

CONTRACT NO. 11319

ELECTRICITY SUPPLY AND DELIVERY AGREEMENT

BETWEEN INTEGRYS ENERGY SERVICES, INC.

AND

THE CHICAGO HOUSING AUTHORITY

AGREEMENT

THIS ELECTRICITY SUPPLY AND DELIVERY AGREEMENT is made as of October 1, 2013, ("Effective Date") by and between the **CHICAGO HOUSING AUTHORITY** ("CHA"), an Illinois municipal corporation, with offices at 60 East Van Buren, Chicago, Illinois and **INTEGRYS ENERGY SERVICES, INC.**, a Wisconsin corporation ("Contractor") with offices at 1716 Lawrence Drive, De Pere, WI 54311, which is authorized and licensed to conduct business in the state of Illinois. CHA and Contractor may be referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, the CHA is engaged in the development and operation of safe, decent and sanitary housing throughout the City of Chicago for low-income families in accordance with the United States Housing Act of 1937, 42 U.S.C. §1437 et seq.; regulations promulgated by the United States Department of Housing and Urban Development ("HUD"), and the Illinois Housing Authorities Act, 310 ILCS 10/1 et seq., as amended, and other applicable laws, regulations and ordinances; and

WHEREAS, the CHA desires to procure the supply and delivery of electricity and related amenities and services to various CHA's residential developments, buildings and other operating locations, and in furtherance thereof, the CHA issued Request for Proposals ("RFP") No. 13-01120 on or about April 19, 2013, which is attached hereto as Exhibit I and incorporated by reference as if fully set forth herein; and

WHEREAS, in response to the RFP, the Contractor submitted its Initial Proposal on or about May 24, 2013, which was thereafter supplemented in part and modified in part by the Contractor's submission of its Best and Final Proposal (such proposals are collectively referred to herein as the "Proposal", as supplemented and modified), which is attached hereto as Exhibit II and incorporated by reference as if fully set forth herein; and

NOW THEREFORE, in consideration of the mutual promises and the terms and conditions set forth herein, the CHA and the Contractor agree as follows:

ARTICLE 1. INCORPORATION OF RECITALS

Section 1.01 Incorporation of Recitals

The recitals set forth above are incorporated by reference as if fully set forth herein.

Section 1.02 Reserved

ARTICLE 2 CONTRACTOR'S DUTIES AND RESPONSIBILITIES

Section 2.01. Services to be Performed

A. Scope of Services

Contractor agrees to sell and schedule for delivery, and CHA agrees to purchase and receive electricity and, as applicable, capacity, ancillary services, and other components (collectively "Energy") at the Delivery Point, in a Quantity, at a Price, for the Accounts and Delivery Period as provided on any effective Confirmation. A Confirmation shall be "effective" for purposes of this Agreement when it has been fully executed by the Parties. Energy shall be provided on a Firm basis. "Firm" means that either Party shall be relieved of its obligations to sell and schedule or purchase and receive without liability only to the extent prevented by Force Majeure (as defined hereof). If no effective Confirmation is in effect, there shall be no obligation to sell and schedule or purchase and receive Energy under this Agreement.

B. Force Majeure

A Party shall not be considered to be in default in the performance of its obligations under this Agreement or any effective Confirmation if its ability to perform was prevented by Force Majeure. For purposes of this Agreement and any effective Confirmation, Force Majeure means an event which prevents one Party from performing its obligations hereunder, which event was not (i) within the reasonable control of, or (ii) the result of the negligence of, the claiming Party, and which, by the exercise of due diligence, the claiming Party is unable to overcome or avoid. Force Majeure shall include, without limitation: a condition resulting in the curtailment or disruption of firm Energy supply or the transmission on the electric transmission and/or distribution system; restraint by court order; any action or non-action by, or the inability to obtain necessary authorizations or approvals from any Authorized Entity; or a Force Majeure event experienced by an Authorized Entity. Force Majeure shall not include loss or failure of either Party's markets or supplies. Force Majeure shall not excuse CHA's failure to make payments in a timely manner for Energy supplied by Contractor before a Force Majeure event, or during a Force Majeure event, provided any Energy is delivered and received pursuant to the terms of this Agreement and any effective Confirmation. The claiming Party must provide the other Party with written notice of the Force Majeure as soon as practicable, which notice shall contain reasonably full particulars of the Force Majeure, including the estimated duration. Further, if the Force Majeure event extends beyond 30 days, the non-claiming Party may terminate the Confirmations with respect to the Account(s) affected by the Force Majeure upon written notice to the other Party.

Section 2.02 Performance Standards

The Contractor shall supply and deliver Electricity for use by the CHA in accordance with the terms and conditions of this Agreement, and industry practices consistent therewith. The Contractor shall at all be consistent with the obligations

assumed by it in entering into this Contract to assure timely and satisfactory delivery of Electricity.

Section 2.03 Key Personnel

The Contractor's personnel who will be the main contact regarding any issues regarding the provision of services under this Agreement shall be under the following key personnel: Andrew Dickerson, 20 N. Wacker Drive, Suite 2100, Chicago, IL 60606, aldickerson@integrysenergy.com of Integrys Energy Services, Inc.. The Contractor retains the right to substitute key personnel with reasonable notice to the CHA. The main contact for CHA shall be the CHA's designated Energy Manager. The CHA retains the right to substitute key personnel with reasonable notice to Contractor.

