Village of Palatine
Electric Aggregation Program

ELECTRICITY PURCHASE AND SALE TERMS AND CONDITIONS

The Village of Palatine, pursuant to the aggregation authority conferred upon it by the Illinois Power Agency Act, 20 ILCS 3855/1-1 et seq., and approval by the Village's Corporate Authorities ("Aggregation Ordinance") establishing the Village's Municipal Electric Aggregation Program ("Aggregation Program"), selected Integrys Energy Services, Inc. ("Vendor") to supply electricity and to administer enrollments as described below pursuant to that certain Agreement between the Village and Vendor dated April 27, 2012 ("Aggregation Program"). You, the account holder (also referred to as "Buyer") for each eligible account associated with the service address referenced on the letter accompanying these Electricity Purchase and Sale Terms and Conditions (the "Account"), and Vendor agree to the following terms and conditions. Vendor and Buyer (individually referred to as "Party" and collectively as "Parties") agree to the following Electricity Purchase and Sale Terms and Conditions ("Agreement"), as of May 17, 2012 for Opt-Out Enrollments or the date of Buyer's enrollment with Vendor for Opt-In Enrollments (the "Effective Date").

1. **Eligibility.** To be eligible to participate in the Aggregation Program, the Account(s) to be served (i) must be located within the Village's jurisdictional boundaries, (ii) must be served by ComEd (the "Utility"), (iii) must be in good credit standing with the Utility, and (iv) may not have franchised service with a municipal account.

   a. Residential Customer Class. To be eligible for the Residential Rate, the Account(s) to be served must be designated by the Utility as belonging to one of the following delivery classes: (i) Residential Single Family Without Electric Space Heat Delivery Class, (ii) Residential Multi Family Without Electric Space Heat Delivery Class,. Notwithstanding the foregoing, if the Account(s) to be served are (i) on a residential space heat rate, (ii) on an hourly billing rate, or (iii) under contract with another retail electric supplier, the Account(s) are not eligible for Opt-Out Enrollment as defined in Section 2a below but are eligible for Opt-In Enrollment as defined in Section 2b below.

   b. Commercial Customer Class. To be eligible for the Commercial Rate, the Account(s) to be served must be designated by the Utility as belonging to one of the following delivery classes: (i) Watt-Hour Delivery Class or (ii) Small Load Delivery Class. Notwithstanding the foregoing, if the Account(s) to be served are (i) on an hourly billing rate or (ii) under contract with another retail electric supplier, the Account(s) are not eligible for Opt-Out Enrollment as defined in Section 2a below but are eligible for Opt-In Enrollment as defined in Section 2b below.

2. **Enrollment.**

   a. Opt-Out Enrollment (Automatic Enrollments due to non-action by May 18, 2012). Enrollment is automatic if (i) the Account(s) to be served is/are eligible and (ii) Buyer does not opt-out of the Power Supply. IF YOU DO NOT WISH TO PARTICIPATE IN THE AGGREGATION PROGRAM, YOU MUST OPT-OUT BY May 17, 2012. YOU CAN OPT-OUT BY (I) RETURNING THE POSTCARD, (II) CALLING VENDOR TOLL-FREE AT 877-585-3431, OR (III) CONTACTING VENDOR ONLINE AT WWW.INTEGRYSENERGY.COM/il-palatine.

   b. Opt-In Enrollment (Affirmative Enrollments). Enrollment for the remainder of the current Program Delivery Period is open to those who opt-out or are otherwise not automatically enrolled if (i) the Account(s) to be served is/are eligible and (ii) Buyer chooses to opt-in to the Power Supply. You can Opt-In by (i) calling Vendor toll-free at 877-585-3431or (ii) contacting Vendor online at www.integrysenergy.com/il-palatine.

3. **Term**. This Agreement shall become binding on the Effective Date and shall expire as of the last meter reading date on or before June 30, 2013 ("Term"), unless (i) this Agreement is terminated pursuant to its terms or (ii) the Aggregation Program is terminated by the Village pursuant to its terms and Buyer elects to terminate this Agreement. Notwithstanding the Effective Date, the obligation of Vendor to sell and schedule electricity for delivery to Buyer and the obligation of Buyer to purchase, take and pay for electricity shall commence beginning with the first available meter read after June 18, 2012 through the last meter reading date on or before June 30, 2013 (for Opt-Out Enrollments) or the first available meter read following Opt-In for Opt-In Enrollments, and shall be contingent upon: (a) successful enrollment by the Utility identified and (b) if applicable, the passage of the Rescission Period (defined in Section 4) without effective cancellation by Buyer. Successful enrollment by the Utility is dependent upon (i) the eligibility of Buyer's Utility account(s), as determined by the Utility, to take from a retail electric supplier and to participate in the Utility's purchase of receivables Aggregation Program (including service class and past payment history), and (ii) the accuracy and completeness of any information submitted by Buyer.

