

South University District Sale/Joint Venture

Request for Proposal and Offering Memorandum



66,000 SF Development Parcel
501 / 521 E. Sprague Ave • Spokane

**CONFIDENTIAL REQUEST for PROPOSAL
and
OFFERING MEMORANDUM**

This Confidential Offering Memorandum (“Memorandum”) is being delivered to a limited number of parties who may be interested in the Property. By acceptance hereof, each recipient agrees not to reproduce or use in whole or in part the information contained herein, or any other information that is not already public, and to use this Memorandum only for the purpose of evaluating the offering made hereby.

This Memorandum has been prepared by CenturyPacific, LLLP, on behalf of Avista Development, Inc (Avista) which has reviewed it and authorized its use for the purpose and in the manner described above. Neither CenturyPacific, LLLP, the Company, its shareholders, partners nor affiliates, makes any representations or warranties with regard to the accuracy or completeness of the information contained herein. Nothing contained in this Memorandum should be construed as a representation by any person as to the future possibilities or performance of the Property.

**EACH POTENTIAL PURCHASER / JOINT VENTURE PARTNER IS EXPECTED TO
CONDUCT ITS OWN DUE DILIGENCE.**



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I. Opportunity Summary

THE OPPORTUNITY

Avista Development, Inc. (Avista) is offering for sale/joint venture a 66,000 square foot development site located at 501/521 E. Sprague in Spokane (Property). This site is part of Avista's South University District campus. Avista invites proposals from users/developers to:

1.) SALE

Purchase the Property on a fee simple basis for development consistent with the goals of Avista's South University District vision.

2.) JOINT VENTURE

Avista would like to have the option to contribute a portion or all of the land value of the Property as an equity contribution into a development of the Property. A sample Joint Venture Terms Sheet is attached. The Purchaser should indicate whether it's willing to accept a Joint Venture option.

PROPERTY

The Property is approximately 66,000 sf and is bounded by E. Sprague Ave on the south, Riverside Ave on the north, Sheridan Street on the east and Sherman Street on the west. Avista will complete a boundary line adjustment to add portions of lots 433 Sprague and 502 Riverside to the Parcel C. The Property can be accessed from both E. Sprague and E. Riverside. Previous improvements on the Property have been demolished and the site is development ready. It is currently being used as a surface parking lot which is an interim use. Infrastructure servicing the Property has or is being constructed by Avista and/or its partners. The City of Spokane, Avista, and its development partners have invested in excess of \$40 million in this infrastructure. The South University District and the main University District are connected by a pedestrian bridge. Avista also owns a 29,185 sf parcel immediately adjacent to the Property on the west. This parcel could also be available to the right user.

ZONING

The Property is zoned GC-150 by the City of Spokane. Avista envisions the Property would be developed with a building or buildings which host research/innovation facilities, labs, classrooms, office space and appropriate support spaces. The GC zone supports these mix of uses. The adjacent Catalyst and HUB Buildings are under construction and meet the Avista vision. Descriptions of those buildings, scheduled for completion in 2020, are attached.



PARKING

The development of the Property will need to meet parking ratios required by the GC zone. Additionally, the development must also include an additional 168 parking stalls for the use of the Phase One Catalyst Building. The "must-take" rent for these stalls provides an acceptable return to support development costs. This parking requirement could also be met on an adjacent parcel.

ENVIRONMENTAL

Phase I environmental reports are included in the digital library. Avista has remediated the Property. Copies of the remediation reports are also included in the digital library.

ECO-DISTRICT

The South University District is envisioned to be a model for both environmentally friendly construction but also "best of class" environmentally responsible operations. To achieve this result the Property is included in an Eco-District with other properties in the South University District. The Eco-District is constructing and will operate a central plant to provide low carbon thermal energy (hot water for heating, cold water for cooling) to commercial buildings in the Master Plan. A description of the Eco-District requirements is attached.

The Purchaser of the Property will be required to use this Eco-District Thermal Energy. The cost of this energy will be passed through to the Property on a proportional basis. It is anticipated that the operating expenses will be comparable to traditional utility rates when factored into the overall mechanical cost for building development and operation.

OPPORTUNITY ZONE

The Property is within the Qualified Opportunity Zone established pursuant to federal law to provide tax incentives to investors. The Property is also within the Washington state authorized Community Empowerment Zone, and eligible for the Multi-Family Tax Exemption. These programs provide tax incentives to investors who invest within the Spokane University District. The City of Spokane offers tailored assistance to investors within this zone to streamline the benefits of the various available incentive programs, including the new Catalyst building that is currently under construction on the adjacent property owned by Avista.

