

Recorded at the request of
and after recording return to:

Garth Nicholas Bergh
Paine, Hamblen, Coffin, Brooke & Miller LLP
717 West Sprague, Suite 1200
Spokane, WA 99201

MORTGAGE AMENDMENT

THIS MORTGAGE AMENDMENT, is made as of the first day of January, 1999, by THE WASHINGTON WATER POWER COMPANY, a corporation of the State of Washington, 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, including without limitation, those indentures supplemental to the Original Mortgage entered into prior to the date of this instrument, as listed on Exhibit A attached hereto and made a part hereof by this reference. 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 changed its name to AVISTA CORPORATION, effective as of January 1, 1999; and

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 the purposes of the Mortgage and to make subject to the lien of the Mortgage any property thereafter acquired and intended to be subject to the lien thereof; and

WHEREAS, from time to time, the Company may acquire additional properties in the name of AVISTA CORPORATION, which property is, subject to the limitation, terms and conditions set forth in the Mortgage, intended to be subject to the Mortgage as the Mortgaged and Pledged Property; and

WHEREAS, a Short Form Mortgage and Security Agreement, incorporating by reference the terms and conditions of the Original Mortgage and the First through Twenty-Fifth Supplemental Indentures thereto, and the Twenty-Sixth Supplemental Indenture and Twenty-Seventh Supplemental Indenture have been appropriately filed or recorded in various

official records in the State of Oregon, under the following document and/or recording numbers:

<u>County</u>	<u>Short Form Mortgage</u>	<u>26th Supp. Ind.</u>	<u>27th Supp. Ind.</u>
<i>Douglas</i>	92-13002	93-09638	94-14676
<i>Jackson</i>	92-20692	93-15010	94-24332
<i>Josephine</i>	92-14941	93-08763	94-12871
<i>Klamath</i>	47397	61299	83404
<i>Union</i>	142629	147136	154403

WHEREAS, the Company wishes hereby to amend the Mortgage to assure that property acquired under the name of AVISTA CORPORATION is properly included (subject to the limitation, terms and conditions set forth in the Mortgage) as part of the Mortgaged and Pledged Property under the Mortgage and wish to give notice thereof by recording this instrument in the several countries in the State of Oregon where the Mortgage, as supplemented, has previously been filed or recorded.

NOW, THEREFORE, The Company hereby makes this Mortgage Amendment for the benefit of the Trustee:

1. The granting clause of the Mortgage is amended as follows:

The Company, in consideration of the premises and of one dollar to it duly paid by the Trustee at or before the ensembling 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, as supplemented, 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 to its successor or successors in said trust forever, all the following described properties of the Company, acquired by the Company (whether heretofore acquired and held under the name of THE WASHINGTON WATER POWER COMPANY or on or after January 1, 1999 acquired and held in the name of AVISTA CORPORATION) since the execution and delivery of the Mortgage, whether now owned or hereafter acquired, namely:

All of the property, real, personal and mixed of every character and wheresoever situated (except any hereinafter or in the Mortgage, as supplemented, expressly excepted) which the Company now owns or, subject to the provisions of Section 87 the Mortgage, may hereafter acquire prior to the satisfaction and discharge of the Mortgage, as fully and completely as if herein or in the Mortgage, as supplemented,

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 the Mortgage as supplemented) 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, extension 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 franchise to be a corporation), licenses, permits, rights, powers and privileges; and (except as hereinafter or in the Mortgage, as supplemented, 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 and 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 Section 57 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 Section 87 of the Mortgage, all the property, rights, and franchises acquired by the Company after the date hereof (except any hereinbefore or hereinafter or in the Mortgage, as supplemented, 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 are hereby expressly excepted from the lien and operation of the Mortgage, as supplemented, and from the lien and operation of the Mortgage, as supplemented, 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 operating agreements not specifically pledged under the Mortgage, as supplemented, or the Mortgage as supplemented, 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, as supplemented and not heretofore disposed of by the Company; provided, however, that the property and rights expressly excepted from the lien and operation of the Mortgage as supplemented, and from the lien and operation of the Mortgage, as supplemented,, 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 a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XII of the Mortgage by reason of the occurrence of a completed Default, as defined in said Article XII.

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 provisios and covenants as set forth in the Mortgage as supplemented.

2. The Company covenants 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 and 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 as a party of the property therein stated to be conveyed.