4. **Rescission Period.** Buyer may cancel its enrollment without penalty up to five (5) business days before the switch to Vendor's service is to occur.

5. **Price**

   a. Fixed Rate. During the Term, Buyer shall pay the Fixed Rate multiplied by the billing cycle usage the Account(s) served. The rate for Residential Customer Class and Commercial Customer Class shall be a Fixed Rate of 4.775 cents per kWh.

   b. Switching Fees. Vendor does not charge Buyer a separate fee to switch to Vendor's service. If ComEd charges a fee for enrolling the Account(s) to Vendor's service, Vendor will reimburse Buyer for any such fees within thirty (30) days. If Buyer is currently receiving electricity pursuant to an agreement with another retail electric supplier, that supplier may charge Buyer for switching electricity providers. Vendor will not reimburse Buyer for any such fees.

   c. Price Match. If the Utility's Price to Compare for the Account(s)' rate class are set below the Fixed Rate during the Term of this Agreement, Vendor may either (a) lower the Fixed Rate identified above to match that of the Utility's applicable Price to Compare or (b) terminate this Agreement without damages or early termination fees to either Party. "Utility's Price to Compare" shall mean ComEd's "Price to Compare" for the applicable rate class, as posted on the ICC website (www.pluginillinois.org), which includes ComEd's electricity supply charge plus ComEd's transmission services charge, but shall not include ComEd's purchased electricity adjustment. Notwithstanding the foregoing, termination (in the circumstance described in this paragraph) may be avoided if the Village determines that the Aggregation Program should remain in place at the Fixed Rate agreed to without the need to match.

   d. Tariff Changes. Both Parties recognize that components of the Fixed Rate include electric tariff charges that are authorized by the Illinois Commerce Commission, Independent System Operator, other state or governmental agencies having jurisdiction, and/or the Federal Energy Regulatory Commission. Any increase in these charges subsequent

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to the Effective Date of this Agreement may be directly passed through to Aggregation Program participants by a corresponding increase in the Fixed Rate.

e. Renewable Energy Credit. The Fixed Rate for the Term includes the cost of voluntary renewable energy credits ("Voluntary RECs") representing the environmental attributes from electricity generated by an M-RETs participating wind generator in an amount such that the RECs required by Illinois' renewable portfolio standard plus the Voluntary RECs shall equal 100% the Account(s) usage during the Term. The RECs shall be retired by Vendor for all Accounts in the Aggregation Program by August 31, 2013.

6. **Renewal.** Between 30 and 60 days prior to the end of the Term or a Extended Term (whichever is in effect, hereinafter the "Current Term"), Vendor may send Buyer an offer for a Renewal Term. This offer will include, without limitation, the new Price, any applicable early termination fees, and the Renewal Term ("Offer"). In the event Vendor does not receive Buyer's rejection of the Offer within 15 days, the Offer will be deemed accepted by Buyer without the need for further signature or other affirmative action by Buyer. If Buyer rejects the Offer in the manner directed in the Offer, Buyer's Accounts will be returned to Utility service at the end of the Current Term. If Vendor does not submit an Offer to Buyer and instead indicates that the Agreement will be extended on a month to month basis at prevailing market rates, then the Agreement will be extended as set forth in the notice or terminated as directed by Buyer.

7. **Billing and Payment.** Buyer will be invoiced for Vendor's charges and the Utility's delivery charges on monthly invoice(s) Buyer receives from the Utility, and such billing and payment shall be subject to the applicable Utility rules regarding billing and payment procedures. Vendor's charges or credits not invoiced through the Utility shall be invoiced or credited, respectively, directly by Vendor. Vendor may cause the Utility to correct previous invoices in the event of invoicing errors.

8. **Taxes.** Any tax levied against Vendor by any governmental entity, exclusive of Vendor's income tax or taxes levied on Vendor's real or personal property that must be paid by Vendor shall be passed through to and borne and reimbursed by Buyer. Buyer must provide Vendor with any applicable exemption certificates. Buyer shall pay any such taxes unless Vendor is required by law to collect and remit such taxes, in which case Buyer shall reimburse Vendor for all amounts so paid.

