**MASTER CONFIRMATION AGREEMENT TO WSPP AGREEMENT**

By this Master Confirmation Agreement dated as of March 26, 2019, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“\_\_\_\_\_\_\_\_\_\_\_\_”) and Public Utility District No. 1 of Chelan County (“District”) agree to amend specified sections of the WSPP Agreement, including the Service Schedules and Exhibits attached thereto and as amended from time to time in accordance with the guidelines and procedures of the WSPP. The numbering of sections herein corresponds to the WSPP Agreement effective March 26, 2018 and any renumbering of the sections shall not affect the terms of this Master Confirmation Agreement. Capitalized terms used but not otherwise defined herein have the meanings set forth in the WSPP Agreement, except that references in the WSPP Agreement to “this Agreement” shall be deemed to mean the WSPP Agreement as modified by this Master Confirmation Agreement.

In accordance with the WSPP Agreement, unless otherwise specifically agreed between the Parties in writing, the terms and conditions set forth in this Master Confirmation Agreement are incorporated by reference into each oral or electronic agreement and Confirmation between the Parties, whether or not these terms and conditions are referenced therein, and each Transaction between the Parties pursuant to the WSPP Agreement shall be subject to the terms set forth in this Master Confirmation Agreement, whether entered into before or after the date hereof.

This current Master Confirmation, the Collateral Annex and other agreements entered into as part of the Slice Contract shall control all transactions between the parties. Except as specifically provided herein, provisions of any Master Agreements entered into between the Parties prior to the date of this Master Confirmation Agreement shall not apply during the term of the Collateral Annex. Specifically, the Collateral Annex shall control all agreements and transactions with respect to collateral and credit assurance.

1. Section 4 of the WSPP Agreement is amended by adding the following definitions:

“Slice Contract” means any Contract(s) for Sale of Output from the Rocky Reach Project and Rock Island Project executed by the Parties.

“Collateral Annex” means the Collateral Annex entered into between the Parties dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

“Performance Assurance” has the meaning as defined in the Collateral Annex.

1. Section 5 of the WSPP Agreement is amended as follows:

The term of this Agreement shall be coterminous with the Collateral Annex between the Parties. During the term of this Agreement, both Parties will remain members of WSPP.

1. Section 22.1 of the WSPP Agreement is modified by inserting the following new language at the end thereof:
2. The Defaulting Party is subject to an Event of Default as defined in any Slice Contract or Collateral Annex between the Parties.
3. Section 22.2(b) shall be amended and clarified as follows; the requirement that the liquidation of all transactions be completed “as soon as practicable” shall include the time required to liquidate and make the termination calculation as set forth in Section 16 of the Slice Contract.
4. Section 22.3(e) of the WSPP Agreement is deleted in its entirety and replaced by the following:

If the Purchaser is the Non-Defaulting Party and the Purchaser owes the District monies after set offs and netting of all Agreements (as defined in the Collateral Annex), then notwithstanding the three (3) Business Day payment requirement detailed above, the Purchaser may elect to pay the District the monies owed under this Section 22.3 after set offs and netting of all Agreements as follows: (i) if the Parties do not have a Slice Contract in place at the time of termination, over the remaining life of any WSPP Transactions being terminated and payment shall begin as described in Section 22.3(d); or (ii) if the Parties have a Slice Contract in place at the time of termination, over a period of three (3) years with payments beginning as provided in Section 16 of the Slice Contract. Payments shall be made in equal monthly installments. The Purchaser shall give written notice to the District of this election within two (2) Business Days of the notice provided in Section 16(e) of the Slice Contract(s). The written notice will include a payment schedule. If the Purchaser is the Defaulting Party and the Purchaser owes the District monies after set offs and netting, payment shall be due within the three (3) Business Day payment requirement.

