

MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Master Power Purchase and Sale Agreement* ("*Master Agreement*") is made as of the following date: December 29, 2004 ("*Effective Date*"). The *Master Agreement*, together with the exhibits, schedules 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 the Transaction (including the Confirmation Letter described in Section 2.3 hereto) shall be referred to as the "*Agreement*." The Parties to this *Master Agreement* are the following:

Name: ("Pacific Gas and Electric Company" or "Party A")

Name: Oakdale Irrigation District and the South San Joaquin Irrigation District, jointly and severally doing business as the Tri-Dam Project ("Counterparty" or "Party B")

All Notices:

All Notices:
P.O. Box 1158
Pinecrest, CA 95364-0158

Street: 245 Market Street

Street: 31885 Old Strawberry Road

City: San Francisco, CA Zip: 94105

City: Strawberry, CA Zip: 95375

Attn: Contract Administration
Phone: (415) 973-4941
Facsimile: (415) 973-9176
Duns: 556650034
Federal Tax ID Number: [REDACTED]

Attn: Steve Felte
Phone: (209) 965-3996 x120
Facsimile: (209) 965-4235
Duns: 07-736-5369
Federal Tax ID Number: [REDACTED]

Invoices:

Attn: Marc Renson
Phone: (415) 973-1721
Facsimile: (415) 973-2151

Invoices:

Attn: Jason Reed
Phone: (209) 965-3996 x123
Facsimile: (209) 965-4235

Scheduling:

Attn: Kevin Coffee
Phone: (415) 973-7631
Facsimile: (415) 973-5333

Scheduling:

Attn: Ed Kisling
Phone: (209) 965-3996 x121
Facsimile: (209) 965-4235

Payments:

Attn: Marc Renson
Phone: (415) 973-1721
Facsimile: (415) 973-2151

Payments:

Attn: Jason Reed
Phone: (209) 965-3996 x123
Facsimile: (209) 965-4235

Wire Transfer:

BNK: [REDACTED]
ABA: [REDACTED]
ACCT: [REDACTED]

Wire Transfer:

BNK: [REDACTED]
ABA: [REDACTED]

Credit and Collections:

Attn: Manager, Credit Risk Management
Phone: (415) 972-5244
Facsimile: (415) 973-7031

Credit and Collections:

Attn: Jason Reed
Phone: (209) 965-3996 x123
Facsimile: (209) 965-4235

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

Attn: Rich Miram

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

Attn: Carl R. Steen

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 Tariff FERC _____ Dated December 19, 2002_ Docket Number ER 03-198-000_

Party B Tariff Tariff N/A _____ 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:
N/A
 Party A: _____ Cross Default Amount \$ _____
 Other Entity: _____ Cross Default Amount \$ _____
 Cross Default for Party B:
N/A
 Party B: _____ Cross Default Amount \$ _____
 Other Entity: _____ Cross Default Amount \$ _____

5.6 Closeout Setoff

- Option A (Applicable if no other selection is made.)
- Option B - Affiliates shall have the meaning set forth in the 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: _____
- Option C Specify: _____

(b) Credit Assurances:

- Not Applicable
- Applicable

(c) Collateral Threshold:

- Not Applicable
- Applicable

If applicable, complete the following:

Party B Collateral Threshold: \$ _____.

Party B Independent Amount: \$ _____

Party B Rounding Amount: \$ _____

(d) Downgrade Event:

Not Applicable

Applicable

If applicable, complete the following:

It shall be a Downgrade Event for Party B if Party B's Credit Rating falls below _____ from S&P or _____ from Moody's or if Party B is not rated by either S&P or Moody's.

Other:
Specify: _____

(e) Guarantor for Party B: N/A

Guarantee Amount: _____

8.2 Party B Credit Protection:

(a) Financial Information:

Option A

Option B Specify: _____

Option C Specify: _____

(b) Credit Assurances:

Not Applicable

Applicable

(c) Collateral Threshold:

Not Applicable

Applicable

If applicable, complete the following:

Party A Collateral Threshold: \$ _____

Party A Independent Amount: \$ _____

Party A Rounding Amount: \$ _____

(d) Downgrade Event:

Not Applicable

Applicable

If applicable, complete the following:

- It shall be a Downgrade Event for Party A if Party A's Credit Rating falls below from S&P or from Moody's or if Party A is not rated by either S&P or Moody's; or
- Other:
Specify:

(e) Guarantor for Party A:

Guarantee Amount:

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: See below.