Section 2.04 Non-Discrimination

The Contractor shall comply with the Civil Rights Act of 1964, 42 U.S.C. sec. 2000 et seq. (1989), as amended. The Contractor shall comply with Exec. Order No. 11,246, 30 Fed. Reg. 12,319 (1965), reprinted in 42 U.S.C. 2000 (e), as amended by Exec. Order No. 11,375, 32 Fed. Reg. 14,303 (1967) and by Exec. Order No. 12,086, 43 Fed. Reg. 46,501 (1978); Age Discrimination Act, 42 U.S.C. sec. 6101-6106 (1989); Rehabilitation Act of 1973, 29 U.S.C. sec. 793-794 (1988); Fair Housing Amendments Act, 42 U.S.C. Sec. 3601 et seq. (1988); and Americans with Disabilities Act of 1990, 42 U.S.C. sec. 12101; as supplemented by 41 C.F.R. Part 60 et seq. (1990).

Section 2.05 MBE/WBE Participation

The Contractor shall comply with CHA's Disadvantaged, Minority and Women Business Enterprise (DBE/MBE/WBE) policies and as set forth in the Contractor's DBE/MBE/WBE Utilization Plan which is attached as Exhibit III. The Parties agree, for clarity, that the notation of "20% of Contract Amount once determined by CHA" indicated in Exhibit III shall be interpreted to mean that a volume equal to 20% of the Accounts' metered Energy usage for the Term shall be attributable to DBE, MBE or WBE.

Section 2.06 Audit of Documents and Records

The Contractor shall maintain its books, records, documents, to properly reflect all statements, charges or computations claimed to have been incurred by CHA in connection with this Agreement. In addition, the Contractor shall keep such books, records and documents in a safe place and make them available for audit, examination, excerpt, and transcription upon reasonable notice and during normal business hours, to be conducted by the CHA, HUD, the Comptroller General of the United States or their duly authorized representatives, for at least three (3) years after the termination or expiration of this Agreement. Any dispute regarding billings shall be conducted in accordance with Article 5.

Section 2.07 Confidentiality

Both Parties agree that all Deliverables, reports and documents prepared, assembled, received or encountered by the Contractor that contain the confidential information of CHA or Contractor are to remain confidential and to be used solely for the purposes of meeting the objectives of this Agreement. Both Parties agree that such Deliverables, reports and documents shall not be made available to any individual or organization other than the CHA, HUD, Contractor, host utility or courts of competent jurisdiction or administrative agencies pursuant to an order, request or subpoena, without the prior written approval of the Party which disclosed the information to the receiving Party under this Agreement. In the event the receiving Party is presented with an order, request or subpoena regarding such Deliverables, reports, records, documents data and/or information, which may be in the receiving Party's possession by reason of this Agreement, The receiving Party must immediately give notice to the disclosing Party. Notice for to the CHA shall be given to the CHA's Chief Executive Officer and General Counsel. Notice is given with the understanding that that the disclosing Party will have the opportunity to contest such process by any means available to it before the Deliverables, reports, records, documents data and/or information are submitted to a court or other third party. The receiving Party, however, is not obligated to withhold the delivery of the Deliverables, reports and documents beyond the time ordered by the court or administrative agency, unless the order, subpoena or request is quashed or the time to produce is otherwise extended. The Parties agree that Contractor shall be permitted to utilize any Confidential Information to effect the terms, conditions or requirements of this Agreement. Further, any of Contractor's confidential information which is utilized on behalf of or shared with CHA or any other parties under this Agreement shall, to the extent permitted by applicable law, be treated in the same manner as CHA's confidential information.

Section 2.08 Subcontracts and Assignments

Unless otherwise provided for herein, neither Party shall subcontract, assign or otherwise delegate all or any part of its rights or obligations under this Agreement or any part hereof without the prior written consent of the other Party, which consent shall not be unreasonably denied. Any attempted subcontract, assignment or delegation shall be void and of no legal effect.

Neither Party shall transfer or assign any funds or claims due or which may become due under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably denied. Notwithstanding the above, both Parties reserve the right to assign this Agreement to its parent, affiliate, subsidiary or successor to all or a material portion of its assets (such as an identifiable market) without the consent of the other Party so long as reasonable notice is provided and the assigning Party retains liability for the obligations hereunder.

Section 2.9 Limitation of Liability

NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY, NEITHER CHA NOR CONTRACTOR NOR THEIR RESPECTIVE PARTNERS, OWNERS, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, PARENTS, SUBSIDIARIES OR AFFILIATES (OR THEIR RESPECTIVE PARTNERS, OWNERS, OFFICERS, DIRECTORS, AGENTS, OR EMPLOYEES), SHALL BE LIABLE OR RESPONSIBLE TO THE OTHER PARTY OR TO ITS PARENTS, PARTNERS, OWNERS, SUBSIDIARIES, AFFILIATES, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS, OR TO ANY OF THEIR RESPECTIVE INSURERS, FOR ANY INCIDENTAL, INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES WHATSOEVER, CONNECTED WITH OR RESULTING FROM PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, OR ANYTHING DONE IN CONNECTION HERewith, IRRESPECTIVE OF WHETHER SUCH CLAIMS OR DAMAGES ARE BASED UPON BREACH OF WARRANTY, TORT (INCLUDING WITHOUT LIMITATION NEGLIGENCE, WHETHER OF CONTRACTOR, CHA OR OTHERS), STRICT LIABILITY, CONTRACT, OPERATION OF LAW OR OTHERWISE, AND REGARDLESS OF WHETHER SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. WITH THE EXCEPTION OF ANY WARRANTY EXPRESSLY SET FORTH HEREIN OR IN THE SUPPLY AND DELIVERY AGREEMENT, CONTRACTOR MAKES NO WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Contractor has no control or liability for matters within the control of the utility or the ISO/RTO controlled grid, which include maintenance or operation of electric lines and systems, service interruptions, loss or termination of service, deterioration of electric services, or meter readings.

