Agreement Between Avista Corporation,
and
USDA Forest Service
Regarding
Recreation Programs for the
Post Falls Project, P-12606

This Agreement is made and entered into by and between the Avista Corporation ("Avista") and the USDA Forest Service ("FS"). Avista and FS are hereinafter referred to jointly in this Agreement as the “Parties.”

RECITALS

Whereas, Avista owns and operates the Spokane River Project, which is located on the Spokane River in northern Idaho and eastern Washington;

Whereas, the Spokane River Project is licensed by the Federal Energy Regulatory Commission ("FERC" or "Commission"), and such license will expire August 1, 2007;

Whereas, the Spokane River Project currently consists of five dams, one located in Idaho and four located in Washington State, however Avista has proposed to FERC that the Idaho dam (known as the Post Falls Project) be relicensed separately from the four dams located in Washington (which would continue to be known as the Spokane River Project);

Whereas Avista applied for a new Spokane River Project License (Project No. 2545) and Post Falls Project License (Project No. 12606) with FERC in July, 2005;

Whereas, Avista and FS have engaged in a collaborative process of identifying and agreeing on appropriate protection, mitigation, and enhancement ("PM&E") measures for recreation resources relating to the relicensing of the Post Falls Project ("Project");

Whereas, Avista has agreed to partially fund the construction, operation, and maintenance of certain recreation improvements on federally-owned lands administered by the FS adjacent to but currently located partially outside of the boundary of the Project;

Whereas, the FS submitted to FERC on July 13, 2006, pursuant to Sections 4(c) and 10(a) of the Federal Power Act ("FPA") proposed conditions to be included in the new license for the Project;
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Whereas, the Parties believe that the terms of this Agreement are in the public interest because the contribution of money and services by Avista will assist with management and protection of public lands providing recreational access to the Project, because the Agreement will assist in serving the public’s recreational needs while avoiding potentially expensive and time-consuming administrative processes and litigation, and because this Agreement provides certainty and the avoidance of potential costs and delays;

Whereas, the Parties intend that this Agreement will satisfy any obligations Avista may have to the FS relative to recreation and land-use for the continued operation of the Project through the term of the new FERC license; and

NOW, THEREFORE, in consideration of the mutual covenants and other consideration contained herein, the Parties agree as follows:

Section 1. Jointly Supported License Articles

(a) The Parties agree that the following Articles should be included as conditions in the new license for the Project:

Article 1. Post Falls Project Recreation Plan

Within one year of the date a new license is issued, the Licensee, in consultation and cooperation with the FS and, if willing, the other relevant parties which may include the cities and towns of Coeur d’Alene, Post Falls, Harrison and St. Maries, Kootenai County Parks and Waterways, Idaho Department of Parks and Recreation, Idaho Department of Fish and Game, U.S. Bureau of Land Management, and the Coeur d’Alene Tribe (“recreation group parties”) shall develop those portions of the Recreation Plan (as set forth in PF-REC-1 of the Licensee’s application for new license for the Project) pertaining to the Project and submit it to the Commission for approval. The Recreation Plan is intended to provide a framework for implementation of all Project-related recreation site improvements set forth in the Coeur d’Alene Lake Recreation PM&E (as set forth in PF-REC-2 of the Licensee’s application for new license for the Project), including those to be completed on National Forest System Lands. At a minimum, the Recreation Plan shall include the following:

- A general description of the recreational sites;
- A discussion of the facilities that would be designed or redesigned to take into account the needs of disabled persons;
- A description of the erosion and sediment control measures where ground disturbing activities are proposed;
- A means for monitoring and reporting recreational use;
- A means to conduct consultation with stakeholders;
- An outline of agreements and general terms and conditions for cooperation with the FS, including planning and design of recreation facilities and improvements; and
- A projected implementation schedule for all proposed recreation measures set forth in PF-REC-2, including those specified in Article 2, providing for the implementation of all
scheduled site improvements within 10 years of license issuance as set forth in PF-REC-2, along with an estimation of construction and annual operation and maintenance costs of such measures.