TERMS & PRICE

No land value has been established. Avista is seeking purchase/joint venture proposals from qualified developers. Please also see the attached Joint Venture Terms sheet.

DUE DILIGENCE & CLOSING

CenturyPacific has established a digital library containing title reports, environmental reports, SEPA documents, and the like to assist potential purchasers with the evaluation of this opportunity. Access will be provided to qualified purchasers who execute the attached Confidentiality Agreement.

Avista envisions a due diligence period of 90 days once a purchaser has been selected and a purchase/joint venture agreement executed. Closing would occur 30 days thereafter.

II. Joint Venture Terms Sheet

TIMING FOR PROPOSALS

Letters of Intent may be submitted to CenturyPacific at any time.
A formal call for offers will be made at the end of November, 2019.

CONCEPT

Avista owns the Property, a 66,000 square foot land assemblage, located in the South University District Master Plan of Spokane. Avista seeks a User/Developer to develop the Property consistent with the South University Master Plan guidelines. Avista would like to have the option to contribute part or all of its land value in the Property to a joint venture. Should it choose to do so, the JV Terms are proposed as follows.

PROPOSED VENTURE

AVISTA and a Development Partner will form a Limited Liability Company (LLC) to develop the Property. The Development Partner will manage all aspects of the development in collaboration with Avista.

AVISTA CONTRIBUTION

AVISTA envisions a partial sale/part contribution of land to the venture. Avista may sell a portion or even all of its interest in the Property at an agreed value to the LLC. The remaining interest in the land will be contributed, debt free, to the new LLC. The sale/contribution will occur at the execution of the LLC Agreement. The contribution element will be Avista's entire equity contribution to the venture. The parties will determine an appropriate allocation for the contributed land.

LAND VALUE

The parties will negotiate a land value for purposes of both the sale and land contribution elements.

DEVELOPER CONTRIBUTION

The Development Partner will contribute and provide any and all equity in excess of the contributed land value, construction loan guarantees, marketing, project management, take-out financing and other normal development partner services. Avista will have the option to contribute additional equity should it desire.

OWNERSHIP

The project will be owned seventy percent (70%) by the Equity Contributors and thirty percent (30%) by the Development Partner. It is anticipated that the Developer will provide a significant portion of the equity in addition to its promoted "developer" interest.

PREFERRED RETURN

The Equity contributors will receive a 7% cumulative preferred return, dating from construction commencement, payable after debt service. It will be paid ratably. Any cash flow available for distribution, after payments of the cumulative preferred return are brought current, will be distributed 70% to the Equity contributors, ratably, and 30% to the Development Partner.

SALE OR FINANCE

Proceeds from a sale or refinancing will be distributed as follows:

- First, to repay debt
- Second to bring current all preferred returns accruals;
- Third, to repay Equity contributions, *pari passu*; and
- Fourth, to distribute any remaining amount, 70% to the Equity contributors and 30% to the Development Partner

GOVERNANCE

Avista and the Development Partner will have an equal vote on all major decisions such as final design, budgets, financing, major tenants, sale and property management. The Developer Partner will have day-to-day management authority.

SALE

Neither party, except by mutual agreement, may sell its interest in the project until the project reaches full stabilization. Full stabilization means the project is 95% leased and occupied with all landlord expense such as tenant improvements allowances, leasing commissions and the like fully paid, and related leasing and startup costs paid in full. Avista is interested in long-term ownership of the Project. It will seek a Development Partner with similar interest. For this reason, a minimum holding period of 10 years is desirable.

RIGHT OF FIRST OFFER

Both Avista and the Development Partner shall have a first right to acquire the other's interest if it becomes available for purchase. The project value will be determined by mutual agreement or appraisal. The appraiser will be determined in advance by mutual agreement. The price to be paid is the amount the selling partner would have received if this were a third party sale as outlined above without any "minority interest" discount. If either elects not to purchase the other's interest, then the selling partner would be free to sell it to a third party on similar terms, provided such purchaser meets certain net worth and experience requirements. The final agreement may also address other disposition alternatives such as "shotgun" provision.

DEVELOPMENT FEE

The Development Partner will receive a development fee equal to one and one half percent (1.5%) of all hard and soft project costs (excluding land) to be drawn ratably over the development period. This fee is intended to address the Developer's actual development overhead. There will be no other developer fees for leasing, disposition, administrative services or the like.