Section 2.10 Religious Activities

In connection with this Agreement, the Contractor agrees:

- A. That it shall not discriminate against any person on the basis of religion and shall not limit employment or give preference in employment to persons on the basis of religion; and
- B. That it shall not discriminate against any person on the basis of religion when rendering the Services hereunder and shall not limit such Services or give preference to persons on the basis of religion.
- C. That it shall provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such Services

Section 2.11 Drug-Free Workplace

The Contractor shall establish procedures and policies to promote a "Drug-Free Workplace" The Contractor shall notify all employees of its policy for maintaining a "Drug-Free Workplace" and the penalties that may be imposed for drug abuse violations occurring in the workplace. Contractor shall notify the CHA if any of its employees actively working with the CHA pursuant to this Agreement are convicted of a drug offense in the workplace, in a commercially reasonable time and manner

Section 2.12 Taxes

Any tax levied against Contractor by any governmental entity directly in connection with the Services or the Energy supplied to CHA that must be paid by Contractor shall be passed through to and borne and reimbursed by CHA, exclusive of Contractor's income tax or taxes levied on Contractor's real or personal property.

In the event Electricity to be delivered under this Agreement becomes subject to new, increased or decreased Taxes (or changes in the interpretation or application of said Taxes), the Price for the Electricity shall be adjusted accordingly and the Contractor may continue to perform under this Agreement subject to such changes in applicable taxes.

The CHA will furnish certificates of exemption from federal excise taxes, transportation taxes and Illinois Retailers' Occupational Tax (commonly known as "Sales Tax"), on all direct sales to the CHA. In the event that the Contractor determines, in good faith, that sales of Electricity to the CHA are subject to any such tax that Contractor is obligated to remit to any applicable taxing agency, the CHA shall reimburse Contractor for any such taxes remitted by the Contractor to the applicable taxing authorities in connection with sales of Electricity hereunder. However, Contractor shall provide reasonable cooperation and assistance to the CHA in any efforts or actions to claim or seek any form(s) of available tax exemption (whether state, local, federal or otherwise).

Section 2.13 Financial/Bonding Requirements

During the Initial Term of the Agreement, Contractor agrees to procure and maintain a parental guaranty or a letter of credit in favor of CHA in an amount equal to one million dollars (\$1,000,000). CHA authorizes the applicable utility to release data to Contractor relating to CHA's billing, usage, and credit data with such authorization enduring for the term of this Agreement.

ARTICLE 3 TERM OF AGREEMENT

Section 3.01 Term of Agreement

This Agreement shall take effect as of the Accounts' first meter reads on or after July 31 2013 and shall continue through the latest meter read date for the Accounts that occurs on or before August 27, 2015 (the "Initial Term") or until the Agreement is terminated in

accordance with its terms, whichever occurs first. This Agreement shall commence as of the Effective Date and remain in effect for the Initial Term, subject to termination rights provided for herein, until terminated by either Party in a manner that is not inconsistent with an effective Confirmation. Notwithstanding the Effective Date of this Agreement, the obligations to sell and schedule and purchase and receive Energy shall be in accordance with the Delivery Period (meter reading to meter reading) designated on any effective Confirmation. Notwithstanding anything to the contrary, termination of this Agreement by a Party will in no way affect (a) the obligations of the parties with respect to effective Confirmations already entered into, which shall survive according to their terms along with all provisions of this Agreement (as they may apply) unless such Confirmations have been terminated pursuant to this Agreement, and (b) shall not relieve the other Party from an obligation under this Agreement to pay money due that was incurred prior to termination (including without limitation Early Termination Damages).

Section 3.02 Contract Extension Option(s)

The CHA may extend this Agreement for three (3) additional one (1) year extension periods under mutually agreed upon terms and conditions, including pricing. The CHA may give written notice of its desire to exercise an option period to the Contractor at any time prior to thirty (30) days before expiration of the term of this Agreement. This Agreement shall be modified in accordance with the provisions of Section 9.03 hereof. CHA is under no obligation to exercise any of the extension periods set forth above.

ARTICLE 4 FUNDING AND PAYMENT

Section 4.01 Basis of Payment

The CHA will pay the Contractor for supply and delivery of electricity to the designated CHA locations in the portfolio of accounts supplied or delivered to the CHA under the Initial Term of this Agreement, in an amount that shall not exceed Eight Million Seven Hundred Thousand and 00/100 Dollars (\$8,700,000.00) (the "Maximum Compensation") without prior written amendment to this Agreement executed by the CHA's Chief Executive Officer or his designee in accordance with Section 9.03 hereof.

The Contractor agrees not to deliver electricity supplies and has no obligation to deliver such electricity supplies beyond the terms or duration of this Agreement, and hereby waives any and all *quantum valebant* claims for additional deliveries to the CHA without a prior written amendment to this Agreement authorizing such additional delivery. In order to avoid the potential risk, event or occurrence of electricity deliveries that could potentially exceed the Agreement's Maximum Compensation, the CHA agrees to provide Contractor prompt notice of any anticipated exhaustion of the Agreement's Maximum Compensation funding not less than forty-five (45) days prior to the projected exhaustion of funds (the "Funding Notification"). In the event that the additional funding approval to increase the Maximum Compensation has not been obtained by the CHA to cover the anticipated expenses in excess of the Maximum Compensation that are

necessary to cover the CHA's supplies, then the CHA agrees to provide a written request for termination for convenience within fifteen (15) days of the date of Funding Notification. CHA acknowledges that the applicable utility has requirements for removing customers from competitive supply. Nothing herein, however, will relieve CHA from payment obligations for any services rendered by Contactor pursuant to the terms and conditions set forth herein.

