

# Section 5

**State of Illinois  
Commerce Commission Compliance Statement  
East Gate Energy, Inc.  
Attachment 5**

# East Gate Energy Electric Suppliers

## Electric Broker Agreements

<b>Integritys Energy Services</b> <b>Relationship 5yrs</b>	<b>Retail Electric Supplier</b>	<b>Length of</b>
<b>Constellation New Energy</b> <b>Relationship 3yrs</b>	<b>Retail Electric Supplier</b>	<b>Length of</b>
<b>Hudson Energy</b> <b>1yr</b>	<b>Retail Electric Supplier</b>	<b>Length of Relationship</b>
<b>Direct Energy</b> <b>Relationship 3yrs</b>	<b>Retail Electric Supplier</b>	<b>Length of</b>

## Energy Consulting

<b>Consulting agreement</b> <b>Siemens Building Technology</b> <b>Relationship 2yrs</b>	<b>Energy services provider</b>	<b>Length of</b>
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**Includes review of electric rates**

# Exhibit I

**List of Electric Suppliers**

**Customer Contract / Prospect**

Intergy Energy Service

Customer Name	Load in (KW )							
	0 - 100		100 - 200		201 - 400		401 - Above	
	Actual	Prospects	Actual	Prospects	Actual	Prospects		
	1	1	2	3	0	0		0
Constellation New Energy	0	2	0	3	0	1		1
Direct Energy	0	4	0	2	0	0		0
Hudson	0	5	0	9	0	0	0	0

## EAST GATE AFFILIATIONS

Association of Professional  
Energy Consultants (APEC)

Midwest Combined Heat and  
Power Initiative (MCHPI)

Midwest Cogeneration  
Association (MCA)

**MBE CERTIFIED**

### **Minority Business Enterprise**

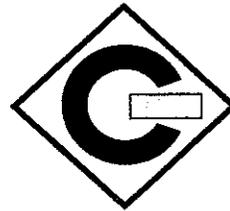
- City of Chicago
- Cook County
- State of Illinois

## AREAS OF FOCUS

- Business Management
- Project Management
- Engineering Design
- Natural Gas Supply
- Control Systems

## CONTACT INFORMATION

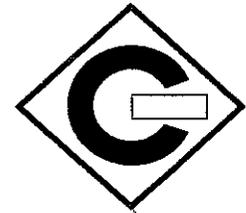
### **EAST GATE ENERGY**



22028 Emily Lane  
Frankfort, Illinois 60423  
[www.eastgateenergy.com](http://www.eastgateenergy.com)

Phone (815) 806-9144  
Fax (815) 806-9199

## **EAST GATE ENERGY, INC.**



**One Source  
for Natural Gas  
And  
Energy  
Management**

Natural Gas Supply Consulting

Natural Gas Supply  
Electric Supply

Air Filtration

Controls

**Certified Minority Business  
Enterprise  
(MBE)**

[www.eastgateenergy.com](http://www.eastgateenergy.com)

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## ABOUT US

East Gate Energy is a minority owned Illinois Corporation formed in February of 2003. The core focus of the East Gate Energy Team is to provide our clients with professional services in the areas of natural gas supply, energy management, power controls, facility security controls, and engineering services.

The leadership team at East Gate is dedicated to providing our customers with the benefit of over forty-five years of expertise in the areas of energy supply, energy management, controls, and engineering design and consulting.

At East Gate Energy, we are driven in our efforts to provide our clients with natural gas supply consulting and engineering services. Our team's proven industry experience can make a difference for your business by managing and supporting your natural gas supply and engineering needs.

## SERVICES

East Gate Energy stands apart from other energy consultants because of our team's intimate knowledge of the natural gas industry. Our expertise starts at the wellhead, and goes all the way to the burnertip. Our knowledge of power plant controls engineering is also quite extensive.