PROPERTY MANAGEMENT

The property management responsibilities for the Project shall be the responsibility of the Development Partner. This role will include the creation of the project management team, the commissioning of the buildings on the site, the preparation of detailed project operating budgets and CAM reimbursement schedules and development of the grand opening program. Fees for the management services shall be in accordance with the market as agreed upon by the parties.





SOUTH UNIVERSITY DISTRICT

Spokane's University District is completely unique: A live/work/play confluence of innovation, discovery, entrepreneurship, scholarship and neighborhood revitalization. The University District offers opportunities to promote economic development, smart urban growth, environmental restoration, historic preservation, arts and culture, recreation, and state of the art transportation.

The University District acts as an urban laboratory for the creation of new knowledge and applied, community-engaged research, resulting in increased regional prosperity and an improved quality of life. With five major universities, two medical school programs, top-notch community colleges, a nationally recognized smart city test bed, and a burgeoning life sciences ecosystem, this is an idea-generating and innovation-focused community to its core.

Read more at www.spokaneudistrict.org

III. Eco District

SPOKANE ECO DISTRICT READY

Any building(s) designed and built on this parcel must strive to connect to the Spokane ECO District (SED₁). SED₁-ready is defined as having a mechanical and building design that makes a building ready to connect to the shared thermal, electrical, and cellular distributed antenna systems (DAS).

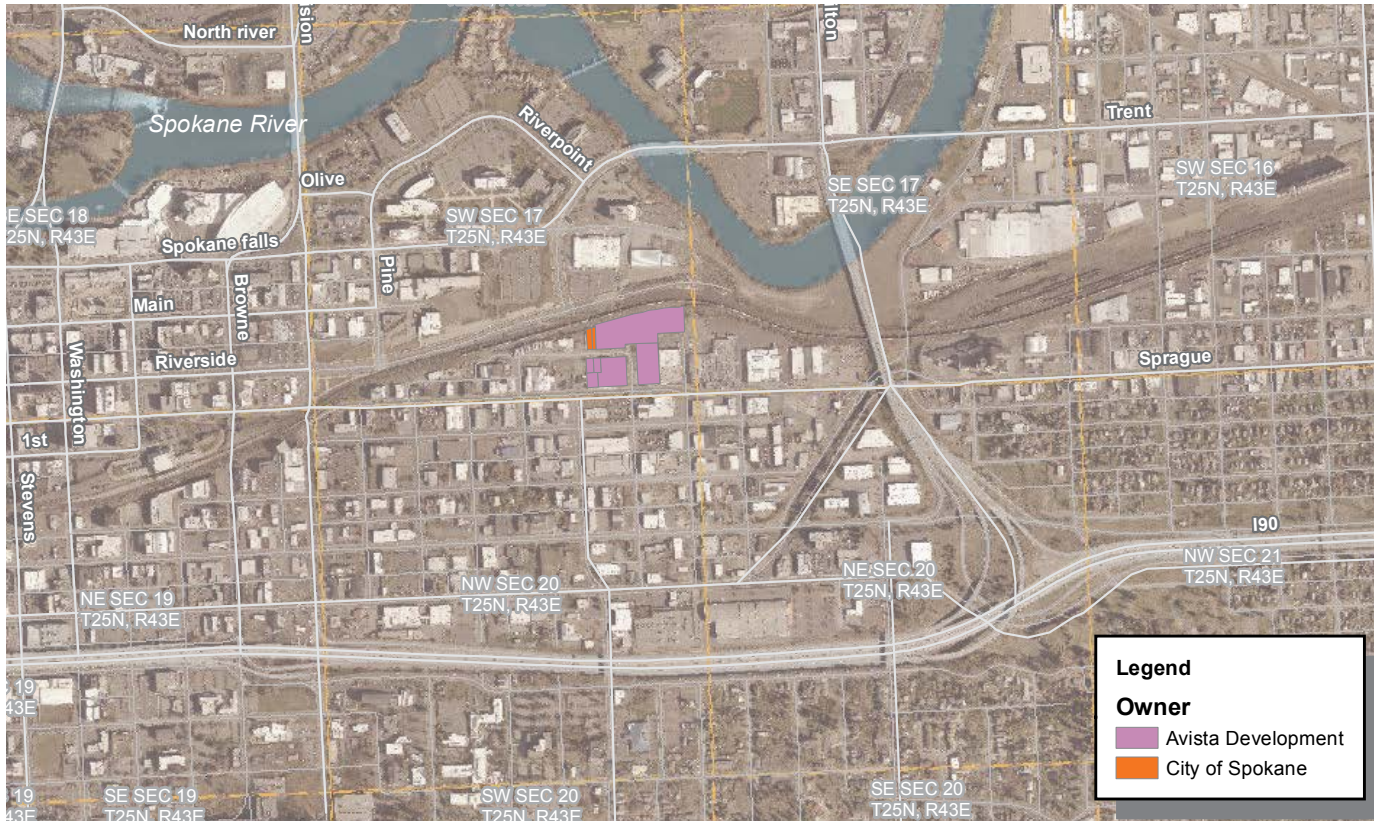
The ECO District will allow the developer to avoid capital costs associated with primary or centralized heating and cooling systems. Capital costs associated with back-up power and a centralized DAS system can also be avoided by subscribing to those services from SED₁. Fees for services provided by SED₁ will be negotiated, yet will not be less than those fees previously negotiated with other entities connected to SED₁.

