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Confidential Attachment A – Steam Plant Lease

April 26, 2016

Multi-Tenant Lease
Steam Plant Square, LLC

THIS MULTI-TENANT LEASE ("Lease") dated, for reference purposes only, January 1, 2016, is made by and between Steam Plant Square, LLC, a Washington limited liability company, as "Landlord," and Avista Corporation, a Washington Corporation, as "Tenant". Landlord and Tenant agree as follows:

1. **Basic Lease Terms:** This section contains a summary of the Basic Lease Terms of this Lease. Other sections, paragraphs, and exhibits of the Lease referred to in this paragraph explain and define the Basic Lease Terms in greater detail, and are to be read in conjunction with the Basic Lease Terms.

- a. **Building:** Steam Plant Square **Address:** 159 South Lincoln
Spokane, WA 99201
- b. **Premises:** Suite 211 (See Exhibit "A")
- c. **Term:**
 - i. **Commencement Date:** January 1, 2016
 - ii. **Expiration Date:** Month-to-Month
 - iii. **Square Feet:** Approx. 2,724 Rentable Square Feet
 - iv. **Number of Months:** n/a
 - v. **Rent Commencement Date:** January 1, 2016
 - vi. **Diamond Lot Parking Spaces:** n/a
 - vii. **Option to Renew** n/a
- d. **Monthly Base Rent:** \$2,000.00
- e. **Security Deposit:** n/a
- f. **Garage Parking Remote Deposit:** n/a
- g. **Monthly Storage Fee:** n/a
- h. **Common Area Fees:** n/a
- i. **Use: Tenant's use of Premises:** Commercial Operations
- j. **Brokerage Commissions:**
 - Lessor: Brokerage Firm:** N/A **Commission paid by:** N/A
 - Lessee: Brokerage Firm:** N/A **Commission paid by:** N/A
- k. **Notice Addresses:**
 - Landlord:** Steam Plant Square, LLC
Attn: Property Manager
159 South Lincoln Street, Suite LL1
Spokane, WA 99201
 - Tenant:** Eric Bowles
Attn: Avista Corporation
P.O. Box 3727
1411 East Mission Avenue, MSC - 64
Spokane, Washington 99202

The foregoing Basic Lease Terms are a part of the Lease. Each reference in this Lease to any of the Basic Lease Terms shall mean the respective information set forth above and shall be construed to incorporate all of the terms provided under the particular Lease section, paragraph and exhibit pertaining to such information. In the event of any conflict between the Basic Lease Terms and the Lease, the Basic Lease Terms shall control.

2. PREMISES. Landlord agrees to lease to Tenant the premises described in paragraph 1.b. and depicted in Exhibit "A," consisting of approximately the number of square feet designated in paragraph 1.c.iii (the "Premises"). The Premises are a portion of the building designated in paragraph 1.a. (the "Building"). The Building is located on the real property described in Exhibit "B" (the "Property"). As used herein, the term "Building" includes all buildings, facilities and other areas located on the Property, including parking areas.

3. TERM: The term of this Lease shall commence on the date specified in paragraph 1.c.i. (the "Commencement Date") and shall continue on a month-to-month basis (the "Lease Term").

4. POSSESSION:

a. Delay in Possession. If for any reason the Landlord cannot deliver possession of the Premises to the Tenant on the Commencement Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom, but in such case, Tenant shall not be obligated to pay rent or perform any other obligation of Tenant under the terms of this Lease, except as may be otherwise provided in this Lease, until possession of the Premises is tendered to Tenant; provided, however, that if Landlord fails to deliver possession on or before 60 days from the Commencement Date and such failure to deliver is not a result of delay caused by Tenant, Tenant may cancel this Lease within 10-days by providing Landlord written notice, in which event the parties shall be discharged from all obligations hereunder; provided further, however, that if such written notice of Tenant is not received by Landlord within said 10-day period, Tenant's right to cancel this Lease shall terminate and be of no force or effect.

b. Early Possession. If Landlord permits Tenant to occupy the Premises prior to the Commencement Date, such occupancy shall be subject to all the provisions of this Lease, including the obligation to pay Monthly Base Rent.

5. RENT: Without prior notice or demand, in advance, Tenant shall pay to Landlord the monthly rent specified in paragraph 1.d. without any offset or

deduction ("Monthly Base Rent") on or before the first day of each calendar month of the Lease Term. Payment of the Monthly Base Rent shall begin on the date specified in paragraph 1.c.v., subject to postponement pursuant to Sections 4 or 5 hereof ("Rent Commencement Date"). Rent for any period during the Lease Term hereof which is for less than 1 month shall be a pro rata portion of the Monthly Base Rent, based upon a 30 day month. All other costs and expenses which Tenant assumes or agrees to pay to Landlord under this Lease shall be deemed "Additional Rent" (which, together with the Monthly Base Rent is sometimes referred to herein as the "Rent"). Rent shall be paid in lawful money of the United States to Landlord at the address stated in paragraph 1.k. or to such other person or such other place as Landlord may from time to time designate in writing, on the same terms and conditions as Monthly Base Rent.

