

FILE



15-1665-EL-AGG

September 22, 2015

Mr. Charles Stockhausen
Public Utilities Commission of Ohio
Docketing Division 13th Floor
180 East Broad Street
Columbus, OH 43215-3793

RE: Certification Application for Aggregator / Power Broker Certification (reference 01-134-EL-AGG)

Dear Mr. Stockhausen:

Enclosed is the Application for Affiliated Power Purchasers International, LLC (reference case #01-134-EL-AGG). We were instructed to supply a new application as our renewal was not filed in a timely manner. We are also in the process of filing a motion for extension.

Should there be any questions or additional information required please contact Jennifer Underwood or Michael Payne.

Thank you,

A handwritten signature in dark ink, appearing to be "J. Underwood", written over a horizontal line.

Jennifer D. Underwood
Chief Financial Officer

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Date Received	Case Number	Version
	15-1665-EL-AGG	December 2014

15-1665-EL-AGG

CERTIFICATION APPLICATION FOR ELECTRIC AGGREGATORS/ POWER BROKERS

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit A-5 Experience). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division; 180 East Broad Street, Columbus, Ohio 43215-3793.

This PDF form is designed so that you may input information directly onto the form.
You may also download the form, by saving it to your local disk, for later use.

A. APPLICANT INFORMATION

A-1 Applicant's legal name, address, telephone number and web site address

Legal Name AFFILIATED POWER PURCHASERS INTERNATIONAL LLC
Address 2013 NORTHWOOD DRIVE STE 1 SALISBURY, MD 21801
Telephone # (800) 520-6685 Web site address (if any) WWW.APPIENERGY.COM

A-2 List name, address, telephone number and web site address under which Applicant will do business in Ohio

Legal Name AFFILIATED POWER PURCHASERS INTERNATIONAL LLC
Address 2013 NORTHWOOD DRIVE STE 1 SALISBURY, MD 21801
Telephone # (800) 520-6685 Web site address (if any) WWW.APPIENERGY.COM

A-3 List all names under which the applicant does business in North America

AFFILIATED POWER PURCHASERS
APPI
APPI Energy

A-4 Contact person for regulatory or emergency matters

Name MICHAEL S. PAYNE
Title EXECUTIVE VICE PRESIDENT & CORPORATE COUNSEL

RECEIVED - DOCKETING DIV
 2015 SEP 23 PM 12:04
 PUCO

Business address 2013 NORTHWOOD DRIVE STE 1 SALISBURY, MD 21801

Telephone # (800) 520-6685 Fax # (410) 749-8769

E-mail address MPAYNE@APPIENERGY.COM

A-5 Contact person for Commission Staff use in investigating customer complaints

Name JENNIFER UNDERWOOD

Title CHIEF FINANCIAL OFFICER

Business address 2013 NORTHWOOD DRIVE STE 1 SALISBURY, MD 21801

Telephone # (800) 520-6685 Fax # (410) 749-8769

E-mail address JUNDERWOOD@APPIENERGY.COM

A-6 Applicant's address and toll-free number for customer service and complaints

Customer Service address 2013 NORTHWOOD DRIVE STE 1 SALISBURY, MD 21801

Toll-free Telephone # (800) 520-6685 Fax # (410) 749-8769

E-mail address CUSTOMERSERVICE@APPIENERGY.COM

A-7 Applicant's federal employer identification number # 52-2270096

A-8 Applicant's form of ownership (check one)

- | | |
|--|--|
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Limited Liability Partnership (LLP) | <input type="checkbox"/> Limited Liability Company (LLC) |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Other _____ |

A-9 (Check all that apply) Identify each electric distribution utility certified territory in which the applicant intends to provide service, including identification of each customer class that the applicant intends to serve, for example, residential, small commercial, mercantile commercial, and industrial. (A mercantile customer, as defined in (A) (19) of Section 4928.01 of the Revised Code, is a commercial customer who consumes more than 700,000 kWh/year or is part of a national account in one or more states).

- | | | | | |
|--|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <input type="checkbox"/> First Energy | | | | |
| <input type="checkbox"/> Ohio Edison | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Toledo Edison | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Cleveland Electric Illuminating | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Duke Energy | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Monongahela Power | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> American Electric Power | | | | |
| <input type="checkbox"/> Ohio Power | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Columbus Southern Power | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Dayton Power and Light | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |

- A-10** Provide the approximate start date that the applicant proposes to begin delivering services

April 30, 2005

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- A-11** **Exhibit A-11 "Principal Officers, Directors & Partners"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.
- A-12** **Exhibit A-12 "Corporate Structure,"** provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers and companies that aggregate customers in North America.
- A-13** **Exhibit A-13 "Company History,"** provide a concise description of the applicant's company history and principal business interests.
- A-14** **Exhibit A-14 "Articles of Incorporation and Bylaws,"** if applicable, provide the articles of incorporation filed with the state or jurisdiction in which the Applicant is incorporated and any amendments thereto.
- A-15** **Exhibit A-15 "Secretary of State,"** provide evidence that the applicant has registered with the Ohio Secretary of the State.

B. APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- B-1** **Exhibit B-1 "Jurisdictions of Operation,"** provide a list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail or wholesale electric services including aggregation services.
- B-2** **Exhibit B-2 "Experience & Plans,"** provide a description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.

B-3 **Exhibit B-3 "Summary of Experience,"** provide a concise summary of the applicant's experience in providing aggregation service(s) including contracting with customers to combine electric load and representing customers in the purchase of retail electric services. (e.g. number and types of customers served, utility service areas, amount of load, etc.).

B-4 **Exhibit B-4 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.

B-5 Disclose whether the applicant, a predecessor of the applicant, or any principal officer of the applicant have ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.

☒ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-5 "Disclosure of Consumer Protection Violations"** detailing such violation(s) and providing all relevant documents.

B-6 Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service including aggregation service denied, curtailed, suspended, revoked, or cancelled within the past two years.

☒ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation"** detailing such action(s) and providing all relevant documents.

C. APPLICANT FINANCIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

C-1 **Exhibit C-1 "Annual Reports,"** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why.

C-2 **Exhibit C-2 "SEC Filings,"** provide the most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.

- C-3** **Exhibit C-3 “Financial Statements.”** provide copies of the applicant’s two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business.
- C-4** **Exhibit C-4 “Financial Arrangements.”** provide copies of the applicant's financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.,).
- C-5** **Exhibit C-5 “Forecasted Financial Statements.”** provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant’s CRES operation, along with a list of assumptions, and the name, address, e-mail address, and telephone number of the preparer.
- C-6** **Exhibit C-6 “Credit Rating.”** provide a statement disclosing the applicant’s credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody’s Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant’s parent or affiliate organization that guarantees the obligations of the applicant.
- C-7** **Exhibit C-7 “Credit Report.”** provide a copy of the applicant’s credit report from Experion, Dun and Bradstreet or a similar organization.
- C-8** **Exhibit C-8 “Bankruptcy Information.”** provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.

C-9 **Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant within the five most recent years preceding the application.


Signature of Applicant & Title

Sworn and subscribed before me this 22 day of September, 2015
Month Year

Debra K. Miller
Signature of official administering oath

Debra K. Miller, Notary
Print Name and Title

My commission expires on Feb. 20, 2019

DEBRA K MILLER
NOTARY PUBLIC, STATE OF MARYLAND
MY COMMISSION EXPIRES, FEB. 20, 2019

AFFIDAVIT

State of Maryland :

Salisbury ss.
(Town)

County of Wicomico :

Mike Payne, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/She is the Exec. Vice Pres. (Office of Affiant) of APPI Energy (Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant,

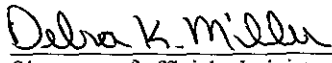
1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in the application.
2. The Applicant herein, attests it will timely file an annual report with the Public Utilities Commission of Ohio of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Division (A) of Section 4905.10, Division (A) of Section 4911.18, and Division (F) of Section 4928.06 of the Revised Code.
3. The Applicant herein, attests that it will timely pay any assessments made pursuant to Sections 4905.10, 4911.18, or Division F of Section 4928.06 of the Revised Code.
4. The Applicant herein, attests that it will comply with all Public Utilities Commission of Ohio rules or orders as adopted pursuant to Chapter 4928 of the Revised Code.
5. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the Applicant.
6. The Applicant herein, attests that it will fully comply with Section 4928.09 of the Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.
7. The Applicant herein, attests that it will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
8. The Applicant herein, attests that it will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.
9. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.
10. If applicable to the service(s) the Applicant will provide, the Applicant herein, attests that it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio. (Only applicable if pertains to the services the Applicant is offering)

11. The Applicant herein, attests that it will inform the Commission of any material change to the information supplied in the application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating customer complaints.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.