The key elements of a SED₁-ready building are:

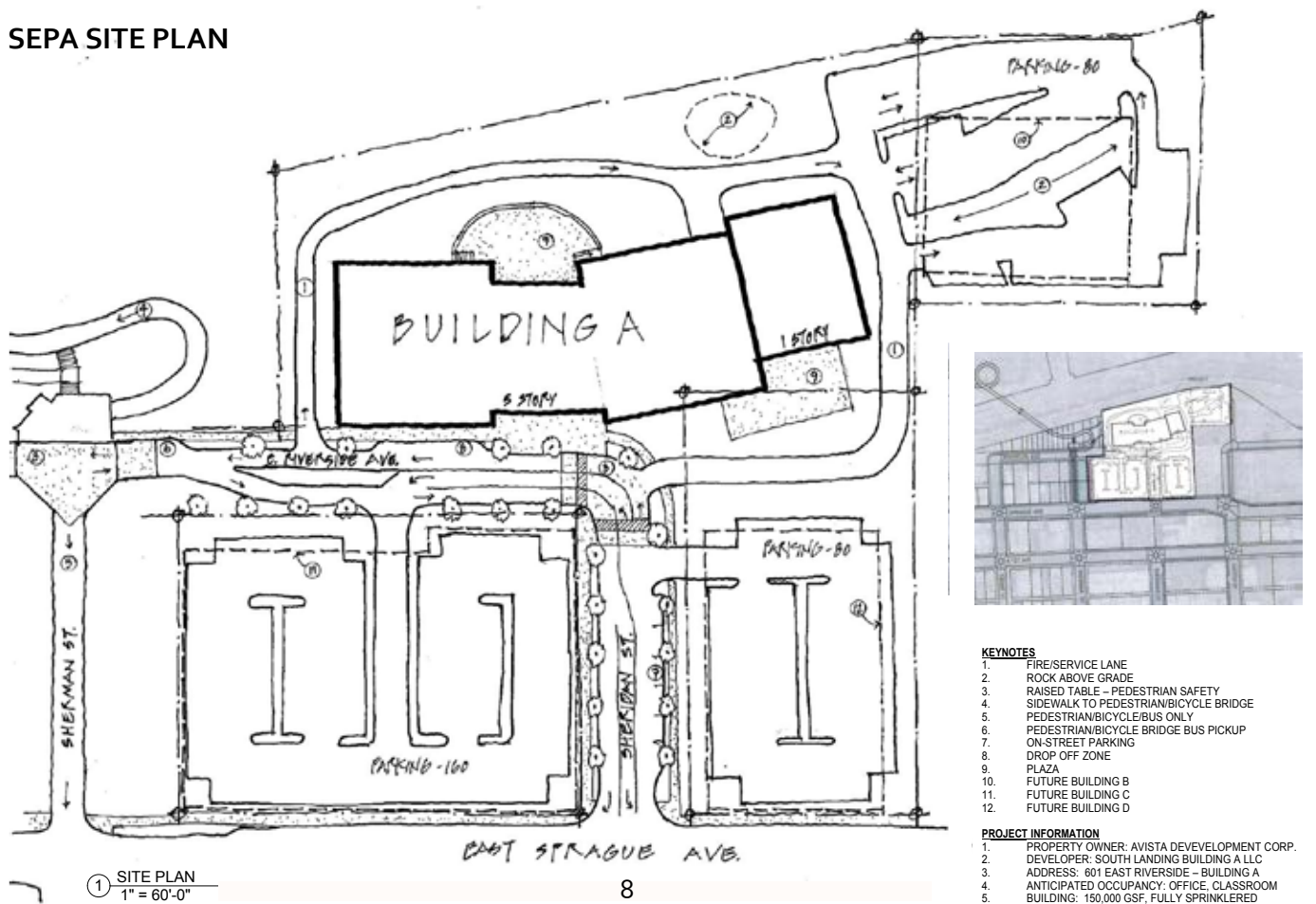
- Strive for a target energy use index (EUI) of 50% code target.
- A roof mounted solar PV system that connects directly to SED₁.
- All electrical services needs will be provided through SED₁.
- No onsite combustible fossil fuels will be used to heat or pre-heat the building; to include supplemental heating of the building. The eco-district reserves the right to incorporate natural gas to serve load in the central plant.
- Ability to supply thermal energy from ground level; Adequate space at or below ground level for an energy transfer station;
 - An easement between the mechanical room and the property line to allow for thermal piping, appropriate conduit, and other SED₁ infrastructure;
 - A low temperature hydronic heating and cooling in building system that is compatible with SED₁ system
- An ongoing active energy management and tenant engagement program post occupancy to ensure that building operations remain optimally aligned with SED₁ will be required.
- Provide suitable facilities to deploy sub-metering in the building to determine energy consumption and building performance metrics.
- Active engagement in eco-district energy management programs and evaluations
- If desired, provisions to connect to the centralized cellular DAS system.
- If desired, provisions to connect to the back-up power system.

