

## POWER SALE AGREEMENT

This Power Sale Agreement ("Agreement"), dated as of 2/28/2013 (the "Effective Date"), is made by and between **IntegrYS Energy Services, Inc.** ("Seller") and **Dana Point Condominium Association** ("Buyer"). Seller and Buyer are hereinafter sometimes referred to individually as "Party" and collectively as "Parties". Capitalized terms used herein will have the meanings ascribed to them herein or in any Rider or Confirmation.

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| <b>Section I: Price, Quantity, Delivery Point, Accounts, Service Level, and Delivery Period</b> | Seller agrees to sell and schedule for delivery, and Buyer 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 in Section VIII 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>Section II: Term</b>   | This Agreement shall commence as of the Effective Date and remain in effect, 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 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).  |
| <b>Section III: Changes in Tariff or Law</b>  | Seller'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"). Seller may pass through to Buyer, without markup, (i) any increase or decrease in such tariff charges or (ii) other increase or decrease in Seller'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 Buyer's obligation.   |
| <b>Section IV: Billing and Payment</b>  | <p><b>A. Utility Single Bill Billing</b><br/>If an effective Confirmation indicates that 'Utility Single Bill Billing' will apply, Buyer will be invoiced for Seller's charges and the Utility's delivery charges by the utility(ies) on the invoice(s) Buyer receives from its utility(ies), and such billing and payment shall be subject to the applicable utility rules regarding billing and payment procedures. Notwithstanding the election of 'Utility Single Bill Billing' on any effective Confirmation, any of Seller's charges or credits not invoiced through the utility shall be invoiced or credited, respectively, directly by Seller, in accordance with Section IV(B).</p> <p><b>B. Seller Billing</b><br/>If an effective Confirmation indicates that 'Seller Billing' will apply, Buyer will be invoiced by Seller for Seller's charges payable by Buyer through the last day of the billing cycle, and Buyer will be invoiced for the Utility's delivery charges by its applicable utility(ies). Seller'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. Seller may invoice Buyer based upon the estimated quantity delivered, which will be adjusted to the actual quantity on a subsequent invoice. Buyer shall make payments according to invoice instructions and shall pay invoices over \$50,000 by wire transfer or ACH. Buyer shall remit the amount due on or before 10 calendar days after the invoice date ("Due Date"). 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 1.5% per month ("Interest Rate"), provided that such rate does not exceed the maximum rate allowed by law, compounded daily from the Due Date until the same is paid. If Buyer, in good faith, disputes the amount of any invoice, Buyer shall pay such amount as it concedes to be correct by the Due Date and, along with its payment, provide Seller with documentation to support the amount disputed. Upon determination of the correct amount, any amount</p> |

owed shall be paid within 15 calendar days of resolution of the dispute with interest at the Interest Rate. All invoices and billings are conclusively presumed final and 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, Seller may rebill based on post-period audits or adjustments made by the Authorized Entity. Any and all adjustments under this Section IV(B) shall be paid in full by the owing Party within 30 calendar days after the invoice date for such charges. In the event the owing Party fails to make payment in accordance with this Section IV(B), the owing Party shall also be responsible for all reasonable costs of collection, including attorneys' fees.

**C. Seller Single Bill Billing**

If an effective Confirmation indicates that 'Seller Single Bill Billing' will apply, then Buyer will be invoiced for Seller's charges and the Utility's delivery charges by Seller on the invoice(s) Buyer receives from Seller, and such billing and payment shall be subject to Section IV(B) above.

**D. Taxes**

Any tax levied against Seller by any governmental entity, exclusive of Seller's income tax or taxes levied on Seller's real or personal property, that must be paid by Seller shall be passed through to and borne and reimbursed by Buyer. If Seller does not receive a signed certificate(s) of exemption, Seller is required by law to levy sales tax on its invoices to Buyer, and remit the money to the appropriate authority.

**Section V: Adequate Assurance**

Buyer (i) agrees to provide Seller with required information, including pertinent financial information and other information required for Seller to assess Buyer's financial position, and (ii) authorizes the applicable utility, credit reporting agencies, trade references, and other relevant parties to release data to Seller relating to Buyer's billing, usage, and credit data with such authorization enduring for the term of this Agreement. If Seller concludes in its sole discretion that reasonable grounds for insecurity of Buyer's payment exist, Buyer will provide Adequate Assurance within 3 business days of Seller's request. "Adequate Assurance" means sufficient security in a form, amount, from an issuer, and for a term, all as acceptable to Seller.

**Section VI: Default, Remedies and Setoff**

**A. Events of Default**

"Event of Default" means (i) Buyer fails to provide Adequate Assurance to Seller pursuant to Section V; (ii) Buyer fails to pay amounts, not otherwise disputed in good faith, by Due Date; (iii) either Party makes an assignment or any general arrangement for the benefit of creditors; (iv) either Party defaults in any payment obligation to the other Party; (v) either Party defaults in any material payment obligation to any of its creditors; (vi) 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; (vii) either Party otherwise becomes bankrupt or insolvent (however evidenced); (viii) either Party is unable to pay its debts as they fall due; (ix) either Party terminates this Agreement and/or any effective Confirmation (or service to certain Accounts under a Confirmation) during the Delivery Period of an effective Confirmation for any reason except for a termination resulting from an Event of Default committed by the other Party; (x) Seller fails to sell and schedule for delivery, or Buyer 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; (xi) 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 (xii) 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).