Section 4.02 Billing and Payment

CHA will be invoiced by Contractor for Contractor's charges payable by CHA through the last day of the billing cycle, and CHA will be invoiced for the utility's delivery charges by its applicable utility(ies). Contractor's invoice may be sent to the address (or facsimile number or e-mail address, as applicable) listed on an effective Regional Rider, Confirmation or otherwise. Contractor may invoice CHA based upon the estimated quantity delivered, which will be adjusted to the actual quantity on a subsequent invoice. CHA shall make payments according to invoice instructions and shall pay invoices over \$50,000 by wire transfer or ACH. CHA shall remit the amount due on or before **30 calendar days** after the invoice is approved ("Due Date"). The invoice will be deemed approved by the earlier of five (5) days after the invoice date or upon actual receipt by CHA. Payments not received by the Due Date are deemed past due and shall accrue interest on the unpaid balance from the Due Date until payment is received at a rate of 1.0 per month ("Interest Rate"), provided that such rate does not exceed the maximum rate, terms or formula allowed by law (specifically including the Illinois Local Government Prompt Payment Act), compounded daily from the Due Date until the same is paid. If CHA, in good faith, disputes the amount of any invoice, CHA shall pay such amount as it does not dispute by the Due Date and, along with its payment, provide Contractor with documentation to support the amount disputed. Upon determination of the correct amount, any amount owed shall be paid, credited or otherwise reconciled within 15 calendar days of resolution of the dispute with interest at the Interest Rate. All invoices and billings are presumed accurate unless such invoices or billings are objected to by either Party in writing, including adequate explanation and/or documentation, within 24 months after the date such invoice was rendered, provided however, Contractor may rebill based on post-period audits or adjustments made by the Authorized Entity. Any and all undisputed adjustments under this section shall be paid in full by the owing Party within 30 calendar days after the invoice date for such charges. Any payment by CHA shall not be deemed to be a waiver of CHA's right to recoup any overpayment, nor shall Contractor's acceptance of any payment be deemed to be a waiver of its right(s) relating to any underpayment. To the extent required by law, this Agreement shall be interpreted to comply with the terms of the Illinois Local Government Prompt Payment Act (50 ILCS 505/1, et seq.).

Section 4.02 Change in Tariff or Law

Contractor's charges include tariff charges that are set forth by the applicable utility, transmission provider, Regional Transmission Organization ("RTO") or Independent System Operator ("ISO") (e.g. Midwest ISO, New York ISO, PJM Interconnection, or ISO New England, or any successors to such entities having jurisdiction), the Federal

Energy Regulatory Commission ("FERC"), and/or any other state or governmental agency having jurisdiction (each an "Authorized Entity"). Contractor may pass through to CHA, without markup, (i) any increase or decrease in such tariff charges or (ii) other increase or decrease in Contractor's cost to provide Energy that result from an addition to, a change in, or change in interpretation by an Authorized Entity of, or change in administration by an Authorized Entity of, tariffs, operating protocols, laws, regulations, or other requirements of an Authorized Entity, as applicable. Any such addition to or increase in costs shall be CHA's obligation.

Section 4.03 Pricing & Terms of Electricity Supplies and Delivery

The prices the CHA agrees to pay shall be the prices for electricity supplies ordered and delivered pursuant to written Confirmations entered into under this Agreement.

Section 4.04 Non-Appropriation

To the extent applicable, funding for this Agreement is subject to (1) availability of federal funds from HUD, (2) the approval of funding by the CHA's Board of Commissioners and (3) the Contractor's satisfactory performance of this Agreement. Furthermore, in the event that no funds or insufficient funds are appropriated and budgeted or appropriated funds are rescinded by Congress in any fiscal period of the term of this Agreement for payments to be made under this Agreement, then the CHA shall notify the Contractor in writing of such occurrence and this Agreement shall terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Agreement are exhausted, but no sooner than the date of notification of termination. In the event that the agreement is terminated for non-appropriation of funds or otherwise, the CHA shall remain responsible for the cost of all services rendered prior to the termination date as well as any damages sustained with respect to the power purchased on behalf of the CHA for the remaining Term of the Agreement as calculated in accordance with the Event of Default/Remedies set forth herein.

ARTICLE 5 DISPUTES

In the event of a dispute between the CHA and the Contractor involving this Agreement, both Parties will attempt within a commercially reasonable time period to negotiate a resolution. Contractor shall involve the CHA's Director of Procurements and Contracts (the "Director") in attempting to resolve the dispute. If the Parties are not able to reach a resolution after such negotiation, either Party may pursue any and all remedies available to it at law or equity.

ARTICLE 6 RISK MANAGEMENT AND INDEMNIFICATION

Section 6.01 Insurance

The Contractor agrees to procure and maintain at all time during the term of this Agreement, the types of insurance specified below in order to protect the CHA from the acts, omissions and negligence of the Contractor, its officers, officials, subcontractors, joint venturers, partners, agents or employees. The insurance carriers used by the Contractor must be authorized to conduct business in the State of Illinois and shall have a BEST rating of not less than "A". The insurance provided shall cover all operations under this Agreement, whether performed by the Contractor or by its subcontractor, joint venturers, partners, agents or employees.

Required Insurance Coverage:

Commercial Liability Insurance, (Primary) and Umbrella Liability (Excess).

Commercial Liability Insurance provided is to have limits of not less than One Million Dollars (\$1,000,000) per occurrence with an Aggregate of not less than Two Million Dollars (2,000,000) (i.e. \$1,000,000/\$2,000,000). In addition to the stipulations outlined above, the insurance policy is to include coverage for Contractual Liability, Products-Completed Operations, Personal & Advertising Injury and will also cover injury to Contractor's officers, employees, agents, subcontractors, invitees and guests and their personal property. The CHA is to be added as an additional insured on the Contractor's policy and such insurance will be as primary and non-contributory with any other insurance available to the CHA.

Umbrella Liability coverage, if applicable, is to follow the form of the Primary Insurance requirements outlined above.

