

MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Master Power Purchase and Sale Agreement* (“*Master Agreement*”) is made as of the following date: _____ (“Effective Date”). The *Master Agreement*, together with the exhibits, schedules, annexes and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the “Agreement.” The Parties to this *Master Agreement* are the following:

Name: Citigroup Energy Inc.
 (“Party A”)

All Notices:

Citigroup Energy Inc.
Street: 2700 Post Oak Blvd., Suite 400
City: Houston, Texas 77056
Attn: Legal Department
Phone: _____
Facsimile: 713-552-1192
Email: ceilegalnotices@citi.com
Duns: 14-518-4631
Federal Tax ID Number: 27-0069674

Invoices and Payments:

Attn: Commodity Operations Group
Phone: 713-752-5468
Facsimile: 646-291-3381
Email: ceisettlements@citi.com

Scheduling:

Business Hours: 713-752-5230
After Hours: 713-752-5210
Facsimile: 713-752-5208

Option Exercise Line: 713-752-5200

Wire Transfer:

BNK: Citibank NA NY
ABA: 021000089
ACCT: 3056-9329
SWIFT: CITIUS33

Credit and Collections:

Attn: Credit Manager—Commodities
Phone: 713-693-6622
Facsimile: _____

Name: City of Rochelle, Illinois
 (“Party B”)

All Notices:

Street: 700 West 2nd Avenue
City: Rochelle Zip: 61068-1540
Attn: Jason Bird
Phone: 815-561-2040
Facsimile: 815-562-5861
Email: jbird@rmu.net
Duns: 010231009
Federal Tax ID Number: 36-6006075

Invoices:

Attn: Chris Cardott
Phone: 815-561-2043
Facsimile: 815-562-3888
Email: ccardott@rochelle.il.us

Scheduling:

Attn: Jason Bird
Phone: 815-562-4155
Facsimile: 815-562-5861

Payments:

Attn: Chris Cardott
Phone: 815-561-2043
Facsimile: 815-562-3888
Email: ccardott@rochelle.il.us

Wire Transfer:

BNK: Central Bank Illinois
ABA: 071105002
ACCT: 90911401

Credit and Collections:

Attn: Jason Bird
Phone: 815-561-2040
Facsimile: 815-562-5861

With additional Notices of an Event of Default or Potential Event of Default to:

Attn: Legal Department
Street: 388 Greenwich Street, 17th Floor
New York, NY 10013
Facsimile: 212-816-5550

With additional Notices of an Event of Default or Potential Event of Default to:

Attn: Dominick Lanzito, City Attorney
Phone: 312-724-8035
Facsimile: 312-896-9318

The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff: FERC Dated: 12/19/03 Docket Number: ER04-208-000
Party B Tariff: _____ Dated: _____ Docket Number: _____

Article Two

Transaction Terms and Conditions Optional provision in Section 2.4. If not checked, inapplicable.

Article Four

Remedies for Failure to Deliver or Receive Accelerated Payment of Damages. If not checked, inapplicable.

Article Five

Events of Default; Remedies Cross Default for Party A Cross Default Amount: 2% of the stockholders' equity of Party A's Guarantor.
 Party A:
 Other Entity: Guarantor

Cross Default for Party B Cross Default Amount: \$1,000,000.
 Party B:
 Other Entity: [Guarantor/Not Applicable]

5.6 Closeout Setoff

Option A (Applicable if no other selection is made.)
 Option B - Affiliates shall have the meaning set forth in this Master Agreement unless otherwise specified as follows:
 Option C (No Setoff)

Article 8

Credit and Collateral Requirements

8.1 Party A Credit Protection:
(a) Financial Information:
 Option A
 Option B Specify: Financial statements for Party B
 Option C Specify: _____

(b) Credit Assurances:

- Not Applicable
- Applicable

(c) Collateral Threshold:

- Not Applicable
- Applicable

If applicable, the provisions of Section 8.1(c) of this Master Agreement shall be replaced by the provisions of the Collateral Annex attached hereto.