3. The Company covenants that the Company is making this Mortgage Amendment for the sole purpose of assuring that property acquired under the name of AVISTA CORPORATION is properly included (subject to the limitation, terms and conditions set forth in the Mortgage) as part of the Mortgaged and Pledged Property under the Mortgage. Nothing herein shall be construed as voiding or limiting in any manner whatsoever any prior grant of property (including without limitation, any property specifically described in the Original Mortgage or any supplements, addenda or amendments thereto) by the Company to the Trustee, or in any way amending (other than as specifically set forth herein) the terms and conditions of the Mortgage. The Mortgage and all the terms and conditions thereof (except as specifically amended herein) are by this reference incorporated herein and made a part hereof in all respects as if fully set forth herein. This Mortgage Amendment and the Mortgage shall be construed to be one mortgage. If required by law, the Company will make copies of the Mortgage available to any person without cost.

4. The Company is a transmitting utility. Subject to the terms of the Mortgage, this Mortgage Amendment 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 7th day of September, 2000, the 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 Presidents, and its corporate seal to be attested by its Corporate Secretary or one of its Assistant Corporate Secretaries for and in its behalf, all in The City of Spokane, Washington, as of the day and year first above written.

AVISTA CORPORATION, formerly know as
THE WASHINGTON WATER POWER COMPANY

By: R. D. Inukai
Vice President

Attest:

J. P. Dyma
Corporate Secretary

Executed, sealed and delivered
by AVISTA CORPORATION, formerly known as
THE WASHINGTON WATER POWER COMPANY,
in the presence of:

Patty Olness
Sue Miner

EXHIBIT A
Supplemental Indentures to Original Mortgage

Designation	Dated as of
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
Seventeenth Supplemental Indenture	November 1, 1976
Eighteenth Supplemental Indenture	June 1, 1980
Nineteenth Supplemental Indenture	January 1, 1981
Twentieth Supplemental Indenture	August 1, 1982
Twenty-First Supplemental Indenture	September 1, 1983
Twenty-Second Supplemental Indenture	March 1, 1984
Twenty-Third Supplemental Indenture	December 1, 1986
Twenty-Fourth Supplemental Indenture	January 1, 1988
Twenty-Fifth Supplemental Indenture	October 1, 1989
Twenty-Sixth Supplemental Indenture	April 1, 1993
Twenty-Seventh Supplemental Indenture	January 1, 1994

STATE OF WASHINGTON)

)ss.

County of Spokane

I certify that I know or have satisfactory evidence that R.D. Fukai is the person who appeared before me, and said person acknowledged that s/he signed the instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the Vice President of Avista Corporation to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: Sept. 7, 2000.



Leri Lu Patton
Print Name: TERI LU PATTON
Notary Public in and for the State of Washington,
residing at Spokane, WA
Commission Expires: May 27, 2004

Avista Utilities
1411 East Mission P.O. Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170

33744



September 11, 2000

Ms. Evelyn Biehn
Klamath County Clerk & Recorder
503 Main Street
Klamath Falls, OR 97601

Re: Filing of Mortgage Amendment

Dear Ms. Biehn:

Please find enclosed an original Mortgage Amendment, dated September 7, 2000, made to that Company's Mortgage and Deed of Trust dated June 1, 1939, amending the Mortgage to reflect the Company's name change from The Washington Water Power Company to Avista Corporation.

A Short Form Mortgage & Security Agreement of said Mortgage and Deed of Trust was filed in your office July 13, 1992, at Volume M-92, pages 15332-15342, under your number 47397 further supplemented by the 26th and 27th Supplemental Indentures, recorded May 11, 1993 at Recorder No. 61299 and June 28, 1994 at Recorder No. 83404, respectively.

We have also enclosed our department's working fund check to cover the recording fee, as well as a self-addressed stamped envelope to use in returning the recorded document to our office. If the recording fee is incorrect, or if you have any questions regarding this filing, please contact Teri Patton, Real Estate Department Records Technician at 1-800-727-9170, ext. 4663.

Sincerely,

Donald J. Malisani, SR/WA
Supervisor
Real Estate Department

Enclosures

State of Oregon, County of Klamath
Recorded 09/15/00, at 2:48 p.m.
In Vol. M00 Page 33737
Linda Smith,
County Clerk Fee \$ 51.00