

CLEARWATER POWER COM

OR Sec of State
01/04/1967

Form - Supp. Mtge. (2)
9-1564

JF



47_5350728

Lien#: 47

TU

IDAHO 10-V NEZ PERCE

APR 13 1967

47

SECY OF STATE ORE.

A96580

SUPPLEMENTAL MORTGAGE
(and Financing Statement)
made by

CLEARWATER POWER COMPANY

to

UNITED STATES OF AMERICA

Dated as of December 21, 1966

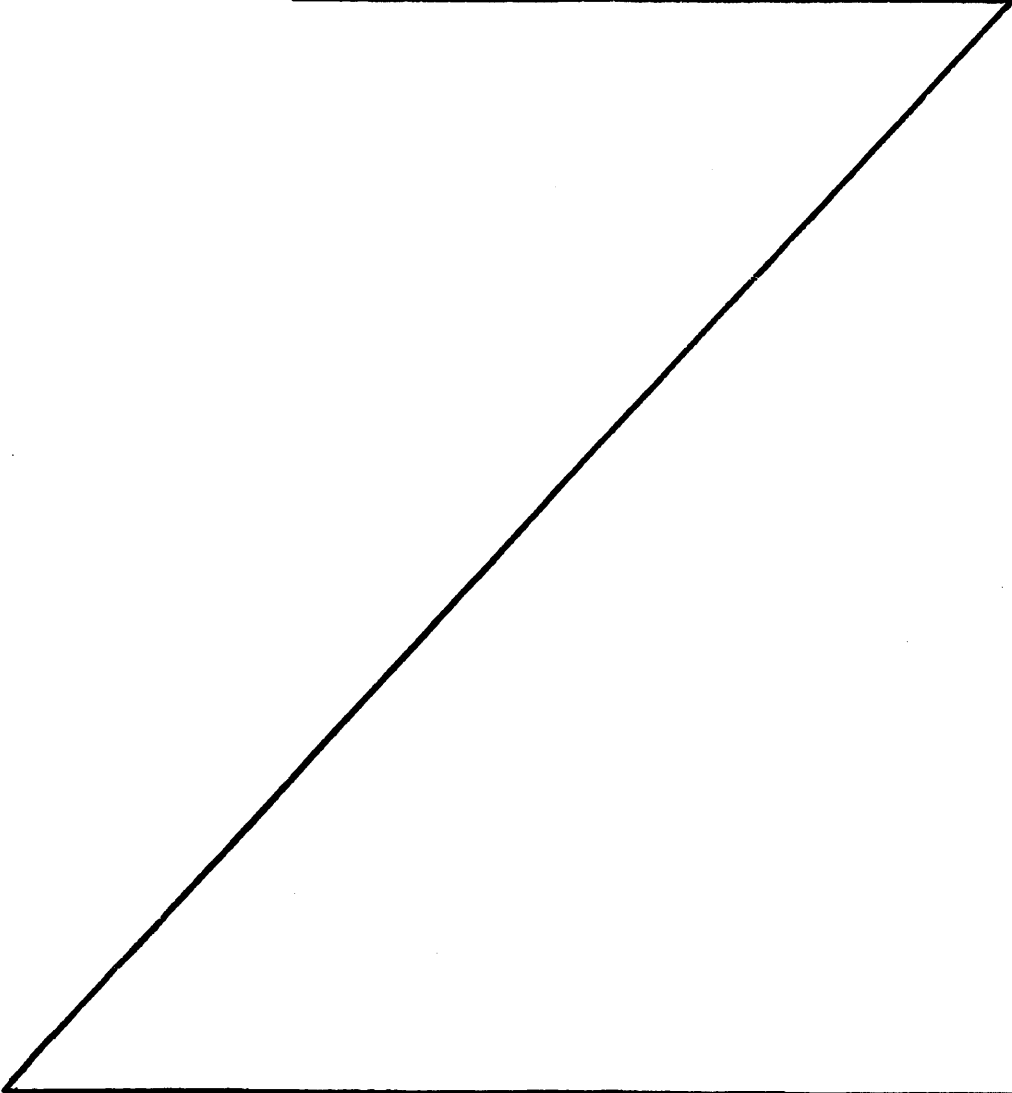
No. 12

Supp. Mtge.
9-1564

WHEREAS, the Outstanding Notes are secured by a certain mortgage dated as of December 13, 1950, as amended and supplemented by a certain supplemental mortgage dated as of May 24, 1961, made by the Mortgagor to the Mortgagee (said mortgage, as so amended and supplemented, being hereinafter called the "Mortgage"); and