Related Requirements:

The Contractor shall furnish the Chicago Housing Authority, Purchasing and Contracts Department, 60 East Van Buren, Chicago, Illinois 60605, original Certificates of Insurance evidencing the required coverage to be in force on the Effective Date of this Agreement.

THE REQUIRED DOCUMENTATION MUST BE RECEIVED PRIOR TO CONTRACTOR COMMENCING WORK UNDER THIS AGREEMENT.

Renewal Certificates of Insurance, requested endorsements, or such similar evidence is to be received by the Purchasing and Contracts Department prior to expiration of insurance coverage. At the CHA's option, non-compliance will result in one or more of the following actions: (1) The CHA will purchase insurance on behalf of Contractor and will charge back all costs to Contractor; (2) the contract shall be terminated; (3) all payments due Contractor will be held until Contractor has complied with the contract; or (4)

Contractor will be assessed Five Hundred Dollars (\$500) for every day of non-compliance. The receipt of any certificate does not constitute agreement by the CHA that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with the requirements of the Agreement.

If any of the required insurance is underwritten on a claims made basis, the retroactive date shall be prior to or coincident with the date of this Agreement and the Certificate of Insurance shall state the coverage is "claims made" and also the Retroactive Date. The Contractor shall maintain coverage for the duration of this Agreement. Any extended reporting period premium (tail coverage) shall be paid by the Contractor.

The Contractor expressly understands and agrees that any insurance or self-insurance programs maintained by the CHA shall apply in excess of, and will not contribute with insurance provided by the Contractor under this Agreement.

Section 6.02 Indemnification

Subject to Section 2.7 of this Agreement, Contractor shall indemnify, defend and hold harmless CHA from and against any claims arising from or out of any event, circumstance, act or incident first occurring or existing prior to the time the Energy reached the Delivery Point.

ARTICLE 7 EVENTS OF DEFAULT, REMEDIES, TERMINATION, RIGHT TO OFFSET, SUSPENSION

Section 7.01 Events of Default Defined

"Event of Default" means (i) CHA, to the extent not already disputed by the CHA in good faith, after the Contractor's provision of written notice to CHA of a failure to pay amounts due by the Due Date, and the CHA's failure to cure such failure to pay within fifteen (15) days following receipt of such notice ; (ii) either Party makes an assignment or any general arrangement for the benefit of creditors; (iii) either Party defaults in any payment obligation to the other Party; (iv) either Party defaults in any material payment obligation to any of its creditors; (v) either Party files a petition or otherwise commences, authorizes, or acquiesces in the commencement of a proceeding or causes under any bankruptcy or similar law for the protection of creditors or has such petition filed or proceeding commenced against it; (vi) either Party otherwise becomes bankrupt or insolvent (however evidenced); (vii) either Party is unable to pay its debts as they fall due; (viii) Contractor fails to sell and schedule for delivery, or CHA fails to purchase and receive Energy in accordance with any effective Confirmation, and such failure is not otherwise excused due to Force Majeure or the other Party's nonperformance; (ix) any representation or warranty made by a Party herein is false or misleading in any material respect on the Effective Date or at any time during the term of this Agreement; or (x) either Party fails to perform any material covenant or obligation set forth in this Agreement or any effective Confirmation (except to the extent such failure is excused or

constitutes a separate Event of Default).

Section 7.02 Remedies

With respect to any Delivery Period set forth on an effective Confirmation, if either Party commits an Event of Default (the "Defaulting Party"), then the Party not committing the Event of Default ("Non-Defaulting Party") shall have the right to suspend service and/or terminate this Agreement and the applicable Confirmation (or all Confirmations if more than one) and the Defaulting Party shall pay and the Non-Defaulting Party shall be entitled to, as its exclusive remedy, early termination damages arising out of the Event of Default as reasonably calculated by Contractor ("Early Termination Damages"). If Contractor commits an Event of Default and the price for replacement Energy, including any associated costs reasonably incurred by CHA in obtaining replacement Energy, is higher than the amount the CHA would have paid under the applicable Confirmation (including energy, capacity, and other components), then Contractor shall pay CHA Early Termination Damages in the amount of such positive difference multiplied by the remaining quantity for which a fixed price, or fixed price component, was established. If CHA commits an Event of Default and the price for the re-sale of energy, capacity and other components at which Contractor re-sells or could re-sell, less any associated costs reasonably incurred by Contractor, is less than the amount that would have been paid under the applicable Confirmation, then CHA shall pay Contractor Early Termination Damages in the amount of such positive difference multiplied by the remaining quantity for which a fixed price, or fixed price component, was established. Unless a fixed quantity appears on the applicable Confirmation, for the purposes of determining the "remaining quantity" in calculating Early Termination Damages, Contractor's forecasted quantity for the remaining portion of the Delivery Period(s) shall be used, with such forecasted quantity being derived by Contractor from the Account(s)' historical usage as of the date of the Confirmation). In determining the price at which Contractor could re-sell the power, Contractor may consider quotations for replacement transactions supplied by one or more third parties and relevant market data supplied by one or more third parties or internal sources, provided that information from internal sources must be of the same type used by Contractor in the regular course of its business for the valuation of similar transactions. Contractor shall act in good faith and in a commercially reasonable manner when determining the price at which power could have been resold. **The Parties expressly acknowledge that upon an Event of Default, damages would be difficult to ascertain and quantify and agree that this provision for calculating damages is reasonable in light of the anticipated or actual harm and is not a penalty.** Payment for Early Termination Damages shall be due within 5 days of the invoice date for said Damages. In the event the owing Party fails to pay Early Termination Damages in accordance with the previous sentence, the owing Party shall be responsible for interest in accordance with the Interest Rate and terms set forth above.