Signature of Affiant & Title

Sworn and subscribed before me this 22nd day of September, 2015
Month Year


Signature of official administering oath

Debra K. Miller, Notary
Print Name and Title

My commission expires on Feb. 20, 2019

DEBRA K MILLER
NOTARY PUBLIC, STATE OF MARYLAND
MY COMMISSION EXPIRES, FEB. 20, 2019

Attachments for Affiliated Power Purchasers International, LLC

A. APPLICANT INFORMATION

Exhibit A-11 “Principal Officers, Directors and Partners”

Partners:

Walter W. Moore, President and Chairman of the Board of Directors
2013 Northwood Drive STE 1
Salisbury, MD 21801
(410) 749-5507

Michael S. Payne, J.D., L.L.M., Executive Vice President & Corporate Counsel and Director
2013 Northwood Drive STE 1
Salisbury, MD 21801
(410) 749-5507

Kathleen M. Kiernan, Senior Vice President and Director
2013 Northwood Drive STE 1
Salisbury, MD 21801
(410) 749-5507

Kevin Smyth, Director
8816 Lake Sheen Court
(407) 876-6741

Michael Housley, Director
32 Waterloo Street
Warrenton, VA 20186
(540) 351-0981

Mr. Housley is President of and represents The Legacy Energy Group, LLC.

Exhibit A-12 “Corporate Structure”

Affiliated Power Purchasers International, LLC (“APPI”) is a Maryland Limited Liability Company. Its members are:

Unit of Participation

Walter W. Moore	56.50
Kevin Smyth	25.00
Michael S. Payne	2.17
Kathleen Kiernan	5.43
The Legacy Energy Group, LLC	10.89

There are no affiliates or subsidiary companies of APPI that supply retail or wholesale electricity or natural gas to customers in North America.

Attachments for Affiliated Power Purchasers International, LLC

Exhibit A-13: Company History. See attached document entitled. APPI Business History, Services, and Operations

Exhibit A-14: Articles of Incorporation and Bylaws. A copy of the Operating Agreement of Affiliated Power Purchasers International, LLC is enclosed. There are no Articles of Incorporation and Bylaws.

Exhibit A-15: "Secretary of State. Copy of Registration enclosed.

B. APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCES

Exhibit B-1 "Jurisdiction of Operations"

<u>State</u>	<u>License Number</u>	<u>State</u>	<u>License Number</u>
California	201227510046	New Jersey	EA-0011, PA-011
Delaware	11-460	New York	2683596
District of Columbia	EA11-30	Ohio	01-062
Illinois	0233171-3	Pennsylvania	A-110041
Maine	20020050FC	Rhode Island	D-96-6 (H5)
Maryland	IR-279	Texas	07078453
Massachusetts	EB-004	Virginia	T0182529
Michigan	B93672	Wisconsin	A068395

Exhibit B-2 "Experience and Plans"

Affiliated Power Purchasers International, LLC ("APPI") is an independent consulting firm that assists electricity users by providing education, market information, and access to supply contracts offered by retail suppliers. APPI began operations in 1996 and has provided energy consulting services to more than 5,000 customers across the United States.

APPI analyzes customer data, prepares requests for pricing proposal, and negotiates contracts with the suppliers on behalf of the customers. If the customer signs an APPI negotiated contract with a competitive retail electric supplier (CRES), APPI receives a fee based on customer's usage. The customer is billed by the supplier or its electric utility. The supplier remits APPI's fee payments to APPI. APPI never buys or sells electricity or natural gas. APPI never receives or processes customer payments for energy.

APPI provides its customers and the public a toll free number, email access, and full-time consultants to answer questions and provide information.

Exhibit B-3 "Summary of Experience": See attached document entitled: APPI Business History, Services, and Operations

Attachments for Affiliated Power Purchasers International, LLC

Exhibit B-4 “ Disclosure of Liabilities and Investigation”

There are currently no known existing, pending, or past rulings, judgments, contingent liabilities, revocations of authority, regulatory investigations, or any other matter that could adversely impact APPI's financial or operation status or ability to provide the services it is seeking to be certified to provide.

C. FINANCIAL CAPABILITY AND EXPERIENCE

Exhibit C - FINANCIAL CAPABILITY AND EXPERIENCE

Exhibit C-1 “Annual Reports” Not applicable to Applicant as it is a privately-held company.

Exhibit C-2 “SEC Filings” Not applicable to Applicant as it is a privately-held company.

Exhibit C-3 “Financial Statements” Applicant's financial statements are provided herein.

Exhibit C-4 “Financial Arrangements” Not applicable to Applicant.

Exhibit C-5 “Forecasted Financial Statements” Forecasted financials for 2014 and 2015 for Applicant's activities in Ohio are:

2014: Income:	\$ 470,000	2015: Income:	\$ 470,000
Expenses:	\$ 200,000	Expenses:	\$ 200,000
Net Income:	\$ 270,000	Net Income:	\$ 270,000

Exhibit C-6 “Credit Rating” Not Applicable. Applicant does not have a credit rating issued by a credit agency or entity. Applicant has no parent or affiliated organization.

Exhibit C-7 “Credit Report” Not Applicable. Applicant does not have a credit report from Experian, Dun and Bradstreet, or a similar organization. APPI's banking reference is:

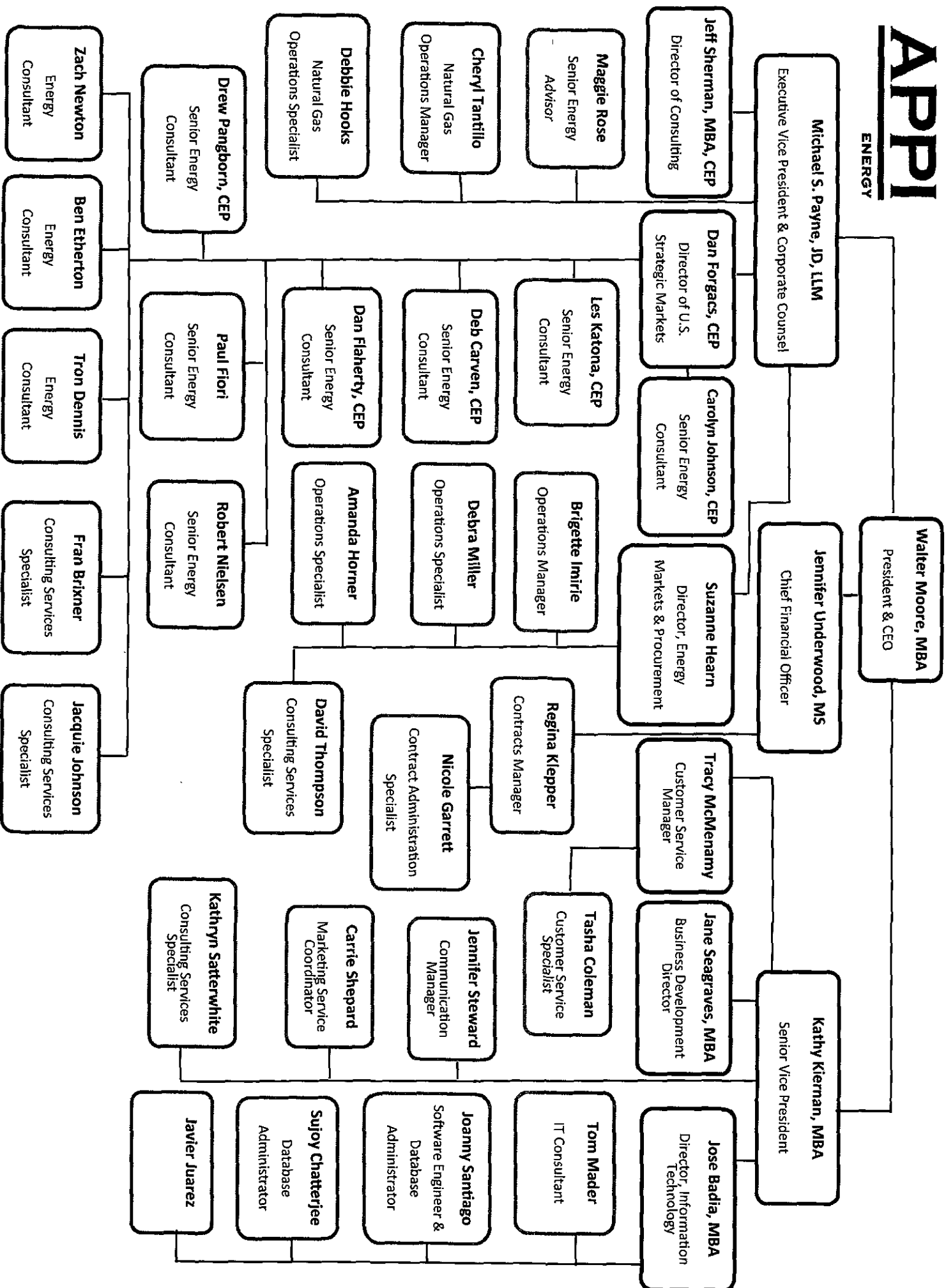
Michelle Thomas or John Aukward
Vice Presidents
Bank of Delmarva
12 E. State Street
Delmar, MD 21875
(410) 548-1100