At East Gate Energy we consult with our clients and provide professional services in the following areas:

- Natural Gas Purchasing
- Natural Gas Trading
- Natural Gas Storage
- Natural Gas Marketing
- Electricity Marketing
- Energy Engineering
- Energy Management

## Other Alliances

- Data Security Systems
- Systems Controls Design
- Project Management
- Licensed Professional Engineers

## OUR VISION

East Gate Energy is driven to bring unexpected value and service to our clients. We have embraced a powerful business model called "The Strategic Alliance". We adopt this model in order to be highly effective in providing outstanding value, and efficient in bringing multiple assets to each and every one of our clients.

East Gate Energy is a strategic partner in an "Alliance" of technology-based companies. Each individual Alliance Partner brings tremendous knowledge and experience in business related technology. As a partner in this Alliance, East Gate Energy is able to bring any Alliance Partner's skills and abilities to support the business operations of our clients.

## OUR ALLIANCE TEAM

- CCUG – Telecommunication Solutions
- Wall Street Partners – Electricity Marketing
- Shelton Solutions – Energy Solutions
- RPA – Engineering Design and Consulting
  - Natural Gas System Engineering
  - Electrical System Engineering
  - HVAC Systems
  - Plumbing Systems



## INDEPENDENT CONTRACTOR SALES REPRESENTATIVE AGREEMENT

This Independent Contractor Sales Representative Agreement ("Agreement") is made by and between PEOPLES ENERGY SERVICES CORPORATION, an Illinois corporation ("Company") and East Gate Energy, Inc. ("Contractor").

WHEREAS, the Company desires to retain the services of the Contractor in performing certain marketing and sales functions, and the Contractor desires to be so retained by the Company;

NOW THEREFORE, in consideration of the mutual promises herein contained, the parties agree that, the terms, where used in this Agreement, and addendums, exhibits, recitals, appendices and amendments related to this Agreement, shall have the meaning as set for in Schedule A, and as follows:

### 1. Relationship.

The parties intend that an independent contractor relationship shall be created by this Agreement. Contractor shall be and act at all times as an independent contractor. Neither Contractor nor any of its associates, employees, subcontractors or agents shall be deemed to be partners, agents or employees of the Company or its Affiliates for any purpose whatsoever. The Contractor shall not be entitled to any of the benefits that the Company provides for the Company's employees. Contractor shall be responsible for all payroll taxes levied on or in anyway attributable to its employees. It is understood that the Company shall not use the Contractor exclusively. The Company may, during the term of this Agreement, engage other independent contractors and Company employees to perform the same or similar work that the Contractor performs hereunder.

The Contractor shall set his or her own hours of work and determine the most appropriate method of performing the work described in this Agreement. The Contractor shall be solely responsible for all of his or her own expenses, including but not limited to: travel, lodging and meal expenses, staff compensation, office expenses, presentation documents and other marketing and sales costs, and for all taxes due on payments made to the Contractor by the Company. At the Contractor's option and expense, the Company shall provide Contractor with business cards bearing the Company's name and logo, conforming in appearance to the Company's standard business cards for its employees as from time to time approved by the Company, and indicating that Contractor is an independent sales representative of Company. At the Contractor's option and expense, the Company shall provide to the Contractor brochures, proposals, electronic sales software, and other support deemed necessary by the Company to sell its Services. However, said expenses shall never exceed the actual out of pocket expense to the Company. The Company shall file information concerning payments made by it to the Contractor with federal, state and/or local tax agencies and shall provide the Contractor with an Internal Revenue Service Form 1099 reflecting the Contractor's earnings from the Company.

### 2. Description of Contractor's Work.

The Contractor shall use reasonable efforts to solicit and negotiate sales of the Company's Services to and only to, Prospects on the Prospect List whose service addresses are within the territories The Peoples Gas Light and Coke Company, North Shore Gas Company, Northern Illinois Gas Company d/b/a NICOR Gas Company and Commonwealth Edison Company serve, under terms and conditions acceptable to the Company. Contractor shall use best efforts to solicit and negotiate Service Agreements to Prospects that are new customers in the

the arbitrator. All proceedings conducted hereunder and the decision of the arbitrator shall be kept confidential by the parties pursuant to Section 10.

