

John Friedberg
9002 Kedvale Ave.
Skokie, IL 60076

Dear John Friedberg,

On behalf of our entire Ambit Energy family, we want to thank you for selecting us as your energy provider.

Enclosed you will find your new Terms of Service that will be effective February 25, 2013, and contains information about your current natural gas service plan.

You may renew your current plan or select a different one by logging in to your online account at www.ambitenergy.com, by calling Customer Care at (877) 282-6248 or by faxing to (214) 969-5928. If you choose to fax your renewal selection, please include information about your plan choice, account number and be sure to sign the fax.

Should you have any questions, please contact Ambit Energy Customer Care, Monday – Friday from 8:00 a.m. to 6:00 p.m. (CT) and Saturday from 10:00 a.m. to 5:00 p.m. (CT).

Sincerely,

Your friends at Ambit Energy

Ambit Illinois, LLC Customer Select Program NICOR Gas Supply Terms of Service Agreement

EFFECTIVE: FEBRUARY 25, 2013

The following is your Terms of Service Agreement with Ambit Illinois, LLC d/b/a Ambit Energy ("Ambit Energy," "Company," "us," "our"). Ambit Energy, as your alternative gas supplier ("AGS"), will offer you ("Customer") gas supply services at a competitive rate while North Illinois Gas Company d/b/a NICOR Gas ("NICOR") continues to serve as the Customer's Local Distribution Company ("LDC"). Customer agrees that they are 18 years of age and authorized to enter into this Ambit Energy Gas Supply Terms of Service Agreement ("Agreement"). You are not required to be an Ambit Energy consultant in order to receive equal pricing, offers, terms, conditions, and gas supply service from Ambit Energy as you would if you were an Ambit Energy consultant.

TERM & PRICING: Under this Agreement, you are responsible for paying the price per therm multiplied by the number of therms used in each billing cycle plus applicable charges related to utility transportation and distribution and any other charges associated with the applicable Incumbent utility's alternative gas supplier choice program, any and all pass through charges, and all applicable taxes.

PLANS:

Guaranteed Savings Plan - Natural Gas:

The Guaranteed Savings Plan - Natural Gas, 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 gas supply service from Ambit Energy under this Agreement. The customer is responsible for all applicable taxes and LDC charges.

At the end of each 12 month period, you must renew your Guaranteed Savings Plan to continue to receive the 1% annual savings guarantee. You may renew online by logging onto your account management site at www.ambitenergy.com, calling customer care at (877) 282-6248 or by faxing your request to renew your plan to (214) 969-5928. Please state that you would like to renew your Guaranteed Savings Plan, include your account number and sign the fax. If Ambit Energy does not receive a request to renew your plan, your service will continue on the Illinois Select Variable Natural Gas plan.

Illinois Select Variable Natural Gas:

By choosing the Illinois Select Variable Natural Gas Plan, you will receive a competitive month-to-month variable rate plan.

PRODUCT SELECTION: Customer understands and acknowledges that Product selection at enrollment is subject to Ambit Energy approval, based on the premise type and/or service class that was previously assigned to Customer's account by Customer's Utility. If the information received from the Utility does not match the requested Ambit Energy product, Customer agrees that Ambit Energy may switch the product type to match information received from the Utility, if one is currently offered by Ambit Energy. Customer understands that if the product is changed to one which matches the correct premise/service class type, rates may vary. You will receive written notice of the product's terms and will have the ability to exercise your right of rescission as described below. (See Rescission Period)