Exhibit C-8 “Bankruptcy Information” Not applicable as Applicant has never had any reorganizations, bankruptcy filings, not has any officer had a bankruptcy filing or guaranteed the obligations of Applicant in the current year or the two most recent years.

Exhibit C-9 “ Merger Information” Not Applicable. Applicant has not been involved in any dissolution or merger or acquisition in the five most recent years preceding the Application.

APPPI

ENERGY





Affiliated Power Purchasers International, LLC (APPI) is an energy consultant that began operations in 1996. Since inception, APPI has consulted with more than 5,000 electricity customers in deregulated electricity states across the United States.

APPI assists electricity customers by providing education and information regarding electricity deregulation, electricity markets, electricity suppliers, electricity supply contracts, and electric utility supply tariffs. APPI reviews with the customer the customer's historical, current, and projected usage and consumption of energy. APPI reviews with customers electric utility supply tariffs, electricity supply contracts, and electricity prices provided to APPI by retail electricity suppliers for consideration by the customer. If a customer chooses to accept and to implement a supply contract offer from a retail supplier, APPI assists the customer in finalizing the supply contract with the supplier chosen by the customer. APPI never favors one supplier over another supplier and strives to match APPI customers with a supplier and a supply contract that best meets the customer's needs. APPI takes utmost care to present relevant information regarding each supplier, supplier prices, and supplier supply contracts.

APPI's efforts are focused on serving each customer by fully understanding that specific customer's electricity profile, usage characteristics, financial goals, and business needs. APPI provides ongoing education about electricity markets and customer service to its electricity customers. APPI's management team actively performs initial and ongoing due diligence of electricity suppliers, supplier contracts, and regulatory matters. APPI's staff meets regularly with the APPI management team and third party energy experts to review the Illinois electricity market, regulatory matters, electricity suppliers, electricity price trends, and other related business developments.

APPI has 38 full-time employees who, combined, have more than 150 years of experience in the energy industry. APPI's staff includes electricity analysts, energy industry operations specialists, financial experts, database specialists, customer support persons, and business consultants. The APPI Organization Chart is enclosed.

APPI works closely with consumer advocate entities including 140 national, state, and local trade associations, chambers of commerce, and other affinity groups. All of these entities performed due diligence of APPI and determined that APPI is capable of providing professional energy consulting services and customer service to their members. These affinity groups selected APPI as their exclusively endorsed energy consultant.

During its 19 years of business activity, APPI has acquired, stored, and analyzed electricity usage data and electricity account information for more than 25,000 electricity accounts served by more than 50 electric utilities. APPI has assisted more than 3,300 commercial, industrial, and residential customers with the review and implementation of an electricity supply contract. These electricity supply contracts have been with 25 different competitive electricity suppliers. Over the years, APPI has analyzed more than 100 different types of supplier electricity contracts and negotiated terms and conditions favorable to its customers on many occasions.

Exhibit A-14

OPERATING AGREEMENT
OF
AFFILIATED POWER PURCHASERS INTERNATIONAL, LLC
dated as of October 5, 2000

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OPERATING AGREEMENT
OF
AFFILIATED POWER PURCHASERS INTERNATIONAL, LLC

This is an Operating Agreement dated as of August 30, 2000 (this "Agreement"), by and between (i) Affiliated Power Purchasers, Inc. ("APPI"), a Delaware corporation, 2129 Northwood Drive, Salisbury, Maryland 21801; (ii) Walter Moore ("Moore"); and (iii) The Legacy Energy Group, LLC ("Legacy"), a Kentucky limited liability company, 32 Waterloo Street, Warrenton, Virginia 20186. The foregoing parties are collectively referred to herein as "Members," and individually as a "Member." For purposes of this Agreement, the term "Members" shall include all persons and entities then acting in such capacity in accordance with the terms of this Agreement.

ARTICLE 1
FORMATION

1.1 Formation. The Members hereby form a limited liability company pursuant to the provisions of the Maryland Limited Liability Company Act (the "Act").

ARTICLE 2
NAME AND OFFICE

2.1 Name. The name of the Company shall be Affiliated Power Purchasers International, LLC ("APPI, LLC").

2.2 Principal Office. The principal office of the Company shall be located at 2129 Northwood Drive, Salisbury, Maryland 21801, or at such other place as shall be determined by the Board of Directors from time to time. The books of the Company shall be maintained at such principal office or such other place as the Board of Directors shall deem appropriate.

ARTICLE 3
PURPOSE AND TERM

3.1 Purpose. The purpose of the Company is to develop and manage electricity and natural gas buyers' pools for trade associations, telephone services for trade associations, and to carry on any and all activities related thereto.

3.2 Company's Powers. In furtherance of the purpose of the Company as set forth in Section 3.1, the Company shall have the power to do any and all things whatsoever necessary, appropriate or advisable in connection with such purpose, or as otherwise contemplated in this Agreement. No Member shall, on behalf of the Company, engage in any business other than as set forth in Section 3.1, or take any action not contemplated in this Agreement.

3.3 Term. The term of the Company shall commence as of the date of the filing of the Articles of Organization with the Maryland State Department of Assessments and Taxation, and shall continue until dissolved in accordance with Article 12.

ARTICLE 4 CAPITAL

4.1 Units of Participation.

(a) As used in this Agreement, the term "Units of Participation" shall mean the units of participation in the Company which reflect the Members' relative ownership interests in the Company. Distributions or allocations made in proportion to or in accordance with the Units of Participation will be based upon relative Units of Participation as of the record date for distributions and in accordance with §§ 706(c) and (d) of the Code (as that term is defined in Section 4.6 below).

(b) The Company's initial capital will consist of 100 Units of Participation. The Company shall issue additional Units of Participation to Legacy as described in Section 4.2(c) below, and may also issue additional Units of Participation for adequate consideration upon the approval of the Board of Directors and Members.

4.2 Capital Contributions.

(a) Contemporaneously with the execution of this Agreement, APPI is transferring substantially all of its assets and liabilities to the Company in exchange for 82.81 Units of Participation, a list of which assets and liabilities will be attached hereto as Exhibit A (no later than September 30, 2000). APPI shall receive a capital account credit (to be determined no later than September 30, 2000) in exchange for such assets and liabilities. APPI's assets and liabilities shall be transferred to the Company pursuant to an Instrument of Transfer and an Assignment of Contracts, which shall be in form and substance satisfactory to the Members.