6. SECURITY DEPOSIT: Upon execution of this Lease, Tenant shall deposit to Landlord the amount specified in paragraph 1.g. as security for Tenant's faithful performance of Tenant's obligations under the Lease ("Security Deposit"). If Tenant fails to pay the Monthly Base Rent or other charges due under the Lease, or otherwise defaults with respect to any provision of this Lease, Landlord may use, apply or retain the Security Deposit, or any portion of it, for the payment of any Monthly Base Rent or other charge in default or for the payment of any other sum to which Landlord may become obligated by reason of Tenant's default, or to compensate Landlord for any other damage or loss which Landlord may suffer as a result of Tenant's default. If Landlord so uses or applies all or any portion of said Security Deposit, Tenant shall, within ten days after written demand, deposit with Landlord the amount necessary to replenish the Security Deposit to the full amount initially deposited with Landlord. If Tenant performs all of Tenant's obligations under the Lease, Landlord shall return the Security Deposit without payment of interest to Tenant, less any amounts necessary to return the Premises to its condition on the Commencement Date, with the exception of reasonable wear and tear, at the expiration of the Lease Term and after Tenant has vacated the Premises. Landlord shall not be required to maintain the Security Deposit separate from Landlord's general accounts in a non-interest bearing account. No trust relationship is created herein between Landlord and Tenant with respect to said deposit.

7. GARAGE PARKING REMOTE DEPOSIT: Upon execution of this Lease, Tenant shall deposit to Landlord the amount specified in paragraph 1.f. as security for Tenant's maintenance and return of

their Garage Parking Remote, in working and undamaged condition. In the event that Tenant damages, loses or destroys their Garage Parking Remote, Landlord may use, apply or retain said deposit, or any portion thereof, to offset the costs of the Remote and/or damages thereto. In the event that Tenant requests Landlord replace a lost, stolen, damaged or destroyed Garage Parking Remote, Landlord may require Tenant to make an additional deposit in an amount sufficient to replenish the Garage Parking Remote Deposit to the full amount initially deposited with Landlord. Landlord shall not be required to maintain the Security Deposit separate from Landlord's general accounts in a non-interest bearing account. No trust relationship is created herein between Landlord and Tenant with respect to said deposit.

8. STORAGE FEES: Landlord may offer limited storage space for rent to Tenant. If Tenant is offered and elects to rent storage space, Tenant shall pay, as Additional Rent and on the same terms set forth in Section 5, the amount set forth in paragraph 1.g.

9. COMMON AREA FEES:

a. Upon execution of this Lease, Tenant shall pay, on the same terms set forth in Section 5, the amount set forth in paragraph 1.h. as Tenant's portion of the costs and expenses associated with maintenance of Common Areas.

b. In the event that Landlord is forced to incur an irregular, extraordinary or otherwise unforeseen expense associated with the Common Areas, Landlord is authorized to issue a special assessment to defray the cost of said expense, with the amount of the special assessment varying in accordance with the Tenant's proportionate share of occupied space.

10. USE:

a. Tenant shall use the Premises for the purposes specified in paragraph 1.i. and for no other purpose.

b. Tenant's shall use the Premises in accordance with Section 25, and any requirements of any fire insurance underwriters or rating bureaus, now in effect or which come into effect during the Lease Term, whether or not they reflect a change in policy from the policy existing on the Commencement Date. Tenant shall not use or permit the use of the Premises, or bring or keep anything in the Premises which may in any way increase the premium or otherwise affect Landlord's fire or other insurance policy covering the Building.

c. Tenant shall not use or permit the use of the Premises or Common Areas (as defined below in Section 11.d.) in any manner that may tend to create waste or a nuisance or interfere with the rights of other tenants or occupants of the Building

d. Tenant shall not place upon or install in windows or exterior doors or walls of the Premises, any signs, symbols, drapes, or other materials without obtaining the written consent of Landlord.

e. Landlord gives Tenant and its employees, customers, and invitees, during the Lease Term, a nonexclusive right to the reasonable use and enjoyment of the Common Areas (as defined in Section 11.d), subject to the rights reserved by Landlord under this Lease.

f. Tenant shall only use the Premises for commercial purposes, and at no time shall use the Premises for residential/living purposes.

g. Tenant shall not bring, maintain, or keep animals or pets on the Premises without Landlord's prior consent; provided, however, that this shall not prevent Tenant from bringing a qualified service animal on the premises for medical purposes so long as Tenant provides Landlord prior notice and, upon request, proper paperwork for the same.

h. Tenant expressly acknowledges that Landlord provides the Premises in "as-is" condition. Landlord has not made any representations or warranties as to the present or future suitability of the Premises for the conduct of Tenant's business. Landlord makes no representation or warranty, express or implied, as to the commercial suitability, physical condition, layout, square footage, cost of operations or any other matter related to the Premises, including whether the Premises is suitable or fit for the permitted use. Tenant shall perform its own due diligence to determine whether the Premises is suitable for its intended use.

11. MAINTENANCE, REPAIR AND COMMON AREA SERVICES:

a. Except as provided herein, Tenant shall, at its expense, clean, maintain, and keep in good repair throughout the term of this Lease the entire Premises and appurtenances, including, without limitation, interior walls, interior surfaces of exterior walls, ceilings, windows, doors, skylights, and trade fixtures located within the Premises.

b. Landlord shall keep in good condition and repair the structural portions of the Building, including the basic plumbing, air conditioning, heating, roofing, and electrical systems, installed or

furnished by Landlord only insofar as such heating, air conditioning, and electrical systems provide service to the entire Building, unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault, or omission of the Tenant, its agents, employees, or invitees, in which case Tenant shall pay to Landlord the reasonable cost of such maintenance and repairs. Except as specifically provided in an exhibit, if any, to this Lease, Landlord shall have no obligation to alter, remodel, improve, decorate, or paint the Premises or any part thereof. However, notwithstanding the foregoing, Landlord shall perform or cause to be performed janitorial services for the Premises, including vacuuming, dusting and garbage removal, up to, but not exceeding, three (3) times per week. Landlord shall not be liable for any failure to make such repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant.

