

**DISCLOSURE SCHEDULE TO THE  
ASSET PURCHASE AND SALE AGREEMENT**

by and between

**MIRANT OREGON, LLC**

and

**AVISTA CORPORATION**

**Dated as of October 13, 2004**

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This Disclosure Schedule has been prepared in connection with the Asset Purchase and Sale Agreement ("**Agreement**"), made and entered into on October 13, 2004, by and between MIRANT OREGON, LLC, a Delaware limited liability company ("**Seller**"), and AVISTA CORPORATION, a Washington corporation ("**Purchaser**"), and constitutes the schedules referred to in the Agreement. Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed to such terms in the Agreement.

The representations and warranties of the Seller in Article 5 of the Agreement are made subject to the exceptions and qualifications set forth herein. The Schedules are qualified in their entirety by reference to specific provisions of the Agreement, and are not intended to constitute, and shall not be construed as constituting, separate representations or warranties of Seller.

The section numbers used herein refer to the Sections in the Agreement. Headings and subheadings have been inserted herein for convenience of reference only and shall not have the effect of amending or changing the express description hereof as set forth in the Agreement.

The inclusion of any information (including dollar amounts) in any section of this Disclosure Schedule shall not be deemed to be an admission or acknowledgment by the Seller that such information is required to be listed in such section or is material to or outside the ordinary course of the business of the Seller, nor shall such information be deemed to establish a standard of materiality (and the actual standard of materiality may be higher or lower than the matters disclosed by such information). In addition, matters reflected in this Disclosure Schedule are not necessarily limited to matters required by the Agreement to be reflected in Disclosure Schedule. Such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature. The information contained in this Disclosure Schedule is disclosed solely for purposes of the Agreement, and no information contained herein or therein shall be deemed to be an admission by any party hereto to any third party of any matter whatsoever (including, without limitation, any violation of applicable Law or breach of contract).

The information provided in this Disclosure Schedule is being provided solely for the purpose of making the disclosures to Purchaser under the Agreement. Seller does not assume any responsibility to any person that is not a party to the Agreement for the accuracy of any information herein. The information was not prepared or disclosed with a view to its potential disclosure to others. Subject to applicable law, this information is disclosed in confidence for the purposes contemplated in the Agreement and is subject to the confidentiality provisions of any other agreements entered into by the parties. In disclosing this information, the Seller expressly does not waive any attorney-client privilege associated with such information or any protection afforded by the work-product doctrine with respect to any of the matters disclosed or discussed herein.

Certain Assets

1. Rights related to that certain Firm Transportation Service Agreement, Contract No. 8217 between PG&E Gas Transmission, Northwest Corporation and Mirant Americas Energy Marketing, L.P., dated as of January 16, 2002, including, specifically, firm gas transportation and related services on the Coyote Springs lateral for a maximum daily transportation capacity of 28,626Dth/day.
2. Rights related to those certain Applications for firm point-to-point transmission service from the Coyote Springs 500kV switchyard to the Vantage 230kV switchyard, filed with the United States Department of Energy, acting by and through the Bonneville Power Administration, by Mirant Americas Energy Marketing, L.P., on February 26, 2002, Request Nos. 569, 570 and 571.