**B. Remedy**

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 Seller ("Early Termination Damages"). If Seller commits an Event of Default and the price for replacement Energy, including any associated costs reasonably incurred by Buyer in obtaining replacement Energy, is higher than the amount the Buyer would have paid under the applicable Confirmation (including energy, capacity, and other components), then Seller shall pay Buyer 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 Buyer commits an Event of Default and the price for the re-sale of energy, capacity and other components at which Seller re-sells or could re-sell, less any associated costs reasonably incurred by Seller, is less than the amount that would have been paid under the applicable Confirmation, then Buyer shall pay Seller 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, Seller's forecasted quantity for the remaining

portion of the Delivery Period(s) shall be used, with such forecasted quantity being derived by Seller from the Account(s)' historical usage as of the date of the Confirmation). In determining the price at which Seller could re-sell the power, Seller 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 Seller in the regular course of its business for the valuation of similar transactions. Seller 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.**

Notwithstanding the election of 'Utility Single Bill Billing' on any effective Confirmation, Seller may invoice Buyer directly for Early Termination Damages owed by Buyer. 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 at the Interest Rate (compounded daily from the date such Early Termination Damages are due until the same are paid) and all reasonable costs of collection, including attorneys' fees.

**C. Setoff**

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 VI(C) 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).

**Section VII: Limitations of Liability**

NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY, NEITHER BUYER NOR SELLER 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 SELLER, BUYER 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. Seller 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.

**WITH THE EXCEPTION OF ANY WARRANTY EXPRESSLY SET FORTH HEREIN, SELLER 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.**

**Section VIII: 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 Buyer's failure to make payments in a timely manner for Energy supplied by Seller 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

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|  | respect to the Account(s) affected by the Force Majeure upon written notice to the other Party.   |
| <b>Section IX: Notices</b>                       | All notices required pursuant to this Agreement may be sent by facsimile, a nationally recognized overnight courier service, first class mail, certified mail return receipt requested, or hand delivery, in accordance with the information provided in any effective Confirmation or Rider, which information may be updated in writing by a Party from time to time. Notice shall be deemed effective when received, if received on a business day during recipient's normal business hours. If not received on a business day, or if received after normal business hours on a business day, then notice shall be deemed effective as of the next business day. Subject to the foregoing, in the absence of proof of the actual receipt date, the following presumptions will apply: Notices sent by facsimile shall be deemed received upon the sending Party's receipt of its facsimile machine's confirmation of successful transmission. Notice by overnight mail or courier shall be deemed received on the next business day after it was sent, or such earlier time as is confirmed by the receiving Party. First class mail is deemed received 5 business days after mailing.   |
| <b>Section X: Representations and Warranties</b> | 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) Buyer represents and warrants to Seller that (i) it is in compliance with all material terms of its bank and debt covenants (as applicable), (ii) it is not in default under the terms of any material contracts to which it is a party, and (iii) it understands that any corresponding futures hedge referenced by Seller is owned by Seller for Seller's price protection and that no representation has been made by Seller that a position in futures is held by Seller for Buyer's benefit. By signing below, each individual additionally warrants that he or she is authorized to sign this Agreement, any Regional Riders and any Confirmation 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.  |
| <b>Section XI: Miscellaneous</b>                 | If the terms of any effective Confirmation modify, change or otherwise conflict with any provisions of this Agreement, the terms of the Confirmation shall govern. 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, Buyer hereby appoints Seller 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, Buyer and Seller 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. THIS AGREEMENT AND ALL DISPUTES ARISING OUT OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE A FACILITY RECEIVING ENERGY UNDER THE AGREEMENT IS LOCATED WITHOUT REGARD TO THE LAWS OF SUCH STATE REQUIRING THE APPLICATION OF THE LAWS OF ANOTHER STATE, AND FEDERAL LAW, AS APPLICABLE. 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. 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 Section V of this Agreement constitute "margin payments" within the meaning of the Bankruptcy Code. Each Party consents to the recording of telephonic conversations with respect to transactions under this Agreement without further notice and agrees to provide its employees notice of such recording that may be required by applicable law, regulation or tariff. In the event of a service outage, downed wire or other electric emergency, Buyer should contact the applicable utility. The terms, provisions or conditions of any purchase order or other business form or written authorization used by Buyer will have no effect on the rights, duties or obligations of the Parties under, or otherwise modify, this Agreement, regardless of any failure of Seller to object to those terms, provisions or conditions. 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.

**Section XII: Regional Requirements**

Regional requirements are set forth on the Regional Rider(s), if applicable. If the terms in a Regional Rider modify, change or otherwise conflict with any provisions of this Agreement, the terms of the applicable Regional Rider shall govern.

**IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the dates set forth below. This Agreement is not valid until signed by both Parties.**

**Seller: Integrys Energy Services, Inc.**

**Buyer: Dana Point Condominium Association**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_