(b) Moore shall initially receive 9 Units of Participation and shall receive a capital account credit (to be determined no later than September 30, 2000) therefor.

(c) Legacy shall initially receive 2.65 Units of Participation in exchange for its agreement to perform its services described on Exhibit B hereto (provided, however, that Legacy shall be reimbursed for its costs and expenses as described in Section 14.2 below), and shall receive a capital account credit (to be determined no later than September 30, 2000) therefor. Additionally, upon the occurrence of each of the events listed on Exhibit C hereto, a total of 5.54 additional Units of Participation shall be issued to Legacy according to the Schedule as set forth on Exhibit C, with Legacy eventually having a total of 8.19 Units of Participation.

ARTICLE 5
ACCOUNTING

5.1 Books and Records. The Company shall maintain full and accurate books of the Company at the Company's principal office, or such other place as the Board of Directors shall determine, showing all receipts and expenditures, assets and liabilities, net income and loss, and all other records necessary for recording the Company's business and affairs, including those sufficient to record the allocations and distributions provided for in Articles 7, 9, 12 and 14. Except as otherwise specifically provided herein, such books and records shall be maintained, and the net income and net loss of the Company shall be determined, in the same manner as the Company computes its income and expenses for Federal income tax purposes; provided, however, that (a) the installment method shall not be used for book purposes, (b) gain or loss from the disposition of an asset shall be determined by reference to the adjusted book value of the asset rather than its adjusted basis and (c) depreciation, amortization or cost recovery deductions should be based upon the adjusted book value of an asset. Such books and records shall be open to the inspection and examination of all Members in person or by their duly authorized representatives at all reasonable times.

5.2 Fiscal Year. The fiscal year of the Company shall be the calendar year (the "Fiscal Year").

5.3 Reports.

(a) Within 90 days after the close of each Fiscal Year of the Company, the Board of Directors shall furnish to each person who was a Member at any time during such Fiscal Year all the information relating to the Company which shall be necessary for the preparation by each such person of their Federal and state income or other tax returns.

(b) Within 90 days after the close of each Fiscal Year of the Company, the Board of Directors shall furnish to each Member a report of the business and operations of the Company during such Fiscal Year. Such report shall contain unaudited financial statements, shall include a balance sheet as of the end of such Fiscal Year, a statement of Company net income or net loss for such Fiscal Year, and such other information as in the judgment of the Company shall be reasonably necessary for the Members to be advised of the results of the Company's operations.

5.4 Tax Returns. It shall be the duty of the Board of Directors to prepare, or cause to be prepared, and timely file, all Federal, state and local income tax returns and information returns, if any, which the Company is required to file. All expenses incurred in connection with such tax returns and information returns, as well as for the reports referred to in Sections 5.3 and 5.5, shall be expenses of the Company.

5.5 Member's Request for Additional Information. The Company shall also furnish to any Member such other reports of the Company's operations and condition as may reasonably be requested by any Member.

5.6 Revaluation of Company Property. If there shall occur (a) an acquisition of a Company Interest for more than a de minimis capital contribution, or (b) a distribution (other than a de minimis distribution) to a Member in consideration for a Company Interest, then the Board of Directors may revalue the assets of the Company at their then fair market value and adjust the Capital Accounts of the Members in the same manner as provided in Section 9.2 in the case of a property distribution. If there is a reallocation pursuant to this Section 5.6, then the Capital Accounts shall thereafter be adjusted for allocations of depreciation (cost recovery) and gain or loss in accordance with the provisions of Treas. Reg. §1.704-1(b)(2)(iv)(f) and (g), and the Members' distributive shares of depreciation (cost recovery) and gain or loss computed in accordance with the principles of Section 704(c) of the Code and the regulations promulgated thereunder using the method selected by the Board of Directors.

ARTICLE 6

BANK ACCOUNTS

6.1 Bank Accounts. All funds of the Company shall be deposited in its name into such checking, savings and/or money market accounts or time certificates as shall be designated by the Board of Directors. Withdrawals therefrom shall be made upon such signature or signatures as the Board of Directors may designate. Company funds shall not be commingled with those of any other person or entity.

ARTICLE 7

ALLOCATION OF NET INCOME AND LOSS

7.1 Net Income and Net Loss.

(a) Except as otherwise provided herein, the net income and net loss of the Company for each Fiscal Year shall be allocated among the Members in accordance with their Units of Participation.

(b) Notwithstanding anything herein to the contrary, if a Member has a deficit balance in such Member's Capital Account (excluding from such Member's deficit Capital Account any amount which such Member is obligated to restore in accordance with Treas. Reg. §1.704-1(b)(2)(ii)(c), as well as any amount such Member is treated as obligated to restore under Treas. Reg. §§1.704-2(g)(1) and 1.704-2(i)(5)) and unexpectedly receives an adjustment, allocation or distribution described in Treas. Reg. §1.704-1(b)(2)(ii)(d)(4), (5) or (6), then such Member will be allocated items of income and gain in an amount and manner sufficient to eliminate the deficit balance in such Member's Capital Account as quickly as possible. If there is an allocation to a Member pursuant to this Section 7.1(b), then future allocations of net income pursuant to this Section 7.1 shall be adjusted so that those Members who were allocated less income, or greater amount of loss, by reason of the allocation made pursuant to this Section 7.1(b), shall be allocated additional net income in an equal amount. It is the intention of the parties that the

(c) If there is a net decrease in the Company's Minimum Gain (as that term is defined in Treas. Reg. §1.704-2(b)(2)) or Partner Nonrecourse Debt Minimum Gain (within the meaning of Treas. Reg. §1.704-2(i)(3)) during any Fiscal Year, each Member shall be allocated, before any other allocations hereunder, items of income and gain for such Fiscal Year (and subsequent Fiscal Years, if necessary) in an amount equal to such Member's share (determined in accordance with Treas. Reg. §§1.704-2(g) and 1.704-2(i)(5), as applicable) of the net decrease in the Company's Minimum Gain or Member Nonrecourse Debt Minimum Gain, as applicable, for such Fiscal Year; provided, however, that no such allocation shall be required if any of the exceptions set forth in Treas. Reg. §1.704-2(f) apply. It is the intention of the parties that this provision constitute a "minimum gain chargeback" within the meaning of Treas. Reg. §§1.704-2(f) and 1.704-2(i)(4), and this provision shall be so construed.

(d) Notwithstanding anything herein to the contrary, the Company's partner nonrecourse deductions (within the meaning of Treas. Reg. §1.704-2(i)(2)) shall be allocated solely to the Member who has the economic risk of loss with respect to the partner nonrecourse liability related thereto in accordance with the provisions of Treas. Reg. §1.704-2(i)(1).

(c) Notwithstanding the provisions of Section 7.1(a), no net losses shall be allocated to a Member if such allocation would result in such Member having a deficit balance in such Member's Capital Account (excluding from such Member's deficit Capital Account any amount such Member is obligated to restore in accordance with Treas. Reg. § 1.704-1(b)(2)(ii)(c), as well as any amount such Member is treated as obligated to restore under Treas. Reg. §§ 1.704-2(g)(1) and 1.704-2(i)(5)). In such case, the net loss that would have been allocated to such Member shall be allocated to the other Members to whom such loss can be allocated without violation of the provisions of this Section 7.1(e) in proportion to their respective Units of Participation among themselves.

(f) Notwithstanding the provisions of Section 7.1(a), to the extent losses are allocated to the Members by virtue of Section 7.1(e), the net income of the Company thereafter recognized shall be allocated to such Members (in proportion to the losses previously allocated to them pursuant to Section 7.1(e)) until such time as the net income of the Company allocated to them pursuant to this Section 7.1(f) equals the net losses allocated to them pursuant to Section 7.1(e).

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purposes of this Agreement, an asset shall be deemed a Contributed Asset if it has a basis determined, in whole or in part, by reference to the basis of a Contributed Asset (including an asset previously deemed to be a Contributed Asset pursuant to this sentence). Notwithstanding the foregoing, if the gain from the sale of any Contributed Asset is being reported on the installment method for income tax purposes, then the total amount of gain which is to be recognized by each of the Members in accordance with the above provision in all taxable years shall be computed and the amount of gain to be recognized by each of the Members in each taxable year shall be in proportion to the total gain to be recognized by each of the Members in all taxable years.

