

THIS AGREEMENT CONTAINS AN ARBITRATION CLAUSE AND A CLASS ACTION WAIVER THAT WILL AFFECT CUSTOMER'S LEGAL RIGHTS. PLEASE REVIEW CAREFULLY.

North American Power and Gas, LLC
1500 Rankin Road, Ste. 200
Houston, TX 77073

Disclosure Statement of Terms of Service and Sales Agreement

THIS DISCLOSURE STATEMENT OF TERMS OF SERVICE AND SALES AGREEMENT together with the Contract Summary and Introductory Letter ("Agreement"), (i) describe your and North American Power and Gas, LLC's ("North American Power" or "NAPG") responsibilities and, among other things, contain an arbitration clause and class action waiver that waives each of your and North American Power's rights to sue in court (other than individual action in small claims court), to trial by jury, and to participate in a class action; and (ii) comprise Customer's entire agreement with North American Power to serve as Customer's retail natural gas supplier and exclusive agent in the Customer's local Natural Gas Distribution Company service territory (each, "NGDC" or "Local Utility" being Equitable Gas Company, UGI Utilities Inc., National Fuel Gas Corp., PECO Energy Company, Columbia Gas of Pennsylvania or Peoples Natural Gas Company), and supersede any oral or written statements made in connection with this Agreement or Customer's natural gas. The services provided by North American Power to Customer are governed by the terms of this Agreement. In this Agreement, the words "we," "us," and "our" refer to North American Power, and the words "you" and "your" refer to Customer. You understand that you are not required to choose a competitive supplier, and may continue to have the NGDC supply your natural gas. You represent that you are at least 18 years old and fully authorized to enter into this Agreement.

Background

North American Power and Gas, LLC is licensed by the Pennsylvania Public Utility Commission ("PPUC") to offer and supply natural gas to retail customers in Pennsylvania. Our PPUC license number is A-2013-2353838.

Commodity charges and prices that you pay are set by the natural gas supplier that you have chosen. The Public Utility Commission regulates distribution or delivery prices and services. The Federal Energy Regulatory Commission regulates interstate pipeline prices and services.

You will receive a single bill from your NGDC for both its charges and for our charges.

Right of Rescission: You have the right to rescind this Agreement without obligation, fees or penalties by midnight of the 3rd business day from the date of personal delivery, electronic delivery or from the postmarked date when this Agreement is delivered via U.S. Mail ("Rescission Period"). To rescind this Agreement, you should contact NAPG by telephone, email or via U.S. Mail at its contact information listed in the "Contact Information" Section of this Agreement. Upon your cancellation of this Agreement during the Rescission Period, you will continue to be supplied by the NGDC.

Definitions:

- **Commodity Charge** – The charges for basic gas supply service which is sold either by volume (ccf or Mcf) or heating value (dekatherms). Commodity charges include estimated total State taxes but do not include State sales tax and county tax. Commodity prices and charges are set by the natural gas supplier you have chosen. The Public Utility Commission regulates distribution prices and services.
- **Distribution Charges** – The charges for the delivery of natural gas from the

point of receipt into the NGDC's system.

- **Interstate Pipeline Charges** – Charges for moving natural gas to the distribution lines of a distribution company.
- **Fixed Price Period** – The period of time by which you agree to purchase natural gas supply service from North American Power as disclosed in the Introductory Letter.

Term: The "Fixed Price Period" of the Agreement can be found on the Contract Summary page. The Fixed Price Period will begin on the starting date that is the next meter read date after the NGDC processes your enrollment (the "Starting Date") and continue for the number of billing cycles as indicated on the Contract Summary page. Upon submission to your NGDC, your switch to NAPG as your natural gas supplier may take at least 3 days to become effective and is based on your meter read date.

Price: All rates and prices are set at NAPG's sole discretion. Prices may be higher or lower than the Local Utility's posted rate. NAPG Agreement prices includes Natural Gas Transmission Service Charges, Interstate Pipeline Charges and estimated total State taxes, but exclude State sales tax and county tax. Customer You can visit NAPG at www.napower.com or call us at 888-313-9086 to obtain current rates being offered by NAPG. Your ability to shop for a gas supplier is available at www.PaGasSwitch.com or other successor media platform as determined by the Commission, by calling the Commission's telephone number at 1-800-692-7380, and at www.oca.state.pa.us.