c. Landlord shall maintain the Common Areas in good condition at all times. Landlord shall have the right to establish and enforce reasonable rules and regulations applicable to all tenants concerning the maintenance, management, use, and operation of the Common Areas; and to make changes to the Common Areas, including, without limitation, changes in the location of driveways, entrances, exits, vehicular parking, parking area, or the direction of the flow of traffic.

d. "Common Areas," as defined in this Lease, mean all areas and facilities outside of the Premises and within the exterior boundary line of the Building that are provided and designated by the Landlord from time to time for the general non-exclusive use of Landlord, Tenant and other tenants of the Building and their respective employees, customers, and invitees, including, without limitation;

i. the interior spaces in the Building which are not normally considered rentable area, including, corridors, public restrooms, stairwells, foyers, elevators, mechanical rooms, etc.; and

ii. the Property, pedestrian walkways and patios, landscaped areas, sidewalks, loading areas, parking areas, and roads located on the Property;

e. Except as specifically provided elsewhere herein, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the performance of repairs or the maintenance or management to any portion of the Building, the

Premises, the Property, or to fixtures, appurtenances, and equipment therein.

12. UTILITIES: Utilities for gas, electricity, water, sewer and garbage shall be provided at no additional expense to Tenant; provided, that Landlord may charge Tenant a reasonable fee to reflect unusual or excessive utility costs beyond those of typical office uses. Tenant shall, at its sole expense, obtain other services as Tenant may desire, such as telephone and internet.

13. ALTERATIONS AND ADDITIONS BY TENANT: After obtaining the prior written consent of Landlord, which shall not be unreasonably withheld, Tenant may make, at its sole expense, non-structural improvements or alterations to the Premises which it may deem necessary or desirable. Any repairs or new construction by Tenant shall be done in conformity with plans and specifications approved by Landlord. All work performed shall be done in a workmanlike manner, by professional contractors and shall become the property of the Landlord. Landlord may require Tenant to remove any improvements or alterations at the expiration of the Lease Term and return the Premises to its condition on the Commencement Date at Tenant's sole cost and expense.

14. AFTER HOUR ACCESS FEES: If, during the term of this Lease, Tenant contacts Landlord outside of regular business hours (Monday through Friday, (9:00 a.m. to 5:00 p.m.) for the purpose of requesting access to the Premises, Landlord may, at its sole discretion, impose an After Hour Access Fee of \$100.00 for each request so made.

15. LIENS: Tenant shall keep the Premises, Building, and Property free from any liens arising out of any work performed, materials furnished, or obligation incurred by Tenant. Landlord may require, at Landlord's sole option, that Tenant provide to Landlord, at Tenant's sole cost and expense, a lien and completion bond in an amount equal to one and one-half (1.5) times any and all estimated costs of any improvements, additions, or alterations to the Premises, to insure Landlord against any liability for mechanics' and materialmen's liens, and to insure completion of the work.

16. INSURANCE:

a. Tenant may not do or permit to be done any act or thing upon the Premises, Building, or Property, that will invalidate or conflict with any of Landlord's insurance policies covering the Building and fixtures and personal property therein, or which would increase the premiums for any insurance policy applicable to the Property to an amount higher than it otherwise would be. If, as a result of

any act or omission by Tenant or violation of this Lease, the premium for any insurance policy applicable to the Building is increased to an amount higher than it otherwise would be, Tenant shall reimburse Landlord for that increase. Premium increase reimbursements are Additional Rent payable within 5 days after demand therefor by Landlord, which demand shall be accompanied by written evidence of the basis for the premium increase from Landlord's insurer.

b. Tenant shall, at its sole cost and expense, include in its property insurance policies appropriate clauses pursuant to which the insurance companies shall:

i. waive all right of subrogation against Landlord and any tenant of space in the Property with respect to losses payable under such policies; and

ii. agree that such policies will not be invalidated if, prior to a loss, the insured waives, in writing, any or all right of recovery against any party for losses covered by such policies.

c. Notwithstanding any other provision of this Lease to the contrary, provided that Tenant's right of full recovery under its fire insurance policy is not adversely affected or prejudiced thereby, Tenant hereby waives any and all right of recovery which it might otherwise have against Landlord, its members, partners, directors, servants, agents and employees, and against every other tenant at the Building who has executed a waiver similar to the waiver set forth in this section for loss or damage to Tenant's furniture, furnishings, fixtures and other property removable by Tenant, or to Tenant improvements, to the extent the same is required to be covered by Tenant's insurance under this Lease, notwithstanding that such loss or damage may result from the negligence or fault of Landlord, its servants, agents or employees, or such other tenant and the servants, agents or employees thereof.

d. Tenant agrees to procure on or before the Commencement Date and maintain throughout the Lease Term, at Tenant's sole cost and expense, the following insurance coverages naming (i) Landlord; (ii) Avista Corporation, its officers and agents; and (iii) Tenant as insured parties:

i. A comprehensive general liability policy ("Liability Policy"), including, without limitation, blanket contractual liability coverage, broad form property damage, independent contractor's coverage and personal injury coverage of not less than \$1,000,000 per occurrence and an aggregate limit of not less than \$2,000,000 for bodily or personal injury (including death) and property

damage, protecting Landlord, its agents, and Tenant against any liability whatsoever occasioned by any occurrence on or about the Premises or any appurtenances thereto; and

ii. A fire and other casualty policy ("Fire Policy") insuring the full replacement value of Tenant improvements in the Premises and all of the furniture, trade fixtures, and other personal property of Tenant located in the Premises, equal to the value of Tenant improvements in the Premises, and all of the furniture, trade fixtures and other personal property of Tenant located in the Premises, against loss or damage by fire, theft and such other risks or hazards as are insurable under present and future forms of "All Risk" insurance policies.