Section 7.03 Termination for Convenience

The CHA may terminate this Agreement for convenience at any time by a notice in writing from the CHA to the Contractor when this Agreement may be deemed to be no

longer in the best interest of the CHA. The Contractor shall continue to supply and deliver electricity service and Energy until the later of the effective date of termination or the soonest meter read thereafter. In the event that this Agreement is terminated for convenience or otherwise, the CHA shall remain responsible for the cost of all services rendered prior to the termination date as well as an amount equal to the Early Termination Damages calculated pursuant to Section 7.02 as if CHA was the Defaulting Party.

Section 7.04 Setoff and Suspension

Without limiting its rights under this Agreement, a Non-Defaulting Party may setoff any and all amounts that the Defaulting Party owes to it (whether under this Agreement, any effective Confirmation or otherwise and whether or not then due) against (i) any or all amounts it owes the Defaulting Party or (ii) any security or other collateral posted by the Defaulting Party for the benefit of the Non-Defaulting Party. This Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract, or otherwise).

Article 8 WARRANTIES, REPRESENTATIONS AND SPECIAL CONDITIONS

Section 8.01 Warranties and Representations

As of the Effective Date hereof and the date of any effective Confirmation, (a) each Party represents and warrants to the other that (i) it is duly organized and validly existing under the laws of the State of its incorporation/organization, (ii) is qualified to do business and is in good standing in the State where the facility receiving Energy under any Confirmation is located, (iii) it has all requisite power and authority under its organizational instruments and otherwise to execute, deliver, and perform its obligations under this Agreement and any effective Confirmation, (iv) this Agreement and any effective Confirmations have been or will be duly executed and delivered, (v) it has reviewed, understands, and accepts the terms, conditions, and risks of this Agreement and any effective Confirmation, (vi) it has made its own independent decisions to enter this Agreement and any effective Confirmations and its decisions are based on its own judgment and upon advice from advisors as it has deemed necessary, and (vii) each Party represents and warrants that it is entering into this Agreement and any effective Confirmation as principal and not as agent or in any other capacity, fiduciary or otherwise, and (b) CHA represents to Contractor that (i) it understands that any corresponding futures hedge referenced by Contractor is owned by Contractor for Contractor's price protection and that no representation has been made by Contractor that a position in futures is held by Contractor for CHA's benefit. By signing below, each person is authorized to sign this Agreement on behalf of the Party for which it was executed and is authorized to act under any effective Confirmation and for the Account(s) listed thereon.

This Agreement and any Confirmation may be executed and delivered in counterparts (including by facsimile transmission or electronic reproduction and transmission), each of which will be deemed an original and all of which constitute one and the same instrument. Title to the Energy shall transfer at the Delivery Point identified on any effective Confirmation. As necessary, CHA hereby appoints Contractor its agent for the purposes of effectuating delivery. There are no third party beneficiaries to the Agreement or any effective Confirmation and none are intended by the Parties. This Agreement and any effective Confirmation shall be binding upon and inure to the benefit of the respective heirs, representatives, successors, and assigns of the Parties hereto, and shall not be assigned or transferred by either Party without the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, however, CHA and Contractor each may assign this Agreement and any effective Confirmation to its parent, affiliate, subsidiary, or successor to all or a material portion of its assets (such as an identifiable market), without the other Party's consent as long as notice is provided and the assigning Party retains liability for the obligations hereunder. Any waiver of the requirements or provisions of this Agreement or any effective Confirmation must be in writing in order to be effective. The failure of either Party to insist upon strict performance of such requirements or provisions or to exercise any right hereunder, shall not be construed as a waiver of such requirement or provision or a relinquishment of such right. This Agreement, including any effective Confirmations, Amendments and/or Riders, as applicable, constitutes the complete agreement reached between the Parties and shall not be changed unless mutually agreed to in a writing signed by both of the Parties, except as may otherwise be provided herein. All prior agreements, understandings and representations, whether consistent or inconsistent, oral or written, between the Parties are merged into and superseded by this Agreement and any effective Confirmation. For the avoidance of doubt, this Agreement expressly replaces and supersedes the Power Sale Agreement between the Parties with an Effective Date of July 16, 2013 and the individual Confirmations thereto dated July 16, 2013 and August 30, 2013. The Parties acknowledge and agree that (i) this Agreement and any effective Confirmation constitute a "forward contract" and/or "forward agreement" within the meaning of title 11 of the United States Code (the "Bankruptcy Code"), (ii) each Party is a "forward contract merchant" within the meaning of the Bankruptcy Code, (iii) the rights set forth under Section VI herein constitute contractual rights "to liquidate, terminate, or accelerate" within the meaning of Section 556 of the Bankruptcy Code and "to terminate, liquidate, accelerate or offset" within the meaning of Section 561 of the Bankruptcy Code, (iv) for purposes of this Agreement, each Party is not a "utility" within the meaning of Section 366 of the Bankruptcy Code, (v) each Party agrees to waive and not to assert the applicability of Section 366 of the Bankruptcy Code in any bankruptcy proceeding wherein such Party is a debtor, (vi) each Party further agrees to waive the right to assert that the other Party is a provider of last resort, (vii) all payments made or to be made by one Party to the other Party under this Agreement with respect to the forward contracts constitute "settlement payments" and/or "margin payments" within the meaning of the Bankruptcy Code, and (viii) amounts transferred as security pursuant to the credit section of this Agreement constitute "margin payments" within the meaning of the Bankruptcy Code, regulation or tariff. In the event of a service

outage, downed wire or other electric emergency, CHA should contact the applicable utility. The sale of Energy herein is subject to all applicable federal and state laws, orders, rules and regulations and to FERC rules and regulations or successor agency having jurisdiction. Either Party shall have the right to contest any such law, ordinance, order, rule, or regulation. If any provision in this Agreement is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision or covenant of this Agreement.