(c) Arbitration Award. The arbitrator shall have the same authority as does a federal district court [or state court] to award damages, provisional or permanent injunctive relief, order specific performance, and otherwise award any monetary or equitable relief as they determine is necessary under the circumstances. The arbitrator's ultimate decision after final hearing shall be in writing. The arbitrator's decision shall be final and non-appealable to the maximum extent permitted by Law. Any and all of the arbitrator's rulings, orders and decisions, whether provisional or final, and whether awarding injunctive, equitable or legal relief, may be enforceable in, and judgment upon any award rendered in the arbitration proceeding may be confirmed and entered by, any federal or state court having jurisdiction and sitting in Chicago, Cook County, Illinois.

(d) Arbitration Costs. Each party shall be responsible for its own costs in defending or prosecuting the arbitration. Common expenses associated with the arbitration, such as fees to the American Arbitration Association, the arbitrator's expenses and the cost of a neutral arbitration site, shall be borne equally by the parties.

(e) Injunctive Relief. Notwithstanding any of the foregoing contained in this Section or any other contrary provision in the Agreement, a party shall have the right in lieu of or in addition to proceeding with arbitration under this Agreement to bring and pursue an action in a court having jurisdiction and sitting in Chicago, Cook County, Illinois in an appropriate forum for a temporary restraining order, preliminary or permanent injunctive relief, specific performance, or similar equitable relief with respect to any matters involving alleged breaches of this Agreement.

This Section shall survive termination or Expiration of the Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement on the February 25, 2004.

PEOPLES ENERGY SERVICES CORPORATION

EAST GATE ENERGY, INC.

By: Ann DeBostoli

By: Lonnie W. Upshaw

Name: Ann DeBostoli  
(printed)

Name: LOANIE W. UPShaw

Title: Vice President

Title: Chief Executive officer

Date: 2/27/2004

Date: 2/25/2004

## SALES PARTNERSHIP AGREEMENT

This Sales Partnership Agreement, ("Agreement") is entered into as of this 8 day of April, 2008 ("Effective Date") between Hudson Energy Services, LLC, a New Jersey limited liability company ("HES"), and East North Energy, Inc. ("Sales Partner"). HES and Sales Partner may hereinafter be referred to individually as a "Party" or collectively as the "Parties".

### SECTION 1: SCOPE OF WORK

HES and certain of its affiliates are or may become engaged in the business of providing retail electric sales and related energy services ("Energy Services") to entities within the regions HES elects to serve. From time to time, HES may enter into such agreements and arrangements pursuant to which HES may undertake obligations to supply Energy Services to a particular retail customer. Sales Partner shall identify for HES potential customers ("Customer"), who may be interested in purchasing Energy Services from HES, subject to negotiation of a definitive agreement ("Customer Agreement") embodying such a transaction between HES and Customer.

### SECTION 2: TERM

2.1 The term of this Agreement shall begin on the Effective Date as defined above and shall continue until and unless terminated by either Party giving the other Party thirty (30) days written notice. Despite the termination of this Agreement, fee payments which are due Sales Partner prior to termination of this Agreement shall remain due to Sales Partner for the initial term of the contract between HES and the Customer as provided in Section 4.

2.2 This Agreement will be subject to immediate termination if (i) any Party is in default of any of its obligations or duties under this Agreement; or (ii) any Party files bankruptcy, goes into compulsory liquidation, or if any Party makes an assignment of the Agreement for the benefit of creditors.

### SECTION 3: SALES PARTNER RESPONSIBILITIES

3.1 Throughout the term hereof, Sales Partner shall deliver to HES the identity of potential Customers for the purpose of Customers contracting with HES for Energy Services.

3.2 Sales Partner shall provide all pertinent information relating to the Customer and Customer's Energy Service needs. Such information shall include but not be limited to the most recent 12-month historical electricity usage information as provided by the ISO or electricity distribution company, general customer contact information, and credit information regarding such Customer as may be required by HES.

3.3 Sales Partner shall present all necessary documents and information to the Customer for the purpose of allowing Customer to execute a Customer Agreement. Sales Partner shall promptly deliver to HES all documents executed by the Customer for contracted Energy Services with HES.