9. **Termination; Remedies.** If either Party defaults on its obligations under this Agreement (which may include Buyer's switching to another retail electric supplier or the Utility or Buyer's failure to pay the Utility), the other Party may terminate this Agreement, as applicable. Vendor reserves the right to charge Buyer an early termination fee for Buyer's termination after the Rescission Period of Section 4 that has not resulted from Vendor's default. Vendor may invoice Buyer directly for any early termination fees and payment of any early termination fees shall be due within thirty (30) days of the invoice date. Buyer agrees damages would be difficult to quantify upon a default and agree that this is not a penalty. The early termination fee shall total $25.00 per Account, provided however, Vendor will waive such early termination fee if Buyer moves (either within or outside of the Village boundaries), and provides notice to Vendor that Buyer is moving prior to termination. Notwithstanding the foregoing, in the event the Village terminates the Aggregation Program prior to the end of the Term of this Agreement, Vendor shall (i) provide written notice to Buyer that a default has occurred and the alternatives Buyer has for electric supply (including terminating service with Vendor), and (ii) shall take such all actions as necessary to return Buyer to ComEd or another supplier on the second meter read following termination if Buyer elects such alternative. In addition, Vendor will waive the early termination fee. VENDOR SHALL NOT BE LIABLE FOR ANY DAMAGES OR PENALTIES RESULTING FROM THE RETURN OF BUYER'S ACCOUNT(S) TO THE UTILITY'S TARIFFED SERVICE OR TO ANOTHER RETAIL SUPPLIER, INCLUDING CLAIMS RELATING TO THE PRICE RECEIVED FROM COM ED OR THE ALTERNATE SUPPLIER BEING HIGHER THAN THE FIXED RATE HEREIN.

10. **Limitations.** ALL ELECTRICITY SOLD HEREUNDER IS PROVIDED "AS IS" AND VENDOR EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE. IN NO EVENT WILL EITHER PARTY BE LIABLE UNDER THIS AGREEMENT, WHETHER IN AGREEMENT, IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), OR OTHERWISE, FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES.

11. **Force Majeure.** Except for Buyer's obligation to pay Vendor timely, neither Party shall be liable to the other for failure to perform an obligation if the non-performing Party was prevented from performing due to an event beyond their reasonable control, that could not be remedied by the exercise of due diligence and that was not reasonably foreseeable, including without limitation, acts of God, a condition resulting from the curtailment of electricity supply or interruption or curtailment of transmission on the electric transmission and/or distribution system, interruption of Utility service, terrorist acts or wars, and force majeure events of the Utility or independent system operator.

12. **Questions, Complaints, and Concerns.** Buyer may contact Vendor by calling 877-585-3431, at Vendor's website at www.integrysenergy.com, or by writing to 20 N. Wacker Drive, Suite 2100, Chicago, IL 60606, Attn: Customer Service. For issues concerning this Agreement, Vendor will attempt to resolve the matter within five (5) business days after receiving the call or letter. If Buyer is not satisfied with the response, or to obtain consumer education materials, Buyer can contact the Illinois Commerce Commission's Consumer Services Division at 1-800-524-0795 or 1-800-858-9277 for TTY hearing-impaired customers or visit the Illinois Commerce Commission's website at www.icc.illinois.gov. Buyer may also contact the Illinois Attorney General's Office at 1-800-386-5438 (Northern Illinois), 1-800-243-0618 (Central Illinois), or 1-800-243-0607 (Southern Illinois).

13. **Miscellaneous.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without regard for the conflicts of law provisions thereof. Title, possession, control of the electricity, and risk of loss will pass from Vendor to Buyer at the Point of Delivery, which shall be at the Utility. Buyer appoints Vendor as its agent for the purposes of effectuating delivery, including for receipt of billing and usage data from the Utility. Buyer may assign this Agreement only with Vendor's prior written consent. This Agreement (including without limitation the Account identification) shall be considered a Letter of Agency and constitutes the entire agreement between the Parties, superseding all verbal and written understandings. There are no third party beneficiaries to this Agreement and none are intended. This Agreement shall only be amended in writing signed by both Parties or with Notice from Vendor to Buyer as described under Section 4 above. Buyer should contact the Utility in the event of an electric emergency at 1-800-Edison-1 (residential) or 1-877-4-ComEd-1 (commercial). Future correspondence may be sent by Vendor to Buyer via first class mail and/or electronic mail.