The Licensee shall provide approximately 25% of the necessary funding for the development of all the recreational measures set forth in PF-REC-2 (including those set forth in Article 2), including site plan development, environmental analysis work, site improvements, and facility development, in an amount not to exceed $982,250. The Licensee should also provide $159,500 annually (including the annual amount set forth in Article 2) to the appropriate recreation group parties as identified in PF-REC-2 for the term of the license to supplement operation and maintenance costs at the aforementioned recreational facilities, with the first such payment to be made within one year from the date the Commission approves the Recreation Plan.

The Licensee shall provide funding, in an amount not to exceed $15,000, to develop the Recreation Plan within the first year following issuance of the new license and $5,000 annually for the term of the new license for implementation of the Recreation Plan.

The Licensee shall consult with the FS and the other recreation group parties it consulted with in developing the Recreation Plan to ensure continued reasonable public access to the Project by assisting in the planning and development of new and/or reconstructed recreation facilities after the recreation measures set forth in PF-REC-2 are completed. The Licensee shall provide up to $60,000 annually, after the recreation measures set forth in PF-REC-2 are completed, to accomplish this; provided, however, that no additional recreation facilities shall be constructed pursuant to this provision within the Project boundary without prior Commission approval.

The Licensee shall implement the Recreation Plan as approved by the Commission. The Licensee shall prepare and submit to the Commission beginning one year after the Commission approves the Recreation Plan annual reports that summarize all site-specific recreation activities funded and/or conducted pursuant to the approved Recreation Plan during the previous year.

Article 2. Recreation Facilities On USDA Forest Service Lands

Prior to the submittal of the Recreation Plan to the Commission pursuant to Article 1 hereof, but in no event later than six months from the date the new license is issued, the Licensee, in consultation with the FS, shall begin planning the implementation of site-specific recreation improvements to enhance and maintain water-based facilities at the Bell Bay Campground, Medimont Recreation Area, and Rainey Hill Recreation Area as set forth in PF-REC-2, and the Licensee shall collaborate with the FS in the planning, design, and implementation of all scheduled improvements at those sites. The implementation of scheduled improvements at the Bell Bay Campground, Medimont Recreation Area, and Rainey Hill Recreation Area shall be within the first 10 years of license issuance unless otherwise provided by the Commission in approving the Recreation Plan pursuant to Article 1. The Licensee shall meet with the FS at least semi-annually (spring and fall) for the term of the new license to determine recreation project priorities and to ensure that all measures are satisfactorily completed.
The Licensee shall provide approximately 25% of the necessary funding for the FS recreation projects improvements at the Bell Bay Campground, Medimont Recreation Area, and Rainey Hill Recreation Area, including site plan development, environmental analysis work, site improvements, and facility development, in an amount not to exceed $54,000. The Licensee shall also provide $15,000 annually for the term of the license to supplement FS operation and maintenance costs at the Bell Bay Campground, Medimont Recreation Area, and Rainey Hill Recreation Area, with the first such payment to be made within one year from the issuance date of the license; provided, however, that such annual payments shall continue only so long as these FS areas are operated as public recreation facilities.

**Article 3. Post Falls Public Outreach**

Within one year of the date a new license is issued, the Licensee, in consultation and cooperation with the FS and the other recreation group parties consulted in the development of the Recreation Plan required by Article 1, shall develop an Interpretation and Education Plan (I&E Plan) as specified in the Public Outreach PM&E (as set forth in PF-REC-4 of the Licensee's application for new license), and submit it to the Commission for approval. The Licensee, following Commission approval of the I&E Plan, shall implement the I&E Plan as approved by the Commission, including conducting periodic visitor surveys, as identified in PF-REC-4.

The purpose of the I&E Plan is to provide consistency in the messages and media used to convey interpretation and education on a Project-wide basis; to enhance recreation experiences; and to encourage appropriate resource protection, cooperation, and safe behavior from Project visitors. Potential themes include fish and wildlife resources, hydropower, Native American cultures, pioneers, recreation activities and facilities available in the Project area, and boating hazards. The I&E Plan will also include improvements, such as interpretive or informational signs, kiosks, reservoir boating safety and hazard information signs and brochures, and informational signs describing recreation facilities and opportunities in the area.