7.2 Allocations in Event of Transfer or Admission of New Member. In the event of the transfer of all or any part of a Member's Company Interest (in accordance with the provisions of this Agreement) at any time other than at the end of a Fiscal Year, or the admission of a new Member, the transferring Member's, new Member's and continuing Members' shares of the Company's income, gain, loss, deductions and credits allocable to such interest, as computed both for accounting purposes and for Federal income tax purposes, shall be allocated between the transferor Member and the transferee Member (or Members), or the new Member and the other Members, as the case may be, in the same ratio as the number of days in such Fiscal Year before and after the date of such transfer or admission; provided, however, that the Members shall have the option to treat the periods before and after the date of such transfer or admission as separate Fiscal Years and allocate the Company's net income, gain, net loss, deductions and credits for each of such deemed separate Fiscal Years in accordance with the Members' respective interests in the Company for such deemed separate Fiscal Years. Notwithstanding the foregoing, if the Company uses the cash receipts and disbursements method of accounting, the Company's "allocable cash basis items," as that term is used in Section 706(d)(2)(B) of the Code, shall be allocated as required by Section 706(d)(2) of the Code and the regulations promulgated thereunder.

7.3 Allocation of Excess Nonrecourse Liabilities. For purposes of Section 752 of the Code and the regulations thereunder, the excess nonrecourse liabilities of the Company (within the meaning of Treas. Reg. §1.752-3(a)(3)), if any, shall be allocated to the Members in accordance with their respective Units of Participation.

ARTICLE 8

DISTRIBUTIVE SHARES AND FEDERAL INCOME TAX ELECTIONS

8.1 Distributive Shares. For purposes of Subchapter K of the Code, the distributive shares of the Members of each item of Company taxable income, gains, losses, deductions or credits for any Fiscal Year shall be in the same proportions as their respective shares of the net income or net loss of the Company allocated to them pursuant to Section 7.1. Notwithstanding the foregoing, to the extent not inconsistent with the allocation of gain provided for in Section 7.1, gain recognized by the Company which represents ordinary income by reason of recapture of depreciation or cost recovery deductions for Federal income tax purposes shall be allocated to the Member (or the

8.2 Elections. The election permitted to be made by Section 754 of the Code, and any other elections required or permitted to be made by the Company under the Code, shall be made in such a manner as shall be determined by the Board of Directors.

ARTICLE 9

DISTRIBUTIONS

9.2 Property Distributions. If any property of the Company other than cash is distributed by the Company to a Member (in connection with the liquidation of the Company or otherwise), the fair market value of such property shall be used for purposes of determining the amount of such distribution. The difference, if any, of such fair market value over (or under) the value at which such property is carried on the books of the Company shall be credited or charged to the Capital Accounts of the Members in accordance with the ratio in which the Members share in the gain and loss of the Company pursuant to Section 7.1. The fair market value of the property distributed shall be agreed to by the distributee Member and the Board of Directors in good faith. If any such property distribution is made other than in exchange for a Company Interest, such property shall be distributed in the same manner as cash would be distributed.

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authority to the officers of the Company, as specified in Section 10.2 below. Except for situations in which the approval of the Members is expressly required in this Agreement or by nonwaivable provisions of the Act, all powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Board of Directors, all the decisions of which shall be decided and controlled by majority vote.

(b) The Board of Directors shall consist of five members, three of whom shall be designated by APPI, one by Moore and one by Legacy. The Members agree that at all meetings of the Members of the Company which are held for the purpose of electing directors or a director (in the case of a vacancy on the Board of Directors), all of the Units of Participation which are owned by the Members shall be voted in such manner for such person or persons as will keep and maintain the Company's Board of Directors as described in the immediately preceding sentence. Each director shall hold office until the director dies, resigns or until removed as a director. The initial directors shall be Walter Moore, David Downes and George Owens (who are the appointees of APPI), Kevin Smyth (who is the appointee of Moore) and Michael L.R. Housley (who is the appointee of Legacy).

(c) A director may resign at any time by delivering written notice to the other Members of the Board of Directors. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

(d) Subject to Section 10.1(b), if a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of directors, the Members shall fill the vacancy.

(e) The Board of Directors may hold regular or special meetings in or out of the State of Maryland. The Board of Directors may permit any or all directors to participate in a meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means shall be deemed to be present in person at the meeting.

(f) Notwithstanding anything in this Agreement to the contrary, the Board of Directors shall submit the following matters to the Members for approval, and the affirmative vote of a majority of the membership rights and interests as determined and computed by Units of Participation shall be required for approval of any such matter:

(i) The admission to membership of any person or entity (any "Person").

(ii) The modification of the Company's business purposes as described in Article 3.

specifies a later effective date. The Board of Directors may remove any officer at any time with or without cause.

(c) The President shall:

- (i) Be the chief executive officer of the Company;
- (ii) Be in general and active charge of the entire business and all of the affairs of the Company;
- (iii) Have authority acting alone to sign and deliver any document on behalf of the Company which has first been approved by the Board of Directors;
- (iv) Have authority to preside at all meetings of the Company's Members and of the Board of Directors; and
- (v) Have such other powers and duties as the Board of Directors may assign to him.

(d) The Secretary shall:

- (i) Issue notices of all meetings for which notice is required to be given;
- (ii) Have responsibility for preparing minutes of the meetings of the Members and the Board of Directors and for authenticating records of the Company;
- (iii) Have charge of the Company's record books; and
- (iv) Have such other duties and powers as the President or the Board of Directors may assign to him.

(e) The Vice President, or if there be more than one Vice President, the Vice Presidents in the order of their seniority by designation (or, if not designated, in the order of their seniority of election), shall:

- (i) Perform the duties of the President whenever the President is unable to serve by reason of sickness, absence or otherwise; and
- (ii) Have such other powers and duties as the President or the Board of Directors may assign to them.

(g) The initial officers of the Company shall be as follows:

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10.4 Standard of Care; Indemnification.

(b) To the full extent permitted by the Act, the Company shall indemnify each director and officer for, and hold each of them harmless from and against, any loss or damage incurred by the individual by reason of any act or omission so performed or omitted by him (and not involving gross negligence or willful misconduct). To the full extent permitted by the Act, the Company shall pay or reimburse reasonable expenses (including reasonable attorneys' fees) incurred by any such individual who is a party to a proceeding in advance of final disposition of such proceeding provided such person agrees, in such manner as the Board of Directors shall reasonably request, to reimburse the Company if it is ultimately determined that the individual was not entitled to indemnification pursuant to the terms of this Agreement.

[illegible]

ARTICLE 11
WITHDRAWAL, ASSIGNMENT AND
ADDITION OF MEMBERS

11.1 Assignment of a Member's Interest. A Member may not sell, assign, transfer, pledge, hypothecate, encumber or otherwise dispose of his Company Interest, except as provided in this Article 11. Any purported transfer which is not in compliance with the provisions of this Article 11 shall be null and void, and the Member purporting to make such transfer shall for all purposes hereof remain a Member. No Member may voluntarily or involuntarily resign or withdraw from the Company.

11.2 Voluntary Transfers.

(a) If a Member desires to transfer all or any part of its Company Interest by any voluntary means, then first the Company and then the other Members shall have the option to purchase the Company Interest which is subject to the proposed transfer, at the price and upon the terms and conditions set forth in Sections 11.4 and 11.5 hereof.

(b) Written notice of the option shall be given by the Member who wishes to transfer its Company Interest to the Company and to the other Members. Such notice shall state the Company Interest being offered (which shall not be less than all of the Company Interest owned by the Member). The option period shall commence upon the date of the proper mailing of the notice and unless exercised shall terminate, with respect to the option given to the Company, thirty (30) days after the mailing of such option, and with respect to the other Member's option, thirty (30) days after the expiration of the Company's option, unless sooner terminated by written refusal of the Company or the other Member, as the case may be. An election to exercise any option shall be made in writing and transmitted to the Member who wishes to transfer its Company Interest.