(d) Downgrade Event: It shall be a Downgrade Event for Party B if Party B's Credit Rating is BBB+ or below from S&P or Baa1 or below from Moody's. If a Downgrade Event occurs with respect to Party B, then the Collateral Annex attached hereto shall become immediately effective and Party B shall provide Performance Assurance to Party A as provided therein.

- Not Applicable
- Applicable

(e) Guarantor for Party B: not applicable.

8.2 Party B Credit Protection:

(a) Financial Information:

- Option A
- Option B Specify: Financial statements for Party A's Guarantor
- Option C Specify: _____

(b) Credit Assurances:

- Not Applicable
- Applicable

(c) Collateral Threshold:

- Not Applicable
- Applicable

If applicable, the provisions of Section 8.2(c) of this Master Agreement shall be replaced by the provisions of the Collateral Annex attached hereto.

(d) Downgrade Event:

- Not Applicable
- Applicable

(e) Guarantor for Party A: Citigroup Global Markets Holdings Inc.

Article 10

Confidentiality Confidentiality Applicable If not checked, inapplicable.

Schedule M

- Party A is a Governmental Entity or Public Power System
- Party B is a Governmental Entity or Public Power System
- Add Section 3.6. If not checked, inapplicable
- Add Section 8.4. If not checked, inapplicable

Other Changes:

Specify, if any: Yes, the following changes shall be applicable:

I. Modifications to General Terms and Conditions.

A. General Definitions.

1. Section 1.12 (“Credit Rating”) is amended by deleting “issues” and replacing it with “issuer.”
2. Section 1.13 (“Cross-Default Amount”) is amended by inserting the following at the end thereof: “For purposes of determining the Cross Default Amount applicable to a Party, stockholders’ equity shall be determined by reference to such Party’s Guarantor’s most recent consolidated (e.g. quarterly) balance sheet and shall include legal capital, paid-in capital, retained earnings and cumulative translation adjustments. Such balance sheet shall be prepared in accordance with accounting principles that are generally accepted in the U.S.”.
3. Section 1.27 (“Letter of Credit”) is amended (i) by inserting the phrase “and has a combined capital surplus of at least \$10,000,000,000” after the word “Moody’s” and (ii) by inserting the phrase “and in an amount” in the third line after the word “form” and before the word “acceptable”.
4. Section 1.50 (“Recording”) is amended to delete the reference to Section “2.4” and replacing such reference with “2.5”.
5. Section 1.51 (“Replacement Price”) is amended by (a) inserting the phrase “for delivery” in the second line after the word “purchases” and before the phrase “at the Delivery Point”, and (b) deleting the phrase “at Buyer’s option” in the fifth line and inserting in its place the following: “absent a purchase”.
6. Section 1.52 (“S&P”) is amended in its entirety as follows:

“1.52 “S&P” means S&P Global Markets, or its successor.”
7. Section 1.53 (“Sales Price”) is amended by (a) deleting the phrase “at the Delivery Point” in the second line and (b) deleting the phrase “at Seller’s option” in the fifth line and inserting in its place the following “absent a sale”.
8. Section 1.60 (“Transaction”) is amended by (i) the deletion of “pursuant to this Agreement” and (ii) the addition of “, including any transaction entered into by the Parties prior to the date of this Agreement, unless otherwise specified”.
9. Article One is further amended by inserting at the end thereof the following new subsections 1.62 and 1.63:

1.62 “Specified Entity” means:

with respect to Party A, Citigroup Global Markets Limited, Citigroup Global Markets Inc., Citigroup Global Markets Commercial Corp., Citicorp Securities Services, Inc., Citibank Europe PLC, Citigroup Global Markets Deutschland AG, Citibank, N.A., Citibank International Limited, Citibank Japan Ltd., Citibank Canada, Citigroup Energy Canada ULC, and Citigroup Financial Products Inc.; and

with respect to Party B, any Affiliate of Party B.

