

MORTGAGE (SECURING WEATHERIZATION INSTALLMENT LOAN AGREEMENT)

THIS MORTGAGE is made this JULY day of 21ST, 2000, by STEINBOCK, RICHARD J ("Mortgagor"), whose address is 3841 - 3843 HOPE ST. KLAMATH FALLS, OR 97603 to AVISTA CORP., a Washington corporation ("Mortgagee"), whose address is 1411 East Mission Avenue, P.O. Box 3727, Spokane, WA 99220-3727.

WITNESSETH, that in consideration of THIRTEEN HUNDRED FIFTYSEVENDOLLARS & 93/100 Dollars (\$1357.93), Mortgagor does hereby grant, bargain, sell and convey unto Mortgagee and its successors and assigns, that certain real property situated in County of KLAMATH, State of Oregon, described as follows, to-wit:

SEE ATTACHED

together with all and singular the buildings, improvements, fixtures, tenements, hereditaments and appurtenances now or hereafter located thereupon or belonging or in anywise appertaining thereunto and all rents, issues and profits therefrom, including without limitation all proceeds of insurance and condemnation awards, TO HAVE AND TO HOLD unto Mortgagee and its successors and assigns forever.

Mortgagor is indebted to Mortgagee in a principal amount equal to the amount set forth above under the Weatherization Installment Loan Agreement(s) dated 7/21, 2000 (the "Agreement(s)"), and this Mortgage shall secure the payment and performance of all indebtedness and obligations of Mortgagor presently existing or hereafter arising under the Agreement(s) and this Mortgage. The date of maturity of the indebtedness secured by this Mortgage is the date on which the last scheduled principal payment becomes due, to-wit 8/21/02. If any payment under the Agreement(s) is not made within 15 days after its due date, Mortgagor agrees to pay a \$5.00 late charge.

Mortgagor agrees to pay before delinquency all taxes, assessments, charges, liens or encumbrances upon said premises. If Mortgagor shall fail to pay any taxes, charges, liens, or encumbrances as provided above, Mortgagee may at its option do so, and any such payment shall become a part of the indebtedness secured by this Mortgage, and shall bear interest at the rate provided in the Agreement(s), without waiver of any other remedy of Mortgagee for failure by Mortgagor to perform its obligations hereunder.

NOW, THEREFORE, if Mortgagor shall pay all indebtedness (including all principal, interest and other amounts) and perform all obligations under the Agreement(s) and this Mortgage according to their terms, this conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure such payment and performance, it being agreed that upon a failure to pay or perform any such indebtedness or obligation when due. Mortgagee shall have the option to declare all indebtedness secured hereby immediately due and payable, without notice of any kind (which notice Mortgagor hereby waives), and this Mortgage may be foreclosed by Mortgagee at any time thereafter in the manner prescribed by law. Mortgagee shall have the right to become the purchaser at any foreclosure sale, whether public or private. Mortgagor agrees to pay all costs of Mortgagee to collect the indebtedness secured by this Mortgage and to foreclose this Mortgage, including without limitation title report and search costs, Statutory costs and disbursements and reasonable attorney's fees, whether Suit is brought or not. Any judgment shall bear interest at the maximum lawful rate.

In the event of any sale or transfer, whether voluntary or involuntary, of any part of said premises or any interest therein without Mortgagee's prior written consent, to the extent permitted by applicable law all indebtedness secured hereby shall become immediately due and payable, without notice of any kind to Mortgagor (which notice Mortgagor hereby waives).

This Mortgage shall bind the heirs, executors, administrators, successors and assigns of Mortgagor and inure to the benefit of Mortgagee and its successors and assigns.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage the day and year first above written.

MORTGAGOR ACKNOWLEDGES RECEIPT
OF A COPY OF THIS MORTGAGE.

MORTGAGOR

Richard J. Steinbock

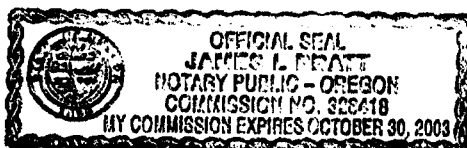
STATE OF OREGON)

) ss.

County of Klamath)

This instrument was acknowledged before me on July 28th, 2000 by Richard J. Steinbock

(SEAL)



James L. Pratt
Notary Public for Oregon

My commission expires: October 30, 2003

Duplex
3841 & 3843 Hope
K-Falls.

The following described real property in Klamath County, Oregon:

A parcel of land located in PERRY'S ADDITION TO LLOYD'S TRACTS in Section 11, Township 39 South, Range 9 East of the Willamette Meridian, being more particularly described as follows:

Beginning at the Southwest corner of Lot 40 of Perry's Addition to Lloyd's Tracts; thence North 89° 43' East 140.96 feet; thence South 0° 07' East 113.75 feet; thence South 89° 42' West 140.5 feet; thence North 0° 21' West 113.74 feet to the point of beginning.

State of Oregon, County of Klamath
Recorded 08/16/00, at 3:16 p.m.
In Vol. M00 Page 30082
Linda Smith,
County Clerk Fee \$ 26.00