

**SURPLUS INTERCONNECTION AGREEMENT
BETWEEN AVISTA CORPORATION (AS INTERCONNECTION UTILITY),
AVISTA CORPORATION (AS INTERCONNECTION CUSTOMER), AND
SPOKANE ECO DISTRICT 1, LLC**

This Surplus Interconnection Agreement (“Agreement”) is made and entered into this 11th day of April, 2024 (the “Effective Date”), by and between Spokane Eco District 1, LLC (“SED1”), a Washington limited liability corporation with its principal offices located at 5005 3rd Ave S, Seattle WA, and Avista Corporation (“Avista” or “Interconnection Utility” or “Interconnection Customer”) a Washington corporation with its principal offices located at 1411 East Mission, Spokane, Washington. SED1 and Avista each may be referred to as a “Party”, or collectively as the “Parties”.

RECITALS

WHEREAS, Avista owns a 1000 kW inverter and 660 kW/1320kWh battery electric storage system (“Inverter and Battery”) located at or near (i) the Catalyst Building located at 601 E Riverside Ave in Spokane, WA, which is owned by South Landing Building A, LLC and (ii) the Morris Center Building located at 12 N Sheridan St in Spokane, WA, which is owned by 611 E Sprague, LLC (collectively, the “Buildings”), with both Buildings being located in the South Landing Eco-District (the “Site”);

WHEREAS, SED1 owns a 248 kW solar facility (“Solar Facility”) located at the Site;

WHEREAS, Avista (as Interconnection Customer) entered into a Small Generator Interconnection and Construction Agreement with Avista (as Interconnection Utility) dated May 24, 2022, attached hereto as Exhibit A (“Interconnection Agreement”) to interconnect its Inverter and Battery and SED1’s Solar Facility to Avista’s Electrical System;

WHEREAS, SED1 entered into a Letter Agreement for Shaping Services with Avista, attached hereto as Exhibit B (“Shaping Agreement”), under which Avista’s Inverter and Battery will be configured to operationally be part of SED1’s Solar Facility and Avista’s Inverter and Battery will be used to provide shaping services to SED1’s Solar Facility;

WHEREAS, in the Shaping Agreement and in this Agreement, SED1’s Solar Facility and Avista’s Inverter and Battery are referred to collectively as the “Combined Facility”;

WHEREAS, SED1 intends, subject to the Shaping Agreement, to use the output of the Solar Facility, the Inverter and Battery, and the Combined Facility to serve certain loads behind the meter and to sell additional output from the Combined Facility, if any, to Avista (as Interconnection utility) pursuant to the Public Utility Regulatory Policies Act of 1978;

WHEREAS, to deliver output from the Solar Facility, the Inverter and Battery, or the Combined Facility, SED1 desires to use “Surplus Interconnection Service”, which is the

Interconnection Service pursuant to the Interconnection Agreement that is not otherwise being used by the Interconnection Customer, pursuant to the Interconnection Agreement; and

WHEREAS, SED1 will operate, or cause the operation, of the Solar Facility, the Inverter and Battery, and the Combined Facility in accordance with this Agreement.

NOW THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed as follows:

AGREEMENT

I. Effective Date and Term

1.1 Effective Date. This Agreement shall become effective upon execution by the Parties or, if applicable, such date as may be set by a regulatory agency with competent jurisdiction over this Agreement. Avista, as the Interconnection Utility, shall promptly file this Agreement with the appropriate regulatory agencies, if required. SED1 shall cooperate with Avista with regard to any such filing.

1.2 Term of Agreement; Termination; Definitions.

1.2.1 Term. This Agreement shall be effective from the Effective Date and shall, unless earlier terminated in accordance with the terms of this Agreement, terminate upon the first to occur of (a) the expiration or termination of the Interconnection Agreement, or (b) the expiration or termination of the Shaping Agreement.

1.2.2 Termination. If SED1 defaults in its obligations under this Agreement and has failed to timely cure such default within the time limits permitted by the Interconnection Agreement, or if the Interconnection Agreement expires or is terminated in accordance with its terms, Avista may terminate this Agreement by providing SED1 thirty (30) days' written notice of termination.

1.2.3 Capitalized Terms. Except as otherwise expressly defined herein, capitalized terms used herein shall have the meanings specified in the Interconnection Agreement.

II. Use of Interconnection Service

2.1 Surplus Interconnection Service. Pursuant to the terms of this Agreement, SED1 agrees to take Surplus Interconnection Service for the Solar Facility, the Inverter and Battery, and the Combined Facility in a manner consistent with and subject to the terms of the Interconnection Agreement.