Further, in connection with the execution of this Agreement, the Contractor warrants and represents to CHA:

- A. That it is financially solvent and that it and each of its employees, agents or subcontractors of any tier are competent to perform the Services required under this Agreement.
- B. That no officer, agent or employee of the CHA is employed by the Contractor or has a financial interest directly or indirectly in this Agreement or the compensation to be paid hereunder, except as may be permitted in writing by the CHA and HUD, and that no payment, gratuity or offer of employment shall be made in connection with this Agreement by or on behalf of the Contractor to any official or employee of the CHA.
- C. That Contractor and its subcontractors are not in default at the time of the execution of this Agreement, or deemed by the CHA's Director of Procurements and Contracts Department to have, within the last five (5) years been found to be in default on any contract awarded by the CHA.
- D. That Contractor shall not knowingly use the services of any ineligible contractor or subcontractor for any purpose in the performance of the Services under this Agreement.
- E. That, except only for those representations, statements, or promises expressly contained in this Agreement, and any exhibits attached hereto and incorporated by reference herein, no representation, statement or promise, oral or in writing, or of any kind whatsoever, by the CHA, its officials, officers, agents, or employees, has induced the Contractor to enter into this Agreement or has been relied upon by the Contractor.
- F. That the Contractor and, to the best of its knowledge, its subcontractors are not in violation of the provisions of 18 U.S.C. § 666 (a)(2) or other Federal criminal laws applicable to public contracts funded with federal government funds, the Illinois Criminal Code, 720 ILCS 5/33E-1 et seq. (1989), as amended; and the CHA's Ethics Policy adopted on January 16, 2001.
- G. That the Contractor has disclosed all relevant information to the CHA.

- H. That the Contractor has and will continue to have at all times during the term of this Agreement, all licenses necessary to render the Services required hereunder.
- I. That the Contractor has the power and authority to enter into and perform all of its obligations under this Agreement, and that this Agreement, when executed will constitute the duly authorized, valid and legally binding obligation of the Contractor.

Also, in connection with the execution of this Agreement, the CHA represents to Contractor:

- A. That CHA has made its own independent decisions to enter the transaction and its decisions are based on its own judgment and upon advice from such advisors as it has deemed necessary;
- B. That the CHA is responsible for assessing the risks, strategies and determinations of electricity acquisitions under this Agreement, and understands and accepts the terms, conditions of the Agreement;
- C. Contractor is not acting as a fiduciary for, or an advisor to, CHA in respect to the transaction.

Section 8.02 Joint and Several Liability

In the event that the Contractor or its permitted successors or assigns, if any, is comprised of more than one individual or other legal entity (or a combination thereof), then each and every obligation or undertaking herein stated to be fulfilled or performed by the Contractor shall be the joint and several obligation or undertaking of each such individual or other legal entity.

Section 8.03 Contractor's Affidavit

The Contractor shall execute before a notary public a Contractor's Affidavit to be attached hereto as Exhibit III and incorporated by reference as if fully set forth herein. The Contractor shall at all times during the term of this Agreement comply with, and be in compliance with, the terms of Contractor's Affidavit.

Section 8.04 Conflict of Interest

- A. No member of the governing body of the CHA or other units of government and no other officer, employee, or agent of the CHA or other unit of government who exercises any functions or responsibilities in connection with the Services to which this Agreement pertains, shall have any personal interest, direct, or indirect, in this Agreement. No member of or delegate to the Congress of the United

States of the Illinois General Assembly or CHA employee shall be admitted to any share or part of this Agreement or to any financial benefit to arise from it.

Additionally, pursuant to the conflict of interest requirements in OMB Circular A-102 and 24 CFR §85.36(b)(3), no person who is an employee, agent, contractor, officer, or appointed official of the CHA and who exercises or has exercised any functions or responsibilities with respect to CHA or HUD assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to such CHA and HUD activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties during his or her tenure or for one year thereafter.

- B. Furthermore, the Contractor represents that it is and will remain in compliance with federal restrictions on lobbying set forth in Section 319 of the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 1990, 31 U.S.C. Subsection 1352, and related rules and regulations set forth at 54 Fed. Reg. 52,309 ff (1989), as amended.

Section 8.05 Non-Liability of Public Officials

No official, officer, employee or agent of the CHA shall be charged personally by the Contractor, or by any assignee or subcontractor of the Contractor, with any liability or expense of defense or be held personally liable to the Contractor under any term or provision of this Agreement, because of the CHA's execution or attempted execution of this Agreement, or because of any breach hereof.

Section 8.06 Independent Contractor

The Contractor shall perform under this Agreement as an independent contractor to the CHA and not as a representative, employee, agent, or partner of the CHA.

ARTICLE 9 GENERAL CONDITIONS

Section 9.01 Entire Agreement

This Agreement and all other Exhibits attached hereto shall constitute the entire agreement between the Parties hereto relating to the subject matter hereof and no other warranties, indemnities, covenants, conditions or promises shall be implied between the parties that are not set forth herein. As to inconsistencies between the terms and conditions of this Agreement and the terms and conditions of the RFP and Proposal, which have been incorporated by reference, the express terms and conditions of this Agreement shall control, then the Confirmation(s), then the RFP, then the Proposal. However, in any event the Parties agree that the Agreement itself is intended to set forth the duties and obligations of the Parties herein and that each of the foregoing documents

shall be construed and interpreted consistently to the fullest degree possible. In the event of any inconsistency therein, the terms of this Agreement or any Confirmation will control over any other exhibits attached hereto. Further notwithstanding the foregoing, the Confirmation shall be definitive with regard to the pricing, product features, and the Delivery Period to which the pricing applies.

Section 9.02 Counterparts

This Agreement may be executed by several identical counterparts, each of which shall be deemed an original and constitute one agreement binding on the Parties hereto.