Other Changes

Article One: General Definitions

1. The following shall be added at the beginning of Article One:

"The following capitalized terms shall have the meaning ascribed to them in this Article One. Other capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Confirmation Letter (as defined below)."

2. The following sections are amended to delete the text therefrom and substitute in its stead "Intentionally Deleted.":

- Section 1.6 "Call Option"
- Section 1.13 "Cross Default Amount"
- Section 1.33 "Offsetting Transactions"
- Section 1.34 "Option"
- Section 1.35 "Option Buyer"
- Section 1.36 "Option Seller"
- Section 1.39 "Party A Independent Amount"
- Section 1.40 "Party B Independent Amount"
- Section 1.41 "Party A Rounding Amount"
- Section 1.41 "Party B Rounding Amount"
- Section 1.46 "Potential Event of Default"

Section 1.48 "Put Option"
Section 1.50 "Recording"
Section 1.51 "Replacement Price"
Section 1.53 "Sales Price"
Section 1.57 "Strike Price"

3. Section 1.5 is amended to delete the text therefrom and to substitute the following in its stead:

"Buyer" means Party A.

4. Section 1.10 is amended to delete the parenthetical phrase "(unless otherwise provided for)".

5. Section 1.11 is amended to delete the text therefrom and to substitute the following in its stead:

"Costs" means, with respect to the Non-Defaulting Party, any and all costs and expenses directly or indirectly incurred by the Non-Defaulting Party in connection with the termination of this Master Agreement and the Confirmation Letter upon an Event of Default by the Defaulting Party and/or in connection with entering into new contract(s) to replace this Master Agreement and the Confirmation Letter upon such termination, including, but not limited to, brokerage fees, commissions, attorney fees and other third party transaction costs and expenses. The Non-Defaulting Party shall use commercially reasonable efforts to mitigate or eliminate these Costs.

6. Section 1.12 is amended to delete the word "issues" and to substitute in its stead "issuer" in the fourth line.

7. Section 1.15 is amended to delete the words "as specified in the Transaction" and to substitute in its stead "as specified in the Confirmation Letter with respect to the Transaction".

8. Section 1.16 is amended to delete the words "as specified in the Transaction" and to substitute in its stead "as specified in the Confirmation Letter with respect to the Transaction".

9. Section 1.23 is amended to delete the text therefrom and to substitute the following in its stead:

"Force Majeure" means any cause beyond the control of the Party affected, including but not restricted to, flood, drought, earthquake, storm, severe cold or hot weather or snow or other extreme or severe weather conditions, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority, action or inaction by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, Catastrophic Equipment Failure, mechanical or equipment breakdown caused by any of the foregoing Force Majeure events, or any other cause beyond the reasonable control of the Party

relying on such cause to excuse its performance hereunder to the extent to which such Party cannot remedy the problem by exercise of due diligence.

10. Section 1.27 is amended to delete the words "or a foreign bank with a U.S. branch" and substitute in its stead "or a U.S. branch of a foreign bank".

11. Section 1.45 is amended to add the words "guarantee, or performance bond" after "Letter(s) of Credit," and to add the word "reasonably" after the phrase "or other security."

12. Section 1.47 is amended to delete the text therefrom and substitute the following in its stead:

"Product" means electric capacity, energy or other product(s) related thereto as specified in the Confirmation Letter.

13. Section 1.55 is amended to delete the text therefrom and substitute the following in its stead:

"Seller" means Party B.

14. Section 1.60 is amended to delete the text therefrom and substitute the following in its stead:

"Transaction" means the transaction described in the Confirmation Letter for the purchase and sale of energy, taken as a single, integrated transaction.

15. The following definitions shall be added in the appropriate alphabetical and numerical order in Article One:

"Broker or Index Quotes" means quotations solicited or obtained in good faith from (a) regularly published and widely-distributed daily forward price assessments from a broker that is not an Affiliate of either Party and who is actively participating in markets for the relevant Products or (b) end-of-day prices for the relevant Products published by exchanges which transact in the relevant markets."