All policies shall contain cross-liability endorsements, and shall provide that they are primary and noncontributing with any insurance in force or on behalf of Landlord. The deductible amount relating to any such policies shall not exceed five thousand dollars (\$5,000.00). Upon execution of this Lease, Tenant shall provide Landlord with a certificate of such insurance, and shall further provide Landlord with a new or amended certificate in the event of any change to that insurance. These policies shall be issued by good and solvent insurance companies licensed to do business in the State of Washington and which are reasonably satisfactory to Landlord. All such policies shall contain endorsements requiring thirty (30) days written notice to Landlord prior to any cancellation or any reduction in amount of the coverage. Tenant will, within 10 days after a request from Landlord, furnish Landlord with such additional information as Landlord may reasonably request from time to time as to the value of Tenant improvements in the Premises and all of the furniture, trade fixtures, and other personal property of Tenant located in the Premises.

e. Landlord agrees to maintain insurance covering the Building and Property. Such insurance shall be for the sole benefit of Landlord and under its sole control.

17. INDEMNIFICATION AND EXEMPTION OF LANDLORD FROM LIABILITY:

a. Tenant shall indemnify, defend and hold harmless Landlord and Landlord's members, partners, directors, agents, employees, contractors and invitees from and against any and all claims, costs, demands, actions, judgments, and other liabilities, including reasonable attorney's fees, for damage or injury (1) arising from Tenant's use of the Premises; (2) from the conduct of Tenant's business; (3) from any act or omission by Tenant or any of Tenant's agents, contractors, or employees

related to the Premises, Building, or Property; and/or (4) occurring in or about the Premises, except to the extent caused by the negligence of Landlord or Landlord's members, partners, directors, employees, agents, contractors or invitees. Tenant shall further indemnify, defend and hold Landlord harmless from all claims, liabilities, costs, attorney's fees and expenses arising from any breach or default in the performance of any obligation to be performed by Tenant under the terms of this Lease.

b. For purposes of this Lease, Tenant specifically waives its immunity under any Industrial Insurance Act, or other worker's compensation, disability benefit or other similar laws and Tenant shall defend, indemnify and hold the Landlord harmless from and against damage or loss arising out of any claim asserted by any of Tenant's employees. In case any action or proceeding is brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense, by counsel approved in writing by Landlord. The provisions of this paragraph shall survive the expiration or termination of this Lease with respect to any events occurring prior to such expiration or termination.

c. Neither Landlord nor any member, partner, director, officer, contractor, agent or employee of Landlord will be liable to Tenant, or its members, partners, directors, officers, contractors, agents, employees, invitees, sublessees or licensees, for any loss, injury, or damage to the person of Tenant or to any other person, or to its or their property, irrespective of the cause of such injury, damage or loss, except to the extent resulting from the negligence of Landlord or its employees in the operation or maintenance of the Premises, Building or Property. Furthermore, neither Landlord, nor any member, partner, director, officer, agent or employee of Landlord will be liable (i) for any such damage caused by other tenants for persons in or about the Building, or caused by quasi-public work; or (ii) for consequential damage arising out of any loss of the use of the Premises or any equipment or facilities therein, by Tenant or any person claiming through or under Tenant.

d. In the event Landlord breaches its obligations hereunder, Landlord's liability is limited to: (i) the reasonable cost incurred by Tenant in performing Landlord's obligations; or, (ii) if Tenant is entitled to terminate this Lease as a result of Landlord's breach, the amount of Additional Rent expense actually incurred by Tenant, if any, in obtaining replacement premises for the remainder of the Lease Term, excluding any option or renewal period. In no event is Landlord responsible for any

claim based on Tenant's lost profits, the interruption of Tenant's business, or consequential damages attributable to the breach of Landlord's obligations hereunder. Further, Tenant expressly agrees and acknowledges that Landlord's members, partners, directors, employees or agents shall not be held personally liable for any obligation of Landlord hereunder.

18. DESTRUCTION: If the Premises or the Building is destroyed by fire, earthquake, or other casualty to the extent that they are unrentable in whole or in part, then Landlord may, at Landlord's option, proceed with reasonable diligence to rebuild and restore the Premises or such part thereof, provided that within thirty (30) days after such destruction or damage, Landlord shall in writing notify Tenant of Landlord's intention to do so. During the period from destruction or damage until restoration, the rent shall be abated by the same ratio as that portion of the Premises which Landlord and Tenant mutually determine is unfit for occupancy. If damage is due to the fault or neglect of Tenant or its agents, employees, invitees, or licensees, there shall be no abatement of rent. If Landlord shall fail to notify Tenant within 30 days of the destruction or damage, then this Lease shall be deemed terminated. Landlord shall not be required to repair any injury or damage by fire or other cause or to make any repairs or replacements of any panels, decoration, office fixtures, painting, floor covering, or any other property installed in the Premises by Tenant. Tenant shall not be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or Tenant's personal property, or any inconvenience or annoyance occasioned by such damage, repair, reconstruction, or restoration unless such loss shall be caused by the negligence of Landlord, its agents, employees, invitees, or licensees.