The SED₁ team is prepared to collaborate directly with your design team.

IV. Maps & Photos



SEPA SITE PLAN



- KEYNOTES**
1. FIRE/SERVICE LANE
 2. ROCK ABOVE GRADE
 3. RAISED TABLE - PEDESTRIAN SAFETY
 4. SIDEWALK TO PEDESTRIAN/BICYCLE BRIDGE
 5. PEDESTRIAN/BICYCLE BUS ONLY
 6. PEDESTRIAN/BICYCLE BRIDGE BUS PICKUP
 7. ON-STREET PARKING
 8. DROP OFF ZONE
 9. PLAZA
 10. FUTURE BUILDING B
 11. FUTURE BUILDING C
 12. FUTURE BUILDING D
- PROJECT INFORMATION**
1. PROPERTY OWNER: AVISTA DEVELOPMENT CORP.
 2. DEVELOPER: SOUTH LANDING BUILDING A LLC
 3. ADDRESS: 601 EAST RIVERSIDE - BUILDING A
 4. ANTICIPATED OCCUPANCY: OFFICE, CLASSROOM
 5. BUILDING: 150,000 GSF, FULLY SPRINKLERED

① SITE PLAN
1" = 60'-0"



PARCEL C

SOUTH LANDING BUILDOUT

PROJECT PROGRESS





SOUTH LANDING BUILDOUT



CATALYST BUILDING



South Landing Catalyst Building



Catalyst will be one of the world's largest zero energy and zero carbon buildings.



The 4,000 cubic meters of CLT used within Catalyst eliminates 5,000 metric tons of carbon emissions.



McKinstry's Catalyst Building is currently under construction with plans to open in Spring 2020.

McKinstry's Catalyst Building sets a new vision for what's possible in our built environment. The five-story, 159,000 square-foot building will deliver Spokane's first zero energy and zero carbon facility.

Zero Energy

McKinstry design engineers performed more than 40,000 energy model simulations to perfect Catalyst systems and deliver zero energy and zero carbon operations. The building will feature the latest smart building technologies and energy systems, including solar photovoltaics (PV), solar shading, exhaust heat recovery, thermal energy and battery storage systems and a near-passive house building envelope. A central energy plant located in the neighboring South Landing Hub Facility will pool and distribute energy to Catalyst and other facilities.

Cross-Laminated Timber

The Catalyst Building will be built using locally sourced cross-laminated timber (CLT) produced by Kattera. CLT is a new technology that changes the sustainability conversation for the built environment. Catalyst will be one of the largest CLT buildings in the nation.

The project will utilize 4,000 cubic meters of CLT and other glulam products. That amount can store 3,713 metric tons of carbon dioxide equivalent. CLT also means using less steel and concrete, avoiding another 1,437 metric tons of carbon emissions. That roughly 5,000 metric tons of carbon equates to 1,100 cars off the road for a year.