Excluded Assets

1. Seller shall retain its interests in the limited liability company, Coyote Springs 2, LLC, a Delaware limited liability company, and this Agreement shall not affect the rights, claims and actions that Coyote Springs 2, LLC may have in or related to the following agreements:
  - a. Turnkey Engineering, Procurement and Construction Agreement between Coyote Springs 2, LLC, and National Energy Production Corporation, dated July 21, 2000.
  - b. First Amendment to Turnkey Engineering, Procurement and Construction Agreement between Coyote Springs 2, LLC, and National Energy Production Corporation dated June 22, 2001.
  - c. Limited Notice to Proceed Agreement between Coyote Springs 2, LLC, and National Energy Production Corporation, dated as of April 13, 2000.
  - d. Second Limited Notice to Proceed Agreement between Coyote Springs 2, LLC, and National Energy Production Corporation, dated as of July 21, 2000.
  - e. Final Notice to Proceed Agreement between Coyote Springs 2, LLC, and National Energy Production Corporation, dated as of October 30, 2000.
  - f. Guaranty between Enron Corporation and Coyote Springs 2, LLC, dated July 21, 2000.
2. Without limiting the foregoing, Seller shall retain all its rights, claims and actions as a member of Coyote Springs 2, LLC, with respect to rights, claims and actions against Enron Corporation, National Energy Production Corporation, or their respective sureties, insurers or guarantors related to the Turnkey Engineering, Procurement and Construction Agreement between Coyote Springs 2, LLC and National Energy Production Corporation dated July 21, 2000 and which are being pursued and held by Coyote Springs 2, LLC.
3. Without limiting the foregoing, Seller shall retain all its rights, claims and actions as a member of Coyote Springs 2, LLC, with respect to rights, claims and actions against Alstom USA, Inc., Alstom T&D, Inc., or their respective sureties, insurers or guarantors related to the generator step-up transformer and which are being pursued and held by Coyote Springs 2, LLC.
4. Each of the contracts, agreements or documents listed on Schedule 8.3.4 hereto, and all right, title and interest of Seller thereunder, shall constitute "Excluded Assets."

Assumed Liabilities

1. Seller's affiliate, Mirant Americas Energy Marketing, L.P., shall post and permanently release to Purchaser, and Purchaser shall assume, the firm gas transportation capacity and related services identified in that certain Firm Transportation Service Agreement, Contract No. 8217 between PG&E Gas Transmission, Northwest Corporation and Mirant Americas Energy Marketing, L.P., dated as of January 16, 2002, including, specifically, firm gas transportation and related services on the Coyote Springs lateral for a maximum daily transportation capacity of 28,626Dth/day.
2. Seller's affiliate, Mirant Americas Energy Marketing, L.P., shall assign to Purchaser, and Purchaser shall assume, the rights related to those certain Applications for firm point-to-point transmission service from the Coyote Springs 500kV switchyard to the Vantage 230kV switchyard, filed with the United States Department of Energy, acting by and through the Bonneville Power Administration, by Mirant Americas Energy Marketing, L.P., on February 26, 2002, Request Nos. 569, 570 and 571.

Methodology for Allocating Purchase Price

Pursuant to Section 2.4.3 of this Agreement, the consideration (including Assumed Liabilities) shall be allocated for Income Tax purposes among the Assets (to the extent of Seller's Interest), consistent with Section 1060 of the Tax Code, using the residual allocation method as described in Treasury Regulation Section 1.338-6 (including the concepts of adjusted deemed selling price and adjusted grossed up basis, to the extent applicable). Accordingly, the consideration (including Assumed Liabilities), less the amount of assets allocated to Class I (Cash and cash equivalents), shall be allocated on the basis of gross fair market value to the following classifications in the order prescribed by such regulation:

- Class II – Actively traded personal property, and other certain assets;
- Class III – Mark-to-market assets and certain debt instruments;
- Class IV – Inventory and Stock in Trade;
- Class V – All assets other than Classes I, II, III, IV, VI and VII;
- Class VI – Section 197 intangibles, other than goodwill and going concern value; and
- Class VII – Goodwill and going concern value.

Approvals - Seller

1. The consent or approval required by the Material Agreements on Schedule 5.8.1 designated as Nos. 9, 10, 12, 13, 16, 21, 30, 31, 32, 35, 37, 47, 48, 49 and 50.
2. The approval of the Bankruptcy Court is required for the assignment and conveyance to Purchaser of the assets listed on Schedule 1.10(a).