Plans Offered by NAPG:

- Monthly Variable Rate Plans:** If you enrolled in a Monthly Variable Rate Plan as indicated in the enclosed Contract Summary page, your rate set forth in the Contract Summary page will be effective for the duration listed on the Contract Summary page. Thereafter, you will be served under this Agreement on a month-to-month Variable Rate. The Variable Rate will be determined by NAPG for each month at its sole discretion based on business and market conditions including, but not limited to, the costs incurred by NAPG to procure natural gas to serve your account, transportation costs, balancing fees, capacity charges, losses, storage charges, administrative costs, costs to acquire, marketing costs, profit, applicable taxes, and other business and market considerations. **Your monthly Variable Rate may be higher or lower than the price offered in the Fixed Price Period or any prior month. Savings are not guaranteed and historical prices are not indicative of present or future pricing. You may obtain NAPG's most current and historical rates by contacting NAPG at its Contact Information in this Agreement. There is no cap or limit on your Variable Rate from one billing cycle to the next.**
- Fixed Rate Plans:** If you enrolled in a Fixed Rate Plan as indicated on the Contract Summary page, your price for natural gas supply will not change during the Fixed Price Period from the Starting Date through the meter read date for the number of billing cycles specified on the Contract Summary page. After the Fixed Price Period, unless otherwise agreed upon, your natural gas supply will automatically continue on a Monthly Variable Rate Plan, as set forth herein.
- Incentives:** For any applicable incentive sign-up bonus, add-ons, limited time offers, or any sales promotions and exclusions, please see the Contract Summary page.

PENALTIES, FEES AND EXCEPTIONS: THERE ARE NO PENALTIES FOR EARLY CANCELLATION OF A VARIABLE RATE PLAN. IF YOU ARE ENROLLED IN FIXED RATE PLAN THAT IS LONGER THAN 3 MONTHS,

NAPG WILL HAVE THE RIGHT TO CHARGE YOU AN EARLY TERMINATION FEE (“ETF”) IF THIS AGREEMENT IS TERMINATED PRIOR TO THE END OF THE FIXED PRICE PERIOD. THE ETF WILL BE \$10.00 PER MONTH FOR EACH MONTH REMAINING IN THE FIXED PRICED TERM. IN THE CASE OF A CONSOLIDATED BILL, ALL INVOICED BALANCES UNDER THIS AGREEMENT THAT ARE NOT PAID IN FULL BY THE DUE DATE WILL BE SUBJECT TO THE NGDC’S LATE PAYMENT POLICIES AND PROCEDURES, INCLUDING IMPOSITION OF LATE FEES, INTEREST AND OTHER CHARGES AS DESCRIBED IN THE NGDC’S FILED TARIFF(S). IF NAPG DIRECTLY INVOICES YOU, YOU ARE REQUIRED TO PAY OUR INVOICES BY THE DUE DATE SET FORTH IN THE INVOICE, WHICH WILL BE 20 DAYS FROM THE DATE THE INVOICE WAS MAILED. WE RESERVE THE RIGHT TO CHARGE YOU INTEREST FOR ANY PAST DUE INVOICE AMOUNT AT 1.5% PER MONTH OR THE HIGHEST AMOUNT PERMISSIBLE UNDER APPLICABLE LAW, WHICHEVER IS LESS. IN ADDITION, YOU AGREE TO PAY US OUR COSTS INCURRED IN COLLECTING AMOUNTS OWED US, INCLUDING REASONABLE ATTORNEYS’ FEES AND RETURNED CHECK CHARGES. IF YOU MAKE A PAYMENT FOR AN AMOUNT LESS THAN THE TOTAL AMOUNT DUE, WE MAY ACCEPT SUCH PAYMENT WITHOUT PREJUDICE TO ANY OTHER RIGHTS OR REMEDIES THAT WE MAY HAVE AGAINST YOU AND WE MAY APPLY IT TO YOUR ACCOUNT(S) AS A PARTIAL PAYMENT. IN ADDITION, IF YOU FAIL TO REMIT PAYMENT IN A TIMELY FASHION, YOU AUTHORIZE US TO REPORT THE DELINQUENCY TO ONE OR MORE CREDIT REPORTING AGENCIES.