"Catastrophic Equipment Failure" means a sudden unexpected failure of a major piece of equipment that (i) substantially reduces or eliminates the capability of the System to produce power; (ii) is beyond the reasonable control of Party B and could not have been prevented by the exercise of reasonable due diligence by Party B; and (iii) despite the exercise of all reasonable efforts, actually requires more than sixty (60) days to repair (if the determination of whether a Catastrophic Equipment Failure has occurred is being made more than sixty (60) days after the failure) or is reasonably expected to require more than sixty (60) days to repair (if such determination is being made within sixty (60) days after the failure).

"Confirmation Letter" has the meaning set forth in Section 2.3.

"CPUC Approval" means a final and non-appealable order of the California Public Utilities Commission ("CPUC"), without conditions or modifications that would materially alter the economic arrangements contemplated by the Transaction or would reasonably be expected to have a material adverse effect on either Party, which approves this Agreement in its entirety, including payments to be made by Buyer, subject to CPUC review of the Buyer's administration of the Agreement. CPUC Approval shall be deemed to occur on the date that a CPUC decision containing such findings becomes final and non-appealable.

"FERC Re-Licensing" means the re-licensing of the System that is required to be obtained by Seller from the Federal Energy Regulatory Commission.

"Market Quotation Average Price" means the arithmetic mean of the quotations solicited in good faith from not less than three (3) Reference Market-Makers (as hereinafter defined); provided, however, that the Party obtaining the quotes shall use reasonable efforts to obtain good faith quotations from at least five (5) Reference Market-Makers and, if at least five (5) such quotations are obtained, the Market Quotation Average Price shall be determined by disregarding the highest and lowest quotations and taking the arithmetic mean of the remaining quotations. The quotations shall be based on the offers to sell or bids to buy, as applicable, obtained for transactions substantially similar to each Terminated Transaction. The quote must be obtained assuming that the Party obtaining the quote will provide sufficient credit support for the proposed transaction. Each quotation shall be obtained, to the extent reasonably practicable, as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the Party obtaining the quotations and in accordance with the notice pursuant to Section 5.2, which designates the Early Termination Date. If fewer than three quotations are obtained, it will be deemed that the Market Quotation Average Price in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

"Person" means any individual, corporation, limited liability company, partnership, limited partnership, joint venture, trust, unincorporated organization, association, governmental authority, or other entity.

"Prudent Utility Practices" means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric power industry for hydroelectric generating facilities during the relevant time period, or any of the practices, methods or acts which, in the exercise of reasonable judgment in the light of facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Prudent Utility Practices does not require the use of the optimum practice, method, or act, but only requires use of practices, methods, or acts generally accepted in

the region covered by the Western Systems Coordinating Council or any other successor or similar organization.

"Reference Market Maker" shall have the meaning as set forth in the Collateral Annex to this Agreement.

"System" has the meaning ascribed to such term in the Confirmation Letter.

Article Two: Transaction Terms and Conditions

1. Section 2.1 is amended to delete the text therefrom and substitute the following in its stead:

Transaction. The Parties shall enter into the Transaction upon the execution and delivery by the Parties of this Master Agreement and the Confirmation Letter.

2. Section 2.2 is amended to delete the text therefrom and substitute the following in its stead:

Governing Terms. The Confirmation Letter and this Master Agreement shall form a single, integrated agreement between the Parties with respect to the Transaction, and, accordingly, the provisions in the Master Agreement referring to offsetting or netting multiple Transactions shall not be applicable. In the event of any conflict between the Confirmation Letter and this Master Agreement, the terms of the Confirmation Letter shall govern.

3. Section 2.3 is amended to delete the text therefrom and substitute the following in its stead:

Confirmation. Buyer and Seller shall set forth the terms of the Transaction in the Confirmation Letter duly executed by both Parties and attached hereto (the "Confirmation Letter").

4. Section 2.4 and Section 2.5 are amended to delete the text therefrom and substitute the following in its stead:

Intentionally Deleted.