Permitted Encumbrances

1. Purchaser's undivided interest in and to the Real Property as a co-tenant with an undivided one-half interest in the Assets.
2. Real property taxes levied by the State Tax Commission under and through the provisions of ORS 308.550 – ORS 308.730 and any such amount currently not available from the County Assessment Office.
3. City liens, if any, of the City of Boardman. (There are no outstanding assessments of records as of 9/27/04)
4. The premises are within the boundaries of the West Extension Irrigation District, and are subject to the levies, assessments and easements thereof.
5. Reservations, Restrictions, and Easements as contained in Deed recorded November 3, 1967, as Microfilm No. M-229, Morrow County Microfilm Records. (Affects Parcel 1)
6. Right of Way Agreement, including the terms and provisions thereof, between Port of Morrow, Oregon, also known as Port of Morrow County, a municipal corporation, also known as Port of Morrow and Pacific Gas Transmission Company, recorded March 3, 1995, as Microfilm No. M-44682, Morrow County Microfilm Records. (Affects Parcel 1 in the 120 feet corridor)
7. Easement, including the terms and provisions thereof, in favor of Pacific Gas Transmission Company, recorded April 15, 1996, as Microfilm No. M-47783, Morrow County Microfilm Records. (Affects Parcel 1)
8. Agreement for Payments in Lieu of Ad Valorem Taxes, including the terms and provisions thereof dated February 16, 2000, recorded February 24, 2000 as Microfilm No. 2000-451 between The City of Boardman, Oregon and Coyote Springs 2 LLC; Addendum to Agreement For Payments In Lieu of Ad Valorem Taxes between the City of Boardman and Coyote Springs 2, LLC, dated as of April 5, 2000; and Second Addendum to Agreement for Payments in Lieu of Ad Valorem Taxes between the City of Boardman, Coyote Springs 2, LLC, Purchaser and Seller, effective as of January 1, 2003.
9. Common Ownership and Services Agreement dated July 21, 2000, recorded July 21, 2000 as Microfilm No. 2000-1606, Records of Morrow County, Oregon, by and between Tule Hub Services Company, an Oregon Corporation and Coyote Springs 2, LLC, and First Amendment to Common Ownership and Services Agreement effective as of January 1, 2003, by and among Portland General Electric Company (as successor to Tule Hub Services Company), Coyote Springs 2, LLC, Purchaser and Seller recorded January 8, 2004 as Microfilm No. 2004-9975, Records of Morrow County, Oregon.
10. Memorandum of Agreement (Co-Tenancy and Joint Operating Agreement) dated as of January 1, 2003 by and between Seller and Purchaser recorded December 31, 2002 as

Microfilm No. 2002-6430, Morrow County Microfilm Records, which is to be terminated pursuant to Section 7.1 of the Agreement.

11. Any statutory liens for labor or material, including liens for contributions due the State of Oregon for unemployment compensation and for workmen's compensation, which have now gained or hereafter may gain priority over the lien of the insured mortgage, which liens do not now appear of record.
12. Any Encumbrances arising under the Co-Tenancy and Joint Operating Agreement dated as of January 1, 2003, as amended.
13. Any Encumbrances on the assets listed on Schedule 1.10(a), due to the fact that Mirant Americas Energy Marketing, L.P. is a party to the Chapter 11 Case.

Real Property

A leasehold estate as created by the instrument herein referred to as the Lease which is identified as follows:

Lease, including the terms and provisions thereof, between The Port of Morrow, a municipal corporation of the State of Oregon, as lessor, and Portland General Electric Company, as lessee, dated August 9, 1993, recorded May 23, 1994, as Microfilm No. M-2775, Morrow County Microfilm Records.

Said Lease was amended by instrument dated February 23, 2000, effective July 21, 2000, and by instrument dated January 1, 2003.

Seller and Purchaser, as co-tenants, are successors to an undivided fifty percent (50%) interest under said Lease; and are successors to certain rights and responsibilities established under that certain Common Ownership and Services Agreement, recorded July 21, 2000, Microfilm No. 2000-1606, Records of Morrow County, Oregon, and that First Amendment to Common Ownership and Services Agreement dated as of January 1, 2003, recorded January 8, 2004, Microfilm No. 2004-9975, Records of Morrow County, Oregon; and are parties to that certain Co-Tenancy and Joint Operating Agreement dated as of January 1, 2003, recorded in a Memorandum of Agreement on December 31, 2002, Microfilm No. 2002-6430, Records of Morrow County, Oregon.

APPURTENANCES contained in Common Ownership and Services Agreement, recorded July 21, 2000, Microfilm No. 2000-1606, Records of Morrow County, Oregon and that First Amendment to Common Ownership and Services Agreement dated as of January 1, 2003, recorded January 8, 2004, Microfilm No. 2004-9975, Records of Morrow County, Oregon.