Billing and Payment: You will still receive one monthly bill from your Local Utility for the natural gas supply service provided by NAPG and the Distribution Service provided by your Local Utility. You will continue to pay your NGDC directly on the due and payable date when your NGDC bill is due at the billing address provided in your NGDC bill. You acknowledge that the NGDC may provide us with your billing and payment information. You will be invoiced for NAPG’s charges under this Agreement at the applicable price set forth in the Contract Summary (or, during any renewal period, under any revised price, terms and conditions as may be established as described in the “Renewal” Section of this Agreement) multiplied by your natural gas usage as measured by the NGDC in the applicable unit of measure during the applicable billing period. You agree to accept the measurements as determined by the NGDC for purposes of accounting for the amount of natural gas supply services provided by us under this Agreement. If the NGDC is unable to read your meter, the NGDC will estimate your usage and your charges will be calculated accordingly and adjusted on a future bill. Supplying you under this Agreement is conditioned on the NGDC accepting our enrollment of your account and your continued eligibility for consolidated billing by the NGDC. If you are not eligible for consolidated billing, you need to remedy that restriction with the NGDC before we can serve you. Should the NGDC cease providing consolidated billing for your account and/or commence billing us for any charges relating to your Account, we will bill you and you will pay us for all such charges. You will be billed additional charges, including taxes and charges to distribute the natural gas to your home or business, from the NGDC consistent with its filed tariffs. If the NGDC purchases the right to receive your payments under this Agreement, your payment obligations may become NGDC charges for purposes of termination of service. You are responsible for paying any new or increased taxes, fees or other charges imposed on us or you in connection with our supply of natural gas to you during the term of this Agreement. NAPG reserves the right to change billing methods. If we change our billing methods, we will send you 2 advance written notices about 90 days and 60 days before the effective date of the change either in your bills or in separate mailing before the effective date of any such change. You should direct any questions regarding the bill to your Local Utility. See “Contact Information” below for Local Utility contact information.

Cancellation Provisions:

Cancellation by Customer: This Agreement may be canceled by Customer for the following reasons:

- i. Non-payment: If your natural gas service is terminated by your Local Utility, then this Agreement ends on the date that your service is terminated.
- ii. If this Agreement is cancelled for any other reason, upon proper notification as required by law and/or PPUC rules, the cancellation will not become effective until your Local Utility successfully switches you to the new service provider of your choice. Until that occurs, your obligations under this Agreement remain in full force and effect. You shall be obligated to pay for the natural gas provided by NAPG according to this Agreement prior to the effective date of any cancellation. Upon cancellation of this agreement, you will be returned to the default natural gas supply service or to the service provider chosen by you. **All cancellations for a Fixed Rate Plan initiated by you after the Rescission Period and prior to the end of the Fixed Price Period may incur an early termination fee as outlined in Section “iv” below.**
- iii. For Variable Rate Plans, there is no early termination fee.
- iv. **For Fixed Priced Plans: If you wish to terminate this Agreement during a Fixed Price Period and after the applicable Rescission Period, NAPG will have the right to charge you an early termination fee of \$10 dollars per month for each month remaining in the Fixed Price Period.**
- v. You may cancel this Agreement during the Rescission Period in accordance with the “Right of Rescission” Section above without incurring an early termination fee.

You may provide written notice of termination at NAPG’s address listed in the “Contact Information” Section of this Agreement or call NAPG at 1-888-313-9086 or email NAPG at customercare@napower.com. You may also contact your Local Utility to terminate at the contact information listed in the “Contact Information” Section of this Agreement, or may switch to another supplier.

