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SHORT FORM MORTGAGE
AND SECURITY AGREEMENT

THIS SHORT FORM MORTGAGE AND SECURITY AGREEMENT, is made as of the 10th day of July, 1992, by THE WASHINGTON WATER POWER COMPANY, a corporation in the State of Washington (doing business as WP NATURAL GAS COMPANY), whose mailing address is P.O. Box 3727, Spokane, Washington 99220 (the "Company"), for the benefit of CITIBANK, N.A. (Formerly First National City Bank, successor by merger to First National City Trust Company, formerly City Bank Farmers Trust Company) a national banking association incorporated and existing under the laws of the United States of America, whose mailing address is 120 Wall Street, 13th Floor, New York, New York 10043 (the "Trustee"), as Trustee under the Mortgage and Deed of Trust, dated as of June 1, 1939 (the "Original Mortgage"), executed and delivered by the Company to secure the payment of bonds issued or to be issued under and in accordance with the provisions of the Original Mortgage and any supplemental Indentures thereto.

WHEREAS, the Company has heretofore executed and delivered the following indentures supplemental to the Original Mortgage:

<u>Designation</u>	<u>Dates as of</u>
First Supplemental Indenture	October 1, 1952
Second Supplemental Indenture	May 1, 1953
Third Supplemental Indenture	December 1, 1955
Fourth Supplemental Indenture	March 15, 1957
Fifth Supplemental Indenture	July 1, 1957
Sixth Supplemental Indenture	January 1, 1958
Seventh Supplemental Indenture	August 1, 1958
Eighth Supplemental Indenture	January 1, 1959
Ninth supplemental Indenture	January 1, 1960
Tenth Supplemental Indenture	April 1, 1964
Eleventh Supplemental Indenture	March 1, 1965
Twelfth Supplemental Indenture	May 1, 1966
Thirteenth Supplemental Indenture	August 1, 1966
Fourteenth Supplemental Indenture	April 1, 1970
Fifteenth Supplemental Indenture	May 1, 1973
Sixteenth Supplemental Indenture	February 1, 1975

Return: Washington Water Power Co.
P.O. Box 3727
Spokane, Wa. 99220

Seventeenth Supplemental Indenture
 Eighteenth Supplemental Indenture
 Nineteenth Supplemental Indenture
 Twentieth Supplemental Indenture
 Twenty-first Supplemental Indenture
 Twenty-second Supplemental Indenture
 Twenty-third Supplemental Indenture
 Twenty-fourth Supplemental Indenture
 Twenty-fifth Supplemental Indenture

November 1, 1976
 June 1, 1980
 January 1, 1981
 August 1, 1982
 September 1, 1983
 March 1, 1984
 December 1, 1986
 January 1, 1988
 October 1, 1989

The Original Mortgage and all Supplemental Indentures and addenda thereto now or hereafter entered into are collectively referred to herein as the "Mortgage".

WHEREAS, the Company has heretofore issued, in accordance with the provisions of the Mortgage, the following series of First Mortgage Bonds:

<u>Series</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Outstanding March 31, 1992</u>
3-1/2% Series due 1964	\$22,000,000	None
3-3/4% Series due 1982	30,000,000	None
3-7/8% Series due 1983	10,000,000	None
4-7/8% Series due 1987	30,000,000	None
4-1/8% Series due 1988	20,000,000	None
4-3/8% Series due 1988	15,000,000	None
4-3/4% Series due 1989	15,000,000	None
5-3/8% Series due 1990	10,000,000	30,000,000
4-5/8% Series due 1994	30,000,000	10,000,000
4-5/8% Series due 1995	10,000,000	20,000,000
6% Series due 1996	20,000,000	None
9-1/4% Series due 2000	20,000,000	20,000,000
7-7/8% Series due 2003	20,000,000	None
9-3/8% Series due 2005	25,000,000	30,000,000
8-3/4% Series due 2006	30,000,000	None
14-1/8% Series due 1990	40,000,000	None
15-3/4% Series due 1990-1992	60,000,000	None
13-1/2% Series due 2013	60,000,000	None
13-1/4% Series due 1994	60,000,000	80,000,000
9-1/4% Series due 2016	80,000,000	50,000,000
10-3/8% Series due 2018	50,000,000	66,700,000
7-1/8% Series due 2013	66,700,000	17,000,000
7-2/5% Series due 2016	17,000,000	

