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Vol M02 Page 23038

State of Oregon, County of Klamath
Recorded 04/19/2002 8:52 a m.
Vol M02, Pg 23038-47
Linda Smith, County Clerk
Fee \$ 66⁰⁰ # of Pgs 16

Return Address:
Avista Corporation
Real Estate Department, MSC-25
P.O. Box 3727
Spokane, WA. 99220-3727

Indexing Data

Document title: Modification Agreement (Instrument of Further Assurance)

Reference numbers of related documents:

Short Form Mortgage & Security Agreement,
recorded July 13, 1992, Book M-92, page 15332, Auditor # 47397

Grantor:

1. Avista Corporation

Grantee:

1. Citibank, N.A.

Legal Description: Not Applicable

Assessor's Property Tax Parcel Account Number(s): Not Applicable

66 ✓

AVISTA CORPORATION

TO

CITIBANK, N.A.

*As Successor Trustee under
Mortgage and Deed of Trust,
dated as of June 1, 1939*

Instrument of Further Assurance

*Confirming or perfecting the lien
of such Mortgage and Deed of Trust*

Dated as of December 15, 2001

INSTRUMENT OF FURTHER ASSURANCE

THIS INSTRUMENT OF FURTHER ASSURANCE is made as of the 15th day of December 2001, by AVISTA CORPORATION (formerly known as The Washington Water Power Company), a corporation of the State of Washington whose post office address is 1411 East Mission Avenue, Spokane, Washington (the "Company"), for the benefit of CITIBANK, N.A., a national banking association incorporated and existing under the laws of the United States of America, formerly First National City Bank (successor by merger to First National City Trust Company, formerly City Bank Farmers Trust Company), whose post office address is 111 Wall Street, New York, New York, as trustee (the "Trustee") under the Mortgage and Deed of Trust, dated as of June 1, 1939 (the "Original Mortgage"), as amended and supplemented by twenty-nine supplemental indentures (the "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 Mortgage;

WHEREAS, the Original Mortgage and certain of such supplemental indentures provide, among other things, that the Mortgage shall be a lien upon specified properties, real, personal and mixed, which the Company owned at the time of the execution and delivery by the Company of the Original Mortgage or, subject to Section 87 of the Original Mortgage, thereafter acquired; and

WHEREAS, the Original Mortgage and the First through Twenty-ninth Supplemental Indentures have been appropriately filed or recorded in various official records in the States of Washington, California, Idaho, Montana and Oregon and as set forth in such Supplemental Indentures and in Exhibit A hereto; and

WHEREAS, by the 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 intended to be subject to the lien thereof; and

WHEREAS, for the purpose of confirming or perfecting the lien of the Mortgage, as supplemented, on certain of its properties, the Company has heretofore executed and delivered a Short Form Mortgage and Security Agreement, in multiple counterparts dated as of various dates in 1992 (collectively, the "Short Form Mortgage"), and such instrument has been appropriately filed or recorded in the various official records in the States of California, Montana and Oregon; and

WHEREAS, the properties generally described or referred to in the Mortgage and in the Short Form Mortgage include, without limitation, the properties, and rights and interests in property more specifically described or referred to herein; and

WHEREAS, for the purpose of confirming or perfecting the lien of the Mortgage heretofore supplemented, on such properties, and rights and interests in property, the Company is executing and delivering, in multiple counterparts, this Instrument of Further Assurance;

NOW, THEREFORE, THIS INSTRUMENT WITNESSETH: That the Company, in consideration of the premises and of other good and valuable consideration, the receipt and

sufficiency whereof are hereby acknowledged, hereby confirms the estate, title and rights of the Trustee (including without limitation the lien of the Mortgage on the property of the Company subjected thereto, whether now owned or hereafter acquired) held as security for 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 and of such bonds, and, without limiting the generality of the foregoing, hereby confirms the grant, bargain, sale, release, conveyance, assignment, transfer, mortgage, pledge, setting over and confirmation unto the Trustee, contained in the Mortgage, of all the following described properties of the Company, 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 expressly excepted) which the Company now owns or, subject to the provisions of section 87 of the Original Mortgage, may hereafter acquire prior to the satisfaction and discharge of the Mortgage, as fully and completely as if herein or in the Mortgage, 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) all lands, real estate, easements, servitudes, rights of way and leasehold 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 lines, 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 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 existing as of the date hereof, including without limitation the following property:

(a) All real properties owned in fee, which are specifically described or referred to in Exhibit B attached hereto and incorporated herein by this reference;

(b) All easements and other interests in real property and all licenses, permits to use the real property of others, franchises to use public roads, streets and other public properties, rights of way and other rights or interests relating to the occupancy or use of real property, and

(c) All equipment and fixtures.