Section 9.03 Amendments

No changes, amendments, modification or discharge of this Agreement, or any part thereof, shall be valid unless in writing and signed by the authorized agent of the Contractor and by the Chief Executive Officer of the CHA or his designated representative. The CHA shall incur no liability for additional Services without a written and signed amendment to this Agreement pursuant to this Section or as otherwise set out in this Agreement. Nothing herein, however, will relieve CHA from payment obligations for any services rendered by Contactor pursuant to the terms and conditions set forth herein.

Section 9.04 Compliance with HUD Regulations

The Parties shall comply with all applicable provisions of HUD regulations, and other applicable federal, state and local laws, ordinances and executive orders including, but not limited to, the Uniform Administrative Requirements contained in 24 C.F.R. Section 85.1 et seq., (1993), as amended; Title VI of the Civil Rights Act of 1967 (42 U.S.C. 2000d et seq.); Fair Housing Act (42 U.S.C. 3601-20 et seq.); Executive Order 11063, as amended by Executive Order 12259; Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.); Rehabilitation Act of 1973 (29 U.S.C 794); Davis-Bacon Act, as amended (40 U.S.C. 327 et seq.); National Environmental Policy Act of 1969 (24 C.F.R. Part 58); Clean Air Act (42 U.S.C. § 1857(h)/et seq.); Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), as amended; Executive Order 11246, as amended by Executive Orders 12086 and 11375; Executive Order 12372; Executive Order 11738; Copeland "Anti-Kickback" Act (18 U.S.C. § 874 and 40 U.S.C. § 276); Byrd "Anti-Lobbying" Amendment (31 U.S.C. § 1352); and Debarment and Suspension (Executive Orders 12549 and 12689); Environmental Protection Agency regulators (40 C.F.R. part 15); and Energy Policy and Conservation Act (Pub. L. 94-163).

The Parties upon notification shall take such actions as may be necessary to comply promptly with any and all applicable governmental orders imposed by any duly constituted government authority whether imposed by Federal, State, country or municipal authority.

Section 9.05 Governing Law

This Agreement shall be governed as to performance and interpretation in accordance with the laws of the State of Illinois without regard to principles of conflicts of laws, including the Illinois Code of Civil Procedure and the local rules of the Circuit Court of Cook County, and applicable Federal laws including the Federal Rules of Civil Procedure and the local rules governing the U.S. District Court for the Northern District of Illinois. The Contractor hereby irrevocably submits itself to the original jurisdiction of those courts located within the County of Cook, State of Illinois, with regard to any controversy arising out of, relating to, or in any way concerning the execution or performance of this Agreement.

Section 9.06 Severability and Interpretation

The invalidity of any one or more phrases, sentences, clauses or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part thereof.

Any headings of this Agreement are for convenience only and not intended to define or limit the provisions hereof. All references to any person or entity shall be deemed to include any person or entity succeeding to the rights, duties and obligations of such persons or entities in accordance with the terms and conditions of this Agreement.

Section 9.07 Assigns

All of the terms and conditions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their permitted successors and assigns.

Section 9.08 Cooperation

The Parties agrees at to reasonably cooperate with the each other. If this Agreement is terminated for any reason, or if it is to expire on its own terms, the Contractor shall comply with the reasonable requests and requirements of the CHA in connection with the termination or expiration of this Agreement.

ARTICLE 10 COMMUNICATION AND NOTICE

Section 10.01 Communication Between the Parties

Excluding invoices, all communications, including required reports and submissions from the Contractor to the CHA shall be through the CHA's Department of Operations. No verbal communication between the Parties shall change any of the terms and conditions of this Agreement.

Section 10.02 Notices

Any notices sent to the Contractor shall be mailed by certified mail return receipt requested, postage prepaid to:

Integrys Energy Services, Inc.
20 N. Wacker Drive, Suite 420
Chicago, IL 60606
Attention: Legal Notices

With a Copy to:

Integrys Energy Services, Inc.
1716 Lawrence Dr.
De Pere, WI 54115

Attn: Contract Administration

Notices sent to the CHA shall be mailed by certified mail, postage prepaid to:

Chicago Housing Authority
60 East Van Buren
Chicago, Illinois 60605
Attention: Director of Procurement

Chicago Housing Authority
60 East Van Buren
Chicago, Illinois 60605
Attention: Inayat Khan, Energy Manager

With a Copy to:

Office of the General Counsel
Chicago Housing Authority
60 E. Van Buren, 12th Floor
Chicago, Illinois 60605
Attn: General Counsel

ARTICLE 11 AUTHORITY

Section 11.01 CHA's Authority

Execution of this Agreement by the CHA is pursuant to the United States Housing Act of 1937, 42 U.S.C. § 1437 et seq., regulations promulgated by HUD, and the State Housing

Authorities Act. 310 ILCS 10/1 et seq., as amended, and other applicable laws, regulations and ordinances.

Section 11.02 Contractor's Authority

Execution of this Agreement by Contractor , and the signature(s) of each person signing on behalf of Contractor have been made with complete and full authority to commit Contractor to all terms and conditions of this Agreement.

IN WITNESS WHEREOF, the CHA and the Contractor have executed this Agreement as of the date first written above:

CHICAGO HOUSING AUTHORITY

INTEGRYS ENERGY SERVICES, INC.

By: Conda R Mitchell

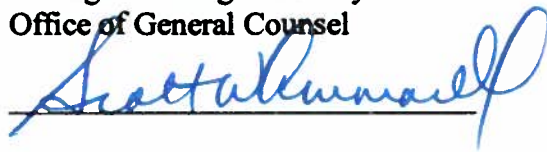
By: Krista Young

ITS: Chief Financial Officer

ITS: Director of Regional Sales

APPROVED AS TO FORM AND LEGALITY BY:

Chicago Housing Authority
Office of General Counsel



Title: _____