WHEREAS, by the Original Mortgage the Company covenanted that it would execute and deliver such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Mortgage and to make subject to the lien of the Mortgage any property thereafter acquired intended to be subject to the lien thereof; and

WHEREAS, in addition to the property described in the Mortgage, as supplemented, the Company has acquired certain other property, rights and interest in property.

NOW, THEREFORE, THIS SHORT FORM MORTGAGE AND SECURITY AGREEMENT WITNESSETH:
That the Company, in consideration of the premises and of one dollar to it duly paid by the Trustee at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and in further assurance of the estate, title and rights of the Trustee and in order further to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of such bonds, and to confirm the lien of the Mortgage on certain after-acquired property, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms unto Citibank, N.A., as Trustee under the Mortgage, and its successor or successors in said trust forever, all the following described properties of the company, acquired by the Company since the execution and delivery of the Mortgage, whether now owned or hereafter acquired, namely:

All of the property, real, personal and mixed, including, without limitation, all of that real property described on Exhibit "A" attached hereto and made a part hereof by this reference, of every character and wheresoever situated (except any hereinafter or in the Mortgage expressly excepted) which the Company now owns or, subject to the provisions of the Mortgage, may hereafter acquire prior to the satisfaction and discharge of the Mortgage, as fully and completely as if herein specifically described, and including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing or of any general description contained in this Short Form Mortgage and Security Agreement or the Mortgage) all lands, real estate, easements, servitudes, rights of way and leaseholds and other interests in real estate; all rights to the use or appropriation of water, flowage rights, water storage rights, flooding rights, and other rights in respect of or relating to water; all plants for the generation of electricity, power houses, dams dam sites, reservoirs, flumes, raceways, diversion works, head works, waterways, water works, water systems, gas plants, steam heat plants, hot water plants, ice or refrigeration plants, stations, substations, offices, buildings and other works and structures and the equipment thereof and all improvements extensions and additions thereto; all generators, machinery, engines, turbines, boilers, dynamos, transformers, motors, electric machines, switchboards, regulators, meters, electrical and mechanical appliances, conduits, cables, pipes and mains; all lines and systems for the transmission and distribution of electric current gas, steam heat or water for any purpose; all towers, mains, pipes, poles, pole liens, conduits, cables, wires, switch racks insulators, compressors, pumps, fittings, valves and connections; all motor vehicles and automobiles; all tools, implements, apparatus, furniture, stores, supplies and equipment; all franchises (except the Company's franchise to be a corporation), licenses, permits, rights, powers and privileges; and (except as hereinafter or in the Mortgage expressly excepted) all the right, title and interest of the Company in and to all other property of any kind or nature.

TOGETHER WITH all singular the tenements, hereditaments and appurtenances belonging or in anywise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of the Mortgage) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by the Company that, subject to the provisions of the Mortgage, all the property, rights, and franchises acquired by the Company after the date hereof (except any expressly excepted) shall be as fully embraced within the lien hereof and the lien of the Mortgage, as if such property, rights and franchises were now owned by the Company and were specifically described herein or in the Mortgage and conveyed hereby or thereby.