The Licensee shall, with input from the FS and the other recreation group parties consulted in developing the I&E Plan, conduct visitor surveys every six years beginning in 2008, using the same or similar methodology as the 2003 baseline visitor survey. The surveys will be used to provide information to assist in evaluation of Project-related recreation opportunities, identification of recreational trends, and to comply with Commission Form 80 requirements.

The Licensee shall meet or otherwise confer with the FS and the other recreation group parties at least semi-annually (spring and fall) throughout the term of the new license to determine project priorities and to ensure that all measures are satisfactorily completed. The Licensee shall prepare and submit to the Commission annual reports that summarize all I&E activities funded and/or conducted, beginning one year from the date the Commission approves the I&E Plan. The I&E Plan shall be updated as appropriate every six years following Commission approval of it, based on the results of the visitor surveys, and submitted to the Commission for approval.
The Licensee shall provide funding, estimated to be approximately $25,000, to develop the I&E Plan, $5,000 annually for the term of the license for annual implementation, and an amount not to exceed $15,000 every six years for the term of the license, for updating the I&E Plan.

The Licensee shall also provide funding, in an amount not to exceed $75,000 every six years for the term of the license, for conducting the visitor survey component of the I&E Plan.

Section 2. Additional License Articles

The Parties agree that the additional articles set forth in Appendix 1 hereto will be applicable to the FS-administered lands at the Bell Bay Campground, Medimont Recreation Area, and Rainey Hill Recreation Area as license conditions pursuant to Section 4(e) of the FPA to the extent that the lands or improvements are included within the project boundary. Avista agrees that it will be subject to and will comply with the provisions of Appendix 1 hereto even if the additional articles set forth in Attachment 1 hereto are not included in the new license for the Project. Avista further agrees that it will (1) provide the funding specified in proposed Article 2 above associated with the Bell Bay Campground, Medimont Recreation Area, and Rainey Hill Recreation Area and be subject to and comply with the provisions of Appendix 1 hereto in the event the Commission does not, in issuing the new license for the Project, require Avista to provide such funding and (2), in the event the current license for Project No. 2545 expires before the Commission issues a new license for the Project, provide the first annual payment specified in proposed Article 2 above within one year from such expiration date; provided, however, that Avista shall not be responsible for providing the funding specified in proposed Article 2 above or in (2) above if Lake Coeur d'Alene is not included in the new license for the Project.

Section 3. FERC And EAPAct Filings

(a) Within seven days from the date of this agreement, the FS shall file at FERC a letter withdrawing its July 13, 2006 filing and requesting that FERC, in lieu of the articles/conditions contained in the July 13, 2006 filing, instead include in the new license (1) the articles set forth in Section 1 hereof pursuant to Section 10(a) of the FPA and (2) the four additional articles set forth in Appendix 1 hereof pursuant to Section 4(e) of the FPA if FERC, in issuing the new license, requires the federal lands at the three above-referenced recreation areas to be included within the boundary of the Project. Avista will file a letter at FERC supporting the FS' request within three business days following the FS' filing.

(b) If the FS files at FERC the letter referenced in subsection (a) hereof, Avista agrees that it will not submit to the Department of Agriculture a request for an administrative hearing on material issues of disputed fact or a request for alternative conditions pursuant to the provisions of the FPA as added or amended by the Energy Policy Act of 2005, or, if has already submitted such a request(s), will promptly withdraw it.

(c) If information, including but not limited to, additional environmental analysis, requires a change in the articles set forth in Section 1 or Appendix 1 hereof, the Parties agree that they will attempt to modify those articles and this Agreement in a mutually agreeable manner pursuant to Section 9 below, taking into consideration the new information.