3.4 Sales Partner shall perform all duties listed in Sections 3.1, 3.2, and 3.3 in order to receive fees for any renewal, extension, or replacement Customer Agreement. If Sales Partner does not provide such duties 45 days prior to expiration of Customer Agreement, then HES shall have the right to pursue the renewal, extension, or replacement Customer Agreement independent of the Sales Partner. In such case Sales Partner will not be entitled to any fees regarding such Customer Agreement.

3.5 Sales Partner shall assist HES, where commercially reasonable, to resolve any Customer complaints, including complaints filed with the Better Business Bureau, any news-distributing entity or federal, state or local governmental agency.

3.6 Sales Partners shall refrain from making any alterations in HES materials. HES materials include, but are not limited to, Customer Agreements, Offer Sheets, Presentation Sheets, marketing materials, press releases or any other proprietary or publicly available information regarding HES.

3.7 Sales Partner shall perform the duties listed in this Agreement with standards of care, skill and diligence consistent with (i) all applicable laws and regulations; (ii) degree of knowledge and judgment

normally exercised by professional firms and of individuals with respect to services of similar nature.

### SECTION 4: HES RESPONSIBILITIES

4.1 HES shall, upon receipt of potential Customer Information as described in Section 3.1, promptly notify Sales Partner if HES will provide pricing information and Customer Agreement documents for said Customer. HES shall not be held responsible for any losses or damages suffered by Sales Partner as a direct or indirect result of HES unwillingness to provide pricing for a given Customer or Customers.

4.2 HES shall timely return pricing information, credit requirements and Customer Agreement documents for all Customers submitted by Sales Partner pursuant to Section 3.1 and accepted for pricing by HES pursuant to Section 4.1. Return of information and documents per the terms of this Agreement shall not obligate HES to contract with a given Customer, and HES shall not be held responsible for any losses or damages suffered by Sales Partner as a direct or indirect result of HES unwillingness to contract with given Customers.

4.3 HES shall provide commercially reasonable access for Sales Partner to HES-produced marketing information, to include general information regarding HES, sample bill formats, sample Customer Agreements and other marketing information as HES shall deem appropriate to produce.

4.4 HES shall make commercially reasonable efforts to negotiate with potential Customers as identified by Sales Partner per Section 3.1 to contract for Energy Services with HES.

4.5 HES shall timely pay agreed-upon fees, per Section 5, to Sales Partner for executed Customer Agreements between Customer and HES only for those Customers assigned to the Sales Partner by HES.

### SECTION 5: FEE PAYMENT

5.1 Sales Partner shall, prior to the presentation by HES of pricing information to Sales Partner, submit required fee information to HES.

5.2 HES shall, upon receipt of a properly executed and submitted Customer Agreement and accompanying Offer Sheet from a Customer assigned to Sales Partner, timely pay Sales Partner fee as stated pursuant to this Section 5.

5.3 HES shall not be responsible for payment of fees to Sales Partner for any Customer Agreement not assigned to Sales Partner by HES.

5.4 HES shall collect from Customer and pay to Sales Partner fees on a regular basis and based on the agreed-upon fee pursuant to Section 5.1. HES shall have the right, but not the obligation, to offer terms for prepayment of Sales Partner fees. Such alternative fee payment terms shall be at the sole discretion of HES and may be withdrawn at any time and without notice to Sales Partner.

5.5 HES will pay Sales Partner a fee for renewal or subsequent Customer Agreements between Customer and HES, providing Sales Partner fully performs the duties as identified in Section 3.4 as relate to that Customer and Customer Agreement.

5.6 HES shall have the right, but not the obligation, to collect the difference between any prepaid fees and fees collected from the Customer by HES on behalf of the Sales Partner. Any such difference can be netted against any future payment due the Sales Partner.