WHEREAS, the first eleven of the Outstanding Notes, the Pace Act Extension Agreement, the First Basis Date Agreement, the Second Basis Date Agreement and the Mortgage were executed and delivered by the Mortgagor under its former corporate name "Clearwater Valley Light & Power Association, Inc."; and

WHEREAS, the Mortgagor had also duly authorized and executed and delivered to the Mortgagee a certain note dated June 1, 1937, in the principal amount of \$75,000 which was duly paid and cancelled and returned by the Mortgagee to the Mortgagor; and



SUPPLEMENTAL MORTGAGE, dated as of December 21, 1966, made by CLEARWATER POWER COMPANY (hereinafter called the "Mortgagor" and formerly named "Clearwater Valley Light & Power Association, Inc."), a corporation existing under the laws of the State of Idaho, to UNITED STATES OF AMERICA (hereinafter sometimes called the "Mortgagee").

WHEREAS, the Mortgagor, for value received, has heretofore duly authorized and executed, and has delivered to the Mortgagee, the following certain mortgage notes (hereinafter collectively called the "Outstanding Notes"), all payable to the order of the Mortgagee, in installments:

| <u>DATE</u> | <u>PRINCIPAL AMOUNT</u> | <u>FINAL PAYMENT DATE</u> |
|----------------------------|-------------------------|---------------------------|
| (1) May 15, 1937 | \$ 400,000 | May 15, 1957 |
| (2) November 1, 1937 | 287,000 | November 1, 1957 |
| (3) August 20, 1938 | 300,000 | August 20, 1963 |
| (4) August 15, 1940 | 192,000 | August 15, 1965 |
| (5) February 25, 1941 | 128,000 | February 25, 1966 |
| (6) June 15, 1942 | 76,000 | June 15, 1967 |
| (7) March 15, 1946 | 590,000 | March 15, 1981 |
| (8) May 29, 1947 | 700,000 | May 29, 1982 |
| (9) February 5, 1948 | 275,000 | February 5, 1983 |
| (10) December 13, 1950 | 640,000 | December 13, 1985 |
| (11) September 26, 1953 | 194,000 | September 26, 1988 |
| (12) June 15, 1956 | 660,000 | June 15, 1991 |
| (13) January 13, 1958 | 500,000 | January 13, 1993 |
| (14) June 10, 1958 | 500,000 | June 10, 1993 |
| (15) March 29, 1961 | 551,000 | March 29, 1996 |
| (16) March 11, 1964 | 700,000 | March 11, 1999 |
| (17) Of even date herewith | 273,000 | 35 years from date; and |

WHEREAS, by the terms of a certain agreement (hereinafter called the "Pace Act Extension Agreement"), dated as of February 24, 1949, by and between the Mortgagor and the Mortgagee, the unmatured and unpaid portion of the principal amount of each of the first six of the Outstanding Notes advanced prior to the date of the Pace Act Extension Agreement is payable in quarterly installments on or before 35 years from the date of each such note, and the portion, if any, of the principal amount of each such note advanced on or after the date of the Pace Act Extension Agreement is or will be payable in quarterly installments on or before 35 years from the date of the Pace Act Extension Agreement; and