Section 4. Satisfaction of the Parties' Responsibilities
This Agreement establishes and satisfies Avista’s obligations for the protection, mitigation, and enhancement of all resources within the responsibility of the FS relating to the Project, and Avista’s obligation to comply with all related federal and state law applicable to the new license for the Project. The FS agrees to support the license articles set forth in Section 1 of this Agreement, and to not seek any additional obligations or measures for recreation on FS managed lands during the term of the new license for the Project; provided, however, that nothing herein prevents the FS from supporting the planning and development of any new and/or reconstructed recreation facilities after the recreation measures set forth in PF-REC-2 are completed as provided for in Article 1 above.

The Parties also agree that this Agreement is fair, reasonable, and in the public interest within the meaning of FERC Rule 602, 18 C.F.R. § 385.602(g)(3).

Section 5. Cost-Sharing Opportunities

The FS shall seek local, state, and federal grant dollars to assist in funding the measures identified in this Agreement, and shall, with the consent of Avista, use the funding to be provided pursuant to the license articles set forth in Section 1 of this Agreement as matching funds to obtain such grants whenever feasible.

Section 6. Payment Process

The funding provided by Avista pursuant to the license articles set forth in Section 1 hereof shall be utilized to pay for work performed by Avista or any other Party for implementing activities pursuant to this Agreement. The selection of the entity to perform such work shall be at the sole discretion of Avista, following consultation with the FS.

(a) Unless otherwise specified, all costs, balances, or payment amounts specified in dollars shall be deemed to be stated as of the year 2007, or the year in which a final new license is issued for the Project, whichever is later, and Avista shall adjust such sums as of January 31st of each following year (starting in the first January after the effective date of the new license for the Project), or upon publication of, and in accordance with, the Consumer Price Index for all Urban Consumers, US City Averages, All Items, Not Seasonally Adjusted. Such Consumer Price Index is published by the U.S. Department of Labor, Bureau of Labor Statistics. If the publication of such Consumer Price Index is discontinued, the Parties shall select an appropriate alternative index to achieve the same economic effect.

(b) If the FS implements specific measures pursuant to this Agreement, Avista and the FS shall enter into a mutually-acceptable agreement regarding planning, implementation, and payment for such work. Such agreements shall, consistent with applicable federal and state law, provide for the method and timing of payments, documentation of the amount and cost of work completed, certification that such work will be performed in a manner consistent with this Agreement, provisions for addressing liability, and a process for handling disputes regarding documentation, payment, or related matters. Payments shall be made on a reimbursement basis. Charges for agency overhead or administrative fees, if the FS is selected to perform work under this Agreement, will be funded with the dollars identified under the specific item identified in this Agreement.
Section 7. Binding Agreement.

This Agreement shall be binding upon and inure to the benefits of the Parties, as well as their successors and assigns.

Section 8. Commencement and Term of the Agreement.

This Agreement shall commence upon the execution of all counterparts, each of which shall be an original and both of which will constitute but one instrument, and shall remain in effect for the duration of the new license and any subsequent annual licenses.

Section 9. Amendments.

The terms of this Agreement may be amended by the mutual written agreement of both Parties. No modification or amendment of the provisions of this Agreement shall be effective unless in writing and signed by the Regional Forester of the FS, and the License Manager of Avista.

Section 10. Authority to Execute

The Parties executing this Agreement represent that they have the authority to bind their respective organizations to the terms and conditions of this Agreement. Each signatory to this Agreement certifies that he or she is authorized to execute this Agreement and to legally bind the Party he or she represents, and that such Party shall be fully bound by the terms hereof upon such signature without any further act, approval, or authorization by such Party.

Section 11. Other Participation

This Agreement in no way restricts the Parties from participating in similar activities with other public or private agencies, organizations, or individuals.

Section 12. Interests in Federal Property

No part of this Agreement shall entitle Avista to any share or interest in Forest Service recreation facilities on National Forest System lands other than the right to use and enjoy the same under the existing regulations of the Forest Service.