### SECTION 6: NOTICES AND PAYMENTS

Except as otherwise set forth in this Agreement or required by applicable law, all notices to be provided under this Agreement shall be in writing and deemed to have been duly delivered if hand delivered or sent by United States, certified or registered mail, return receipt



requested, postage prepaid, facsimile, or by overnight delivery service. Notices and Payments shall be sent to the addresses noted below, or any other address a Party provides to the other Party in writing:

If to Sales Partner: EASTGATE ENERGY, INC. (name)  
554 FOREST BLVD (address)  
PARK FOREST, TX (address) 76066  
815-873-1799 (fax)  
If to HES: Hudson Energy Services, LLC  
P.O. Box 142109  
Irving, Texas 75014-2109  
Fax: 1-888-893-9882

right to subsequently enforce and compel strict compliance with the same or other terms or provisions of this Agreement.

8.4 Assignment. Neither Party may assign the Agreement in whole or in part without the other Party's prior written consent, which consent shall not be unreasonably withheld provided that: (a) HES may assign the Agreement to another qualified retail electricity provider or energy service company, without Sales Partner's prior consent and (b) HES will not withhold its consent if the assignee meets HES' standard credit requirements and agrees to be bound by the terms of this Agreement. Upon any valid assignment of the Agreement, the other Party hereby agrees that the assigning Party shall have no further future obligations under this Agreement.

**SECTION 7: REPRESENTATIONS AND WARRANTIES**

As a material inducement to entering into this Agreement, each Party represents and warrants to the other as follows: (a) it is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation and is qualified to conduct its business in those jurisdictions necessary to perform this Agreement; (b) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action, and do not violate any terms or conditions in its governing documents or any contract to which it is a party or any law applicable to it; (c) pursuant to Agreement commencement, it shall have all regulatory authorizations necessary for it to perform its operations; (d) this Agreement constitutes a legal, valid, and binding obligation of such Party enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, and other laws affecting creditor's rights generally, and with regard to equitable remedies, subject to the discretion of the court before which proceedings to obtain same may be pending; and (e) there are no bankruptcy, insolvency, reorganization, receivership, or other similar proceedings pending or being contemplated by it, or to its knowledge threatened against it.

8.5 Severability. Any provision, article, or section declared or rendered unlawful by a court of law or regulatory agency with jurisdiction over the Parties, or deemed unlawful because of a statutory change, shall not otherwise affect the other lawful obligations that arise under this Agreement. In the event that any provision of this Agreement is declared invalid, the Parties shall promptly negotiate to restore this Agreement as near as possible to its original intent.

8.6 Entire Agreement; Amendments. This Agreement constitutes the entire understanding between the Parties, and supersedes and replaces any and all previous understandings, oral or written, in any matter relating to the subject matter hereof including any separate confidentiality agreement. This Agreement may be amended only upon mutual agreement of the Parties, which amendment shall not be effective unless evidenced in writing and executed by the Parties.

**SECTION 8: MISCELLANEOUS PROVISIONS**

8.1 Independent Contractor. Parties represent that Sales Partner is an independent contractor and is not an employee or agent of HES. All expenses and costs of any nature incurred by Sales Partner in the course of completing the responsibilities outlined in Section 3 of this Agreement, including but not limited to, employee expense, rental or purchase of office space and office equipment, telephone expense, travel expense, advertising and marketing expense, postage and reproduction expense or any other expenses arising from Sales Partner's business operations are the sole responsibility of Sales Partner unless otherwise agreed to in writing by HES. Sales Partner shall be solely responsible for the payment of all taxes arising out of its activities in connection with this Agreement.

8.7 Governing Law. This Agreement will be governed by and construed and interpreted in accordance with the laws of the State of Texas, without giving effect to the conflict of law principles. The Parties hereby irrevocably and unconditionally submit to the exclusive jurisdiction of the state or federal courts of Texas for any matters to arise under this Agreement and which are not settled.

8.8 Counterparts; Facsimile Copies. This Agreement shall be executed in counterparts, all of which shall constitute one and the same Agreement and each of which shall be deemed an original. A facsimile copy of either Party's signature shall be considered an original for all purposes under this Agreement along with any amendments pursuant to 8.6 above, and each Party shall provide its original signature upon request.

8.2 Compliance with Laws, Permits and License Requirements. Each Party shall, at its sole responsibility and expense, comply with all federal, state, and local laws applicable to its responsibilities under this Agreement and shall procure, at its sole responsibility and expense, all applicable licenses and permits necessary for the fulfillment of its obligations under this Agreement.