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 Original 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.

THE COMPANY HEREBY CONFIRMS that, subject to the provisions of Section 87 of the Original Mortgage, all the property, rights, and franchises acquired by the Company after the date thereof (except any hereinbefore or hereinafter or in the Mortgage expressly excepted) are and shall be as fully embraced within the lien of the Mortgage as if such property, rights and franchises had been owned by the Company at the date of the Original Mortgage and had been specifically described therein.

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 and from the security interest granted hereby and thereby, 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 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 the 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 the Mortgage, and from the security interest granted thereby, 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 Original 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 in the Mortgage 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 provisos and covenants as set forth in the Mortgage, this Instrument of Further Assurance being supplemental to the Mortgage.

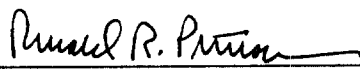
The company further covenants and agrees to and with the Trustee and its successor or successors. in such trust under the Mortgage, as follows:

Section 1. This Instrument of Further Assurance may be executed in any number of counterparts, each of which so executed shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument. Any such counterpart, as recorded or filed in any jurisdiction, may omit (a) such portions of Exhibit A hereto as shall not contain data as to the filing or recording of the Mortgage in such jurisdiction and (b) such portions of Exhibit B hereto as shall not describe or refer to properties located in such jurisdiction.

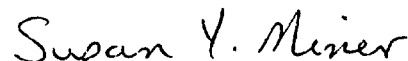
Section 2. This Instrument of Further Assurance supplements the Mortgage. As supplemented by this Instrument of Further Assurance, the Mortgage is hereby confirmed, and the Mortgage and this Instrument of Further Assurance shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, on the 12th day of April 2002, AVISTA CORPORATION 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 its Assistant Corporate Secretary for and in its behalf, all in The City of Spokane, Washington, as of the day and year first above written.

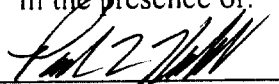
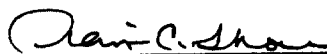
AVISTA CORPORATION

By 
Vice President

Attest:


Assistant Corporate Secretary

Executed, sealed and delivered by
AVISTA CORPORATION,
in the presence of:

STATE OF WASHINGTON)

) ss.

COUNTY OF SPOKANE)

On this 12th day of April 2002, before me personally appeared Ronald R. Peterson, to me known to be a Vice President of AVISTA CORPORATION, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said Corporation.

On the 12th day of April 2002, before me, a Notary Public in and for the State and County aforesaid, personally appeared Ronald R. Peterson, known to me to be a Vice President of AVISTA CORPORATION, one of the corporations that executed the within and foregoing instrument and acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Sue Miner

Notary Public



EXHIBIT _A

**FILING AND RECORDING OF
TWENTY-NINTH SUPPLEMENTAL INDENTURE**

FILING IN STATE OFFICES

<u>State</u>	<u>Office of</u>	<u>Date</u>	<u>Financing Statement Document Number</u>
Washington	Secretary of State	2/19/02	2002-060-5279-1
Idaho	Secretary of State	2/19/02	B2002-0917638-5
Montana	Secretary of State	2/19/02	67319925
Oregon	Secretary of State	2/20/02	578775
California	Secretary of State	2/19/02	0205260338