WHEREAS, by the terms of a certain agreement (hereinafter called the "First Basis Date Agreement"), dated as of June 24, 1949, by and between the Mortgagor and the Mortgagee, the portion, if any, of the principal amount of the eighth of the Outstanding Notes dated May 29, 1947, advanced on or after the date of the First Basis Date Agreement is or will be payable in quarterly installments on or before thirty-five (35) years after the date of the First Basis Date Agreement; by the terms of a certain agreement (hereinafter called the "Second Basis Date Agreement"), dated as of March 21, 1950, by and between the Mortgagor and the Mortgagee, the portion, if any, of the principal amount of the ninth of the Outstanding Notes dated February 5, 1948, advanced on or after the date of the Second Basis Date Agreement is or will be payable in quarterly installments on or before thirty-five (35) years after the date of the Second Basis Date Agreement; and by the terms of a certain agreement (hereinafter called the "Third Basis Date Agreement"), dated as of March 30, 1964, by and between the Mortgagor and the Mortgagee, the portion, if any, of the principal amount of the fifteenth of the Outstanding Notes dated March 29, 1961, advanced on or after the date of the Third Basis Date Agreement is or will be payable in quarterly installments on or before thirty-five (35) years after the date of the Third Basis Date Agreement; and

WHEREAS, the Mortgagee is the owner and holder of the Outstanding Notes and the Mortgage; and

WHEREAS, it was the intention of the Mortgagor at the time of the execution of the - - - Mortgage, that the property of the Mortgagor of the classes described therein, as being mortgaged or pledged thereby, or intended so to be, whether then owned or thereafter acquired, would secure certain notes of the Mortgagor executed and delivered prior to the execution and delivery of the Mortgage and other notes of the Mortgagor - - - when and as executed and delivered under and pursuant to the - - - Mortgage, as from time to time amended or supplemented, and it is intended by the Mortgagor to confirm hereby the Mortgage and the property therein described as being mortgaged or pledged, or intended so to be, as security for the Outstanding Notes, and other notes of the Mortgagor when and as executed and delivered under and pursuant to the Mortgage, as amended and supplemented hereby; and

WHEREAS, the Mortgage provides that the Mortgagor shall, upon the request in writing of the holder or holders of not less than a majority in principal amount of the notes secured by the Mortgage at the time outstanding, duly authorize, execute, and deliver and record and file all such supplemental mortgages and conveyances as may reasonably be requested by such holder or holders to effectuate the intention of the Mortgage and to provide for the conveying, mortgaging and pledging of the property of the Mortgagor intended to be conveyed, mortgaged or pledged by the Mortgage to secure the payment of the principal of and interest on notes executed and delivered thereunder and pursuant thereto, or otherwise secured thereby, - - - and the holder of all such notes has in writing requested the execution and delivery of this Supplemental Mortgage pursuant to such provisions; and

WHEREAS, all acts, things, and conditions prescribed by law and by the articles of incorporation and bylaws of the Mortgagor have been duly performed and complied with to authorize the execution and delivery hereof and to make the Mortgage, as amended and supplemented hereby, a valid and binding mortgage to secure the Outstanding Notes and other notes of the Mortgagor when and as executed and delivered under and pursuant to the Mortgage, as amended and supplemented hereby;

NOW, THEREFORE, in consideration of the premises and the sum of \$5 in hand paid by the Mortgagee to the Mortgagor, the receipt whereof by the Mortgagor prior to the execution and delivery of this Supplemental Mortgage is hereby acknowledged, this Supplemental Mortgage witnesseseth as follows:

1. The Mortgagor has executed and delivered this Supplemental Mortgage and has granted, bargained, sold, conveyed, warranted, assigned, transferred, mortgaged, pledged and set over, and by these presents does hereby grant, bargain, sell, convey, warrant, assign, transfer, mortgage, pledge and set over, unto the Mortgagee and its assigns, all and singular the real and personal property of the Mortgagor falling within the classes of property embraced in the description of the "Mortgaged Property" set forth in the Mortgage, including, without limitation, all and singular the real and personal property of said description heretofore or hereafter acquired by or constructed by or on behalf of the Mortgagor, and located in the Counties of Benewah, Clearwater, Idaho, Latah, Nez Perce and Shoshone in the State of Idaho, in the Counties of Asotin, Garfield and Whitman in the State of Washington, and in the County of Walla Walla in the State of Oregon, and including also, without limitation, the following real estate, to wit:

- (a) a certain tract or parcel of land described in a certain deed, dated September 7, 1938, executed and delivered by the Village of Juliaetta, in the State of Idaho, as grantor, to the Mortgagor, as grantee, and recorded on September 21, 1948, in the deed records of Latah County, State of Idaho, in Volume 98 of Records at page 406;

Supp. Mtge.
9-1564

- (b) a certain tract or parcel of land described in a certain deed, dated October 21, 1953, executed and delivered by Harold M. Mackinnon and Margaret Mackinnon, husband and wife, et al., as grantors, to the Mortgagor, as grantee, and recorded in the office of the County Recorder of Nez Perce County, State of Idaho, on October 23, 1953, in Book 192 of Deeds at page 49;
 - (c) a certain tract or parcel of land described in a certain deed, dated May 10, 1961, executed and delivered by A. R. Longeteig and Elaine Longeteig, husband and wife, as grantors, to the Mortgagor, as grantee, and recorded in the office of the County Recorder of the County of Nez Perce, State of Idaho, on May 16, 1961, in Book 213 of Deeds at page 358; and
- all plants, works, structures, erections, buildings and improvements now or hereafter located on the above described parcels of land, and all tenements, hereditaments, and appurtenances thereunto belonging or appertaining.

AND ALSO including, without limitation:

ALL RIGHT, title and interest of the Mortgagor in and to the electric transmission and distribution lines and facilities constructed or acquired by the Mortgagor with the proceeds of the loans evidenced by any of the notes secured by the Mortgage, as amended and supplemented hereby, and in and to the electric transmission and distribution lines and facilities proposed to be constructed or acquired by the Mortgagor with the proceeds of the Loans evidenced or to be evidenced by any notes secured or to be secured by the Mortgage pursuant to a certain amending - - - loan contract between the Mortgagor and the Mortgagees dated as of November 14, 1950 (said amending - loan contract, as from time to time amended, being hereinafter called the "Loan Contract") and in and to all extensions and improvements thereof and additions thereto, including all substations, service and connecting lines, poles, posts, cross arms, wires, cables, conduits, mains, pipes, tubes, transformers, insulators, meters, electrical connections, lamps, fuses, junction boxes, fixtures, appliances, generators, dynamos, water turbines, water wheels, boilers, steam turbines, motors, switch boards, switch racks, pipe lines, machinery, tools, supplies, switching and other equipment, and any and all other property of every kind, nature and description, used, useful or acquired for use by the Mortgagor in connection with the property described herein, or the extensions and improvements thereof and additions thereto; and also all right, title and interest of the Mortgagor in and to any and all other electric transmission and distribution lines, or systems, and electric generating plants at any time or times hereafter constructed or acquired by the Mortgagor and all extensions and improvements thereof and additions thereto, together with any and all other property of every kind, nature and description used, useful or acquired for use by the Mortgagor in connection therewith, wherever located, including, without limitation, all property of the classes hereinabove listed;

ALL RIGHT, title and interest of the Mortgagor in, to and under any and all rights, grants, privileges, rights of way and easements now owned, held, leased, enjoyed or exercised, or which may hereafter be owned, held, leased, acquired, enjoyed or exercised by the Mortgagor for the purposes of, and in connection with, the construction or operation by or on behalf of the Mortgagor of electric transmission or distribution lines or systems and facilities, whether underground or overhead or otherwise, or of any electric generating plant and facilities, wherever located;

ALL RIGHT, title and interest of the Mortgagor in, to and under any and all licenses, franchises, ordinances, privileges and permits heretofore granted, issued or executed, or which may hereafter be granted, issued or executed, to it or to its assignors, by the United States of America, or any state or by any county, township, municipality, village or other political subdivision thereof, or by any agency, board, commission or department of any of the foregoing, authorizing the construction, acquisition, or operation of electric transmission or distribution lines, or systems, or any electric generating plant or plants, in so far as the same may by law be assigned, granted, bargained, sold, conveyed, transferred, mortgaged, or pledged;