BILLING: As an Ambit Energy gas supply customer, under NICOR's Customer Select Program, Customer will receive one convenient bill for both the LDC services and Ambit Energy commodity-supply services. Your bill will be issued by NICOR, and will contain commodity related charges, transportation and distribution charges, applicable taxes, and other applicable charges. You agree to continue to pay NICOR for the entire gas bill under the LDC's payment terms and conditions. If Customer elects to pay under the LDC's budget bill payment plan, Customer understands that this service will be controlled by the LDC, but only applies to the LDC's charges. In Ambit Energy's sole discretion, it may issue invoices or treatment notices directly to Customer and would require the customer to pay Ambit Energy directly for such invoices and respond to treatment notices directly from Ambit Energy. Such Ambit Energy-issued invoices would include the commodity price per therm, applicable charges, applicable taxes, and may also include LDC's transportation and distribution costs, applicable charges, and applicable taxes. If NICOR fails to provide Ambit Energy with usage volume for any billing cycles during the winter months, Ambit Energy reserves right to estimate usage volumes based on historical usage data. You may be required to pay a deposit to initiate service with Ambit Energy. At all times, the total of all deposits on file with Ambit Energy, including both initial and additional deposits, shall not exceed 1/6 of Customer's annual consumption for residential and commercial customers. Ambit Energy reserves the right to require Customer to pay a deposit to continue receiving gas supply from Ambit Energy under NICOR's Customer Select Program if Customer is 45 days or more in arrears on any due and outstanding balance. Upon the issuance of a deposit request, Customer must pay the deposit within 15 days from the deposit notice issuance date. The issuance date is the date stated on the notice or the postmark date on the envelope, whichever is later. If Customer fails to pay the required deposit within 15 days of the issuance date, Ambit Energy may terminate this Agreement without further notice. Such deposit shall not exceed \$100.00 and will only apply if Customer does not have a deposit on file with Ambit Energy at the time the Customer is in arrears. For any due and outstanding balances, Ambit Energy can use the deposit Customer posted to off-set unpaid past due balances. Customer agrees to pay all amounts owed to Ambit Energy for services rendered to Customer by Ambit Energy. If Customer fails to pay Customer's bill within the 21 days of the invoice date (the "Bill Due Date"), Ambit Energy reserves the right to charge a 1.5% monthly late fee of the amount past due, calculated from the Bill Due Date. If Customer fails to pay NICOR for the natural gas supply component as supplied to Customer by Ambit Energy, Customer will owe the unpaid amount to Ambit Energy. In Ambit Energy's sole discretion, it may elect to provide a budget billing option. If Customer's

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account is placed in collections due to non-payment or under-payment, Customer shall be responsible for any costs incurred by Ambit Energy related to the enforcement of this agreement, including Ambit Energy's legal fees and court costs.

RESCISSION PERIOD: Your LDC will send you a notice confirming that you have been switched to Ambit Energy. By law, if you are switching to Ambit Energy, you may rescind your Agreement with Ambit Energy without fee or penalty of any kind within ten business days after the LDC switch notice issuance date. To rescind your Agreement with Ambit Energy, you may call NICOR at (888) NICOR4U or Ambit Energy at (877) 282-6248. There is no early termination fee regardless if you enroll for the Ambit Energy's Winter Rate-Freeze Plan, Ambit Energy's Guaranteed Savings Plan - Natural Gas or Illinois Select Variable Natural Gas Plan. That means you are free to switch suppliers at any time free from penalty or charge. When the Customer voluntarily switches to another alternative gas supplier or voluntarily drops or is dropped by Ambit Energy back to NICOR, Ambit Energy will refund any applicable deposit within 30 days after Customer switches to another AGS or is dropped to NICOR, provided Customer satisfies all outstanding financial obligations.

CANCELLATION: Ambit Energy reserves the right to cancel this Agreement at any time if Customer is 45 or more days in arrears on any Ambit Energy invoice. Prior to cancellation, Ambit Energy will provide Customer with 15 days' advance notice to give Customer the opportunity to make payment for the entire amount past due. Such notice may be sent to Customer any time Customer's account is in arrears. Cancellation notices provided after NICOR's deadline may result in additional month(s) of service beyond the cancellation period, and Customer acknowledges and agrees to pay the applicable rate until such time as NICOR verifies Customer's cancellation and returns Customer to NICOR, as the effective date of all cancellations are subject to NICOR guidelines of which Ambit Energy has no control. Customer understands that if Customer switches to another supplier or back to NICOR, a LDC switching fee may apply under NICOR's tariff and NICOR may charge a price other than the purchased gas adjustment rate. Cancellation of this Agreement does not relieve Customer of their obligation to pay for all gas delivered by Ambit Energy to Customer and billed by NICOR. If you return to NICOR for any reason other than non-payment, you will have 45 days from the time of termination to select another AGS. If you do not select another AGS within 45 days, you will be ineligible to switch to another alternative gas supplier under NICOR's Customer Select Program for twelve (12) months starting from the date of such termination. If Ambit Energy terminates your service and returns your account to NICOR due to non-payment, you may be ineligible to select another AGS for a period of not less than twelve (12) months from the date of such termination. If you will be relocating to another premises, Customer must provide Ambit Energy twenty (20) days' notice prior to discontinuing service at your current premises.

Customer is not obligated to the terms of this Agreement if the customer moves outside of the State of Illinois, moves to a location without a transportation service program, or moves to a location where the customer will not require natural gas service, provided

that nothing in this section shall preclude Ambit Energy from taking any action otherwise available to it to collect a debt that arises out of service provided to the customer before the customer moved.