RECORDING IN COUNTY OFFICES

<u>County</u>	<u>Office of</u>	<u>Real Estate Mortgage Records</u>				<u>Financing Statement Document Number</u>
		<u>Date</u>	<u>Document Number</u>	<u>Book</u>	<u>Page</u>	
<u>Washington</u>						
Adams	Auditor	2/19/02	263899	N/A	N/A	N/A
Asotin	Auditor	2/19/02	258297	N/A	N/A	N/A
Benton	Auditor	2/19/02	2002-006323	N/A	N/A	N/A
Douglas	Auditor	2/21/02	30459229	N/A	N/A	N/A
Ferry	Auditor	2/20/02	251832	N/A	N/A	N/A
Franklin	Auditor	2/20/02	1601804	N/A	N/A	N/A
Garfield	Auditor	2/19/02	7031	N/A	N/A	N/A
Grant	Auditor	2/19/02	1097742	N/A	N/A	N/A
Klickitat	Auditor	2/20/02	1028508	N/A	N/A	N/A
Lewis	Auditor	2/21/02	3132252	N/A	N/A	N/A
Lincoln	Auditor	2/19/02	20020424053	78	1688	N/A
Pend Oreille	Auditor	2/19/02	20020261815	N/A	N/A	N/A
Skamania	Auditor	2/20/02	143806	220	731	N/A
Spokane	Auditor	2/25/02	4693389	N/A	N/A	N/A
Stevens	Auditor	2/20/02	2002-0001929	270	843	N/A
Thurston	Auditor	2/25/02	3414435	N/A	N/A	N/A
Whitman	Auditor	2/19/02	634488	N/A	N/A	N/A
<u>Idaho</u>						
Benewah	Recorder	2/19/02	225743	N/A	N/A	N/A
Bonner	Recorder	2/21/02	596729	N/A	N/A	N/A
Boundary	Recorder	2/20/02	205033	147	227	N/A
Clearwater	Recorder	2/19/02	188783	N/A	N/A	N/A
Idaho	Recorder	2/19/02	421089	N/A	N/A	N/A
Kootenai	Recorder	2/19/02	1719479	N/A	N/A	N/A

RECORDING IN COUNTY OFFICES						
County	Office of	Real Estate Mortgage Records				Financing Statement Document Number
		Date	Document Number	Book	Page	
Latah	Recorder	2/21/02	463602	N/A	N/A	N/A
Lewis	Recorder	2/19/02	125729	N/A	N/A	N/A
Nez Perce	Recorder	2/19/02	672162	N/A	N/A	N/A
Shoshone	Recorder	2/19/02	402410	N/A	N/A	N/A
<u>Montana</u>						
Big Horn	Clerk & Recorder	2/19/02	326609	63	266	N/A
Broadwater	Clerk & Recorder	2/19/02	143059	60	984	N/A
Golden Valley	Clerk & Recorder	2/19/02	75457	M	9668	N/A
Meagher	Clerk & Recorder	2/19/02	111269	F53	838	N/A
Mineral	Clerk & Recorder	2/25/02	91515	M-3	7611	N/A
Rosebud	Clerk & Recorder	2/20/02	91247	M-100	168	N/A
Sanders	Clerk & Recorder	2/20/02	36652	N/A	N/A	N/A
Stillwater	Clerk & Recorder	2/21/02	306664	M	N/A	N/A
Treasure	Clerk & Recorder	2/19/02	77654	16	1	N/A
Wheatland	Clerk & Recorder	2/19/02	101134	M	13264	N/A
Yellowstone	Clerk & Recorder	2/19/02	3165006	N/A	N/A	N/A
<u>Oregon</u>						
Douglas	Recorder	2/20/02	2002-05367	1843	944	N/A
Jackson	Recorder	2/25/02	02-09557	N/A	N/A	N/A
Josephine	Recorder	2/20/02	2002-004070	N/A	N/A	N/A
Klamath	Recorder	2/20/02		M02	9869	N/A
Union	Recorder	2/20/02	2002-0937	N/A	N/A	N/A
Wallowa	Recorder	2/19/02	2002-45073	N/A	N/A	N/A
<u>California</u>						
El Dorado	Recorder	2/20/02	2002-0012866-00	N/A	N/A	N/A

EXHIBIT B
AVISTA CORPORATION
KLAMATH COUNTY, OREGON DEED RECORD - AS OF NOVEMBER 1, 2001

PROPERTY NAME	GRANTOR	DOC NO	RCDG NO	BOOK/PAGE	RCDG DATE
Klamath Falls Service	CP National Corp.	D-2210	35311	M91/19751	09/30/1991
Lakeport Blvd Reg	CP National Corp.	D-2220	35311	M91/19751	09/30/1991
Klamath Falls Meter	CP National Corp.	D-2229	35311	M91/19751	09/30/1991
Klamath Falls Cathodic Well	CP National Corp.	D-2226	35311	M91/19751	09/30/1991
Klamath Falls Cathodic Well	CP National Corp.	D-2227	15311	M91/19751	09/30/1991
Klamath Falls Gas Lateral	Northwest Pipeline	D-2185	71435	M98/45671	12/14/1998