19. CONDEMNATION: If all or part of the Premises are taken under the power of eminent domain, or sold under the threat of the exercise of said power (all of which are herein called "condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes possession. If more than 25% of the floor area of Premises is taken by condemnation, Tenant may, by a written notice within ten (10) days after notice of such taking (or absent such notice, within ten (10) days after condemning authority takes possession), terminate this Lease as of the later of: the date the condemning authority takes possession; or, the date of Tenant's notice of termination if Tenant was not notified of the taking prior to the condemning authority's taking

possession. If Tenant does not terminate in accordance with foregoing, the Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in the proportion that the floor area taken bears to the original total floor area of the Premises. In the event that Tenant elects not to terminate the Lease with respect to any part of the Premises remaining after condemnation, Landlord shall to the extent of severance damages received by Landlord in connection with such condemnation, repair any damage to the Premises caused by such condemnation except to the extent that tenant has been reimbursed therefor by the condemning authority. Tenant shall pay any amount in excess of such severance damages required to complete such repair. Any award for the taking of all or part of the Premises under the power of eminent domain, including payment made under threat of the exercise of such power, shall be the property of Landlord, whether made as compensation for diminution in value of the leasehold or for the taking of the fee, or as severance damages; provided, however, that Tenant shall be entitled to any award for the loss of or damage to Tenant's trade fixtures and removable personal property. Landlord shall not be liable to Tenant for the loss of the use of all or any part of the Premises taken by condemnation.

20. ASSIGNMENT AND SUBLETTING:

a. Landlord's Consent Required. Tenant shall not assign, transfer, mortgage, sublet, or otherwise transfer or encumber this Lease or any part thereof, either voluntarily or by operation of law, without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, Landlord's consent is not required in the event Tenant assigns or sublets the Premises to (i) a subsidiary, affiliate, division or corporation controlled by Tenant; (ii) a successor corporation related to Tenant by merger, consolidation, non-bankruptcy reorganization, or governmental action; or (iii) a purchaser of substantially all of Tenant's assets. However, Tenant is required to provide Landlord with notice of such assignment or sublet.

b. Landlord's Right to Recapture Premises. Landlord reserves the right to recapture the Premises, or applicable portion thereof, in lieu of giving its consent, by notice given to Tenant within ten (10) days after receipt of Tenant's written request for assignment or subletting. If Landlord elects not to recapture and thereafter gives its consent, Landlord and Tenant agree that Landlord may charge Tenant a reasonable sum to reimburse Landlord for legal and administrative costs incurred in connection with Landlord's review of Tenant's

request and instruments accomplishing said assignment or subletting.

c. Terms and Conditions Applicable to Assignment, Subletting or Transferring Lease. Tenant shall provide Landlord at Landlord's request, financial statements documenting the credit-worthiness of any proposed sublessee or assignee, and the parties agree that Landlord's consent may be withheld if, in Landlord's reasonable judgment, the proposed sublessee or assignee is not sufficiently credit-worthy. If consent is once given by the Landlord to the assignment of this Lease, or any interest therein, or to subletting of all or any portion of the Premises, Landlord shall not be barred from afterwards refusing to consent to any further assignment or subletting. Landlord and Tenant shall share equally in any rental and other proceeds paid to Tenant in excess of the rent to be paid to the Landlord under the terms of this Lease on a per square foot basis. If Tenant is a partnership or limited liability company, any change in the individuals or entities of which the partnership or limited liability company is composed shall constitute an assignment for purposes of this section. If Tenant is a corporation, any change in ownership of stock in Tenant, which in aggregate with other changes in ownership of stock in Tenant occurring after the Commencement Date of this Lease, constitutes a change in ownership of a majority of the voting stock in Tenant shall constitute an assignment for purposes of this section.

d. Tenant's Continuing Obligations. Regardless of Landlord's consent, no assignment, sublease or transfer shall release Tenant of Tenant's obligations hereunder or alter the primary liability of Tenant to pay the Monthly Rent, and to perform all other obligations to be performed by Tenant hereunder. In the event of default by any assignee of Tenant or any successor of Tenant, in performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against said assignee.

21. DEFAULT:

a. The occurrence of any one or more of the following events shall constitute a material default and breach of the Lease by Tenant:

i. vacation of the Premises (defined as an absence for at least 15 consecutive days without prior notice to Landlord) or abandonment of the Premises (defined as an absence of five (5) or more consecutive days while Tenant is in default of some other term of this Lease);

ii. failure by Tenant to make any payment required as and when due, where such failure shall continue for a period of three (3) days after written notice from Landlord. In the event that Landlord serves Tenant with a Notice to Pay Rent or Quit pursuant to applicable Unlawful Detainer statutes, such Notice to Pay Rent or Quit shall constitute the notice required by this subsection;

iii. failure by Tenant to remedy any condition which is hazardous or noxious or which creates a nuisance, or to cease to carry on any unlawful business, where such failure shall continue after three (3) days written notice from Landlord;

iv. (1) the making by Tenant of any general assignment or general arrangement for the benefit of creditors; (2) the filing by or against Tenant a petition in bankruptcy, including reorganization or arrangement, unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days; (3) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at Premises or of Tenant's interest in this Lease; (4) the seizure by any department of any government or any officer thereof of the business or property of Tenant; or (5) adjudication that Tenant is bankrupt.

v. Tenant's interest in this Lease or the Premises, or any part thereof, is taken by execution or other process of law directed against Tenant, or is taken upon or subjected to any attachment by any creditor of Tenant, if such attachment is not discharged within 15 days after being levied; or

vi. failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease, other than those described in the foregoing subparagraphs, where such failure shall continue for a period of thirty (30) days after written notice from Landlord; provided, however, that if the nature of Tenant's noncompliance is such that more than thirty (30) days are required for its cure, then Tenant shall not be deemed to be in default if Tenant commenced such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion. To the extent permitted by law, such 30-day notice shall constitute the sole and exclusive notice required to be given to Tenant under applicable Unlawful Detainer statutes.

vii. The discovery by Landlord that any financial statement given to Landlord by Tenant, any assignee of Tenant, any subtenant of Tenant, any successor in interest of Tenant or any guarantor of Tenant's obligation hereunder, was materially false.

b. Landlord shall not be in default unless Landlord fails to perform its obligations within thirty (30) days after notice by Tenant specifying wherein Landlord has failed to perform its obligations; provided, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, Landlord shall not be in default if Landlord commences performance within thirty (30) days of Tenant's notice and thereafter completes Landlord's performance within a reasonable time.