The land referred to herein is described as follows:

Lots 1, 2 and 3, Block 4, PORT OF MORROW FOOD PROCESSING PARK, in the County of Morrow and State of Oregon.

TOGETHER WITH real property rights contained in Common Ownership and Services Agreement dated July 21, 2000, recorded July 21, 2000 as Microfilm No. 2000-1606, Records of Morrow County, Oregon and that First Amendment to Common Ownership and Services Agreement dated as of January 1, 2003, recorded January 8, 2004, Microfilm No. 2004-9975, Records of Morrow County, Oregon.

Environmental Matters

On May 6, 2002, a transformer at the Coyote Springs power generation facility in Boardman, Oregon failed and released approximately 14,600 of the 17,700 gallons of transformer coolant oil (also referred to as mineral oil or oil) contained within the transformer. This oil flowed into a secondary containment vault. The commercial name for this oil is Diala Ax oil. The mineral oil does not contain PCBs and is considered non-hazardous.

An internal fire broke out in the transformer that created enough heat and pressure to form cracks that allowed the mineral oil to leak into the secondary containment vault. A fire broke out on top of the transformer that activated the fire suppression system. This system, which applied approximately 1,850 gallons per minute to the fire, was active for approximately one hour and resulted in the flooding of the vault and displacement of the transformer oil. Oil and water spilled out of the vault and onto the surrounding ground.

The combined liquids flowed overland to the south and east ponding in several locations including the area immediately surrounding the failed transformer and the northeast portion of the Coyote Springs substation to the south of the transformer. The water and oil also flowed to the low areas along the eastern perimeter of the property, an area adjacent to and on the east side of Toadvin Pond, and onto a spit of land, which protrudes into Toadvin Pond.

Some of the water and oil also flowed into Toadvin Pond, located immediately east of the site. This pond is used by the Port of Morrow as a source for irrigation water and by the Coyote Springs Facility as a source of cooling tower makeup water. Irrigation and cooling tower makeup water is extracted from a pump intake at the southeastern margin of Toadvin Pond and at a depth of approximately 15 to 20 feet below the surface water. Sampling conducted at the water intake immediately after the spill and during cleanup demonstrated that concentrations of mineral oil in water used for irrigation were well below the preliminary groundwater screening level. In every case, with the exception of the first sample collected, were below the analytical method detection limit.

Remedial actions were taken at the site to remove the mineral oil and contaminated soils where feasible including mineral oil recovery from surface water, soil excavation, and shoreline washing. Soils with mineral oil concentrations above the preliminary screening level were removed where feasible and disposed of at the Finley Butte Landfill.

Subsequent to the remedial actions, a ground water and surface water sampling program was conducted to demonstrate that no further actions were required.

Ten groundwater monitoring wells were installed to assess whether contamination could migrate through groundwater. Each of the ten monitoring wells was sampled between May 2002 and May 2003. Samples were analyzed for petroleum hydrocarbons. The results

from all samples were less than the risk screening value of 1.5 mg/l and in general were below the method detection level.

Water in Toadvin Pond was sampled at five locations along the bank. All five points were sampled between May 2002 and November 2002. Two of the points were sampled two additional times in February and May 2003. The sampling program results demonstrated that the remedial action reduced surface water oil concentrations to less than the risk screening value of 1.5 mg/l.

No oil was detected in any of the surface water samples taken from Messner Pond, just northeast of Toadvin Pond.

On August 5, 2003, the Oregon Department of Environmental Protection (ODEQ) issued a "No Further Action Determination". The ODEQ determination means that no further remedial action or monitoring is required and no restriction is placed on the future use of the property.

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There were a couple of small releases of hydraulic fluid or diesel between March and May 2001. The hydraulic fluid that was spilled was biodegradable, but because it was not identified as such at the time of the spill, the contaminated soil was placed into a barrel and was disposed at a legal disposal site. The other fluid spills were minor spills resulting from the filling of diesel-operated equipment or from a drip when a piece of equipment did not have a containment vessel beneath it to collect the drip. In each instance, the fluid and contaminated soil was placed into a barrel and disposed of at legal disposal site operated by Waste Management in Arlington, Oregon under Columbia Ridge Landfill Profile #0076CU and #0105CU.