ALL RIGHT, title and interest of the Mortgagor in, to and under any and all contracts heretofore or hereafter executed by and between the Mortgagor and any person, firm, or corporation providing for the purchase or exchange of electric energy by the Mortgagor, or otherwise;

ALSO, ALL RIGHT, title and interest of the Mortgagor in and to all other property, real or personal, tangible or intangible, of every kind, nature and description, and wheresoever situate, now owned or hereafter acquired by the Mortgagor, it being the intention hereof that all such property acquired or held by the Mortgagor after the date hereof shall be as fully embraced within and subjected to the lien hereof as if the same were now owned by the Mortgagor and were specifically described herein to the extent only, however, that the subjection of such property to the lien hereof shall not be contrary to law;

TOGETHER with all rents, income, revenues, profits and benefits at any time derived, received or had from any and all of the above-described property of the Mortgagor, TO HAVE AND TO HOLD the same forever, for the uses and purposes and upon the terms, conditions, provisos and agreements expressed and declared in the Mortgage, as amended and supplemented hereby.

2. The Outstanding Notes are hereby confirmed as notes of the Mortgagor entitled to the security of the Mortgage, as amended and supplemented by this Supplemental Mortgage, and of the property by the Mortgage and this Supplemental Mortgage mortgaged and pledged, or intended so to be, equally and ratably with one another and with other notes of the Mortgagor when and as executed and delivered under and pursuant to the Mortgage, as amended and supplemented hereby, without preference, priority or distinction of any one of the Outstanding Notes or such other notes over any other thereof and irrespective of the dates of the execution, delivery or maturity thereof, or of the assignment or negotiation thereof.

3. The third sentence of section 1 of article I of the Mortgage is amended to read as follows:

Additional notes and refunding, renewal and substituted notes shall contain such provisions and shall be executed and delivered upon such terms and conditions as the board of directors of the Mortgagor in the resolution or resolutions authorizing the execution and delivery thereof shall prescribe; provided, however, that the notes at any one time secured hereby shall not exceed ten million dollars (\$10,000,000) in aggregate principal amount, and no note shall mature more than seventy-five (75) years after the date hereof.

Supp. Mtge.
9-1564

8/64

4. Section 20 of Article II of the Mortgage is amended to read as follows:

SECTION 20. Notwithstanding anything contained in the Loan Contract, as from time to time amended, or in the notes, the Mortgagor shall:

(a) set up such records and accounts and maintain such reserve funds as the holder or holders of not less than a majority in principal amount of the notes at the time outstanding may from time to time require in writing;

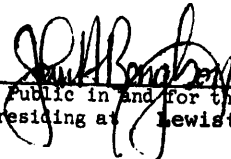
(b) to the extent required in writing by such noteholder or noteholders from time to time, apply revenues arising from the operation of the Mortgaged Property to the payment of or on account of the principal of or interest on any one or more of the notes designated by such noteholder or noteholders, either prior to the time or in excess of the amount provided for in any one or more of the notes in respect of which the payment is to be made; provided, however, that the Mortgagor shall not be obligated hereby to make payments on account of the principal of or interest on any of the notes during any one calendar year in excess of five per centum (5%) of the amount of the principal of such note or notes advanced and unpaid at the time such payment is required; and provided further, that subject to the provisions of Section 4 of Article II hereof, the Mortgagor may at all times retain funds reasonably adequate for operating purposes for the current month, and in no event less than 1.5 times the amount of its cash expenditures for such purposes during the corresponding month of the preceding year; and