22. LANDLORD'S REMEDIES IN DEFAULT: In the event of any material default or breach, not timely cured after notice, Landlord shall have the following remedies, which shall be cumulative, and none shall exclude any other right or remedy allowed by law:

a. Landlord may terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease and the term hereof shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. The Lease shall terminate on the date specified in the notice of termination provided to Tenant by Landlord. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to the rent and other sums that would have been owing by Tenant under this Lease for the balance of the Term, less the net proceeds, if any, of reletting of the Premises by Landlord subsequent to the termination, after deduction all Landlord's Reletting Expenses. "Reletting Expenses" shall include all expenses incurred by Landlord in connection with reletting the Premises, including without limitation, all repossession costs, brokerage commissions, attorneys' fees, remodeling and repair costs, costs for removing and storing Tenant's property and equipment, and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease.

b. Landlord may maintain Tenant's right to possession in which case this Lease shall continue in full force and effect whether or not Tenant has vacated or abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease for the remainder of the Lease Term, including the right to recover the Monthly Base Rent and other when it becomes due hereunder. Landlord may pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state wherein the Premises are located. Unpaid installments of rent and other unpaid monetary obligations of Tenant under the terms of this Lease shall bear interest from the date due at 12% per annum.

23. ACCESS: Tenant shall permit Landlord, upon reasonable notice, to enter the Premises at reasonable times for the purpose of inspecting, altering, and repairing the Premises and the Building and ascertaining compliance with the provisions hereof by Tenant, but nothing herein shall be construed as imposing any obligation on Landlord to perform any such work or duties. Landlord may also show the Premises to prospective purchasers or tenants at reasonable times, provided that Landlord shall not unreasonably interfere with Tenant's business operations. Notwithstanding the foregoing, Tenant agrees that Landlord may enter the Premises at any time, without notice, in the event of an emergency that occurs within or upon the Premises, the Building, and/or the Property.

24. HOLD-OVER TENANCY: If (without execution of a new lease or amendment extending the lease term) Tenant shall remain in possession of the Premises or any part thereof after the expiration of the term of this Lease, Tenant shall be deemed to be occupying the Premises as a Tenant from month to month, which tenancy may be terminated as provided by law. In such event, all the provisions of this Lease pertaining to the obligations of the Tenant shall remain the same, except for the Monthly Rent, which shall be increased the first month by twenty-five percent (25%), and thereafter by fifty percent (50%). In addition, any Options granted under the terms of the Lease shall be deemed terminated and be of no further effect during said month to month tenancy.

25. COMPLIANCE WITH LAW: Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance, or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances, and governmental rules, regulations, or requirements now in force or which may hereafter be in force, relating to, or affecting the conditions, use, or occupancy of the Premises, excluding structural changes not caused by Tenant. The judgment of any court of competent jurisdiction in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance, or governmental rule, regulation, or requirement, shall be conclusive of the fact as between the Landlord and Tenant.

26. RULES AND REGULATIONS. Tenant shall faithfully observe and comply with the rules and regulations that Landlord shall from time to time reasonably promulgate. Landlord reserves the right

from time to time to make all reasonable modifications to said rules. The additions and modifications to those rules shall be binding upon Tenant upon delivery to Tenant. Landlord shall not be responsible to Tenant for the nonperformance of any said rules by any other tenants or occupants.

27. NO SMOKING POLICY: Landlord and Tenant mutually agree to maintain a no-smoking policy within and upon the Premises, Building and Property by any tenant, employee or customer. Furthermore, Tenant agrees to prohibit its employees from smoking in any Common Area of the Building, including the courtyard, or within 20 feet of any entrance of the Building.

28. PARKING: Unless otherwise provided in this Lease, parking is available to Tenant through a parking management company. Tenant may purchase the specified number of parking passes in the parking lot set forth in paragraph 1.c.vi., directly from the parking management company identified in the same paragraph. Landlord will work with the parking management company to ensure an adequate number of spaces are available for parking by all tenants. However, Tenant acknowledges that it is not entitled to a reserved, assigned parking space. In the event Tenant fails to pay for any parking passes designated in paragraph 1.c.vi., Tenant will not receive any parking passes, and will lose its right to park in said spaces. Tenant will thereafter have no priority with regard to obtaining parking passes. If Tenant elects to purchase a parking pass(es), Tenant shall comply with all rules and regulations set forth by the parking management company, and will not use more parking spaces than permitted. Landlord will work with all tenants of the Building to address parking issues which may arise, if any. The foregoing notwithstanding, the provision of parking spaces to Tenant by Landlord is not part of the consideration to Tenant for execution of this Lease, and any such parking is provided solely as an accommodation by Landlord. It shall not constitute a default under this Lease if Landlord is at any time unable to provide such parking due to construction in or on the Building, the Property, or adjacent property, or for any cause beyond Landlord's control.