Cancellation by NAPG: This Agreement can be cancelled by NAPG for the following reasons:

- i. **Non-Payment:** If your natural gas service is terminated by your NGDC, then this Agreement is cancelled on the date that your natural gas service is terminated. You will owe us for amounts unpaid for our charges for natural gas service up to the date of termination.
- ii. **Customer Move:** If you move or relocate from the natural gas service address under which they enrolled with NAPG, you may remain with NAPG and not have to return to default supply service provided by the Local Utility. You will be responsible for paying for all natural gas supplied to your old address until the date this Agreement is terminated in accordance with its terms and conditions.
- iii. If NAPG cancels this Agreement for any reason other than your non-payment and your relocation, we will follow applicable rules in providing notice to you. Upon following the applicable rules, NAPG may also terminate this Agreement due to a Change in Law or other act beyond our reasonable control or if we are no longer able to serve you. In addition, we reserve the right to reject your enrollment or terminate this Agreement if: you fail to meet or maintain satisfactory credit standing as determined by us; you fail to meet minimum or maximum threshold consumption levels as determined by us; you fail to remain a NGDC distribution customer throughout the term under the applicable rate class; you fail to be eligible for NGDC consolidated

billing throughout the term; you rescind the authorization for release of information provided in the "Information Release Authorization" Section below; or you provide any false, inaccurate or misleading information to NAPG or the NGDC.

Upon any cancellation of this Agreement, you will return to receiving default service from the NGDC unless you have selected another natural gas supplier. The effective date of any cancellation will be the next applicable meter read date after expiration of the required notice period. Upon any cancellation, you will remain responsible for all obligations, including payment for natural gas charges incurred under this Agreement prior to the effective date of termination including any applicable early termination fee. The delivery of natural gas to you cannot be terminated or interrupted by the NGDC as a result of any dispute between you and NAPG. The NGDC will continue to respond to any service calls and emergencies and switching to NAPG will not impact your natural gas supply service reliability. If the NGDC purchases the right to receive your payments under this Agreement, your payment obligations may become NGDC charges for purposes of termination of service.

RENEWAL NOTICE AND NOTIFICATION OF CHANGES: THIS AGREEMENT WILL AUTOMATICALLY RENEW AS DESCRIBED IN THIS SECTION. IN ORDER TO CANCEL BEFORE AN AUTOMATIC RENEWAL OF THIS AGREEMENT, PLEASE NOTIFY US IN WRITING OR BY PHONE AS DESCRIBED IN THIS SECTION. Unless terminated earlier as provided in the "Termination" Section herein, if you have a Fixed Rate Plan with us and it is approaching the end of the Fixed Price Period, or whenever we propose to change our terms of service in any type of agreement, you will receive two separate written notifications ("Contract Renewal Notice") from us in each of the last two bills for natural gas supply service charges or in corresponding separate mailings that precede either the end of the Fixed Price Period or the effective date of the proposed changes. These notifications will explain your options going forward. UNLESS YOU NOTIFY US THAT YOU DO NOT WANT TO RENEW THIS AGREEMENT IN WRITING OR BY CALLING US AT (888) 313-9086 NO LATER THAN 30 DAYS AFTER THE DATE YOU RECEIVE THE SECOND CONTRACT RENEWAL NOTICE, YOU WILL BE DEEMED TO HAVE IRREVOCABLY AND UNCONDITIONALLY AGREED TO RENEW THE AGREEMENT ON A MONTH-TO-MONTH BASIS ON THE TERMS AND CONDITIONS SET FORTH IN THE RENEWAL NOTICE. YOU MAY, HOWEVER, TERMINATE THE AGREEMENT DURING ANY RENEWAL PERIOD AT ANY TIME AND WITHOUT INCURRING AN EARLY TERMINATION FEE, AT WHICH TIME WE WOULD RETURN YOUR ACCOUNT AT THE NEXT APPLICABLE METER READ DATE TO BEING SUPPLIED BY THE NGDC UNLESS YOU HAVE SELECTED ANOTHER NATURAL GAS SUPPLIER.