Timber is renewable, especially since CLT does not use old-growth timber. U.S. and Canadian forests can regrow that 4,000 cubic meters of CLT in just 11 minutes.

An Innovation Hub

Eastern Washington University (EWU) will bring 1,000 students to the Catalyst Building spanning computer science, electrical engineering and visual communication and design. Working alongside private industry tenants, these students will learn within an immersive living laboratory to power ideas to transform our built environment and solve societal problems.

South Landing HUB Facility



McKinstry's Hub Facility is currently under construction with plans to open in Spring 2020.



McKinstry engineers performed more than 40,000 energy model simulations during building design.



South Landing moves beyond demand response to autonomous energy demand management.

McKinstry's Hub Facility delivers an innovative central energy plant that transforms the company's South Landing development into a groundbreaking shared energy eco district. The four-story building will feature 40,000 square feet of leased space that includes offices and a full-service restaurant.

Central Energy Plant and Eco-District

Hub will house a central energy plant to power the facility and its neighboring Catalyst Building. At five stories and 159,000 square feet, Catalyst will be one of the nation's largest zero energy and zero carbon buildings. Future facilities built within South Landing will be added to the Hub's central energy plant to expand the development's shared energy eco-district.

McKinstry engineers performed more than 40,000 energy model simulations to design the central energy plant and eco district. Deployed systems will include solar photovoltaic (PV) arrays, thermal energy and battery storage systems, high-performance variable air volume (VAV) systems and dedicated outdoor air systems (DOAS). These systems will be configurable to meet fluctuating occupant requirements, available onsite energy generation, and utility demand response needs across the entire South Landing development. The result will generate new opportunities to design, develop and test shared energy economies.

Reinvented Energy Value Chain

The South Landing Hub Facility and neighboring Catalyst Building create a grid-optimal eco district that redefines the energy value chain. McKinstry and Avista partnered to move beyond typical demand response to autonomous demand management. Advanced technologies and sensors will allow Avista to see beyond the meter to balance on-site energy demand with on-site energy generation. Excess energy can then be used to meet demand elsewhere on the grid or stored in the on-site thermal energy and battery storage systems.

V. Recent News Articles



[Avista Unveils Plans for Catalyst Building in Spokane's University District](#)

Eastern Washington University to move three programs from its College of Science, Technology, Engineering and Mathematics (CSTEM) to the Spokane location

SPOKANE, Wash. (Feb. 6, 2018) – Today, Avista Development unveiled plans for the Catalyst Building, the first in a series of developments, in Spokane's University District. The 150,000 square-foot building will be the first office building in the state constructed out of environmentally friendly cross-laminated timber (CLT), and will be connected to an energy resource sharing eco-district planned for the development. Eastern Washington University (EWU) will be the building's primary tenant, moving their Computer Science, Electrical Engineering and Visual Communication Design (VCD) programs from its Cheney campus to the new Spokane location.

Avista Development owns the land on which the building will be erected and has formed a separate entity, the South Landing Building A, LLC, with long-time McKinstry executives Dean Allen and Bill Teplicky to develop the project. Allen and Teplicky have developed more than 1.3 million square feet in Spokane, Seattle and Portland, including the SIERR Building in Spokane's University District and 428 Westlake in Seattle's South Lake Union neighborhood, as well as the eco-district in downtown Seattle that powers the Amazon Spheres. Avista also owns parcels to the south, east and west and has plans for future development of those locations.

The new building will serve as the landing for pedestrians who use the University District Gateway Bridge currently under construction.

"We're thrilled to be the catalyst for expanding Spokane's urban core," said Scott Morris, president and CEO of Avista. "This development will add to the vibrancy of the University District and will drive further economic development in the city."

The building is intended to demonstrate the possibilities of the integration of economic vitality, regional sustainability and energy efficiency by leveraging the legacy industries of the region (such as timber) and the innovation happening in the construction and education sectors. The use of CLT means the building will have a smaller carbon footprint than that of comparable buildings built with steel and concrete. CLT is a kind of mass timber made from trees harvested from local managed forests. Kattera, who will also be a tenant in the building, will manufacture the CLT in its new Spokane factory and will serve as the design builder for the project. McKinstry, whose offices are in Spokane's University District, will be the mechanical, electrical, plumbing, fire protection and data contractor.

Designed to be net zero ready, the building will generate the energy it uses through solar panels on the roof and additional renewable energy technologies. The Catalyst Building will be connected to an eco-district that will be powered by a centrally located plant shared by Catalyst and future developments. The plant will allow buildings to share energy resources to more efficiently generate and use energy, and to store excess energy created by the buildings for later use.