(c) Upon the failure or neglect of the Company or the remaining Member to purchase all of the Company Interest offered in accordance with Section 11.2(a) above, the Member desiring to transfer its Company Interest shall, for a period of one hundred twenty (120) days from the date when the last option to purchase expired, have the right to sell all of its Company Interest, but not less than all of its Company Interest, to any other Person at any price; provided, however, that before selling such Company Interest to another Person at a price less than the price set forth in Section 11.4 hereof, or upon any terms more favorable than the terms set forth in Section 11.5 hereof, such Member shall first offer to sell its Company Interest to the Company and the other Member, in the same manner as set forth in Section 11.2(a) hereof, at the same price and upon the same terms as such Company Interest was offered to such other Person. In the event that the Company and the remaining Member fail to purchase such Company Interest, then the Member shall have a period of one hundred twenty (120) days thereafter in which to sell its Company Interest to any other Person at such price and upon such terms.

11.3 Involuntary Transfers.

(a) In the event that any Company Interest is sought to be transferred by any Member by any involuntary means, including, but not by way of limitation, attachment, garnishment, execution, levy or seizure, then the Company and the remaining Member shall have the option to purchase all of the Company Interest then sought to be involuntarily transferred, in accordance with the procedures set forth in Section 11.2 (a) above, at the price and upon the terms and conditions set forth in Sections 11.4 and 11.5 hereof. The first such option period shall commence upon the Company's receipt of actual notice of the attempted involuntary transfer.

(b) Upon the failure or neglect of the Company or the remaining Member to purchase all of the Company Interest sought to be involuntarily transferred, then the Member desiring to transfer the Company Interest shall have the right to transfer such Company Interest in accordance with (and subject to) the provisions of Section 11.2(c) above.

(c) In determining the fair market value of any Company Interest, the appraisers shall treat all of the Company Interests as having an equal value, and there shall be no minority or other discounts applied.

11.4. Purchase Price and Terms. For purposes of Sections 11.2 and 11.3 hereof, the option purchase price for the Company Interest shall be as follows (the "Contract Price"):

(a) If the Company and/or the remaining Member who wishes to purchase the Company Interest (in either case, the "Purchaser") and the selling Member are able to agree upon the price, then the price shall be such agreed amount. If the Purchaser and the selling Member are unable to agree upon the price, then the price shall be the "Appraised Value" (as determined pursuant to Section 11.4(b) below) as of the last day of the calendar month prior to the calendar month in which the applicable option is exercised.

(b) The "Appraised Value" of the Company Interest shall be the fair market value of the Company Interest as determined by an appraiser mutually acceptable to the Purchaser and the selling Member. One-half of the costs of such appraisal shall be borne by each of the parties. If such parties are unable to agree upon an appraiser within thirty (30) days after the exercise of the option, then the Purchaser and the selling Member shall each appoint an appraiser within fifteen (15) days after the expiration of such thirty (30) day period, who shall appraise the fair market value of the Company Interest. All appraisers selected by each of the parties must have at least five (5) years experience in valuing companies such as the Company. The cost of each appraiser shall be borne by the party appointing such appraiser or on whose behalf the appraiser has been appointed. If the Appraised Value of the Company Interest determined by such two appraisers is different and such difference is less than ten percent (10%) of the higher value, then the Appraised Value for the Company Interest shall be the average of such

(c) In determining the fair market value of any Company Interest, the appraisers shall treat all of the Company Interests as having an equal value, and there shall be no minority or other discounts applied.

11.6. Substitute Members. Notwithstanding any other provision of this Article 11 to the contrary, no assignee of a Member's Company Interest shall have the right to become a substitute Member unless all of the following conditions are satisfied:

(b) The assignor and assignee execute and acknowledge such other instruments as the Board of Directors deem necessary or desirable to effect such admission, including, but not limited to, the written acceptance and adoption by the assignee of the provisions of this Agreement; and

11.7. Admission of New Members. No new Member may be admitted to the Company without the consent of a majority of the Members.

ARTICLE 12 DISSOLUTION

12.1 Dissolution. Notwithstanding anything in the Act to the contrary, the Company shall dissolve upon, but not before, a decision of a majority of the Members to dissolve the Company, which such majority shall be determined and computed by membership rights and interests as measured by Units Of Participation. .

No event of disassociation of a Member under the Act shall cause a dissolution of the Company.

Dissolution of the Company shall be effective upon the date on which the event giving rise to the dissolution occurs, but the Company shall not terminate until the assets of the Company shall have been distributed as provided in Section 12.3 hereof. Notwithstanding the dissolution of the Company, prior to the liquidation and termination of the Company, the business of the Company and the affairs of the Members, as such, shall continue to be governed by this Agreement.

12.2 Sale of Assets Upon Dissolution. Following the decision of the Members to dissolve the Company, the Company shall be wound up and the Board of Directors shall determine whether the assets of the Company are to be sold or whether some or all of such assets are to be distributed to the Members in kind in liquidation of the Company.

12.3 Distributions Upon Dissolution. Upon the dissolution of the Company, the properties of the Company to be sold shall be liquidated in orderly fashion and the proceeds thereof, and the property to be distributed in kind, shall be distributed on or before the later to occur of (i) the close of the Company's taxable year, or (ii) 90 days following the date of such dissolution, as follows:

(a) First, to the payment and discharge of all of the Company's debts and liabilities (including any debts which are owed to the Members in their capacities as creditors), to the necessary expenses of liquidation, and to the establishment of any cash reserves which the Board of Directors determines to create for unmatured and/or contingent liabilities or obligations of the Company.

(b) Second, to the Members, in accordance with their respective Capital Accounts; provided, however, that if the Board of Directors establishes any reserves in accordance with the provisions of Section 12.3(a), the distributions pursuant to this Section 12.3(b) (including distributions of such reserves) shall be pro rata in accordance with the balances of the Members' Capital Accounts.

No Member shall be required to contribute any property to the Company or any third party by reason of having a negative Capital Account.

ARTICLE 13
TAX MATTERS PARTNER

13.1 Tax Matters Partner. The tax matters partner (the "TMP") for the Partnership shall be APPI until such time as it shall cease to be a Member or is removed by the Board of Directors and a new TMP is appointed by the Board of Directors. The TMP shall have such authority as is granted a TMP under the Code.

ARTICLE 14

ADDITIONAL AGREEMENTS

14.1 Consulting Agreement. Effective September 1, 1999, Legacy will cease to be a paid consultant of APPI.

14.2 Costs and Expenses.

(a) Exhibit D to this Agreement (to be completed no later than September 30, 2000) lists the costs and expenses incurred by APPI prior to September 1, 1999, which relate to the Company. The Members agree that all such amounts shall be repaid to APPI prior to the time when any distributions (in excess of those specified in Section 9.1) are made to Legacy.

(b) APPI, Moore and Legacy shall keep track of all of the costs and expenses which they incur in connection with the Company (including, without limitation, travel, labor and telecommunications) from and after September 1, 1999, and shall deliver to one another a monthly list of all such amounts. Exhibit E hereto (to be completed no later than September 30, 2000) lists each such Member's costs and expenses from September 1, 1999 through the date of this Agreement. Each Member shall be repaid such costs and expenses upon the earlier of (i) the date on which the Company executes an investment agreement with an outside investor and actually receives such funding, or the Board of Directors elects not to seek outside capital, or (ii) after having paid in full all existing indebtedness, the time at which the Company generates positive cash flow for three consecutive months (after payment of the salaries of Company employees, including Walter Moore, and the Company's overhead including without limitation the expenses set forth in Exhibit D) (the earlier of such dates being the "Funding Date").

(c) Costs and expenses incurred by the Members during the period from September 1, 1999 through the Funding Date shall be reimbursed to the Members pro rata, based on the percentage of each Member's individual costs and expenses relative to the total costs and expenses incurred by all Members. The percentages shall be calculated on a monthly basis, commencing in September 1999. Notwithstanding the foregoing, however, the oldest costs and expenses, calculated on a monthly basis, shall be paid in full to each Member, prior to any Member receiving reimbursements for any subsequent month's costs and expenses.