2.2 This Agreement does not constitute an agreement to purchase or deliver the power from the Solar Facility, the Inverter and Battery, or the Combined Facility. The purchase

or delivery of power and other services that SED1 may require will be covered under separate agreements, if any. SED1 will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Interconnection Utility.

2.3 Except for obligations undertaken by SED1 under this Agreement with respect to Surplus Interconnection Services, Avista (as Interconnection Customer) will continue to comply with the Interconnection Agreement and maintain it in full force and effect for the term of this Agreement.

III. SED1's Responsibilities

3.1 SED1 shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

3.2 SED1 shall operate and maintain (or cause the operation and maintenance of) the Solar Facility, the Inverter and Battery, and the Combined Facility in accordance with the applicable manufacturer's recommended maintenance schedule, all Applicable Laws and Regulations, the Operating Requirements, the Interconnection Agreement and with Good Utility Practice.

3.3 SED1 agrees to construct the Solar Facility and any facilities necessary to operate the Solar Facility, and to operate the Inverter, Battery and the Combined Facility pursuant to the Shaping Agreement, all in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and other applicable national and state codes and standards. SED1 agrees to design, install, maintain, and operate its Solar Facility, and to operate the Inverter and Battery, and Combined Facility pursuant to the Shaping Agreement so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of Avista's Inverter and Battery and Avista's Electrical System and any Affected Systems.

3.4 SED1 shall not commence, or cause the commencement of, Parallel Operations of the Solar Facility, Inverter and Battery, and/or Combined Facility with the Interconnection Utility's Electric System without prior authorization from the Interconnection Utility. In connection with the execution of this Agreement, the Interconnection Utility has provided such authorization SED1 shall abide by all rules and procedures pertaining to the Parallel Operation of the Solar Facility, the Inverter and Battery, and/or the Combined Facility in the applicable balancing area identified as follows: (1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the system operator for the Avista's Electric System and; (2) the Operating Requirements set forth in Attachment 5 of the Interconnection Agreement.

3.5 SED1 shall maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Avista (as the Interconnection Utility) has established different

requirements that apply to all similarly situated generators in the balancing area on a comparable basis.

3.6 SED1 shall provide the Interconnection Utility access to the Solar Facility, all facilities used to operate the Solar Facility and the Inverter and Battery as the Combined Facility consistent with Section 2.3 of the Interconnection Agreement.

3.7. SED1 shall not make any modifications to the Solar Facility, Inverter and Battery, and/or Combined Facility without first obtaining written authorization for such modifications from the Interconnection Utility consistent with Section 3.4.5 of the Interconnection Agreement. In the event that the Solar Facility, Inverter and Battery, and/or Combined Facility is modified without written authorization for such modifications from the Interconnection Utility, the Interconnection Utility may temporarily disconnect the Solar Facility, Inverter and Battery, and/or Combined Facility from its Electrical System.

IV. Temporary Disconnection.

SED1 acknowledges and agrees that the Interconnection Utility may suspend Surplus Interconnection Service for the Solar Facility, the Inverter and Battery, and/or the Combined Facility or may temporarily disconnect such facilities from Interconnection Utility's Electrical System in accordance with Section 3.4 of the Interconnection Agreement. SED1 shall notify Interconnection Utility of any Emergency Condition regarding the Solar Facility, Inverter and Battery, and/or Combined Facility in accordance with Section 3.4.1 of the Interconnection Agreement.

V. Assignment.

This Agreement may not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. Any attempted assignment that violates this article is void and ineffective.

VI. Release and Limitation of Liability

6.1 [Reserved]

6.2 Release by Interconnection Utility. The Interconnection Utility hereby releases each SED1 and the officers, employees, agents and legal representatives of SED1 from any and all claims, losses, harm, liabilities, damages, costs and expenses to the extent resulting from any:

6.2.1 Parallel Operation of the Solar Facility, Inverter and Battery, and/or Combined Facility with the Interconnection Utility's Electric System;

- 6.2.2 Electric disturbance or fluctuation that migrates, directly or indirectly, from the Solar Facility, Inverter and Battery, and/or Combined Facility to the Interconnection Utility's Electric System;
- 6.2.3 Disconnection, interruption, suspension or curtailment, through manual operation, automatic operation or otherwise, by SED1 in the event that the Interconnection Customer, in the exercise of its sole discretion, determines or has determined that an emergency condition exists or may exist that is contrary to Good Utility Practice, and failure to do so:
 - (i) may cause imminent harm to any person or property, or
 - (ii) may cause the disruption of reliable operation of Interconnection Utility's Electric System or any of the facilities owned or operated (or caused to be operated) by SED1, including the Solar Facility, Inverter and Battery, and/or Combined Facility (including, but not limited to, any transmission or distribution line thereof).

The foregoing release shall not be effective to the extent any claims, losses, harm, liabilities, damages, costs, and expenses are the result of SED1's or SED1's agents or representative's willful misconduct.