Material Agreements

1. Bill of Sale by CS2 in favor of Avista and Mirant dated January 1, 2003.
2. Assignment and Assumption Agreement (General Assignment) among CS2, Avista and Mirant dated January 1, 2003.
3. Second Amendment to Ground Lease among The Port of Morrow (the "Port"), Portland General Electric Company ("PGE"), CS2, Avista and Mirant dated January 1, 2003.
4. Assignment of Ground Lease among CS2, Avista and Mirant dated January 1, 2003.
5. First Amendment to Common Ownership and Services Agreement among PGE, CS2, Avista and Mirant dated January 1, 2003.
6. Assignment, Assumption and Consent (PGE Agreements) among PGE, CS2, Avista and Mirant dated January 1, 2003.
7. Assignment, Assumption and Consent (Steam Sales and Services Agreement) among the Port, PGE, CS2, Avista and Mirant dated January 1, 2003.
8. Assignment, Assumption and Consent (Meter Station Upgrade Agreement) among PG&E Gas Transmission ("PGT"), CS2, Avista and Mirant dated January 1, 2003.
9. Agreement for Payments in Lieu of Ad Valorem Taxes, including the terms and provisions thereof dated February 16, 2000, recorded February 24, 2000 as Microfilm No. 2000-451 between The City of Boardman, Oregon and Coyote Springs 2 LLC; Addendum to Agreement For Payments In Lieu of Ad Valorem Taxes between the City of Boardman and Coyote Springs 2, LLC, dated as of April 5, 2000; and Second Addendum to Agreement for Payments in Lieu of Ad Valorem Taxes among the City of Boardman, CS2, Avista and Mirant dated January 1, 2003.
10. Asset Transfer Agreement between Coyote Springs 2, LLC and Portland General Electric Company dated as of December 22, 1999.
11. First Amendment to Asset Transfer Agreement between Coyote Springs 2, LLC and Portland General Electric Company dated as of July 21, 2000.
12. Allocation Agreement between Portland General Electric Company and Coyote Springs 2, LLC.
13. Proration Agreement between Portland General Electric Company and Coyote Springs 2, LLC.

14. Bill of Sale for Fifty Percent Interest in Property Transferred to Coyote Springs 2, LLC by Portland General Electric Company.
15. Assignment of Lease for Undivided One-Half Interest in the Ground Lease by Portland General Electric Company for the benefit of Coyote Springs 2, LLC.
16. Agreement Regarding Reimbursement of Expenses by and among Portland General Electric Company, Coyote Springs 2, LLC, and Enron North America Corp.
17. Securities Purchase Agreement between Enron North America Corp. and Avista Power, LLC dated as of July 21, 2000.
18. Assignment of Interest between Enron North America Corp. and Avista Power, LLC.
19. Letter Agreement between Purchaser and Enron North America dated October 4, 1999 regarding confidentiality.
20. Letter of Avista Power, LLC dated July 21, 2000 regarding existing contracts.
21. Letter Agreement between Portland General Electric Company and Avista Power, LLC dated May 11, 2000.
22. Reliance Letter Agreement between Coyote Springs 2, LLC, CH2M Hill, Inc. and Portland General Electric dated April 18, 2000.
23. Agreement between Enron North America Corp. and General Electric Company for the Coyote Springs 2, LLC Power Project Gas Turbine Generator Package, dated effective as of May 4, 1999.
24. Change Order Number 1 between Enron North America Corp. and General Electric Company, dated effective June 9, 2000.
25. Purchase Agreement and Assignment and Assumption between Enron North America Corp. and Avista Power, LLC, dated as of July 7, 2000.
26. Consent to Assignment between Avista Power, LLC, and General Electric Company, dated effective July 7, 2000.
27. Purchase Agreement and Assignment and Assumption between Avista Power, LLC, and Coyote Springs 2, LLC, dated as of July 25, 2000.
28. Purchase Agreement and Assignment and Assumption between Coyote Springs 2, LLC, and National Energy Production Corporation, dated as of July 25, 2000.
29. Consent to Assignment between Coyote Springs 2, LLC, National Energy Production Corporation, and General Electric Company, dated effective July 25, 2000.