8.9 Attorney's Fees. In the event of any litigation arising out of or connected in any manner to this Agreement, the non-prevailing Party shall pay the costs of the prevailing Party, including its reasonable attorney and other legal fees and expenses incurred in connection therewith through and including the costs of appeals and appellate costs relating thereto.

8.3 Waiver. A waiver by either Party of any breach of the Agreement, or failure of either Party to enforce any of the terms and provisions of this Agreement, will not in any way affect, limit or waive that Party's

8.10 Confidentiality. Parties agree that the terms and conditions of this Agreement and any Offer Sheets shall remain confidential, except that Confidential Information shall not include information required to be disclosed by law.

IN WITNESS WHEREOF, the Parties, by their respective duly authorized representatives, have executed this Agreement effective as of the Effective Date. This Agreement will not become effective as to either Party unless and until executed by both Parties.

EASTGATE ENERGY, INC.

HUDSON ENERGY SERVICES, LLC

By: Michelle Reason

By: [Signature]

Print Name: MICHELLE REASON

Print Name: DANIEL MARZUOLA

Title: EXECUTIVE VICE PRESIDENT

Title: VICE PRESIDENT

Date: 4/07/08

Date: 4/8/08

## CONSULTANT AGREEMENT

THIS AGREEMENT made this 23rd day of May, 2008, between East Gate Energy, Inc., a corporation, with its principal place of business located at 354 Forest Blvd, Park Forest, IL 60466 (hereinafter referred to as "Consultant") and Pepco Energy Services, Inc. with its principal place of business located at 1300 N. 17<sup>th</sup> Street Suite 1600 Arlington, VA 22209.

WHEREAS Company is engaged in the business of providing energy services and desires to engage Consultant to render professional services related to generating leads and providing support for Company's sales and marketing efforts.

THEREFORE, in consideration of the mutual promises and agreements hereinafter set forth the parties agree as follows:

### 1. Relationship

Company hereby appoints Consultant to sell the Company's products and services and Consultant hereby accepts such appointment on the terms and conditions contained herein.

The relationship of Consultant is that of independent contractor and under no circumstances shall Consultant be deemed to be an agent or employee of the Company with the authority to bind the Company or for the purposes of binding or committing the Company to liability of any kind or nature.

### 2. Responsibilities

Consultant shall perform services in accordance with the highest professional standards in assisting Company's sales efforts and the execution of actions necessary to achieve the parties' mutual objectives. Consultant shall pay all expenses associated with such sales and marketing activities, including without limitation all expenses and compensation of its representatives and clerical personnel and all its related administrative and overhead expenses.

Upon request by Company, Consultant shall provide a job description and resume for all employees, contractors or any one working as a representative of Consultant engaged in the sales or brokering of products and services of Company. During the term of this agreement if job responsibilities change or sales personnel are added, Consultant shall inform Company of such changes. Company reserves the right to terminate this Agreement with notice to Consultant if, in its sole discretion, Consultant does not provide adequate information regarding such personnel or such personnel do not meet the approval of Company. Consultant shall not subcontract without Company's prior consent.

Company shall be responsible for providing responsive pricing, reliable supplies, customer service, and administration and billing for new and existing customers. Company may provide, from time to time and at its sole discretion, marketing support in the form of advertising,

telemarketing and direct mail. Company may provide Consultant with sales and marketing materials such as brochures and fact sheets.

It shall be the sole right and responsibility of Company to determine whether or not it shall execute a contract with a customer developed by Consultant. Criteria for such determination shall include, but not be limited to, the customer's annual energy usage, load factor and the customer's financial condition. Company may provide Consultant with guidelines for acceptable customers. Contracts and invoicing of customers for all energy supplies and for all other energy products and services will be based upon Company's standard contract terms and conditions.

### **3. Term**

This Agreement shall be for an initial period of one (1) year(s) from the date hereof. It shall be automatically renewed for a one (1) year term unless and until either party shall give notice of non-renewal to the other party at least sixty (60) days prior to the effective date of termination. Either party shall have the right to terminate this agreement with sixty (60) days written notice.