If the District is the Non-Defaulting Party and it owes the Purchaser monies after set offs and netting of all Agreements (as defined in the Collateral Annex) then notwithstanding the three (3) Business Day payment requirement detailed above, the District may elect to make payments to the Purchaser the monies owed under this Section 22.3 after set offs and netting of all Agreements as follows: (i) if the Parties do not have a Slice Contract in place at the time of termination, over the remaining life of any WSPP Transactions being terminated and payment shall begin as described in Section 22.3(d); or (ii) if the Parties have a Slice Contract in place at the time of termination, the District may elect to make payments to the Purchaser over a period of three (3) years with payments beginning as provided in Section 16 of the Slice Contract. Payments shall be made in equal monthly installments. The District shall give written notice to the Purchaser of this election within two (2) Business Days of the notice provided in Section 16(e) of the Slice Contract(s). The written notice will include a payment schedule. If the District is the Defaulting Party and the District owes the Purchaser monies after set offs and netting, payment shall be due within the three (3) Business Day payment requirement.

If the Party elects to make payments over time, the Present Value Rate referenced in Section 22.3(b) in the WSPP Agreement and Section 16(d) in the Slice Contract shall not be reflected in determining the amounts to be paid.

This provision and the rights and obligations under it shall survive termination of any applicable transactions or agreements.

If the Party owing money (“Owing Party”) to the other Party (“Receiving Party”) fails to make a payment required under this Section, then the Receiving Party shall have the right, by providing written notice to the Owing Party at any time after the Owing Party fails to pay, to require payment of all monies owed under all of the contracts subject to this Section within three (3) Business Days of receipt of the written notice. The monies to be paid under this accelerated payment provision shall be the remaining amounts to be paid under the contracts or agreements reflecting a discount using the Present Value Rate from the date of the written notice.

1. Section 24 of the WSPP Agreement is amended by deleting the word “Utah” and replacing it with the word “Washington.”
2. Section 24 of the WSPP Agreement is amended by adding the following new Section 24A to the end thereof:

24A. Jury Trial Waiver. The Parties waive any right to a trial by jury in any judicial action arising hereunder.

1. Section 24 of the WSPP Agreement is amended by adding the following new Section 24B to the end thereof:

24B. Binding Rates and Terms.

1. Each Party irrevocably waives its rights, including its rights under Sections 205-206 of the Federal Power act, unilaterally to seek or support a change in the rate(s), charges, classifications, terms or conditions of this Agreement, the Slice Contract(s) or any other agreements entered into in connection with this Agreement or any Transaction thereunder. By this provision, each party expressly waives its right to seek or support (i) an order from FERC finding that the rate, charges, terms or conditions agreed to by the Parties in this Agreement or the Slice Contract(s) are unjust and unreasonable; or (ii) any refund with respect thereto. Each Party agrees not to make or support such a filing or request, and that these covenants and waivers shall be binding notwithstanding any regulatory or market changes that may occur hereafter.
2. Absent the agreement of the parties after the date of this Agreement, the standard of review for changes to any section of this Agreement (to the extent that any waiver in Section 24B above is unenforceable or ineffective), whether proposed by a Party, a nonparty or FERC acting sua sponte shall be the “public interest” standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956)(the “Mobile-Sierra Doctrine”).
3. Section 28 of the WSPP Agreement is amended by deleting 28.1 and 28.2 in their entireties and inserting the following:

The Parties hereby agree that all payment obligations due and owing to each other pursuant to any Slice Contract and all transactions under this Agreement and Confirmations during the monthly billing shall be netted so that only the excess amount remaining due shall be paid by the Party owing the same. This netting provision also applies to the termination payments as provided in Section 16 of the Slice Contract(s) and Section 22.3 of this Agreement. Except for the amount of the net termination payment, the determination of the net amounts due shall not be offset by, or take into account or include any Performance Assurance that may then be posted and in effect pursuant to the Collateral Annex between the Parties.

1. Section 34 of the WSPP Agreement is amended by:
2. Deleting “binding dispute resolution or” in the first sentence of Section 34.1.
3. Deleting Section 34.2 in its entirety; and
4. Deleting the phrase “arbitration or” from the first line of Section 34.4.
5. If the Parties have entered into a Master Confirmation Agreement prior to the date of this Agreement and that prior agreement includes, as an Event of Default, the failure by either Party or its Guarantor to make payment related to indebtedness of a defined amount, such provision shall remain in effect and apply under this Agreement.

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

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ PUBLIC UTILITY DISTRICT NO. 1 OF

CHELAN COUNTY

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

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

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title: General Manager

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