Article Three: Obligations and Deliveries

1. Section 3.1 is amended to delete the clause "With respect to each Transaction," and substitute in its stead "With respect to the Transaction," to add after the term "Contract Price" in the fourth line, "as set forth in the Confirmation Letter" and to delete the clause "; provided, however, with respect to Options, the obligations set forth in the preceding sentence shall only arise if the Option Buyer exercises its Option in accordance with its terms."

2. Section 3.2 is deleted in its entirety and replaced with the following:

Transmission and Scheduling Services. Transmission and scheduling services shall be addressed in the Confirmation Letter.

3. A new Section 3.4 is added as follows:

Index Transactions. If the Contract Price for a Transaction is determined by reference to a third-party information source, then the following provisions shall be applicable to such Transaction.

(a) **Market Disruption.** If a Market Disruption Event occurs during a Determination Period, the Floating Price for the affected Trading Day(s) shall be determined by reference to the Floating Price specified in 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 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 Business Day following the first Trading Day on which the Market Disruption Event occurred or existed, then the Floating Price shall be determined in accordance with Section 5.2.

(b) **Definitions.** For purposes of this Section 3.4, the following definitions shall apply:

(i) "Determination Period" means each calendar month a part or all of which is within the Delivery Period of a Transaction.

(ii) "Exchange" means, in respect of a Transaction, the exchange or principal trading market specified in the relevant Transaction.

(iii) "Floating Price" means a price per unit in \$U.S. specified in a Transaction that is based upon a Price Source.

(iv) "Market Disruption Event" means, with respect to any Price Source, any of the following events: (a) the failure of the Price Source to announce or publish the specified Floating Price or 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.

(v) "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.

(vi) "Trading Day" means a day in respect of which the relevant Price Source published the Floating Price.

(c) Corrections to Published Prices. For purposes of determining a Floating Price 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 one hundred eighty (180) 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, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount will, not later than ten (10) 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.

(d) Calculation of Floating Price. For the purposes of the calculation of a Floating Price, all numbers shall be rounded to three (3) decimal places. If the fourth (4th) decimal number is five (5) or greater, then the third (3rd) decimal number shall be increased by one (1), and if the fourth (4th) decimal number is less than five (5), then the third (3rd) decimal number shall remain unchanged."

4. A new Section 3.5 is added as follows:

3.5 Excuses From Performance.

(a) Seller Excuses From Performance. Seller shall not be liable to Buyer for any damages determined pursuant to Article Four of this Master Agreement or pursuant to the Confirmation Letter in the event Seller fails to deliver Product to Buyer for any of the following reasons:

(i) Force Majeure;

(ii) Buyer's failure to perform;

(iii) Outages of generating facilities to the extent allowed pursuant to the Confirmation Letter;

(vi) Outages of transmission or interconnection facilities;

(vii) a reduction in delivered generation as ordered or required due to CAISO's or Buyer's system emergencies;

(viii) the unavailability of water or the unavailability of sufficient pressure required for operation of the hydroelectric turbine-generators as reasonably determined by Seller within its operating procedures, which is not within the

reasonable control of, or the result of negligence of, Seller, and which by the exercise of due diligence Seller is unable to overcome or avoid.

(b) **Buyer Excuses From Performance.** The performance of the Buyer to receive and purchase Product shall be excused for the following reasons:

- (i) Force Majeure;
- (ii) Seller's failure to perform; and
- (iii) Outages of transmission or interconnection facilities.

Article Four: Remedies for Failure to Deliver/Receive

Article Four is deleted in its entirety.

Article Five: Events of Default; Remedies

1. Section 5.1(c) is amended to delete the text therefrom and substitute the following in its stead:

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default) if such failure is not remedied within fifteen (15) Business Days after written notice; provided, however, that if such failure cannot reasonably be cured within such fifteen (15) Business Day-period through no fault of the Defaulting Party, but is otherwise reasonably susceptible of being cured, such failure will not constitute an Event of Default if the Defaulting Party commences to cure such failure within the fifteen (15) Business Day-period and proceeds with reasonable diligence to cure the failure until cured;

2. Section 5.1(g) is amended to delete the text therefrom and substitute the following in its stead:

Intentionally Deleted.