“We’re fortunate to have assembled such an innovative, local team to build such an iconic building for Spokane,” said Dean Allen, principal, South Landing Building A, LLC and CEO of McKinstry. “This is the first time CLT has been used in an office building in the state of Washington. That plus the use of the latest technology for creating, monitoring and consuming energy will set a new standard for sustainable design.”

The developers envision a space where industry and academia intersect to foster collaboration and innovation. As the primary tenant of the building, EWU’s spaces will feature modern, high-tech classrooms that will provide students with immersive learning experiences. By relocating programs from its CSTEM, the University hopes to increase the capacity of the regional workforce in key areas of engineering, computer science, data analytics, digital media and tech commercialization and transfer.

“Eastern Washington University is excited to establish itself as a distinctive university that truly inspires knowledge, ignites change and revolutionizes the way we do education,” said EWU President Mary Cullinan. “From the beginning, we felt like the development at South Landing would provide our students a one-of-a-kind opportunity to interact with the companies that may one day employ them.”

Michael Green Architecture of Vancouver, B.C., is the design architect. Construction of the new building is scheduled to begin in September 2018 and is expected to be complete by April 2020. For more information and project updates, visit catalystspokane.com.

About Avista Development

Avista Development, a non-utility subsidiary of Avista Corp., seeks to invest in local real estate, businesses and other assets that strategically leverage the strengths of local and regional partnerships, enhance the economic vitality of Avista’s utility service areas, and further Avista’s commitment to deliver shared value to those we serve.

About South Landing Investors, LLC

South Landing Investors, LLC is made up of Dean Allen, Bill Teplicky, and other minority investors. Both Allen and Teplicky have extensive development experience in the Pacific Northwest. They have developed over 560,000 square feet together and over 1,365,000 square feet total. The SIERR Building is an example of their work in Spokane, and demonstrates how buildings can promote innovation and collaboration.

About Eastern Washington University

EWU is a rapidly-growing, regional, comprehensive public university, located in Cheney, just 16 miles from Spokane. Founded in 1882, Eastern has evolved to meet the demands of an ever-changing workforce and become a driving force in the culture, economy and vitality of the Inland Northwest. The EWU Spokane campus is in the thriving University District and is home to the university’s College of Health Science & Public Health and the College of Business & Public Administration. This presence allows the university to solidify important academic and community partnerships in the region. Learn more at www.ewu.edu.

*SOURCE: <https://www.mckinstry.com/2018/02/06/avista-unveils-plans-for-catalyst-building-in-spokanes-university-district/>



[University District Gateway Bridge South Landing Study Area](#)

Project Location

The study area focuses on the southern portion of the Spokane University District which is bordered by the Burlington Northern-Santa Fe (BNSF) railway on the north, Interstate 90 on the south, Division Street on the west, and North Hamilton Street (Highway 290) on the east with a particular emphasis on the landing of the proposed "Gateway" bicycle and pedestrian bridge near the intersection of Sprague Avenue and Sherman Street.

Project Description

The "South Bridge Landing" area is identified as an "opportunity" site in both the University District Strategic Master Plan and the South University District-Sprague Corridor Investment Strategy. The vision for the area is that of a vibrant "live/work/play" environment that leverages the research and education assets of the academic institutions within the University District together with the biotechnical resources of the South Hill medical district and the business energy of Downtown Spokane.

Among other things, the study will help the city understand how its public infrastructure investments (including streets, bike and pedestrian corridors, streetscape and urban landscape, sanitary and storm sewers, and potable water) can help create a better functioning and more aesthetic environment positioning the area for redevelopment, leading to positive impact on rents and lower construction costs. The Bridge Landing area study can also be used as a prototype for how properties can be positioned for redevelopment in the University District; with the process, findings and recommendations of the study analyses being applicable across the University District.

Potential Study Area Catalysts include: the planned UDistrict Gateway Bridge, Sprague Avenue improvements and central parking facilities.

Project Timing

The work on the South University Integrated Planning Study began in early 2014 and will conclude at the end of June 2015. A public workshop was held on August 12, 2014 and a series of individual meetings were offered and conducted for property owners interested in individual consultations with the project team.

The final report is expected to be released in June, 2015.