PROVIDED THAT the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and hereby expressly excepted from the lien and operation of this Short Form Mortgage and Security Agreement and from the lien and operation of the Mortgage, namely: (1) cash, shares of stock and obligations (including bonds, notes and other securities) not hereafter specifically pledged, paid, deposited or delivered under the Mortgage or covenanted so to be; (2) merchandise, equipment, materials or supplies held for the purpose of sale in the usual course of business or for consumption in the operation of any properties of the Company; (3) bills, notes and accounts receivable, and all contracts, leases and operation agreements not specifically pledged under the Mortgage, as supplemented, or this Short Form Mortgage and Security Agreement or covenanted so to be; (4) electric energy and other materials or products generated, manufactured, produced or purchased by the Company for sale, distribution or use in the ordinary course of its business; and (5) any property heretofore released pursuant to any provisions of the Mortgage and not heretofore disposed of by the Company; provided, however, that the property and rights expressly excepted from the lien and operation of this Short Form Mortgage and Security Agreement and from the lien and operation of

the Mortgage, in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event that the Trustee or receiver or trustee shall enter upon and take possession of the mortgaged and pledged property in the manner provided in the Mortgage.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto the Trustee, and its successors, heirs and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisions and covenants as set forth in the Mortgage.

IT IS HEREBY COVENANTED by the Company that all the terms, conditions and provisions contained in the Mortgage (including, without limitation, those provisions relating to the release of property from the lien of the Mortgage), shall affect and apply to the property hereinbefore described and conveyed, and to the estates, rights, obligations and duties of the Company as the Trustee and the beneficiaries of the trust with respect to said property, and to the Trustee and its successors in the trust, in the same manner and with the same effect as if the said property had been owned by the Company at the time of the execution of the Original Mortgage, and had been specifically and at length described in and conveyed to said Trustee by the Original Mortgage as a part of the property therein stated to be conveyed.

IT IS HEREBY FURTHER AGREED that the parties hereto are entering into this Short Form Mortgage and Security Agreement for the purpose of incorporating the terms and conditions of the mortgage and for the purpose of giving record notice of the terms of this Short Form Mortgage and Security Agreement and the Mortgage to all parties having a claim and any interest in the property encumbered. The Mortgage and all the terms and conditions thereof are by this reference incorporated herein and made a part hereof in all respects as if fully set forth herein. This Short Form Mortgage and Security Agreement and the Mortgage shall be construed to be one mortgage, and that in the event of any conflict between the terms and conditions thereof the terms and conditions of the Mortgage shall prevail. Additional and supplementary terms, conditions, covenants and agreements pertaining to this Short Form Mortgage and Security Agreement are set forth in the Mortgage, executed copies of which shall be retained by the Company for examination by any person having lawful right to knowledge of the details thereof, including, without limitation, any and all purchasers, prospective purchasers, lenders, prospective lenders, and title insurance companies. If required by law, the Company will make copies of the Mortgage available to any person without cost. The Company is a transmitting utility. Subject to the terms of the Mortgage, this Short Form Mortgage and Security Agreement shall constitute a financing statement and shall be effective as such until a termination statement is filed, or until released or satisfied of record or its effectiveness otherwise terminates with respect to the property described herein or in the Mortgage.

IN WITNESS WHEREOF, on the ____ day of _____, 199__, The Washington Water Power Company has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President, or one of its Vice

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Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries, for or on its behalf, all in the City of Spokane, Washington, as of the day and year first above written.

THE WASHINGTON WATER POWER COMPANY

By

W. J. B.
Senior Vice President

Attest:

J. L. Damm
Corporate Secretary

Executed, sealed and delivered
by THE WASHINGTON WATER POWER COMPANY,
In the presence of:

Leider J. Edwards
Chief E. McCall

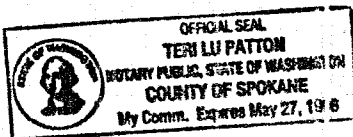
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STATE OF WASHINGTON)
 : ss
County of Spokane)

I certify that I know or have satisfactory evidence that W. L. Bryan is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Vice President of THE WASHINGTON WATER POWER COMPANY, to be the free and voluntary act of such corporation for the uses and purposes mentioned in the instrument.