Section 13. Obligations

Nothing herein shall be considered as obligating the FS to expend funds or involving the United States in any contract or other obligation to make future payments of money. Implementation of this Agreement for the FS is subject to the requirements of the Anti-Deficiency Act, 31 U.S.C. §§ 1341-1519, and the availability of appropriated funds. Nothing in this Agreement is intended or shall be construed to require the obligation, appropriation, or expenditure of any money from the U.S. Treasury...
Section 14. Ownership of Improvements

Improvements placed on National Forest System land at the direction of either of the Parties pursuant to this Agreement, shall thereupon become property of the United States, and shall be subject to the same regulations and administration of the Forest Service as other National Forest improvements of a similar nature.

Section 15. Press releases

Any press release which references this Agreement, or the relationship established between the Parties to this Agreement, shall have prior approval of both Parties.

Section 16. FERC or Court Orders

The following provisions address orders issued by FERC or a court with respect to the license articles for the new license for the Project proposed herein.

Any Party may petition FERC for rehearing of the portion of any FERC order that rejects or modifies any portion of the proposed license articles (including by amending the new license at any time during the term of the new license in a manner inconsistent with this Agreement), and seek judicial review with respect thereto. In any such rehearing or review proceeding, whether initiated by a Party or not, no Party shall take a position that is inconsistent with this Agreement.

If a license article proposed in this Agreement is omitted from the new license, the Parties agree that they will continue to be bound by the omitted measures, unless compliance with the omitted measures is precluded by an order of FERC or a court of competent jurisdiction. The Parties shall be entitled to enforce the omitted measures in any state or federal court or agency of competent jurisdiction.

The Parties will not take a position inconsistent with this Agreement in response to a third party petition filed with a state or federal court or agency to modify the operation of the Project in a manner that is inconsistent with this Agreement.

Section 17. Interests of Parties

This Agreement is a compromise negotiated by the Parties and is not to be construed as an admission against the interests of either Party.

Section 18. Establishment of Precedent

The Parties agree that (a) nothing in this Agreement may be construed or interpreted to: (1) establish precedent for other agreements involving the United States; (2) establish precedent in other FERC licensing or relicensing procedures; or (3) be binding on the United States with regard to any FERC licensing or relicensing, or any other matter, other than for Project No. 12606, and (b) the unique and limited nature of Avista's funding obligations for recreation
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improvements at the three FS recreation areas addressed herein justify the non-standard, limited provisions regarding indemnification and liability set forth in Articles B and C of Appendix I hereto.

Section 19. Contacts

The principal contacts for this Agreement shall initially be, until changed after written notice to the other Party:

Thomas Ball
Hydropower Coordinator
Idaho Panhandle National Forest

Bruce Howard
Spokane River License Manager
Avista Corporation
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In witness whereof the Parties hereto execute this Agreement as of the last date set forth below:

[Signature]
Spokane River License Manager, Avista Corporation

Date: 8-16-06
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Signature: [Signature]

Regional Forester, Northern Region, USDA Forest Service

Date: 8-11-04
APPENDIX 1

Article A. Before any construction of the recreation improvements specified in PF-REC-2 at Bell Bay Campground, Medimont Recreation Area, and Rainey Hill Recreation Area occurs on National Forest System ("NFS") lands, the Licensee shall obtain the prior written approval of the USDA Forest Service for all final design plans for such improvements that the USDA Forest Service deems as affecting or potentially affecting NFS resources. The Licensee shall follow the schedules and procedures for design review and approval as specified by the USDA Forest Service, including in any required construction temporary special use authorization. As part of such prior written approval, the USDA Forest Service may require adjustments in final plans and facility locations to preclude or mitigate impacts and to assure that the improvements are compatible with on-the-ground conditions. Should such necessary adjustments be deemed by the USDA Forest Service, the Commission, or the Licensee to be a substantial change, the Licensee shall follow procedures of standard L-Form Articles 2 and 3 of the license.

