

COST SHARE AGREEMENT

This Cost Share Agreement (“Agreement”) is entered into between Avista Corporation (“Avista”) and the Idaho Department of Parks and Recreation (IDPR) (sometimes, individually, a “Party” and collectively, the “Parties”) under the provisions of the Cooperative Funds Act of June 30, 1914 (16 U.S.C. 498 as amended by Pub. L. 104-127).

Background and Purpose: Avista and IDPR are parties to Avista Contract No R-35677 (“R-35677”), effective March 28, 2008, which addresses, in part, IDPR’s aesthetic issues related to recreation sites owned or administered by the IDPR within or adjacent to the Post Falls Hydroelectric Development (“Post Falls HED”). The Post Falls HED is licensed by the Federal Energy Regulatory Commission (“FERC”) as part of the Spokane River Project (“SRP”), and R-35677 was executed prior to FERC’s approval of Avista’s new license (“License”) for operation of the SRP. The purpose of this Agreement is to document Avista’s intent to provide funds (“Funds”) to supplement IDPR’s operation and maintenance of the Higgins Point Recreation Site (the “Recreation Site”) addressed in R-35677 subsequent to FERC’s approval of the License in June 2009. Operation and maintenance of other recreation sites agreed to in R-35677, Section 5, will be addressed in subsequent agreements.

Therefore, the Parties agree as follows:

1. Parties’ Obligations.

1.1 IDPR shall:

- Utilize the Funds to maintain and operate the Recreation Site for the term of the License.
- Meet with Avista representatives, as requested by Avista, to review annual maintenance and operations of the Recreation Site and summarize expenditures.
- Deposit all Funds received under this Agreement to an IDPR Work Fund to be used for maintaining and operating the Recreation Site, including related overhead expenses.

1.2 Avista shall pay to IDPR, \$10,000 (stated in 2007 dollars) annually, adjusted yearly in accordance with the Consumer Price Index (“CPI”) for all Urban Consumers (U.S. City Averages, all items, not seasonally adjusted). If the publication of such CPI is discontinued, the Parties shall select an appropriate alternative index to achieve a similar economic effect.

2. Effective/Expiration Dates. This Agreement will become effective as of the last date of execution below (“Effective Date”) and remain in effect until the earlier of the expiration of the License or termination of this Agreement upon mutual written agreement between the Parties (“Expiration Date”).
3. Modification. Modifications to this Agreement may be made only upon mutual written agreement between the Parties.
4. Property Improvements. Improvements placed on IDPR land at the direction of either Party, will become the property of IDPR and will be subject to the same regulations and administration of IDPR as other improvements of a similar nature. No part of this Agreement entitles Avista to any share or interest in the Recreation Site other than the right to use and enjoy the same under the existing regulations of IDPR.
5. Notices. All notices, demands, requests and other communications under this Agreement must be in writing and personally delivered to the other Party, or sent by facsimile, mail (postage prepaid), or delivered by a recognized commercial courier, addressed as set forth below. Such notices, demands, requests and other communications will be deemed given as of the date personally delivered, and if mailed or sent by facsimile, upon receipt.

5.1 Notices to Avista:

Project/Technical Communications: Attention Rene Wiley, MSC-1

Invoices: Attention Heide Evans, MSC-1

Legal, Contractual, Insurance Notices: Attention Supply Chain Management, MSC-33

At the following address:

Avista Corporation
1411 E. Mission Ave.
PO Box 3727
Spokane, WA 99220-3727
Ref.: Avista Contract No. R-36978

5.2 Notices to Consultant:


Idaho Department of Parks and Recreation
North Region Service Center
2885 Kathleen Ave, Suite
Coeur d'Alene ID 83815
Attention: David White

5.3 Either Party may change its address by providing written notice to the other as described above.

- 6. Participation in Similar Activities. This Agreement does not restrict either Party from participating in similar activities with other public or private agencies, organizations and/or individuals.
- 7. Incorporated Terms. The General Provisions set forth in Section 6 of R-35677 are incorporated into this Agreement by this reference.

This Agreement has been executed by each Party's authorized representative on the date(s) set forth below.

Avista Corporation



(Signature)

BRUCE HOWARD

(Printed Name)

DIR., ENVIRONMENTAL AFFAIRS

(Title)

12.16.10

(Date)

Idaho Department of Parks and Recreation



(Signature)

NANCY MERRILL

(Printed Name)

Director

(Title)

December 6, 2010

(Date)