1.63 “Specified Transaction” means any contract or transaction (whether or not documented under or effected pursuant to a master agreement) now existing or

hereafter entered into between Party A (or any Guarantor of Party A or any applicable Specified Entity of Party A) and Party B (or any Guarantor of Party B or any applicable Specified Entity of Party B), including, but not limited to, any securities lending agreement, securities options, margin loans, short sales, repurchase agreement, reverse repurchase agreement and forward securities contract, or any other similar transaction.

B. Transaction Terms and Conditions.

1. Section 2.2 (“Governing Terms”) is amended by inserting at the end thereof the following: “Party A and Party B confirm that effective as of the Effective Date, all outstanding transactions between the Parties with respect to Product, shall be governed by the terms and provisions of this Master Agreement.”
2. Section 2.3 (“Confirmation”) is amended as follows: (i) all references to “Seller” are changed to “Party A” and all references to “Buyer” are changed to “Party B”, (ii) the third, fourth, fifth and sixth sentences of Section 2.3 are deleted and (iii) adding as the last sentence of this section the following: “Failure by Party A to send to Party B or Party B to return to Party A an executed Confirmation shall not invalidate the Transaction as agreed to by the Parties.”
3. Section 2.5 (“Recording”) is deleted in its entirety and replaced with the following:

“2.5 Recording. Each Party hereto consents to the recording of its telephone conversations relating to this Agreement or any potential Transaction.”

C. Obligations and Documents to Deliver.

The following new section is inserted at the end of Article Three:

“Section 3.4. Agreement to Deliver Documents: Party A and Party B will deliver to each other, upon execution of this Master Agreement, evidence reasonably satisfactory to the other Party of (i) the authority of such Party and its Guarantor, if any, to enter into this Agreement, any Transactions and provide Performance Assurance and (ii) the authority and genuine signature of the individual signing this Agreement and any Performance Assurance (if signed by a Party or its Guarantor) on behalf of such Party, or its Guarantor if applicable, to execute the same.”

D. Events of Default; Remedies.

1. Section 5.1 is amended by (i) deleting in 5.1(h) the phrase “and such failure shall not be remedied within three (3) Business Days after written notice” in the third and fourth lines of Section 5.1(h)(ii), (ii) deleting the “.” at the end of Section 5.1(h)(v) and replacing it with “;” and (iii) adding the following new subsections:

“(i) such Party or such Party’s Guarantor (A) consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and such action does not constitute an event described in Section 5.1(f), or any person or entity acquires directly or indirectly the beneficial ownership of equity securities having the power to elect a majority of the board of directors or other managing body of such Party or such Party’s Guarantor or any other ownership interest enabling it to exercise control over such Party; or (B) effects any substantial change in its capital structure by means of the issuance, incurrence or guarantee of debt or the issuance of preferred stock or other securities convertible into, or exchangeable for, debt or preferred stock, or (C) enters into any agreement providing for any of the forgoing; and the creditworthiness of the resulting, surviving, transferee, reorganized, burdened or recapitalized entity is materially weaker than that of such Party or such Party’s Guarantor, as the case may be, immediately prior to such action (and, in such event, such Party or its successor or transferee, as appropriate, will be the Defaulting Party); or

- (j) such Party, any Guarantor of such Party or any Specified Entity of such Party:
 - (1) defaults (other than by failing to make a delivery) under a Specified Transaction or any credit support arrangement relating to a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, such default results in a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction;
 - (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment due on the last payment or exchange date of, or any payment on early termination of, a Specified Transaction (or, if there is no applicable notice requirement or grace period, such default continues for at least one Business Day);
 - (3) defaults in making any delivery due under (including any delivery due on the last delivery or exchange date of) a Specified Transaction or any credit support arrangement relating to that Specified Transaction and, after giving effect to any applicable notice requirement or grace period, such default results in a liquidation of, an acceleration of obligations under, or an early termination of, all transactions outstanding under the documentation applicable to such Specified Transaction; or
 - (4) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, a Specified Transaction or any credit support arrangement relating to that Specified Transaction that is, in either case, confirmed or evidenced by a document or other confirming evidence executed and delivered by that Party, any Guarantor of such Party, or applicable Specified Entity of such Party (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf).”
- (k) such Party’s or its Guarantor’s (if applicable) Credit Rating falls below BBB- from S&P or Baa3 from Moody’s or if such Party or its Guarantor (if applicable) is not rated by either S&P or Moody’s.”