(d) From and after the Funding Date, the Company shall reimburse Legacy, Downes Associates, and Moore for services on a per hour or fixed price basis (as the parties may agree), plus expenses.

ARTICLE 15

GENERAL

15.1 Notices. All notices, requests, demands and other communications required or permitted to be given or made under this Agreement shall be in writing and shall be deemed delivered (a) on the date of personal delivery or confirmed transmission by facsimile transmission, or (b) on the third day (excluding Sundays and national holidays) after the date of deposit in the United States mail, postage prepaid, by registered or certified mail, return receipt requested, or (c) on the day actually delivered by a nationally recognized overnight courier service, in each case addressed to a party's address set forth in the preamble hereto, or to such other address, person or entity as either party shall designate by written notice to the other in accordance with this Section 15.1.

15.2 Voting. All matters which require a vote of the Members shall be determined by a vote of a majority of the Units of Participation either in favor of or against the matter.

15.3 Amendment. This Agreement may be modified or amended from time to time only with the consent of all of the Members.

15.4 Captions; Section References. Sections, titles or captions contained in this Agreement are inserted only as a matter of convenience and reference, and in no way define, limit, extend or describe the scope of this Agreement, or the intent of any provision hereof. All references herein to Sections shall refer to Sections of this Agreement unless the context clearly otherwise requires.

15.5 Number and Gender. Unless the context otherwise requires, when used herein the singular shall include the plural, the plural shall include the singular, and all nouns, pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, as the identity of the person or persons may require.

15.6 Severability. If any provision of this Agreement, or the application thereof to any person, entity or circumstance, shall be invalid or unenforceable to any extent, then the remainder of this Agreement, and the application of such provision to other persons, entities or circumstances, shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

15.7 Binding Agreement. Except as otherwise provided herein, this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective executors, administrators, heirs, successors and permitted assigns.

15.8 Applicable Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware.

15.10 Counterparts. This Agreement (and any amendments hereto) may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All of the counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

AFFILIATED POWER PURCHASERS, INC.

WALTER MOORE

THE LEGACY ENERGY GROUP, LLC

By Michael L. R. Housley
Michael L. R. Housley, President

Affiliated Power Purchasers Int'l, LLC

Balance Sheet

As of December 31, 2014

Accrual Basis

	Dec 31, 14
ASSETS	
Current Assets	
Checking/Savings	
10205 · Bank of Delmarva	644,760.61
10305 · Bank of Delmarva-Payroll	85,784.93
Total Checking/Savings	730,545.54
Accounts Receivable	
10500 · Accounts Receivable	(24,293.98)
Total Accounts Receivable	(24,293.98)
Other Current Assets	
10520 · Accounts Receivable-A	19,551,656.00
10530 · Accounts Receivable-Legacy	65,110.00
10700 · Due from Advanstar	30.00
10725 · Due from Officers	115,397.69
10726 · Agent Draw-pw=b	(136.50)
10727 · Due from Employees	1,060.00
10801 · Due From ERC	114,136.64
12729 · Due from Mentis Analytics	302,126.34
Total Other Current Assets	20,149,380.17
Total Current Assets	20,855,631.73
Fixed Assets	
15000 · Furniture & Fixtures	5,767.82
15050 · A/D- F & F Depreciation	(5,767.82)
15100 · Computer Equipment	74,669.63
15200 · A/D-Computer Equipment	(74,669.63)
15400 · Auto	160,341.65
15450 · A/D- Auto	(118,926.59)
16000 · Leasehold Improveme	3,075.00
16050 · A/D-Leasehold Improvements	(358.11)
Total Fixed Assets	44,131.95
TOTAL ASSETS	20,899,763.68
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20100 · Accounts Payable	151,302.20
Total Accounts Payable	151,302.20

Affiliated Power Purchasers Int'l, LLC

Balance Sheet

As of December 31, 2014

Accrual Basis

	Dec 31, 14
Other Current Liabilities	
20110 · Accrued Expense	63,966.25
20115 · Accrued Association Commission	120,000.00
20120 · Retirement W/H	2,721.70
22100 · Payroll Taxes Payable	3,689.61
Total Other Current Liabilities	190,377.56
Total Current Liabilities	341,679.76
Long Term Liabilities	
21300 · N/P Mercedes	3,470.89
21400 · N/P Audi	29,420.54
21500 · N/P Accord	17,133.00
23000 · Deferred Contracted Rev. APPI	17,983,657.00
23001 · Def. Contract Rev. Ch. Partner	1,567,999.00
Total Long Term Liabilities	19,601,680.43
Total Liabilities	19,943,360.19
Equity	
30000 · Retained Earnings	(606,322.99)
Net Income	1,562,726.48
Total Equity	956,403.49
TOTAL LIABILITIES & EQUITY	20,899,763.68

Affiliated Power Purchasers Int'l, LLC

Balance Sheet

As of December 31, 2013

Accrual Basis

	Dec 31, 13
ASSETS	
Current Assets	
Checking/Savings	
10205 · Bank of Delmarva	675,846.13
10305 · Bank of Delmarva-Payroll	1,845.72
Total Checking/Savings	677,691.85
Accounts Receivable	
10500 · Accounts Receivable	(21,886.66)
Total Accounts Receivable	(21,886.66)
Other Current Assets	
10520 · Accounts Receivable-A	17,069,338.00
10530 · Accounts Receivable-Legacy	65,110.00
10700 · Due from Advanstar	30.00
10725 · Due from Officers	115,397.69
10726 · Agent Draw-pw=b	(136.50)
10727 · Due from Employees	1,000.00
10801 · Due From ERC	(42,961.25)
12729 · Due from Mentis Analytics	247,090.34
Total Other Current Assets	17,454,868.28
Total Current Assets	18,110,673.47
Fixed Assets	
15000 · Furniture & Fixtures	5,767.82
15050 · A/D- F & F Depreciation	(5,767.82)
15100 · Computer Equipment	74,669.63
15200 · A/D-Computer Equipment	(74,669.63)
15400 · Auto	134,641.65
15450 · A/D- Auto	(98,302.59)
16000 · Leasehold Improveme	3,075.00
16050 · A/D-Leasehold Improvements	(358.11)
Total Fixed Assets	39,055.95
TOTAL ASSETS	18,149,729.42
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20100 · Accounts Payable	4,041.44
Total Accounts Payable	4,041.44

Affiliated Power Purchasers Int'l, LLC

Balance Sheet

As of December 31, 2013

Accrual Basis

	Dec 31, 13
Other Current Liabilities	
20110 · Accrued Expense	63,966.25
20115 · Accrued Association Commission	120,000.00
20120 · Retirement W/H	2,721.70
22100 · Payroll Taxes Payable	3,689.61
Total Other Current Liabilities	190,377.56
Total Current Liabilities	194,419.00
Long Term Liabilities	
21300 · N/P Mercedes	10,218.73
21400 · N/P Audi	39,412.92
23000 · Deferred Contracted Rev. APPI	15,779,454.00
23001 · Def. Contract Rev. Ch. Partner	1,289,884.00
Total Long Term Liabilities	17,118,969.65
Total Liabilities	17,313,388.65
Equity	
30000 · Retained Earnings	723,099.19
30050 · Draw- W. Moore	(528,511.00)
30051 · Draw- K. Smyth	(299,468.00)
30052 · Draw-The Legacy Energy Group	(130,596.00)
30053 · Draw- M. Payne	(118,749.76)
30054 · Draw- K. Kiernan	(82,929.00)
30055 · Draw - Moore LLP	(171,340.00)
Net Income	1,444,835.34
Total Equity	836,340.77
TOTAL LIABILITIES & EQUITY	18,149,729.42