3. Section 5.2 is amended to delete the text therefrom and substitute the following in its stead:

Early Termination and Termination Payment upon an Event of Default. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the "Non-Defaulting Party") shall have the right to designate a day, no earlier than the day such notice is effective and no later than twenty (20) days after such notice is effective, as an early termination date ("Early Termination Date") to liquidate and terminate the Transaction between the parties (the "Terminated Transaction"). In such case the Non-Defaulting Party shall calculate, in a commercially reasonable manner, the Settlement Amount for the Terminated Transaction as of the early Termination Date,

which shall take into account the amounts that would be incurred or realized by such Non-Defaulting Party to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of the Terminated Transaction determined by reference to available objective and reliable information concerning relevant markets, including quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data.

The Non-Defaulting Party shall determine its Gains and Losses by determining the Market Quotation Average Price for each Terminated Transaction. In the event the Non-Defaulting Party is not able, after commercially reasonable efforts, to obtain the Market Quotation Average Price with respect to any Terminated Transaction, then the Non-Defaulting Party shall calculate its Gains and Losses for such Terminated Transaction in a commercially reasonable manner by calculating the arithmetic mean of at least three (3) Broker or Index Quotes for transactions substantially similar to each Terminated Transaction. Such Broker or Index Quotes must be obtained assuming that the Party obtaining the quote will provide sufficient credit support for the proposed transaction. In the event the Non-Defaulting Party is not able, after commercially reasonable efforts to obtain at least three (3) Broker or Index Quotes with respect to any Terminated Transaction, then the Non-Defaulting Party shall calculate its Gains and Losses for such Terminated Transaction in a commercially reasonable manner by reference to information supplied to it by one or more third parties including, without limitation, quotations (either firm or indicative) 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; provided, however, that such third parties shall not be Affiliates of either Party. Only in the event the Non-Defaulting Party is not able, after using commercially reasonable efforts, to obtain such third party information, then the Non-Defaulting Party shall calculate its Gains and Losses for such Terminated Transaction in a commercially reasonable manner using relevant market data it has available to it internally.²

4. Section 5.4 is amended by adding the following to the end of the Section:

Notwithstanding any provision to the contrary contained in this Agreement, the Non-Defaulting Party shall not be required to pay to the Defaulting Party any amount under Article 5 until the Non-Defaulting Party receives confirmation satisfactory to it in its reasonable discretion (which may include an opinion of its counsel) that all other obligations of any kind whatsoever of the Defaulting Party to make any payments to the Non-Defaulting Party or any of its Affiliates under this Agreement or otherwise which are due and payable as of the Early Termination Date (including for these purposes amounts payable pursuant to Excluded Transactions) have been fully and finally performed.

5. Section 5.7 is amended to delete the text therefrom and substitute the following in its stead:

Suspension of Performance. Notwithstanding any other provision of this Master Agreement or the Confirmation Letter, if an Event of Default shall have occurred and be continuing, the Non-Defaulting Party, upon written notice to the Defaulting Party, shall have the right to suspend performance under this Master Agreement and the Confirmation Letter until such Event of Default shall have been remedied, except with respect to payments due for services rendered and Costs incurred prior to the date of suspension.

6. The following new section shall be added to Article Five:

5.8 **Remedies.** The remedies set forth in this Master Agreement, including, without limitation, in this Article Five, shall be cumulative and a Party's exercise of any such remedy shall not be interpreted to preclude such Party's exercise of a different remedy that is available to it under this Master Agreement or otherwise in law or equity.

Article Six: Payment and Netting

1. Section 6.1 is amended to delete the text therefrom and substitute the following in its stead:

Billing Period. Unless otherwise specifically agreed upon by the Parties in the Confirmation Letter with respect to the Transaction, the calendar month shall be the standard period for all payments under this Agreement. As soon as practicable after the end of each month, Seller will render to Buyer an invoice for the payment obligations incurred hereunder during the preceding month.

2. Section 6.2 is amended to delete the text therefrom and substitute the following in its stead:

Timeliness of Payments. Buyer shall ensure that payments for amounts billed hereunder shall be paid so that such payments are received by Seller by the later of the twentieth (20th) day of each month or the tenth (10th) day after receipt of the applicable invoice (with the deemed date of receipt being determined in accordance with Section 10.7). Each Party will make payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any amounts not paid by the due date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full.