- 2. Section 5.2 (“Declaration of an Early Termination Date and Calculation of Settlement Amounts”) is amended as follows: (i) reversing the placement of “(i)” and “to” in the first sentence, and (ii) by inserting the following at the end thereof: “The Gains and Losses for each Terminated Transaction shall be determined by calculating the amount that would be incurred or realized to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of that Terminated Transaction. The Non-Defaulting Party may determine its Gains and Losses by reference to information either available to it internally or supplied by one or more third parties including, without limitation, quotations of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets. Third parties supplying such information may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information.”
- 3. Section 5.3 (“Net Out of Settlement Amounts”) is amended by inserting the phrase “plus, at the option of the Non-Defaulting Party, any cash or other form of security then available to the Defaulting Party pursuant to Article Eight,” between the words “that are due to the Non-Defaulting Party,” and “plus any and all other amounts” in the sixth line thereof.
- 4. Section 5.6 (“Closeout Setoff”) – Option B is amended by deleting the Section in its entirety and replacing it with the following:

Upon the designation of any Early Termination Date, in addition to and not in limitation of any other right or remedy (including right to set off, counterclaim or otherwise withhold payment or any recourse to any Performance Assurance) under applicable law, the Non-Defaulting Party (“NDP”) may without prior notice to any person set off any sum or obligation (whether or not arising under this Agreement and whether matured or unmatured, whether or not contingent and irrespective of the currency, place of payment or booking office of the sum or obligation) owed by the Defaulting Party (“DP”) to the NDP or any Affiliate of the NDP against any sum or obligation (whether or not arising under this Agreement, whether matured or unmatured, whether or not contingent and irrespective of the currency, place of payment or booking office of the sum or obligation) owed by the NDP or any Affiliate of the NDP to the DP and, for this purpose, may convert one currency into another at a market rate determined by the NDP. If any sum or obligation is unascertained, the NDP may in good faith estimate that obligation and set off in respect of the estimate, subject to the NDP or the DP, as the case may be, accounting to the other when the obligation is ascertained.

5. Section 5.7 (“Suspension of Performance”) is amended by replacing the word “early” with the word “Early” in the sixth line thereof.

E. **Payment and Netting.**

The following new section shall be added at the end of Article Six:

“6.9 Payment Obligation Source. All payments by Party B under this Agreement or any Transaction are payable from the revenues of Party B’s Electric System. In no event shall Party B be required to make payments under this Agreement or for a Transaction from tax revenues, or any other source of funds other than its Electric System’s funds, but it may elect, in its sole discretion, to do so.”

F. **Credit and Collateral Requirements.**

1. Each Party agrees that notwithstanding any provisions of law relating to adequate assurance of future performance, including without limitation Article 2-609 of the UCC, the parties shall only be entitled to request adequate assurance as specifically provided in this Agreement, including the Collateral Annex hereto. For purposes of the foregoing, UCC means the Uniform Commercial Code as adopted by the jurisdiction governing the parties and the Transactions. Section references are to the Model Uniform Commercial Code and are intended to correspond to the same substantive provisions contained in the specific codes adopted in the controlling jurisdictions, to the extent that section references differ.”