DATED: July 10, 1992



Teri Lu Patton
NOTARY PUBLIC in and for the State
of Washington, Residing at Spokane
My appointment expires: May 27, 1996

wpc/590

Exhibit A

Parcel I

Lots 5A, 5B, 6A, 6B, 7A and 7B in Block 6 of Railroad Addition to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Parcel II

Parcel A: A tract of land situate in the South Half of the North Half ($S\frac{1}{2} N\frac{1}{2}$) of Section 36, Township 38 South, Range 9 East of the Willamette Meridian, and being more particularly described as follows: Beginning at the iron pin marking the East right of way of the North terminus of Patterson Street, said point being also North $89^{\circ}57'45''$ East 1332.3 feet from the West quarter corner of Section 36, Township 38 South, Range 9 East, W.M.; thence South $89^{\circ}53'45''$ East 1419.0 feet; thence North $0^{\circ}15'$ West along the Westerly line of that parcel conveyed to El Paso Natural Gas Co., in Deed Volume 333, Page 141, and that parcel conveyed to California-Pacific Utilities Co., in Deed Volume 334, Page 150, 136.00 feet to the Northwest corner of that parcel as described in Deed Volume 334, Page 150; thence North $89^{\circ}53'45''$ West 60.0 feet; thence South $0^{\circ}15'$ East 76.0 feet; thence North $89^{\circ}53'45''$ West, 1358.4 feet; thence South $0^{\circ}06'30''$ West 60.0 feet to the Point of Beginning.

Parcel B: A tract of land in the Southwest Quarter of the Northeast Quarter ($SW\frac{1}{4} NE\frac{1}{4}$) of Section 36, Township 38 South, Range 9 East, Willamette Meridian, more particularly described as follows: Beginning at the West quarter corner of said Section 36; thence North $89^{\circ}45'$ East a distance of 2752.2 feet; thence North $00^{\circ}15'$ West a distance of 40.0 feet to the true Point of Beginning and the Southwest corner of this tract; thence North $0^{\circ}15'$ West a distance of 80.0 feet to the Northwest corner of said tract; thence North $89^{\circ}45'$ East a distance of 60.0 feet to the Northeast corner of said tract; thence South $0^{\circ}15'$ East a distance of 80.0 feet to the Southeast corner of said tract; thence South $89^{\circ}45'$ West a distance of 60.0 feet to the Southwest corner of said tract and the true Point of Beginning.

Parcel III

All that property lying Southerly of Lakeport Boulevard contained within CP National Corporation's Gas Regulator Station fence described as follows: Beginning at a point on the Southerly line of Lakeport Boulevard that is North 2060.44 feet and North $63^{\circ}18'$ West 46.40 feet from the Section corner common to Sections 19, 20, 29 and 30 of Township 38 South, Range 9 East, Willamette Meridian, Klamath County, Oregon; said point being the Southeast fence line of said Regulator Station for the true Point of Beginning; thence Southwesterly along said fence line 3.9 feet to the most Southeasterly corner; thence Northwesterly 30.9 feet along said fence line to the Southwest corner; thence Northeasterly along said fence line 4.3 feet to the Southerly line of Lakeport

Boulevard; thence South 63°18' East along said Boulevard to the true Point of Beginning.

Tax Account No. 3809-19DA-1600 Key: 830177-

Parcel IV

A strip of land lying in the Northeast Quarter of the Northeast Quarter of the Northeast Quarter (NE¼ NE¼ NE¼) of Section 33, Township 38 South, Range 9 East, W.M., Oregon, described as follows: Beginning at the Northeast corner of Section 33, Township 38 South, Range 9 East, W.M.; thence West on the North line of said Section to a point on said Section line which is 726 feet East of the West boundary line of Williams Avenue in Dixon Addition to the City of Klamath Falls, Oregon; thence South at right angles to said Section line 40 feet to the North line of School District No. 1 property; thence East parallel to the North line of said Section and along said North line of said School District property to the East line of said Section 33; thence North on said Section line to the Point of Beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Washing Water Power Co. the 13th day
of July A.D. 1992 at 3:13 o'clock P.M., and duly recorded in Vol. M92
of Mortgages on Page 15332.

FEE \$60.00

Evelyn Biehn, County Clerk

By Pauline M. Mendenhall