less than the incumbent utility's published supply rate for the same 12-month period that you received power from Ambit Energy under this Agreement. Customer is also responsible for all applicable taxes and LDU charges.

Ambit Energy's Green Plan Customer (Electric Only): If Customer enrolled in one of Ambit Energy's Green plans, the price for all energy sold under this Agreement will be two cents per kWh above the standard variable rate. Savings Guarantee does not apply to Green Plans.

SAVINGS GUARANTEE: By choosing Ambit Energy's Guaranteed Savings Plan, you are guaranteed an annual savings of one percent (1%) less than the incumbent utility's published supply rate for the same 12-month period that you received power from Ambit Energy under this Agreement. Each month, Ambit Energy compiles the rate published by the applicable incumbent utility for the same

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usage period that the Customer receives energy from Ambit Energy, and multiplies the incumbent utility's rate by 99%, resulting in a 1% discount. At the end of each 12-month period, Ambit Energy will compare the amount you would have paid if you remained a customer of your incumbent utility with the amount Ambit Energy charged you. If, at the end of 12 months, the amount Ambit Energy charged you is not less than or equal to a 1% discount under your incumbent utility's rate, then Ambit Energy will issue you a refund or credit for the overage amount. Your price will be determined in accordance with Customer's billing cycle, as determined by your incumbent utility, and might not coincide with the calendar month. The 1% Discount Guarantee is exclusive of applicable taxes and charges your incumbent utility imposes on your account.

EARLY TERMINATION FEE: \$0.00

MONTHLY CUSTOMER FEE: \$0.00

LATE PAYMENT FEE: 1.5% of the past due balance per invoice per month.

RESCISSON 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 this Agreement within the 3 business day rescission period.

CANCELLATION: If you would like to cancel your service with Ambit, please contact Ambit at (877)282-6248. You can also contact your LDU to initiate a drop back to the utility. Please see the "Switching Procedures" Section of this Agreement for more information.

RENEWAL: This Agreement shall automatically renew for successive one (1) month periods unless either party notifies the other party in writing of its desire not to renew. See "Term" Section of this Agreement for more information.

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 procedures approved by the Department of Public Service (DPS). Customer may obtain additional information by contacting the DPS at (800) 342-3377, the Department's ESCO hotline at (888) 697-7728, 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.state.ny.us>.

For Energy Assistance such as Low Income Home Energy Assistance Program (LIHEAP), call (800) 510-3102.

For Fuel Fund, contact the United Way at (845) 457- 4774.

INFORMATION RELEASE AUTHORIZATION: Customer acknowledges that customer billing and payment information will be provided to Ambit Energy from your LDU. This information includes, but is not limited to, Customer's account number, meter reading data, rate class and energy usage. This may include Customer's address(es) and telephone number, and Customer's budget billing plan or payment arrangement preference.

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 P.O. Box 864589 Plano, TX 75086, or by telephone at (877) 282-6248. The customer dispute or complaint may be submitted by either party at any time to the DPS pursuant to its Complaint Handling Procedure. Payment obligation for disputed amounts will be withheld until such dispute is resolved through mutual agreement or as warranted by DPS decision.

SWITCHING PROCEDURES: Customer or Ambit may cancel a standard variable rate Agreement, for reasons other than non-payment, at any time, by providing written notice to the other party at least thirty (30) days prior to the intended date of termination. If Customer fails to notify Ambit as set forth above, Customer shall remain liable to pay Ambit for energy acquisitions made by Ambit to serve Customer under this Agreement at the price set forth above. 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. A final bill will be rendered within twenty (20) days after the final scheduled meter reading or if meter access is unavailable, an estimate of consumption will be used in the final bill, which will be trued up subsequent to the final meter reading. Pursuant to HEFPA, Customer's distribution service may be suspended if Customer fails to pay Ambit's outstanding balance.

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 month. A \$30.00 fee will 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 pro-rated in accordance with procedures adopted by the DPS. 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.

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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.

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.

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.

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.

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.

FORCE MAJEURES: 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.

ASSIGNMENT: You 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 Energy. Ambit Energy may, with out your 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 an affiliate of Ambit Energy; (c) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of Ambit Energy; and/or (d) transfer or assign this Agreement to a certified ESCO. In the case of (b), (c) or (d), any such assignee shall agree in writing to be bound by the terms and conditions hereof. Upon any such assignment, Customer agrees that Ambit Energy shall have no further obligations hereunder.

LIMITATIONS OF LIABILITY: Liabilities not excused by reason of Force Majeure or otherwise shall be limited to direct actual damages. Neither party will be liable to the other for consequential, incidental, punitive, special, exemplary or indirect damages. Lost profits or penalties of any nature are hereby waived; these limitations apply without regard to the cause of any liability or damage, including the negligence of Ambit Energy. There are no third-party beneficiaries to this agreement.

REPRESENTATIONS AND WARRANTIES: The electricity and/or gas sold under this agreement will meet the applicable LDU's standards and may be supplied from a variety of sources. Ambit Energy makes no representations or warranties other than those expressly set forth in this agreement, and Ambit Energy expressly disclaims all other warranties, express or implied, including warranties of merchantability and fitness for a particular purpose.

GOVERNING LAW: Venue for any lawsuit brought to enforce any term or condition contained herein shall be exclusively in the State of Texas. This Agreement shall be governed by, enforced and performed in accordance with the rules of the New York Public Service Commission. 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 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, Ambit shall have the right to change this Agreement with fifteen (15) days notice to the customer.