1. Section 8.2(a) (“Party B Credit Protection. - Financial Information”) – Option B is amended as follows:

- (i) by inserting the following at the end of the first sentence: “if such financial statements are not available on “EDGAR” or its Guarantor’s home page on the World Wide Web at www.citigroup.com (which may be in the notes to the financial statements for Citigroup Inc.) for Party A”; and
- (ii) by inserting the following at the end thereof: “Notwithstanding the foregoing, the financial report and financial statements to be delivered hereunder shall be “deemed” to be delivered on the date the same shall be posted on the Securities and Exchange Commission website (www.sec.gov).”

G. **Governmental Charges.**

The following new section is inserted at the end of Article Nine:

“Section 9.3 Agreement to Deliver Tax Exemption Documents. Within ten (10) Business Days of the receipt of a written request by one Party from the other Party, such Party shall provide to the other Party such certificates, documents or other evidence sufficient to confirm the exemption from liability for any Governmental Charges by such Party for each jurisdiction in which the purchase, sale and/or delivery of any Product takes place or is to take place under this Master Agreement, such that the other Party will bear no obligation in relation to the purchase, sale and/or delivery of any Product for charging, collecting and/or remitting to any local, municipal, state or federal authority or agency any Governmental Charges for which such Party hereunder is otherwise exempt.”

H. Miscellaneous.

1. Section 10.2 (“Representations and Warranties”) is amended by:

- (A) deleting Section 10.2(viii) thereof and replacing it with the following new Section 10.2(viii):

“(viii) it (A) is acting for its own account, (B) has made its own independent decision to enter into this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) and as to whether this Master Agreement and each such Transaction (including any Confirmation accepted in accordance with Section 2.3) is appropriate or proper for it based upon its own judgment, (C) is not relying upon the advice or recommendations of the other Party in so doing, (D) is capable of assessing the merits of and understands and accepts, the terms, conditions and risks of this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3), (E) understands that information and explanations of the terms and conditions of each such Transaction shall not be considered investment or trading advice or a recommendation to enter into that Transaction, (F) understands that no communication (written or oral) received from the other Party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction, and (G) understands that the other Party is not acting as a fiduciary for or an advisor to it in respect to that Transaction;”

- (B) deleting clauses (ix) and (x) without renumbering the remaining clauses;

- (C) deleting clause (xi) and replacing it with the following:

“(xi) with respect to each Transaction that is a Commodity Trade Option, as of the date the Transaction is entered into:

(1) The Party that is the offeree represents that: (i) it is a producer, processor, commercial user of, or merchant handling, the commodity that is the subject of the Commodity Trade Option, or the products or byproducts thereof; and (ii) it is entering into the Commodity Trade Option solely for purposes related to its business as such; and

(2) Each Party represents to the other that the Commodity Trade Option, if exercised, contains a binding obligation that results in the sale of the specified nonfinancial commodity for immediate or deferred shipment or delivery.

“Commodity Trade Option” means a commodity option (as that term is defined in Commodity Futures Trading Commission Regulation 1.3(hh)) entered into pursuant to Commodity Futures Trading Commission Regulation 32.3(a); and”

(D) adding the following new subsections at the end thereof:

“(xiii) it is eligible to file as a debtor under Chapter 7 and/or Chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”);

(xiv) it is a “forward contract merchant” within the meaning of the Bankruptcy Code; (xv) it is an “Eligible Contract Participant” within the meaning of Section 1(a)(18) of the Commodity Exchange Act, as amended;

(xvi) the assets that are used, directly or indirectly, in connection with the execution, delivery and performance of this Master Agreement and the Transactions entered into pursuant hereto are legally and beneficially owned by such Party and are not held by it, directly or indirectly, for the benefit of or under any form of any employee benefit or other plan, trust plan, pension plan, individual retirement accounts or other type of similar plans.; and

(xvii) with respect to Party B only, it represents and warrants to Party A, that it is not a financial end user as defined in the Margin Requirements. For purposes of the foregoing, the term “Margin Requirements” means the Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants; Final Rule adopted by the Commodity Futures Trading Commission, published at 81 FR 636 (January 6, 2016) Section 23.151.”