Article B. The Licensee shall indemnify, defend, and hold the United States harmless for any damages or losses sustained by the United States during construction of the recreation improvements specified in PF-REC-2 at Bell Bay Campground, Medimont Recreation Area, and Rainey Hill Recreation Area and for judgments, claims, or demands assessed against the United States during the construction of such recreation improvements, in connection with the construction of such improvements; provided, however, that the provisions of this condition do not apply to any damages, judgments, claims, or demands arising out of the sole negligence or willful misconduct of the United States or other third parties outside of the Licensee’s control. The Licensee’s indemnification of the United States shall include, but not be limited to, any loss by personal injury, loss of life and damage to property during the construction of such recreation improvements in connection with the construction of such improvements. Indemnification shall include, but is not limited to, the value of resources damaged or destroyed; the costs of restoration, cleanup, and other mitigation; fire suppression and other types of abatement costs; third party claims and judgments; and all administrative costs, interest, and other legal expenses. The Licensee's liability hereunder shall be limited to reasonable damages, costs, claims, and judgments. Upon surrender, transfer, or termination of the license, the Licensee's obligation to indemnify, defend, and hold the United States harmless hereunder shall survive for all valid claims that arose prior to such surrender, transfer, or termination.

Article C. The extent of the Licensee's liability for fire and other damages to National Forest System lands shall be determined in accordance with standard L-Form Articles 22 and 24 of this license.

Article D. As part of its occupancy and use of National Forest System ("NFS") lands in association with its partial funding of the construction of the recreation improvements as specified in PF-REC-2 at Bell Bay Campground, Medimont Recreation Area, and Rainey Hill Recreation Area, the Licensee has a continuing responsibility during such
construction to reasonably identify and report to the USDA Forest Service all known or observed hazardous conditions on or directly affecting such NFS lands that would affect the recreation improvements, resources, or pose a risk of injury to individuals. Licensee will abate those conditions, except those caused by third parties or not related to the construction of the recreation improvements. Any non-emergency actions to abate such hazards on NFS lands shall be performed after consultation with the USDA Forest Service. In emergency situations, the Licensee shall notify the USDA Forest Service of its actions as soon as possible, but not more than 48 hours, after such actions have been taken. Whether or not the USDA Forest Service is notified or provides consultation, the Licensee shall remain solely responsible for all abatement measures performed. Other hazards shall be reported to the appropriate agency as soon as possible.
COLLECTION AGREEMENT
Between
USDA, FOREST SERVICE, IDAHO PANHANDLE NATIONAL FORESTS
And
AVISTA CORPORATION

This COLLECTION AGREEMENT ("Agreement") is entered into between the USDA Forest Service, Idaho Panhandle National Forests (the "Forest Service"), and Avista Corporation ("Avista") under the provisions of the Cooperative Funds Act of June 30, 1914 (16 U.S.C. 498 as amended by Pub. L. 104-127).

A. PURPOSE:
The purpose of this Agreement is to document Avista's intent to provide funds ("Funds") to supplement the Forest Service's operation and maintenance costs of the following three recreation sites: Bell Bay Campground, Medimont Recreation Area, and Rainey Hill Recreation Area (the "Recreation Sites"), as described in the Agreement Between Avista Corporation, and the USDA Forest Service Regarding Recreation Programs for the Post Falls Project, P-12606, Avista Contract No. R-35549.

B. THE FOREST SERVICE SHALL:
1. Utilize the Funds to maintain and operate the Recreation Sites for five years ending June 30, 2013.
2. Meet with representatives of Avista, as requested, to review annual maintenance and operations of the Recreation Sites and report on expenditures.
3. Deposit all Funds received under the terms of this Agreement to a Forest Service Cooperative Work Fund to be used for maintaining and operating the Recreation Sites, including related overhead expenses.

C. AVISTA SHALL:
Prepay the total sum of $15,000.00 to the Forest Service for the maintenance and operation of the Recreation Sites listed above.

D. IT IS MUTUALLY AGREED AND UNDERSTOOD BY ALL PARTIES THAT:
1. TAXPAYER IDENTIFICATION NUMBER. Avista shall furnish their tax identification number upon execution of this instrument.
2. FREEDOM OF INFORMATION ACT (FOIA). Any information furnished to the Forest Service under this instrument is subject to the Freedom of Information Act (5 U.S.C. 552).
3. MODIFICATION. Modifications within the scope of work under this Agreement shall be made by mutual consent of the parties, by the issuance of a written modification, signed and dated by all parties, prior to any changes being performed. The Forest Service is not obligated to fund any changes not properly approved in advance.
4. **REFUNDS.** Contributions authorized for use by the Forest Service which are not spent or obligated for maintaining and operating the Recreation Sites, will be refunded to Avista or authorized for use for new projects by Avista. Due to processing costs, any balance less than $40 will not be refunded.