29. OPTIONS:

a. Definition. As used in this Lease, the word "Option" means the right or option to extend the term of the Lease or to renew this Lease as set forth in Exhibit E.

b. Options Personal. Each Option granted to Tenant in this Lease is personal to the original Tenant and may be exercised only by the original Tenant while occupying the Premises who does so

without the intent or thereafter assigning this Lease or subletting the Premises or any portion thereof, and may not be exercised or be assigned, voluntarily or involuntarily, by or to any person or entity other than Tenant, provided, however, that an Option may be exercised by or assigned to any Tenant affiliate. The Options, if any, herein granted to Tenant are not assignable separate and apart from this Lease, nor may any Option be separated from this Lease in any manner, either by reservation or otherwise.

c. Multiple Options. In the event that Tenant has any multiple options to extend or renew this Lease, a later option cannot be exercised unless the prior option to extend or renew this Lease has been so exercised.

d. Effect of Default on Options. Tenant shall have no right to exercise an Option, notwithstanding any provision in the grant of Option to the contrary, (i) during the time commencing from the date Landlord gives to Tenant a notice of default pursuant to Section 21 and continuing unless the noncompliance alleged in said notice of default is cured, or (ii) during the period of time commencing on the date after a monetary obligation to Landlord is due from Tenant and unpaid (without any necessity for notice thereof to Tenant) and continuing until the obligation is paid.

30. MORTGAGES, DEEDS OF TRUST, PURCHASERS (ESTOPPEL STATEMENT): It is understood and agreed that Landlord may sell, mortgage, or grant deeds of trust with respect to the Premises, the Building, or the Property. Tenant agrees to execute, within ten (10) days following Landlord's request, such reasonable certificates as may be required by a mortgage or trust deed beneficiary stating that the Lease is in full force and effect and the dates to which the Monthly Base Rent and charges have been paid. Upon a foreclosure or conveyance in lieu of foreclosure, and a demand by Landlord's successor, Tenant shall attorn to and recognize such successor as Landlord under this Lease.

31. SUBORDINATION: Tenant agrees that this Lease shall be subordinate to the lien of any mortgage, deeds of trust, or ground leases now or hereafter placed against the Property or Building of which the Premises comprise a part, and to all renewals and modifications, supplements, consolidations, and extensions thereof; provided, however, in the event that any mortgages or trust deed beneficiary shall so elect, Landlord reserves the right to subordinate said mortgage lien to this Lease upon the terms required by such mortgagee or trust deed beneficiary. Notwithstanding the

subordination of the Lease pursuant to the provisions of this paragraph, so long as Tenant is not in default under any provision of this Lease, the mortgagee, trust deed beneficiary, ground lessor, or purchaser at any foreclosure sale may agree that this Lease shall remain in full force and effect.

32. TENANT'S PROPERTY: Furnishings, trade fixtures, and equipment installed by Tenant shall be the property of Tenant. Upon termination of the Lease, Tenant shall remove any such property. Tenant shall repair or reimburse Landlord for the cost of repairing any damage to the Premises resulting from the installation or removal of such property. At the expiration of this Lease, Tenant shall return Premises to Landlord in the same condition as when Tenant took occupancy, reasonable wear and tear excepted.

33. REMOVAL OF PROPERTY: All personal property of Tenant remaining on the Premises after reentry or termination of this Lease shall conclusively be deemed abandoned and may be removed by Landlord. Landlord may store such property in any place selected by Landlord, including, but not limited to, a public warehouse, at the expense and risk of the owner of such property, with the right to sell such stored property without notice to Tenant. The proceeds of such sale shall be applied first to the cost of such sale, second to the payment of the cost of removal and storage, if any, and third to the payment of any other sums of money which may then be due from Tenant to Landlord under any of the terms hereof, and the balance, if any, to be paid to Tenant.

34. PERSONAL PROPERTY TAXES: Tenant shall pay, or cause to be paid, before delinquency, any and all personal property taxes levied or assessed and which become payable during the term hereof upon Tenant's leasehold improvements, equipment, furniture, fixtures, and personal property located in the Premises. In the event any or all of the Tenant's leasehold improvements, equipment, furniture, fixtures, and personal property shall be assessed and taxed with the Building, Tenant shall pay to Landlord its share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's personal property.

35. NOTICES: All notices, consents, approvals or other instruments required or permitted to be given by either party pursuant to this Agreement shall be in writing and given by (i) hand delivery, (ii) facsimile, (iii) express overnight delivery service or (iv) certified or registered mail, return receipt requested, and shall be deemed to have been

delivered upon (a) receipt, if hand delivered, (b) transmission, if delivered by facsimile, (c) the next Business Day, if delivered by express overnight delivery service, or (d) the third Business Day following the day of deposit of such notice with the United States Postal Service, if sent by certified or registered mail, return receipt requested. Notices shall be sent or delivered to Landlord and to Tenant at the addresses and/or facsimile numbers specified in paragraph 1.k. or to such other address or facsimile number as either party may designate to the other in writing from time to time. Any notice delivered via facsimile shall also be sent via regular U.S. Mail within 1 business day after such facsimile delivery.

36. HAZARDOUS SUBSTANCES:

a. Landlord shall comply, and take all necessary actions to cause the Building to comply, with all applicable federal, state and local requirements relating to the protection of public health, safety and welfare, and with all applicable environmental laws relating to the Building. Tenant shall comply, and take all necessary actions to cause its operations on the Premises to comply, with all applicable federal, state, and local requirements relating to the protection of public health, safety and welfare, and with all applicable environmental laws relating to the Premises. Tenant shall not generate, release, spill, store, deposit, transport, or dispose of (collectively "Release") any hazardous substances, sewage (except as generated through normal use of the plumbing fixtures in the Premises, Building), petroleum products, hazardous materials, toxic substances or any pollutants or substances, defined as hazardous or toxic in accordance with applicable federal, state and local laws and regulations ("Hazardous Substances") in, on or about the Premises. Tenant shall indemnify, hold harmless and defend Landlord from any and all claims, liabilities, losses, damages, cleanup costs, and expenses (including reasonable attorney's fees) arising out of or in any way related to a Release by Tenant, or any of its agents, representatives, or employees, or the presence of such Hazardous Substances in, on or about the Premises occurring at any time after Tenant takes possession of the Premises.

b. The provisions of this Section shall survive the expiration or termination of this Lease with respect to any events occurring prior to such expiration or termination.