2. Section 10.5 (“Assignment”) is amended by deleting such section in its entirety and adding in lieu thereof the following:

“Assignment. Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion; *provided, however*, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), (i) transfer, sell, pledge, encumber or assign the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements or (ii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets whose creditworthiness is equal to or higher than that of such Party; *provided, however*, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.”

3. Section 10.6 (“Governing Law”) is amended (i) by deleting the phrase “WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW” at the end of the first sentence thereof and (ii) by inserting at the end thereof the following four new sentences: “With respect to any proceeding in connection with any claim, counterclaim, demand, cause of action, dispute or controversy arising out of or relating to this Master Agreement, the Parties hereby consent to the exclusive jurisdiction of the federal and state courts sitting in the Borough of Manhattan in New York State. In the event such judicial proceedings are instituted by either Party, the prevailing Party shall be entitled to an award of its costs and attorneys’ fees incurred in connection with such proceedings. Nothing in this provision shall prohibit a Party from bringing an action to enforce a money judgment in any other jurisdiction. Notwithstanding the previous sentence, it is understood and acknowledged that, for purposes of resolving any issues that may arise with respect to Party B’s authority to enter into this Agreement and/or discharge its obligations under this Agreement based on its status as a body corporate and politic and political subdivision of the State of Illinois, or in connection with its obligations under the Illinois sunshine laws, this Master Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. ”

4. Section 10.9 (“Audit”) is amended by inserting the phrase “copies of” in the second line between the phrase “to examine” and the phrase “the records”.
5. Section 10.11 (“Confidentiality”) is amended by deleting Section 10.11 thereof and replacing it with the following new Section 10.11:

“10.11 Confidentiality. If the Parties have elected on the Cover Sheet to make this Section 10.11 applicable to this Master Agreement, neither Party shall disclose the terms or conditions of a Transaction under this Master Agreement or the completed Cover Sheet to, or any annex to, this Master Agreement to a third party (other than the Party’s or the Party’s Affiliates, employees, lenders, counsel, accountants or advisors who have a need to know such information and who the Party is satisfied will keep such terms confidential) except in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding or request by a bank examiner or other regulatory authority; *provided, however*, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. A Party may disclose any one or more of the commercial terms of a Transaction (other than the name of the other Party unless otherwise agreed to in writing by the Parties) to any industry price source for the purpose of aggregating and reporting such information in the form of a published energy price index.”

7. The following new sections are added at the end of Article Ten:

Section 10.12. FERC Standard of Review; Mobile-Sierra Waiver.

(a) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in subsection (b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall be the “public interest” application of the “just and reasonable” standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and clarified by Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish 554 U.S. (2008) (the “Mobile-Sierra doctrine”).

(b) In addition, and notwithstanding the foregoing subsection (a), to the fullest extent permitted by applicable law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under §§ 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable law or market conditions that may occur. In the event it were to be determined that applicable law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this subsection (b) shall not apply, *provided* that, consistent with the foregoing subsection (a), neither Party shall seek any such changes except solely under the “public interest” application of the “just and reasonable” standard of review and otherwise as set forth in the foregoing section (a).

Section 10.15 Index Transactions.

(a) Market Disruption. If a Market Disruption Event occurs during the Determination Period, the Floating Price for the affected Trading Day(s) shall be determined pursuant to (i) the alternative Floating Price specified in the Transaction, and if no such alternative price is specified, (ii) the Floating Price specified for the Transaction for the first Trading Day thereafter on which no Market Disruption Event exists; *provided, however*, if the Floating Price is not so determined within three (3) Business Days after the first Trading Day on which the Market Disruption Event occurred or existed, then (iii) the Parties shall negotiate in good faith to agree on a Floating Price (or a method for determining a Floating Price), and if the Parties have not so agreed on or before the twelfth (12th) Business Day following the first Trading Day on which the Market Disruption Event occurred or existed, then the Floating Price shall be determined (iv) in good faith by Party A by taking the average of two or more dealer quotes.