5. **PROPERTY IMPROVEMENTS.** Improvements placed on National Forest System land at the direction of either of the parties, shall become the property of the United States, and shall be subject to the same regulations and administration of the Forest Service as other National Forest improvements of a similar nature. No part of this Agreement shall entitle Avista to any share or interest in the property other than the right to use and enjoy the same under the existing regulations of the Forest Service.

6. **LEGAL AUTHORITY.** Avista certifies that it has the legal authority to enter into this Agreement, and the institutional, managerial and financial capability to ensure proper planning, management, and completion of the project.

7. **PARTICIPATION IN SIMILAR ACTIVITIES.** This Agreement in no way restricts the Forest Service or Avista from participating in similar activities with other public or private agencies, organizations, and individuals.

8. **TERMINATION.** Either of the parties may terminate this Agreement, in whole or in part, in writing, at any time before the expiration date set forth above in Section B. 1. Excess Funds shall be refunded to Avista within 60 days after the date of expiration.

9. **PRINCIPAL CONTACTS.** The principal contacts for this Agreement are:

   **Forest Service Project Contact**
   
   Kent Wellner  
   Idaho Panhandle National Forests  
   Supervisor’s Office  
   3815 Schreiber Way  
   Coeur d’Alene, ID 83815  
   Phone: (208) 765-7214  
   FAX: (208) 765-7326  
   E-Mail: kwellner@fs.fed.us

   **Avista Project Contact**
   
   Elvin Speed Fitzhugh  
   Spokane River License Manager  
   Avista Corporation  
   PO Box 3727 MSC-1  
   Spokane, WA 99220-3727  
   Phone: (509) 495-4998  
   FAX: 509-495-4852  
   E-Mail: elvin.fitzhugh@avistacorp.com

   **Forest Service Administrative Contact**
   
   Debi Church  
   Idaho Panhandle National Forests  
   Supervisor’s Office  
   3815 Schreiber Way  
   Coeur d’Alene, ID 83815  
   Phone: (208) 765-7274  
   FAX: (208) 765-7229  
   E-Mail: dchurch01@fs.fed.us

   **Avista Administrative Contact**
   
   Heide Evans  
   Avista Corporation  
   PO Box 3727 MSC-1  
   Spokane, WA 99220-3727  
   Phone: 509-495-4993  
   FAX: 509-495-4852  
   E-Mail: heide.evans@avistacorp.com
10. ADVANCE BILLING. The Forest Service shall bill Avista prior to commencement of work under this Agreement for deposits sufficient to cover the estimated costs (including overhead) specified in Section C above. Overhead will be assessed at the rate of 0%.

Billings shall be sent to:

Heide Evans
Avista Corporation
P.O. Box 3727 MSC-1
Spokane, WA 99220-3727

11. ENDORSEMENT. Avista contributions made under this Agreement do not by direct reference or implication convey Forest Service endorsement of Avista’s product or activities.

12. FOREST SERVICE LIABILITY. Avista shall not be liable for any damages incident to the performance of this Agreement.

13. COMMENCEMENT/EXPIRATION DATE. This Agreement is executed as of the date of last signature and is effective through June 30, 2013, at which time it will expire unless extended by mutual written agreement between the parties.

14. AUTHORIZED REPRESENTATIVES. By signature below, Avista certifies that the individuals listed in this document, as representatives of the Avista, are authorized to act in their respective areas for matters related to this Agreement.

The PARTIES have executed this instrument.

AVISTA CORPORATION
BRUCE HOWARD

USDA FOREST SERVICE
Idaho Panhandle National Forests
RANOTTA K MCNAIR

Signature  DATE  Signature  DATE

The authority and format of this instrument has been reviewed and approved for signature.

DATE

FS Agreements Coordinator