Dispute Resolution: You can contact us through our toll-free number or via our website as outlined below with any questions concerning our terms of service. If you are not satisfied with NAPG's attempt to resolve the problem, you may seek assistance from the PPUC or request information from the PPUC regarding consumer protection rights under this Agreement. See "Contact Information" below for the PPUC's contact information. **ALL CLAIMS OF ANY KIND ARISING OUT OF, RELATING TO OR IN CONNECTION WITH THIS AGREEMENT THAT ARE NOT RESOLVED THROUGH THIS PROCESS WILL BE HANDLED PURSUANT TO THE BINDING ARBITRATION; CLASS ACTION WAIVER PROVISION BELOW.**

Binding Arbitration; Class Action Waiver. In the unlikely event that you have any complaint or other dispute that is not resolved by NAPG or the PPUC to your satisfaction, or that we have a dispute with you and are unable to resolve it informally, **we each agree to resolve such a dispute through binding arbitration before the American Arbitration Association ("AAA") under**

the Federal Arbitration Act ("FAA") or small claims court, instead of before any other court. We each agree to arbitrate solely on an individual basis, and understand and agree that this Agreement does not permit class arbitration or any claims brought as a plaintiff or class member in any class or representative arbitration proceeding. The arbitrator may not consolidate more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding.

YOU AGREE THAT, BY ENTERING INTO THIS AGREEMENT, YOU AND NAPG ARE EACH WAIVING THE RIGHT TO A TRIAL BY JURY OR TO PARTICIPATE IN A CLASS ACTION.

i. Scope. The term "dispute" includes any claim or controversy between you and us concerning or related to your Agreement with us and the electricity or gas supply you receive from us under that Agreement, under any legal theory including contract, warranty, tort, statute or regulation. Notwithstanding the arbitrator's power to rule on its own jurisdiction and the validity or enforceability of the agreement to arbitrate, the arbitrator has no power to rule on the validity or enforceability of the agreement to arbitrate solely on an individual basis.

ii. Notice of Dispute. If you have a dispute that has not been resolved by NAPG or the PPUC, send a Notice of Dispute by U.S. Mail to NAPG at the NAPG Contact Information below with your name, address, contact information, summary of the dispute, and how you would like the dispute resolved. We will do the same with you. If we have not resolved the dispute within 60 days after that notice is sent, either of us may start an arbitration.

iii. Small Claims Court Option. As an alternative to arbitration, you may bring an individual case in your county of residence or where you do business, or Fairfield County, Connecticut, if you meet the court's requirements, so long as it remains an individual case in that court. You may, but are not required to, mail us a Notice of Dispute and give us 60 days to resolve the dispute with you before filing in small claims court.

iv. Arbitration Procedure. The AAA will conduct arbitration under its Commercial Arbitration Rules or, if you are an individual and the electricity or gas supplied under this Agreement is for personal or household use, or if the value of the dispute is \$75,000 or less whether or not you are an individual or how you use the supply, its Consumer Arbitration Rules, in each case as modified by this Agreement. For more information, see www.adr.org. To start an arbitration, submit the appropriate form available at <https://www.adr.org/Rules> to AAA and mail a copy to us. In a dispute involving \$25,000 or less, any hearing will be by telephone unless the arbitrator finds good cause to hold an in-person hearing instead. Any in-person hearing will take place in your choice of your county of residence or principal place of business or our principal place of business, Fairfield County, Connecticut. The arbitrator may award the same damages to you individually as a court could. This Agreement to arbitrate shall survive termination or expiration of this Agreement.

Assignment: NAPG may assign, subcontract or delegate all or any part of our rights and/or obligations under this Agreement, including your payment obligations under this Agreement, without your prior consent, subject to providing you with prior written notice of such assignment. After assignment, NAPG will have no further obligations under this Agreement.

Emergency: In the event of an emergency such as a power outage, you should call your Local Utility.

Customer Information and Release: You agree to allow your Local Utility to release certain information to North American Power that will be needed to provide natural gas supply to you. This may include, but is not limited to, your historical and future usage, payment history and credit information, service

address, rate classification and credit information. You authorize NAPG to release such information to third parties, affiliates and subcontractors that need to know such information in connection with your natural gas supply service. These authorizations will remain in effect as long as this Agreement remains in effect. You may rescind these authorizations at any time by either calling or providing written notice to NAPG. NAPG reserves the right to reject your enrollment or terminate this Agreement in the event these authorizations are rescinded, you fail to meet or maintain satisfactory credit standing as determined by us, or you fail to meet minimum or maximum threshold consumption levels as determined by us. If you fail to remit payment in a timely fashion, NAPG may report the delinquency to a credit reporting agency.