Affiliated Power Purchasers Int'l, LLC
Profit & Loss Prev Year Comparison

Accrual Basis

January through December 2014

	Jan - Dec 14	Jan - Dec 13	\$ Change	% Change
Ordinary Income/Expense				
Income				
40000 · Gas Consulting Fees	892,168.37	589,706.93	302,461.44	51.3%
41000 · Electric Consulting Fees	7,088,903.14	6,872,025.40	216,877.74	3.2%
41005 · Demand Side Services	10,533.31	15,097.44	(4,564.13)	(30.2)%
41010 · Legacy Electric Commissions	49,938.50	60,416.97	(10,478.47)	(17.3)%
41990 · ERC Program Fees	0.00	0.00	0.00	0.0%
42000 · Miscellaneous Income	0.00	54,729.44	(54,729.44)	(100.0)%
Total Income	8,041,543.32	7,591,976.18	449,567.14	5.9%
Cost of Goods Sold				
50150 · Wages- Direct Marketing	2,053,776.93	2,110,102.56	(56,325.63)	(2.7)%
50152 · Wages- AM Bonuses	189,911.46	140,289.44	49,622.02	35.4%
50155 · Wages- Sales Commissions	352,061.94	388,312.69	(36,250.75)	(9.3)%
51450 · Payroll Taxes- Dir Marketing	201,563.57	188,708.78	12,854.79	6.8%
60000 · Advertising	38,127.98	40,413.94	(2,285.96)	(5.7)%
60100 · Customer Service Expense	5,499.70	3,793.13	1,706.57	45.0%
60400 · Sponsorships	83,033.00	121,935.00	(38,902.00)	(31.9)%
61300 · Assoc. Commission Exp.	659,770.17	599,538.13	60,232.04	10.1%
61310 · Channel Partner Commissions	705,437.97	606,239.94	99,198.03	16.4%
61500 · Marketing Services	17,214.74	16,657.13	557.61	3.4%
62550 · Direct Mail/Fac Exp/Email	11,304.14	15,617.66	(4,313.52)	(27.6)%
62557 · Website	23,322.33	12,420.49	10,901.84	87.8%
62610 · Membership Dues	41,081.32	33,752.00	7,329.32	21.7%
63500 · Printing	7,110.02	9,172.65	(2,062.63)	(22.5)%
63600 · Travel & Lodging	120,104.41	128,112.87	(8,008.46)	(6.3)%
63601 · Conventions- Exhibits	22,443.25	37,740.25	(15,297.00)	(40.5)%
63602 · Meals and Entertainment	36,779.57	37,043.44	(263.87)	(0.7)%
Total COGS	4,568,542.50	4,489,850.10	78,692.40	1.8%
Gross Profit	3,473,000.82	3,102,126.08	370,874.74	12.0%
Expense				
ERC Expense	0.00	0.00	0.00	0.0%
50100 · Wages- G & A	810,001.00	757,108.00	52,893.00	7.0%
50153 · Management Bonus	150,000.00	180,000.00	(30,000.00)	(16.7)%
51900 · Retirement Benefits Expense	94,712.36	89,714.36	4,998.00	5.6%
51925 · Retirement Advisor Fee	6,368.74	6,705.21	(336.47)	(5.0)%
51950 · Officers' Retirement Expense	48,700.20	48,700.20	0.00	0.0%
60500 · Accounting	23,760.00	27,704.00	(3,944.00)	(14.2)%
60700 · Outside Services	135,239.90	24,398.67	110,841.23	454.3%
60750 · IT Consultant	29,542.85	26,175.00	3,367.85	12.9%
61100 · Prof Recruitment & Developm...	5,690.00	419.00	5,271.00	1,258.0%
62000 · Legal Fees	6,907.12	3,756.34	3,150.78	83.9%
62300 · Licenses	6,596.84	2,700.25	3,896.59	144.3%
62500 · Postage	2,691.02	3,389.84	(698.82)	(20.6)%
62600 · FedEx/UPS	6,776.45	5,934.90	841.55	14.2%
62800 · Automobile Expense	15,362.87	12,199.30	3,163.57	25.9%
63000 · Insurance	16,010.00	22,960.00	(6,950.00)	(30.3)%
63100 · Life Insurance	1,337.34	3,258.35	(1,921.01)	(59.0)%
63200 · Health Insurance	96,094.34	120,268.25	(24,173.91)	(20.1)%
63225 · Officers' Life Insurance	2,063.15	680.25	1,382.90	203.3%
63250 · Officers' Health Insurance	30,747.75	23,196.36	7,551.39	32.6%

Affiliated Power Purchasers Int'l, LLC
Profit & Loss Prev Year Comparison

Accrual Basis

January through December 2014

	Jan - Dec 14	Jan - Dec 13	\$ Change	% Change
63700 · Dues & Subscriptions	2,588.84	4,449.87	(1,861.03)	(41.8)%
63800 · Office Move	80,316.52	0.00	80,316.52	100.0%
64000 · Office Expense	37,211.74	30,630.87	6,580.87	21.5%
64500 · Bank Charges	552.68	421.78	130.90	31.0%
64600 · Human Resource Expense	4,000.00	0.00	4,000.00	100.0%
64800 · Cleaning and Maintenance	6,498.51	6,000.00	498.51	8.3%
64850 · Alarm Services	781.45	695.01	86.44	12.4%
64900 · Technology	40,614.10	42,992.45	(2,378.35)	(5.5)%
65000 · Telephone	43,846.08	41,613.82	2,232.26	5.4%
65600 · Depreciation	20,624.00	13,332.09	7,291.91	54.7%
66000 · Miscellaneous Expense	0.00	0.00	0.00	0.0%
66400 · Contributions	17,078.88	4,797.00	12,281.88	256.0%
66500 · Continuing Education	34,873.00	10,940.57	23,932.43	218.8%
67400 · Rent	105,723.00	120,000.00	(14,277.00)	(11.9)%
67450 · CAM Charges	4,230.00	0.00	4,230.00	100.0%
67500 · Utilities	15,726.17	11,508.07	4,218.10	36.7%
69000 · Taxes	5,902.46	8,965.25	(3,062.79)	(34.2)%
72000 · Interest Expense	1,104.98	1,675.68	(570.70)	(34.1)%
Total Expense	1,910,274.34	1,657,290.74	252,983.60	15.3%
Net Ordinary Income	1,562,726.48	1,444,835.34	117,891.14	8.2%
Net Income	1,562,726.48	1,444,835.34	117,891.14	8.2%



DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
01/29/2001	200102902888	REGISTRATION OF FOREIGN LIMITED LIABILITY CO (LFA)	10.00	.00	.00	.00	.00

Receipt

This is not a bill. Please do not remit payment.

AFFILIATED POWER PURCHASERS INTERNATIONAL, LLC
2129 NORTHWOOD DRIVE
SALISBURY, MD 21801

STATE OF OHIO

Ohio Secretary of State, J. Kenneth Blackwell

1204123

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

AFFILIATED POWER PURCHASERS INTERNATIONAL, LLC

and, that said business records show the filing and recording of:

Document(s)

REGISTRATION OF FOREIGN LIMITED LIABILITY CO

Document No(s):

200102902888



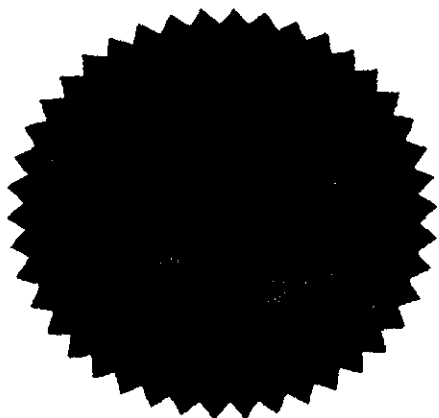
United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of
the Secretary of State at Columbus,
Ohio this 18th day of December,
A.D. 2000.

J. Kenneth Blackwell
Ohio Secretary of State

**UNITED STATES OF AMERICA
STATE OF OHIO
OFFICE OF THE SECRETARY OF STATE**

I, J. Kenneth Blackwell, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign corporations; that said records show AFFILIATED POWER PURCHASERS, INC., a Delaware Corporation, License No. 1184602, was licensed on September 15, 2000, was SURRENDERED on December 11, 2000.



*Witness my hand and the seal of the
Secretary of State at Columbus, Ohio
this 9th day of March, A.D. 2004*

J. Kenneth Blackwell
Ohio Secretary of State