

**SECOND EXTENSION AGREEMENT
FOR THE AMENDED AND RESTATED LONG TERM POWER SALES AGREEMENT
BETWEEN
THE CITY AND COUNTY OF SAN FRANCISCO
AND
THE TURLOCK IRRIGATION DISTRICT**

1. PARTIES

This Second Extension Agreement is made by and between the CITY AND COUNTY OF SAN FRANCISCO, a California municipal corporation, hereinafter called “City”, acting by and through its PUBLIC UTILITIES COMMISSION, hereinafter called “Commission”, and the TURLOCK IRRIGATION DISTRICT, a California irrigation district, hereinafter called “Turlock”, hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties”.

2. RECITALS

Whereas, the Parties entered into the Amended and Restated Long Term Power Sales Agreement (“ARLTPSA”) effective February 14, 2004 for the purchase and sale of electric energy from the Hetch Hetchy generating facility pursuant to the Raker Act, and;

Whereas, the original expiration date for the ARLTPSA was June 30, 2015;

Whereas, the Parties entered into an Extension Agreement dated June 23, 2015 which extended the term of the ARLTPSA for one year as authorized by the San Francisco Board of Supervisors in Resolution No. 227-15 (“Extension Agreement”), and;

Whereas, the Extension Agreement will expire on June 30, 2016, and;

Whereas, the Parties are engaged in negotiations for an agreement to replace the ARLTPSA upon expiration of the Extension Agreement, and;

Whereas, the Parties have agreed that additional time is necessary to reach final agreement on the terms and conditions of the new agreement, and;

Whereas, the Parties hereby enter this Second Extension Agreement on the terms set forth herein, the consideration of which is acknowledged by both Parties to be sufficient therefor.

3. AGREEMENT AND AMENDMENT

For and in consideration of the mutual covenants and conditions hereinafter set forth, the Parties agree as follows:

3.1 The term of the ARLTPSA is hereby extended from 2400 hours on June 30, 2016 to the earlier of (i) 2400 hours on June 30, 2017, or (ii) the effective date of a fully executed replacement long term energy sales agreement between the Parties (“Second Extension Term”).

3.2 The Parties may mutually agree in writing to one (1) additional extension of the Second Extension Term for a period not to exceed one-hundred and eighty (180) days (“Additional Extension Term”).

3.3 All other terms and conditions of the ARLTPSA, including the Appendices thereto, will continue in full force and effect throughout the Second Extension Term and the Additional Extension Term, if any.

3.4 The Parties shall continue negotiations on a new agreement to replace the ARLTPSA in a diligent and timely manner.

3.5 This Second Extension Agreement shall automatically expire upon the earlier of (a) the effective date of a fully executed replacement agreement between the Parties, or (b) the expiration of the Second Extension Term or the Additional Extension Term, if any.

4. TIME IS OF THE ESSENCE

Time is of the essence with reference to all provisions of this Second Extension Agreement.

5. EXECUTION IN COUNTERPARTS.

The Parties agree that this Second Extension Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Second Extension Agreement to be executed in triplicate by their respective offices thereunto duly authorized this _____ day of _____, 2016.

PUBLIC UTILITIES COMMISSION OF
THE CITY AND COUNTY OF SAN
FRANCISCO

TURLOCK IRRIGATION DISTRICT

By: _____
Harlan Kelly
General Manager
City

By: _____
Casey Hashimoto
General Manager
Turlock

APPROVED AS TO FORM:

DENNIS HERERRA
City Attorney

By: _____
Deputy City Attorney