Force Majeure: Notwithstanding any other provision of the Agreement, if we are unable to carry out any obligation under the Agreement due to a Force Majeure the Agreement will remain in effect but such obligation will be suspended for the duration of the Force Majeure, so long as we use commercially reasonable efforts to remedy our inability to perform. "Force Majeure" means an event not within our reasonable control that we are unable to prevent or overcome in a commercially reasonable manner by the exercise of due diligence. Force Majeure includes, but is not limited to, acts of God; fire; war; terrorism; flood; earthquake; civil disturbance; sabotage; facility failure; strike; curtailment, disruption or interruption of distribution, transmission, or supply; declaration of emergency by the NGDC; regulatory, administrative, or legislative action, or action or restraint by court order or governmental authority; or any act or omission of a third party not under our control.

Limitations of Liability: NAPG WILL BEAR NO LIABILITY TO YOU OR ANY THIRD PARTY FOR CONSEQUENTIAL, PUNITIVE, INCIDENTAL, SPECIAL OR OTHER INDIRECT DAMAGES. You acknowledge and agree that your Local Utility is exclusively responsible for the natural gas delivery system, and that NAPG has no independent control over your Local Utility's systems and will have no liability for any of its acts or omissions.

Representations and Warranties: The natural gas sold under this Agreement will be supplied from a variety of generating sources, including the natural gas provided pursuant to any carbon offset requirements, and will meet the quality standard of the NGDC. NAPG makes no representations or warranties other than those expressly set forth in this Agreement. NAPG EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Choice of Law: This Agreement will be governed by applicable federal laws and the laws of Pennsylvania and applicable federal law, without regard to its conflict of law principles.

Change of Law/Regulatory Changes: This Agreement is subject to present and future legislation, orders, rules, regulations, tariffs or decisions of a duly constituted governmental authority having jurisdiction over this Agreement or the services to be provided hereunder, including but not limited to the Local Utility, the PPUC, the Federal Energy Regulatory Commission (FERC), or any of their successors (collectively, "Laws") (any change, or change in interpretations of any Law, "Change in Law"). If at any time during the term of this Agreement there is a Change in Law that results in NAPG being prevented, prohibited, or frustrated from carrying out the terms of this Agreement, or results in an increase in NAPG's costs of providing natural gas supply service to you under this Agreement, NAPG may terminate this Agreement in accordance with the termination provisions above or adjust its rate/price to reflect any increases associated with such Change in Law upon 30 days' written notice to you.

Contact Information:

Natural Gas Supplier Name: North American Power and Gas, LLC
(License #: 2013-2353838)
1500 Rankin Rd. Suite 200
Houston, Texas 77073
888-313-9086
Customercare@napower.com
www.napower.com

Public Utility Commission: Public Utility Commission (PPUC)
P.O. Box 3265
Harrisburg, PA 17105-3265
http://www.puc.state.pa.us/contact_us.aspx

Choice Hotline Number: 1-800-692-7380

For information about universal service programs, please call Equitable Gas Company at 1-877-577-8735.

Supplier of Last Resort: If the supplier of last resort changes, the new supplier of last resort shall notify you of that change, and shall provide you with the name, address, telephone number and internet address, if available.

Notices: Unless you have chosen an alternate method of receiving notices, applicable notices will be provided by U.S. Mail.

UCC: Except as otherwise provided for in this Agreement, the provisions of the Uniform Commercial Code ("UCC") of Pennsylvania shall govern this Agreement and natural gas shall be deemed a "good" for purposes of the UCC.

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.

Waiver: No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. Failure of either party to exercise any right hereunder shall not constitute a waiver hereunder and shall not impair the exercise of such rights at any later time.

Miscellaneous: You will promptly notify NAPG if there are any material changes in your natural gas consumption. There may be a delay before your Local Utility switches your natural gas supply to NAPG; NAPG is not responsible for any such delays.