30. Common Ownership and Services Agreement between Tule Hub Services Company and Coyote Springs 2, LLC, dated as of July 21, 2000.
31. Unit 2 Construction Agreement between Coyote Springs 2, LLC and Portland General Electric Company, dated as of July 21, 2000.
32. Operation and Maintenance Agreement between Coyote Springs 2, LLC and Portland General Electric Company, dated as of July 21, 2000.
33. Letter Agreement between Portland General Electric Company and the Port of Morrow, dated April 20, 1993.
34. Release and Termination of Letter Agreement between Portland General Electric Company and the Port of Morrow, dated as of February 23, 2000.
35. Ground Lease between the Port of Morrow and Portland General Electric Company, dated August 9, 1993.
36. First Amendment to Ground Lease between the Port of Morrow, Portland General Electric Company and Coyote Springs 2, LLC, dated February 23, 2000; Letter Agreement among Portland General Electric Company, Port of Morrow, and Coyote Springs 2, LLC, dated June 26, 2000; Assignment of Lease between Portland General Electric Company and Coyote Springs 2, LLC, dated July 21, 2000.
37. Steam Sales Agency Agreement between the Port of Morrow and Portland General Electric Company, dated August 9, 1993.
38. First Amendment to Steam Sales Agency Agreement between the Port of Morrow, Portland General Electric Company and Coyote Springs 2, LLC, dated February 23, 2000.
39. Services Agreement between the Port of Morrow and Portland General Electric Company, dated August 9, 1993.
40. Amendment 1 to Services Agreement between the Port of Morrow and Portland General Electric Company, dated January 15, 1996.
41. Second Amendment to Services Agreement between the Port of Morrow, Portland General Electric Company and Coyote Springs 2, LLC, dated February 23, 2000.
42. Water Agreement between the City of Boardman, Lamb-Weston, Inc., Oregon Potato Company and Portland General Electric Company, dated January 15, 1996.
43. Letter Agreement dated March 29, 2001 re Work Scope and Letter of Understanding for Coyote Springs #2 Station Service between Umatilla Electric Cooperative and Avista.

44. Agreement for Electric Service between Umatilla Electric Cooperative Association and Purchaser, dated July 1, 2003.
45. Consent and Contribution Agreement between Seller and Purchaser, dated July 1, 2003, and related to that certain Agreement for Electric Service between Umatilla Electric Cooperative Association and Purchaser, dated July 1, 2003.
46. Agreement to Implement City of Boardman Annexation of Coyote Springs Power Generation Project between the City of Boardman and Portland General Electric Company, dated as of January 15, 1996.
47. Interconnection Agreement, Contract No. 00TX-10290, between Coyote Springs 2, LLC and the United States of America, Department of Energy, acting by and through the Bonneville Power Administration, dated July 24, 2000, as amended by Amendment, Assignment and Assumption Agreement to Interconnection Agreement, Amendment No. 1, Contract No. 00TX-10290, between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration, Coyote Springs 2, LLC, Purchaser and Seller, dated January 1, 2003.
48. Construction, Operation and Maintenance Agreement, Contract No. 00TX-10289, between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration and Coyote Springs 2, LLC, dated July 24, 2000, as amended by Amendment, Assignment and Assumption Agreement to Construction, Operation and Maintenance Agreement, Amendment No. 1, Contract No. 00TX-10289, between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration, Coyote Springs 2, LLC, Purchaser and Seller, dated January 1, 2003.
49. Meter Station Upgrade Agreement between Coyote Springs 2, LLC, and Pacific Gas and Electric Gas Transmission — Northwest dated December 28, 2000.
50. Letter Agreement between Portland General Electric and Coyote Springs 2, LLC, dated January 29, 2001, regarding Designated Representative and Alternate Designated Representative under the air permit.
51. Memorandum of Understanding the Climate Trust and Coyote Springs 2, LLC Monetary Path Carbon Dioxide Standard Implementation between Coyote Springs 2, LLC, and Oregon Climate Trust dated December 31, 2000.
52. Agreement between Coyote Springs 2, LLC and the State of Oregon, acting by and through the Energy Facility Siting Council dated January 3, 2001, with respect to the letter of credit.