3. Section 6.4, 6.5, 6.6, 6.7 and Section 6.8 are amended to delete the text therefrom and substitute the following in its stead:

Intentionally Deleted.

Article Seven: Limitations

Section 7.1 shall be deleted in its entirety and replaced with the following:

THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE UNDER THIS MASTER AGREEMENT OR THE CONFIRMATION LETTER, AND ANY AND ALL SUCH IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS MASTER AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. NOTWITHSTANDING ANYTHING TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, OR LOST PROFITS. THE PARTIES AGREE THAT OAKDALE IRRIGATION DISTRICT AND SOUTH SAN JOAQUIN IRRIGATION DISTRICT SHALL BE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS OF PARTY B UNDER THIS MASTER AGREEMENT.

Article Eight: Credit and Collateral Requirements

1. Section 8.1(d) is amended to add in the second sentence after the phrase "or other credit assurance reasonably acceptable to Party A within three (3) Business Days of receipt of notice": "or fails to maintain such Performance Assurance or guarantee or other credit assurance for so long as the Downgrade Event is continuing."
2. Section 8.2(d) is amended to add after the phrase "or other credit assurance reasonably acceptable to Party B within three (3) Business Days of receipt of notice": "or fails to maintain such Performance Assurance or guarantee or other credit assurance for so long as the Downgrade Event is continuing."

Article Ten: Miscellaneous

1. Section 10.1 is amended to delete the words "until terminated by either Party upon (thirty) 30 days prior written notice" and substitute the following in its stead:

until the day following the last day of the Delivery Period set forth in the Confirmation Letter with respect to the Transaction, unless terminated sooner pursuant to the express provisions of this Agreement or as a result of an Event of Default.
2. Section 10.2(ii) is amended to delete the text therefrom and to substitute the following in its stead:

it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement and the Transaction, except for (A) CPUC Approval, with respect to Buyer, which is addressed in the Confirmation Letter and (B) the FERC Re-Licensing, with respect to Seller, which is addressed in the Confirmation Letter.

3. Section 10.2(iii) is amended to add the word "existing" before "law."
4. Section 10.2(vi) is amended by deleting the phrase "or any of its Affiliates".
5. Section 10.2(vii) is amended to delete the words "or Potential Event of Default."
6. Section 10.2(xi) is amended to delete the words "or an Option."
7. Section 10.2(xii) is amended to delete the text therefrom and substitute the following in its stead:

all of the statements made and financial documentation provided during the negotiation of this Agreement were correct and complete on the date made, and are correct as of the Effective Date.

8. Section 10.4 is amended to add the following sentence after the final sentence:

In addition, Party A shall protect, save harmless and indemnify Party B and its affiliates, officers, directors, employees, agents and representatives from and against any and all Claims resulting from Party A's actions or omissions under the Transaction, including, but not limited to, Party A's services as Scheduling Coordinator for Party B or any other services provided by Party A to Party B described under the Confirmation Letter, except to the extent resulting from the negligence or willful misconduct of the indemnified Party.

9. Section 10.5 is amended as follows: (a) the phrase "may be withheld in the exercise of its sole discretion" is deleted and replaced with "which consent may not be unreasonably withheld"; and (b) replace the word "affiliate" with the defined term "Affiliate."
10. Section 10.6 is amended to delete the words "New York" and substitute in its stead "California."
11. Section 10.7 is amended to delete the text therefrom and substitute the following in its stead:

Notices. All notices, requests, statements, invoices or payments shall be made as specified in the Cover Sheet. Notices (other than scheduling requests) and invoices shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, overnight United States mail, overnight courier service, facsimile or electronic mail (subject to confirmation of delivery). Notice or invoice by facsimile, hand delivery or electronic mail shall be deemed to be received and effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be deemed to be received and effective at the close of business on the next Business Day. Notice or invoice by overnight United States mail or courier shall be deemed to be received and effective on the next Business Day after it was sent. A Party may change its addresses by providing notice of same in accordance herewith.

12. Section 10.8 is amended:

- (a) to delete the phrase "Except to the extent herein provided for," from the fourth sentence and to add at the end of such sentence the following: "and this Master Agreement and the Confirmation Letter may not be orally amended or modified."; and
- (b) to delete the penultimate sentence and substitute the following in its stead:

All payment, indemnity and audit rights shall survive the termination of this Agreement for twenty-four (24) months.