6.3 Release by SED1. SED1 hereby releases each of Avista (as both Interconnection Customer and as the Interconnection Utility) and the directors, officers, employees, agents and legal representatives of Avista from any and all claims, losses, harm, liabilities, damages, costs and expenses to the extent resulting from any:

- 6.2.1 Parallel Operation of the Interconnection Utility's Electric System with the Solar Facility, Inverter and Battery, and/or Combined Facility;
- 6.2.2 electric disturbance or fluctuation that migrates, directly or indirectly, from the Interconnection Utility's Electric System to the Solar Facility, Inverter and Battery, and/or Combined Facility;
- 6.2.3 disconnection, interruption, suspension or curtailment, through manual operation, automatic operation or otherwise, by the Interconnection Utility in the event that the Interconnection Utility, in the exercise of its sole discretion, determines or has determined that an emergency condition exists or may exist that is contrary to Good Utility Practice, and failure to do so:
 - (i) may cause imminent harm to any person or property, or
 - (ii) may cause the disruption of reliable operation of the Interconnection Utility's Electric System or any of the facilities owned or operated (or caused to be operated) by SED1, including the Solar Facility, Inverter and Battery, and/or Combined Facility (including, but not limited

to, any transmission or distribution line thereof) or any electric system with which the Interconnection Utility is interconnected.

The foregoing release shall not be effective to the extent any claims, losses, harm, liabilities, damages, costs, and expenses are the result of the Interconnection Utility's or Interconnection Utility's agents or representatives willful misconduct.

6.3 Consequential Damages. Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability.

VII. Indemnity

7.1 Each Party shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, reasonable attorney fees, and all other obligations by or to third parties, arising out of or resulting from the indemnifying Party's action or failure to meet its obligations under this Agreement on behalf of the other Party, except in cases of gross negligence or intentional wrongdoing by the other Party.

7.2 If an indemnified Party is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of the claim, the indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, the claim.

7.3 If an indemnifying Party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of the indemnified person's actual loss, net of any insurance or other recovery.

7.4 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of the fact. Any failure of or delay in notification shall not affect a Party's indemnification obligation unless the failure or delay is materially prejudicial to the indemnifying party.

VIII. Insurance.

Each Party shall at all times during the Term of this Agreement obtain and maintain in force and effect, at its sole cost, the insurance required to be maintained by Interconnection Customer pursuant to Article 8 of the Interconnection Agreement.

IX. Disputes and Governing Law.

9.1 Disputes. Any disputes between the Parties arising under this Agreement shall be resolved in a manner consistent with the dispute resolution process in Article 10 of the Interconnection Agreement.

9.2 Governing Law. The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the State of Washington, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

X. Miscellaneous.

10.1 Amendment. The Parties may amend this Agreement by a written instrument duly executed by both Parties.

10.2 No Third-Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

10.3 Waiver.

10.3.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

10.3.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by SED1 shall not constitute a waiver of SED1's legal rights, if any, to obtain an interconnection from the Interconnection Utility. Any waiver of this Agreement shall, if requested, be provided in writing.

10.4 Entire Agreement. This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and

supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

10.5 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

10.6 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

10.7 Severability. If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) the portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by the ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

10.8 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing the services and each Party shall remain primarily liable to the other Party for the performance of the subcontractor.

10.8.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Interconnection Utility be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

10.8.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

10.9 Notice. Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement (“Notice”) shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to Avista as Interconnection Utility:

Kenny Dillon
Avista Corporation
1411 E Mission Ave
Spokane, WA 99202

If to Avista as Interconnection Customer:

John Gibson
Director, Innovation Lab
Avista Corporation
1411 E Mission Ave
Spokane, WA 99202

If to SED1:

Manager
Spokane Eco District 1, LLC
5005 3rd Ave S
Seattle, WA 98134

Either Party may change this information by giving five (5) Business Days written notice prior to the effective date of the change.

[Signature page to follow.]

[Signature page to Surplus Interconnection Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives as of the Effective Date.

Spokane Eco District 1, LLC

DocuSigned by:
By: Dean Allen
Printed Name: Dean Allen
Title: Manager
Date: Apr-12-2024 | 8:11 AM PDT

Avista Corporation (as Interconnection Utility)

DocuSigned by:
By: Kenny Dillon
Printed Name: Kenny Dillon
Title: Sr. Manager, Transmission Svcs
Date: Apr-16-2024 | 8:49 AM PDT

Avista Corporation (as Interconnection Customer)

DocuSigned by:
By: John Gibson
Printed Name: John Gibson
Title: Director, Innovation Lab
Date: Apr-12-2024 | 12:55 PM PDT