Defaults under Material Agreements

None.

Legal Proceedings - Seller

1. Rights, claims and actions as a member of Coyote Springs 2, LLC, with respect to rights, claims and actions against Enron Corporation, National Energy Production Corporation, or their respective sureties, insurers or guarantors pursuant to the Turnkey Engineering, Procurement and Construction Agreement between Coyote Springs 2, LLC and National Energy Production Corporation dated July 21, 2000 and which are being pursued and held by Coyote Springs 2, LLC.
2. Rights, claims and actions as a member of Coyote Springs 2, LLC, with respect to rights, claims and actions against Alstom USA, Inc., Alstom T&D, Inc., or their respective sureties, insurers or guarantors related to the generator step-up transformer and which are being pursued and held by Coyote Springs 2, LLC.

Compliance with Law - Seller

None.

Permits

1. Oregon Public Utility Commission Order Number 00-214, approving sale of property to Coyote Springs 2, LLC and sale of Coyote Springs 2, LLC to a third party.
2. Oregon Public Utility Commission Order Number 00-329, approving extension of time to complete sale of property to Coyote Springs 2, LLC and sale of Coyote Springs 2, LLC to a third party.
3. Oregon Public Utility Commission Order Number 00-387, approving transactions necessary to subordinate the lien of the Indenture of Mortgage and Deed of Trust dated July 1, 1945, to the Common Ownership and Services Agreement.
4. Agreement to Implement City of Boardman Annexation of Coyote Springs Power Generation Project between the City of Boardman and Portland General Electric Company, dated as of January 15, 1996.
5. Agreement For Payments In Lieu of Ad Valorem Taxes between the City of Boardman and Coyote Springs 2, LLC, dated as of February 16, 2000.
6. Addendum to Agreement For Payments In Lieu of Ad Valorem Taxes between the City of Boardman and Coyote Springs 2, LLC, dated as of April 5, 2000.
7. Second Addendum to Agreement for Payments in Lieu of Ad Valorem Taxes between the City of Boardman, Coyote Springs 2, LLC, Purchaser and Seller, effective as of January 1, 2003.
8. Oregon Enterprise Zone Precertification Approval granted to Coyote Springs 2, LLC, dated June 22, 2000.
9. Oregon Enterprise Zone Precertification Approval dated January 1, 2003.
10. Third Amended Thermal Power Plant Site Certificate for Coyote Springs Cogeneration Project, dated November 8, 2002 (Incorporating Amendments #1 through #8).
11. Oregon Title V Operating Permit, Permit No. 25-0031, reissued in its entirety on November 27, 2000.
12. Water Pollution Control Facilities Permit, Permit No. 101366, dated March 22, 1996.
13. Oregon Office of Energy Letter dated July 6, 2000, regarding approval of Coyote Springs Unit 2 Cooling System Study and Design.
14. Interconnection Agreement, Contract No. 00TX-10290, between Coyote Springs 2, LLC and the United States of America, Department of Energy, acting by and through the Bonneville Power Administration, dated July 24, 2000, as amended by Amendment, Assignment and

Assumption Agreement to Interconnection Agreement, Amendment No. 1, Contract No. 00TX-10290, between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration, Coyote Springs 2, LLC, Purchaser and Seller, dated January 1, 2003.