13. Section 10.11 is deleted in its entirety and replaced with the following:

10.11 Confidentiality. If the Parties have elected on the Cover Sheet to make this Section 10.11 applicable to this Master Agreement, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure of the terms or conditions of this Agreement to any third party (other than the lenders, ratings agencies, counsel, accountants, advisors, agents or representatives of such Party or Affiliates thereof, or who have a need to know such information and have agreed to keep such information confidential), except disclosures made (i) to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule; (ii) in connection with any court or regulatory or other proceeding or request applicable to such Party or any Affiliate thereof, or (iii) as a Party reasonably deems necessary in order to demonstrate the reasonableness of its actions to governmental bodies or regulatory agencies or to secure necessary approvals, including in the case of Tri-Dam, approval of its Board and constituent members; provided, however, the confidentiality obligations hereunder shall not apply to any information that was or hereafter becomes available to the public other than as a result of a disclosure in violation of this Section 10.11. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with these confidentiality obligations.

14. The following new section shall be added to Article Ten:

10.12 Counterparts. This Agreement and the Confirmation Letter may be executed in two or more counterparts, and upon execution by the Parties, each executed counterpart shall have the same force and effect as an original instrument and as if the Parties had signed the same instrument.

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

PACIFIC GAS AND ELECTRIC COMPANY

By: Gordon R. Smith

Name: Gordon R. Smith

Title: President and CEO

OAKDALE IRRIGATION DISTRICT

By: _____

Name: _____

Title: _____

SOUTH SAN JOAQUIN IRRIGATION DISTRICT

By: _____

Name: _____

Title: _____

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

PACIFIC GAS AND ELECTRIC COMPANY

By: _____

Name: _____

Title: _____

OAKDALE IRRIGATION DISTRICT

By: Frank B. Clark

Name: Frank B. Clark

Title: President

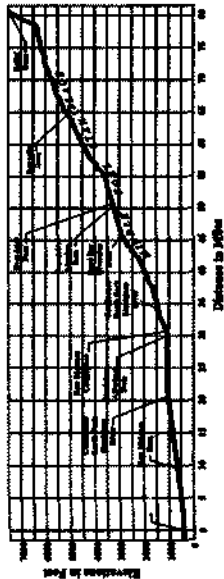
SOUTH SAN JOAQUIN IRRIGATION DISTRICT

By: Robert Schulz

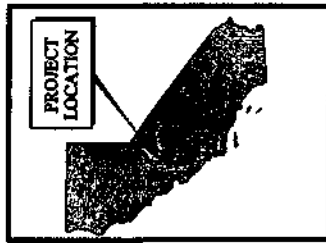
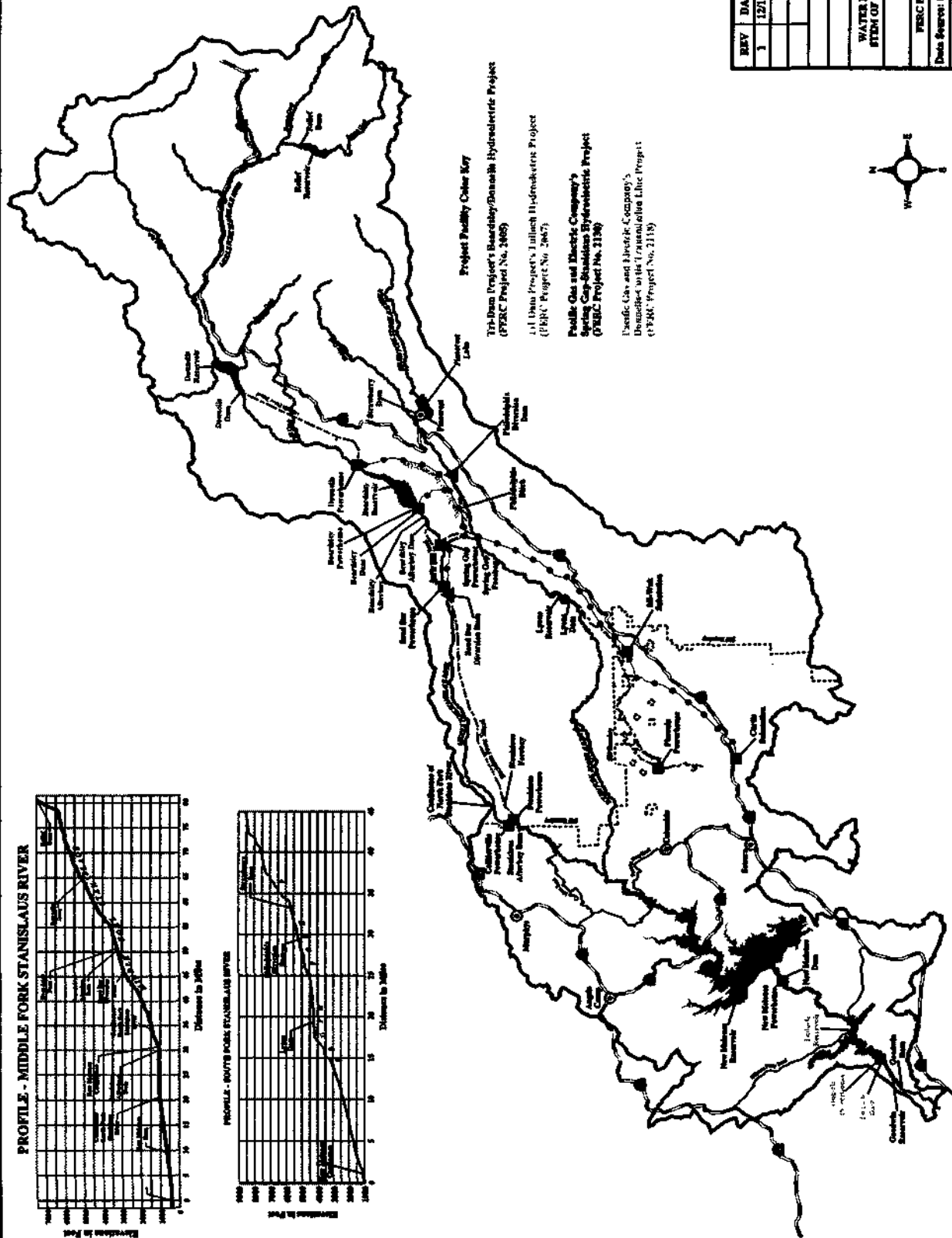
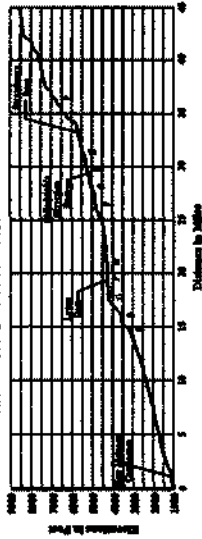
Name: Robert Schulz

Title: President

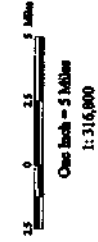
PROFILE - MIDDLE FORK STANISLAUS RIVER



PROFILE - SOUTH FORK STANISLAUS RIVER



- Powerhouse / Substation
- ▲ Diversion
- Canal, Tunnel, or Spillway
- 115 kV Transmission Line
- Hydrography
- Major River
- Reservoir
- Transmission
- State Highway
- Major Roadway
- Property
- Stanislaus National Forest (STP) Boundary
- Watershed Boundary



REV	DATE	DESCRIPTION	DRAWN	CHECK'D	APP'D
1	12/10/62	Final overall layout	CTB	ETM	

FIGURE A1.8-1

SPRING GAP-STANISLAUS PROJECT
 WATER PROJECTS IN THE MIDDLE FORK, SOUTH FORK, AND MAIN STEM OF THE STANISLAUS RIVER DOWNSTREAM TO GOODWIN DAM
 PACIFIC GAS AND ELECTRIC COMPANY
 SAN FRANCISCO, CALIFORNIA

PERC PROJECT NO. 1139
 Date Issued: ETP and PG&E
 Original Map: Sheet 11" X 17", Color
 December 18, 1962
 Map Prepared by: Condon Smith Technologies, Inc. © 1962. Pacific Gas and Electric Company