(c) at any time or times when the amount of the Mortgagor's general funds exceeds twenty percent of its total plant and to the extent required in writing by such noteholder or noteholders, make payments of or on account of the principal of any one or more of the notes designated by such noteholder or noteholders, either prior to the time or in excess of the amount provided for in any one or more of the notes in respect of which the payments are to be made; provided, however, that payments required to be made pursuant to this subsection (c) do not reduce the Mortgagor's general funds below fifteen percent of its total plant. As used in this subsection (c): (1) the term "general funds" means the sum of the following accounts of the Mortgagor: "Nonutility Property" less "Accumulated Provision for Depreciation and Amortization of Nonutility Property," "Other Investments in Associated Organizations," "Other Investments," "Restricted Funds," "Cash - General," "Working Funds" and "Temporary Cash Investments;" and (2) the term "total plant" means the sum of the following accounts of the Mortgagor: "Electric Plant in Service," "Electric Plant Purchased or Sold," "Electric Plant Leased to Others," "Electric Plant Held for Future Use," "Completed Construction not Classified," "Construction work in Progress," "Electric Plant Acquisition Adjustments" and "Other Utility Plant." Titles of accounts used in the foregoing definitions shall have the meanings set forth in the prevailing system of accounts prescribed for its electric borrowers by the Rural Electrification Administration.

The rights of the noteholder or noteholders under each of the foregoing subsections of this section 20 shall be cumulative and may be exercised independently of the exercise of rights, and free from the limitations set forth, under the other subsections.

STATE OF IDAHO)
COUNTY OF NEZ PERCE) SS

On this 21st day of December, in the year of 1966, before me **JOHN H. BENGTSON**, a notary public in and for the State of Idaho, personally appeared **KENNETH SUMMERS** and **NORLA CALLISON**, known to me to be the President and Secretary, respectively, of Clearwater Power Company, and known to me to be the persons who executed the foregoing instrument on behalf of such corporation, and acknowledged to me that such corporation executed the same.


Notary Public in and for the State of
Idaho residing at Lewiston

(Notarial Seal)

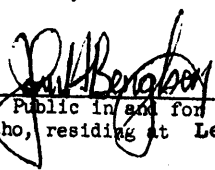
My commission expires
January, 1969

STATE OF IDAHO)
COUNTY OF NEZ PERCE) SS

KENNETH SUMMERS, being first duly sworn, on oath, deposes and says: that he is the president of CLEARWATER POWER COMPANY, a corporation, the Mortgagor in the foregoing instrument; that he makes this affidavit for and on its behalf and is authorized so to do; and that such instrument is made in good faith and without any design to hinder, delay or defraud any creditor or creditors.


President, Clearwater Power Company

Subscribed and sworn to before me this 21st day of December, 1966


Notary Public in and for the State
of Idaho, residing at Lewiston

(Notarial Seal)

My commission expires
January, 1969

Supp. Mtge.
9-1564

7/64

5. To the extent that any of the property described or referred to herein and in the Mortgage is governed by the provisions of the Uniform Commercial Code of Oregon - - - - - , the Mortgage and this supplemental mortgage, collectively, are hereby deemed a "security agreement" under the Uniform Commercial Code, and this supplemental mortgage is also hereby declared to be a "financing statement", under the Uniform Commercial Code for said security agreement. The mailing address of the Mortgagor and debtor is Lewiston, Idaho 83501 - - - - - , and that of the Mortgagee and secured party is Rural Electrification Administration, Washington, D. C. 20250.

6. All of the terms, provisions and covenants of the Mortgage, except as expressly modified hereby, shall be and remain in full force and effect.

7. The invalidity of any one or more phrases, clauses, sentences, paragraphs or provisions of this Supplemental Mortgage shall not affect the validity of the remaining portions hereof.

8. This Supplemental Mortgage may be simultaneously executed in any number of counterparts, and all of said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Mortgagor has caused this Supplemental Mortgage to be signed in its name and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized, and the Mortgagee has caused the same to be signed as a financing statement in its behalf pursuant to delegation of authority duly given and evidenced according to law and presently in effect, all as of the day and year first above written.

CLEARWATER POWER COMPANY

by

Blum
President

(Seal)

Attest:

Marla Collison
Secretary

Executed by the Mortgagor
in the presence of:

John D. Pankay
George E. King
Witnesses

UNITED STATES OF AMERICA, as secured party,

by

Charles W. Fitch
Chief, Operations Branch - Electric
Western Area, for the
Administrator of Rural Electrification
Administration

Executed by the Mortgagee
in the presence of:

Clare A. Lene
Edna L. Borton
Witnesses

0003 0121