“Determination Period” means each calendar month a part or all of which is within the Delivery Period of a Transaction.

“Exchange” means, in respect of a Transaction, the exchange or principal trading market specified in the relevant Transaction.

“Floating Price” means the Contract Price specified in a Transaction that is based upon a Price Source.

“Market Disruption Event” means, with respect to any Price Source, any of the following events (the existence of which shall be determined in good faith by Party A): (a) The failure of the Price Source to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation, or material suspension of trading in the relevant options contract or commodity on the Exchange or in the market specified for determining a Floating Price; (c) the temporary or permanent discontinuance or unavailability of the Price Source; (d) the temporary or permanent closing of any Exchange specified for determining a Floating Price; or (e) a material change in the formula for or the method of determining the Floating Price.

“Price Source” means, in respect of a Transaction, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the specified price (or prices from which the specified price is calculated) specified in the relevant Transaction.

“Trading Day” means a day in respect of which the relevant Price Source published the Floating Price.

(b) Corrections to Published Prices. For purposes of determining the relevant prices for any day, if the price published or announced on a given day and used or to be used to determine a relevant price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within thirty (30) days of the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount will, not later than three (3) Business Days after the effectiveness of that notice, pay, subject to any applicable conditions precedent, to the other Party that amount, together with interest at the Interest Rate for the period from and including the day on which payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

(c) Calculation of Floating Price. For the purposes of the calculation of a Floating Price, all numbers shall be rounded to the fourth (4th) decimal place. If the fifth (5th) decimal number is five (5) or greater, then the fourth (4th) decimal number shall be increased by one (1), and if the fifth (5th) decimal number is less than five (5), then the fourth (4th) decimal number shall remain unchanged.”

II. **Schedule M.**

Schedule M is modified as follows:

- (i) “Act” shall mean 65 ILCS 5/Art 11 Div 117.
- (ii) In paragraph C, part (i), delete the phrase “,including without limitation, competitive bidding, public notice, election, referendum, prior appropriation or other required procedures has”, and insert in its place the words “have been”.
- (iii) Paragraph D, Section 3.4, and Paragraph F are deleted in their entirety and shall not be applicable to any transactions under this Agreement.
- (iv) In Paragraph E, Section 3.6, delete the phrase “upon execution of this Master Agreement and” following “(ii)”.
- (v) Paragraph G of Schedule M shall be modified to insert “ILLINOIS” in the blank space therein.

III. **Schedule P.**

The following shall be added at the end of Schedule P:

“If the Parties agree to a service level/product defined by reference to a different agreement, tariff, set of rules or protocols (herein, “agreement”) (e.g., the PJM Operating Agreement, the ERCOT Protocols, the MAPP Restated Agreement) for a particular Transaction, then, unless the Parties expressly state and agree that all the terms and conditions of such other agreement will apply, such reference to a service level/product shall be as defined by such other agreement, including if applicable, the regional reliability requirements and guidelines as well as the specific excuses for performance, Force Majeure, Uncontrollable Forces, or other such excuses applicable to such other agreement, to the extent inconsistent with the terms of this Agreement, but all other terms and conditions of this Agreement remain applicable.”

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the date first above written.

Party A: **Citigroup Energy Inc.**

Party B: **City of Rochelle, Illinois**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

DISCLAIMER: This Master Power Purchase and Sale Agreement was prepared by a committee of representatives of Edison Electric Institute (“EEI”) and National Energy Marketers Association (“NEM”) member companies to facilitate orderly trading in and development of wholesale power markets. Neither EEI nor NEM nor any member company nor any of their agents, representatives or attorneys shall be responsible for its use, or any damages resulting therefrom. By providing this Agreement EEI and NEM do not offer legal advice and all users are urged to consult their own legal counsel to ensure that their commercial objectives will be achieved and their legal interests are adequately protected.