### **4. Compensation**

PES shall compensate Consultant for customer purchases of the Commodity solicited by Consultant and purchased from Company. Such compensation shall be as follows:

**a. Sales of Commodity:**

Company will establish a Price Quote (Price for established Term and Volumes) to customers identified by Consultant from time to time. Consultant shall be entitled to compensation equal to the difference between the Price Quote and the sales price listed in the customer contract unless otherwise negotiated by both parties, multiplied by the units of energy actually consumed by or delivered to the customer. Each Price Quote shall have an expiration time and date. The Price Quote shall be determined solely by Company, subject to market conditions. As a result of the volatility of the energy commodity markets, Consultant understands and acknowledges that the actual Price to be applied to a Gas and/or Electric Sales Agreement may differ from the Price Quote used in the original price proposal provided by Company to Consultant.

**b. Approval:**

Consultant shall not offer or accept and market order or similar transaction to or from a customer which has not been approved by Company.

**c. Miscellaneous:**

Consultant shall not be entitled to any compensation with respect to (i) any order(s) submitted to Company before termination of this agreement that have not resulted in an executed contract before termination (even if a contract results after termination); and (ii) any extension, renewals or other modification of energy supply contracts if it occurs after termination of this Agreement. Additionally, Company agrees to provide Consultant in a

timely fashion, upon request, with monthly customer commodity usage and billing information in a format acceptable to both parties.

**d. Payment:**

Company shall pay compensation as described above to Consultant on a quarterly (this will become monthly once PES has new systems in place to adequately implement monthly payments) basis contingent on receipt of customers' payment to Company. It is understood that receipt means cash-in-hand and that Company shall not owe any compensation hereunder until and after customer has paid Company. If customer fails to pay the full amount of any invoice for whatever reason, the compensation payable to Consultant will only be paid when the total Company Cost and Margin has been collected. If Company is required to return any payments for any reason, the compensation paid on such payment shall be likewise returned to Company by Consultant. Company retains the right, in its discretion, to settle or otherwise accept less than full payment from any customer.

**5. General**

- (a) This Agreement shall be construed in accordance with the laws of the State of Virginia.
- (b) This Agreement is personal in nature and may not be assigned by Consultant or Company without prior written consent of the other.
- (c) This contract embodies the entire Agreement between the parties and no oral promises or representations shall be considered to be a part of the contract and no amendment hereafter shall be effective unless approved in writing by the parties hereto.
- (d) This Agreement shall be binding upon the successors of the parties and upon their heirs, successors, administrators and assigns.
- (e) The section headings are not part of the contract and shall not be referred to in any questions of interpretation of its meaning.

**6. Notices**

Notices given hereunder shall be delivered to the addresses noted on page one of this Agreement.

**7. Force Majeure**

Each party shall be absolved from liability for any act, omissions or circumstances occasioned by any cause whatsoever not wholly within the control of the party and which that party could not, by reasonable diligence have avoided; provided, however, that no event of force majeure nor series of such events, shall excuse a failure to perform for a period in excess of six (6) continuous months. The acts, omissions, or circumstances shall not relieve the party of liability in the event of its failure to use reasonable diligence to remedy the situation which may be remedied, and remove the cause in an adequate manner and with all reasonable dispatch and to

give notice and full particulars of it in writing to the other party as soon as possible after the occurrence of the cause relied upon. The requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes or labor controversies by acceding to the demands of the opposing party or parties.

This Agreement shall be binding upon the heirs, successors, and assigns of the parties hereto and shall not be altered or amended in any way except in writing signed by both parties.

IN WITNESS WHEREOF, the undersigned have executed duplicate copies of this Sales Representative Agreement on the first date set forth above.

**Consultant:** East Gate Energy, Inc.

**Company:** Pepco Energy Services, Inc.  
**PES Rep:** Larry Kast

Name Lonnie W. UPSHAW

Name

CARYN L. BACON

Title President

Title

SENIOR VICE PRESIDENT

Signature Lonnie W. Upshaw

Signature

Caryn L. Bacon

Date 6/10/2008

Date

6/17/08