ASSIGNMENT: Ambit Energy may assign this contract to an alternative gas supplier certified by the ICC, subject to regulatory authorization. Prior to assigning this Agreement, Ambit Energy shall give NICOR and Customer no less than thirty days' prior written notice before an assignment. If Ambit Energy assigns Customer's contract, the assignee will honor the terms of this Agreement, and any material changes will allow Customer to opt out of the new provisions at no cost.

CONTACT INFORMATION & DISPUTE RESOLUTION PROCEDURES: For any billing disputes regarding consumption volumes or metering issues, Customer should contact NICOR. IF YOU SMELL GAS, YOU SHOULD IMMEDIATELY CONTACT NICOR TOLL-FREE AT (888)-642-6748 (888-NICOR4U) AND CALL 911. For questions regarding Customer's gas supply price, treatment notices you received from Ambit Energy, or paying the gas supply portion of your bill, Customer should contact Ambit Energy by phone at toll-free (877)-282-6248 (877-28-AMBIT) weekdays from 8:00 a.m. to 6:00 p.m. CST, and Saturdays 10 a.m. to 5 p.m. CST, by fax at (214)-969-5928, or by mail at 1801 N. Lamar St., Ste. 200, Dallas, Texas 75202. You can also access important account information through your online account at www.ambitenergy.com. If Customer has a dispute with Ambit Energy and is unable to resolve Customer's dispute by contacting Ambit Energy, Customer may contact the Illinois Commerce Commission ("ICC") toll-free at (800)-524-0795 or TTY at (800)-858-9277, weekdays from 8:30 a.m. to 5:00 p.m. CST, or Customer can visit the ICC website at www.icc.illinois.gov.

LIMITATION OF LIABILITY: Ambit Energy assumes no liability or responsibility for losses or consequential, special, punitive or indirect damages arising from this Agreement or any services provided by NICOR. CUSTOMER'S SOLE AND EXCLUSIVE REMEDY SHALL NOT EXCEED THE AMOUNT PAID BY CUSTOMER UNDER THIS AGREEMENT. The natural gas delivered under this Agreement meets all applicable quality standards. Ambit Energy disclaims all other warranties, including warranties of merchantability and fitness for a particular purpose. Customer agrees to indemnify and hold harmless NICOR for any obligations of Ambit Energy and claims arising out of Customer's failure to comply with the terms of this Agreement.

AMENDMENTS: Ambit Energy reserves the right to amend or terminate this Agreement due to changes in regulatory rules and requirements, any and all applicable laws, or NICOR's Customer Select tariff. If NICOR materially changes its Customer Select Program, Ambit Energy reserves the right to terminate this contract, without recourse to either party. Ambit Energy reserves the right to amend this Agreement at a later date. If Ambit Energy materially changes the provisions of this Agreement to the disadvantage of the Customer, Ambit Energy will provide 45 days notice prior to the effective date of such material change and provide the

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customer with 45 days to opt out of the new provisions at no cost, beginning on the postmarked date of the material change notice sent by Ambit Energy to the Customer. If the Customer does not respond to the material change notice within the 45 days to notify Ambit Energy that it elects to opt out of this Agreement within the Customer opt out time period, this Agreement will continue in effect under the amended terms of service.

MISCELLANEOUS: By entering this Agreement, Customer is appointing Ambit Energy as Customer's agent for purposes of procuring Customer's natural gas supply needs and grants Ambit Energy authorization to access Customer's account information, including account number(s), meter number(s), payment history and credit history. Customer authorizes Ambit Energy to perform a credit check on Customer to obtain your credit rating, and for commercial Customers, a Dun & Bradstreet report, if applicable. Ambit Energy will pay the charge to obtain customer credit information, and will not pass this charge onto the Customer. Additionally, Ambit Energy may require additional credit assurance from commercial customers, and such customers are required to provide this assurance within 20 days upon request. Ambit Energy reserves the right to withdraw any offers under this Agreement at any time without notice for any customer that has not yet enrolled in any plan covered by this Agreement. Ambit Energy may choose to not accept this Agreement for any reason except that Ambit Energy will never discriminate or deny service based on race, income, or gender. Ambit Energy shall not deny service based on locality, nor establish any unreasonable difference as to prices, terms, conditions, services, products, or facilities between localities. This Agreement constitutes the entire Agreement between Ambit Energy and Customer, and any previous agreements or oral statements are null and void and you agree that you did not rely on any oral representations other than in accordance to what is stated in this Agreement. Any notice required under this Agreement is effective when mailed to the last known mailing address on file for the parties to this Agreement.

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.

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.

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.