37. **SIGNS:** Tenant shall not place any sign upon the Premises, Building or Property unless otherwise provided in Exhibit "D".

38. GENERAL PROVISIONS:

a. Attorney's Fees. In the event either party requires the services of any attorney in connection with enforcing the terms of this Lease, or in the event an action is brought for the recovery of any Monthly Base Rent due under this Lease or for the breach of any covenant or condition of this Lease, or for the restitution of said Premises to Landlord and/or eviction of Tenant during said term or after the expiration thereof, the prevailing party will be entitled to recover from the other party its reasonable attorney's fees, witness fees, and court costs, including costs of appeal.

b. Choice of Law; Jurisdiction. This Lease shall be governed by the laws of the State of Washington. Any action to enforce this Lease shall be brought in Spokane County, Washington.

c. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, whenever possible, be cumulative with all other remedies at law or in equity.

d. Exhibits. Exhibits, if any, affixed to this Lease are a part thereof.

e. Force Majeure. Whenever a period of time is prescribed for action to be taken by either party, said party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to "force majeure": strikes, riots, acts of God, shortages of labor or materials because of priority or similar regulations or order of any governmental or regulatory body, war, or any other causes of any kind which are beyond the reasonable control of the affected Party.

f. Interpretation. This Lease has been submitted to the scrutiny of all parties hereto and their counsel, if desired, and shall be given a fair and reasonable interpretation in accordance with the words hereof, without consideration or weight being given to its having been drafted by any party hereto or its counsel.

g. Joint Obligation. If there is more than one Tenant, the obligations hereunder imposed upon Tenants shall be joint and several.

h. Keys. Upon termination of this Lease, Tenant shall surrender all keys to the Premises, and all Garage Parking Remotes, to Landlord at the place then fixed for payment of rent and shall inform Landlord of all combination locks, safes, and vaults, if any, in the Premises.

i. Late Charges: Tenant acknowledges that late payment by Tenant to Landlord of Monthly Base Rent or other sums due hereunder will cause

Landlord to incur costs not contemplated by this Lease, the exact amount of which would be extremely difficult and impractical to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed affecting the Property; therefore, in the event Tenant should fail to pay any installment of Monthly Base Rent or any other sum due hereunder within five (5) days after such amount is due, Tenant shall pay to Landlord as Additional Rent a late charge equal to ten percent (10%) of such overdue amount. In addition, any sum due and payable to Landlord under the terms of this Lease which is not paid when due shall bear interest at the rate of twelve percent (12%) per month from the date the same becomes due and payable until paid. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for three consecutive installments of any of the aforesaid monetary obligations of Tenant, then the Monthly Base Rent shall automatically become due and payable quarterly in advance, rather than monthly, notwithstanding Section 5 or any other provision of this Lease to the contrary.

l. Light, Air and View. Landlord does not guarantee the continued present status of light, air, or view over any improvements adjoining or in the vicinity of the Building.

k. Marginal Headings. The marginal headings and section titles in the sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

l. Name. Tenant shall not use the name of the Building for any purpose other than as an address of the business to be conducted by the Tenant in the Premises.

m. Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understandings pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall

not be effective or binding on any party until fully executed by both parties hereto.

n. Recordation. Tenant shall not record this Lease without Landlord's prior written consent, and such recordation shall, at the option of Landlord, constitute a non-curable default of Tenant hereunder.

o. Sale. In the event of any sale of the Building or Property, or any assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence, or omission occurring after the consummation of such sale or assignment; and the purchaser or assignee at such sale or assignment or any subsequent sale or assignment of Lease, the Property, or Building, shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser or assignee, to have assumed and agreed to carry out any and all of the covenants and obligations of the Landlord under this Lease.

p. Severability. Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way effect, impair, or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

q. Time. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

r. Waiver. The waiver by either party of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition on any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, or condition of this Lease, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver shall be in writing and signed by Landlord's duly authorized representatives.

30. COMMISSIONS: Commissions payable, if any, shall be paid to those Brokers(s) and Agents(s) and by the party(ies) specified in paragraph 11, pursuant to a separate commission contract. Each party represents that it has not had dealings with any other real estate broker or salesman with respect to this Lease, and each party shall defend, indemnify, and hold harmless the other party from

all costs and liabilities including reasonable attorney's fees resulting from any claims to the contrary.

40. AUTHORITY OF TENANT:

Tenant and each individual executing this Lease on behalf of Tenant represent and warrant that it is/they are duly authorized to execute and deliver this Lease, if Tenant is a corporation, in accordance with a duly adopted resolution of the board of directors of said corporation or in accordance with the bylaws of said corporation, if Tenant is a partnership or limited liability company, in accordance with a properly conducted vote of the partners or members, and that this Lease is binding upon said Tenant in accordance with its terms.

LANDLORD AND TENANT HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN AND, BY EXECUTION OF THIS LEASE, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LANDLORD AND TENANT WITH RESPECT TO THE PREMISES. TENANT SHALL RELY SOLELY UPON THE ADVICE OF THEIR OWN LEGAL COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.

AGREED AND ACKNOWLEDGED:

TENANT:

Avista Corporation

By: Eric Bowles

Its: Corporate Facilities Manager

LANDLORD:

Steam Plant Square, LLC

By: Spencer Sow

Its: Property Manager