15. Construction, Operation and Maintenance Agreement, Contract No. 00TX-10289, between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration and Coyote Springs 2, LLC, dated July 24, 2000, as amended by Amendment, Assignment and Assumption Agreement to Construction, Operation and Maintenance Agreement, Amendment No. 1, Contract No. 00TX-10289, between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration, Coyote Springs 2, LLC, Purchaser and Seller, dated January 1, 2003.
16. Letter Agreement between Portland General Electric and Coyote Springs 2, LLC, dated January 29, 2001, regarding Designated Representative and Alternate Designated Representative under the air permit.
17. Memorandum of Understanding the Climate Trust and Coyote Springs 2, LLC Monetary Path Carbon Dioxide Standard Implementation between Coyote Springs 2, LLC, and Oregon Climate Trust dated December 31, 2000.
18. Agreement between Coyote Springs 2, LLC and the State of Oregon, acting by and through the Energy Facility Siting Council dated January 3, 2001, with respect to the letter of credit.
19. Air Contaminant Discharge Permit No. 25-0031, dated May 31, 1994.
20. City of Boardman Ordinance No. 180 dated November 5, 1996, including "power generation and utility facilities" as permitted uses of industrial zones.
21. Miscellaneous construction and building permits obtained by National Energy Production Company, and/or Coyote Springs 2, LLC, as set forth on Exhibit J to the EPC Contract.

Schedule 5.12.3

Taxes

None.

Approvals - Purchaser

1. The Required Approvals.
2. The consent or approval required by the Material Agreements on Schedule 5.8.1 designated as Nos. 9, 10, 12, 13, 16, 21, 30, 31, 32, 35, 37, 47, 48, 49 and 50.
3. Seller's affiliate, Mirant Americas Energy Marketing, L.P., shall post and permanently release to Purchaser, and Purchaser shall assume, the firm gas transportation capacity and related services identified in that certain Firm Transportation Service Agreement, Contract No. 8217 between PG&E Gas Transmission, Northwest Corporation and Mirant Americas Energy Marketing, L.P., dated as of January 16, 2002, including, specifically, firm gas transportation and related services on the Coyote Springs lateral for a maximum daily transportation capacity of 28,626Dth/day.
4. Seller's affiliate, Mirant Americas Energy Marketing, L.P., shall assign to Purchaser, and Purchaser shall assume, the rights related to those certain Applications for firm point-to-point transmission service from the Coyote Springs 500kV switchyard to the Vantage 230kV switchyard, filed with the United States Department of Energy, acting by and through the Bonneville Power Administration, by Mirant Americas Energy Marketing, L.P., on February 26, 2002, Request Nos. 569, 570 and 571.

Legal Proceedings - Purchaser

None.

Bank Accounts for Cash Distribution

1. Wells Fargo Bank - Account # 4945040269  
ABA # 121000248  
Account Name: Avista Corp/Coyote Springs Operating Account
2. The Bank of New York - Account # 89002 75847  
ABA 021 000 018  
Attn: BNY Hamilton Money Fund - Hamilton Shares

Consents - Purchaser's Obligation to Close

1. The consent or approval required by the Material Agreements on Schedule 5.8.1 designated as Nos. 47 and 48.
2. Seller's affiliate, Mirant Americas Energy Marketing, L.P., shall post and permanently release to Purchaser, and Purchaser shall assume, the firm gas transportation capacity and related services identified in that certain Firm Transportation Service Agreement, Contract No. 8217 between PG&E Gas Transmission, Northwest Corporation and Mirant Americas Energy Marketing, L.P., dated as of January 16, 2002, including, specifically, firm gas transportation and related services on the Coyote Springs lateral for a maximum daily transportation capacity of 28,626Dth/day.

Contracts for Termination

1. Co-Tenancy and Joint Operating Agreement, dated as of January 1, 2003, between Seller and Purchaser.
2. Memorandum of Agreement (Co-Tenancy and Joint Operating Agreement), dated as of January 1, 2003, between Seller and Purchaser, recorded as Document No. 2002-6430 in the records of Morrow County, Oregon.
3. Test Energy Agreement, dated as of May 1, 2003, between Mirant Americas Energy Marketing, L.P. and Purchaser.
4. Administrative Services Agreement, dated as of June 1, 2003, between Mirant Americas Energy Marketing, L.P. and Purchaser.
5. Transaction Record, Avista Corp Contract No. E03-01005, between Mirant Americas Energy Marketing, L.P. and Purchaser.
6. Consent and Contribution Agreement, dated July 1, 2003, between Seller and Purchaser, related to that certain Agreement for Electric Service between Umatilla Electric Cooperative Association and Purchaser, dated July 1, 2003.

Schedule 8.3.5

Consents - Seller's Obligation to Close

None.