Project Documents

U-District Implementation Strategy (June 22, 2015) (PDF 3.3 MB)

PCED Committee Briefing Paper (PDF 157 KB)

South Bridge Landing Area Presentation (PDF 882 KB)

University District Gateway Bridge Brochure (PDF 949 KB)

South University District – Sprague Corridor Investment Strategy (2012) (PDF 7.0 MB)

University District Integrated Planning Study, Market Assessment. (December 2014) (PDF 3.4 MB)

**SOURCE: <https://my.spokanecity.org/projects/university-district-gateway-bridge-south-landing-study-area/>*



[Welcome to the sweet spot between Downtown and the U-District.](#)

Overview

A new vision is becoming a reality in Spokane's University District. The new Catalyst Building will be a place where industry and academia intersect to foster innovation and collaboration.

The Catalyst is the anchor building in a planned innovation hub. This dramatic five-story, 150,000-square-foot building will feature two wings around a light-filled collaborative atrium.

Catalyst will host dry labs, offices, classrooms and common study areas.

The Catalyst design team has emphasized sustainability as a core value. Catalyst will feature the sustainable use of Cross Laminated Timber (CLT), a mass timber building material made of laminated wood panels, for major structural elements. The building will reduce its environmental footprint by focusing on materials and construction methods that reduce energy use and prolong the life of the building.

The new Catalyst Building will connect to Spokane's growing University District by way of the Gateway Bridge, designed to accommodate pedestrians and cyclists.

The Catalyst is a joint development of Avista Development and South Landing Investors, LLC, comprised of long-time McKinstry executives.

**SOURCE: <http://www.catalystspokane.com/>*



VI. Transaction Details

The offering of the Property is being distributed exclusively by Avista to a select group of pre-qualified purchasers/developers. The prospective purchaser will be selected by the Seller in its sole and absolute discretion based on a variety of factors including, but not limited to, offer price, financial strength, ability to close in a timely fashion, shared vision and the like.

Avista will be available to assist prospective investors to arrange site inspections and to answer any questions related to information contained in this Offering Memorandum.

Avista expressly reserves the right to reject any and all proposals submitted in connection with this Offering Memorandum, in its sole discretion. Final selection of a prospective developer is entirely contingent upon the ability of the parties to enter into satisfactory agreements governing the development and ownership of the Property, as well as the legal relationship between Avista and the developer. Avista reserves the right to withdraw this Offering Memorandum at any time.

CRITICAL DATES:

- RFP Issuance
- RFP Responses Due - A call for offers will be made toward the end of November but interested parties may submit proposals at any time.
- Candidate Interviews
- Candidate Selection
- Execution of Sale/JV Agreement

All inquiries should be directed to:

Steven Wood
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206-757-8891

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Executive Vice Principal
CenturyPacific, LLLP
katherinelaird@centurypacificlp.com
206-757-8892



CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

501 / 521 E. Sprague Ave • Spokane, WA 99202

Please read the Disclaimer & Confidentiality Agreement below, sign, print and return by email to:

Steve Wood
CenturyPacific, LLLP
stevenwood@centurypacificlp.com

By signing this document, you are bound to the terms in this Confidentiality Agreement.

We hereby acknowledge that Avista will be furnishing us with certain confidential information to assist us in evaluating a possible transaction involving the above-referenced property (herein the "Property").

We request that you furnish us with information concerning the Property which may include, without limitation, an offering memorandum, legal instruments, studies, brochures, computer output and other data concerning the Property, as well as oral discussions and Property visitations (collectively, "Evaluation Material"). We acknowledge that the Evaluation Material will be furnished to us only on the condition that we agree to treat the Evaluation Materials and any potentially sensitive information acquired as a result of any Property due diligence confidential as hereinafter provided. Therefore, we hereby agree as follows:

1. No Evaluation Material furnished to us will be used, duplicated, or disseminated by us for any purpose other than evaluating a possible good faith transaction involving the Property. Therefore, we agree to keep all Evaluation Material strictly confidential; provided, however, that the Evaluation Material may be disclosed to our key employees and to our outside counsel and accountants (collectively, "Related Parties") on a strictly "need to know" basis. These Related Parties shall be informed by us of the confidential nature of such Evaluation Materials and the terms of this agreement and instructed by us to abide by its terms. We will be responsible for any breach of the terms of this agreement by any Related Party. We will promptly, upon request, return all Evaluation Material and all copies thereof (whether furnished before or after the date of this letter) to the Investment Team, without retaining copies.
2. We agree not to disclose to any person, and to instruct the Related Parties not to disclose, either (i) the fact that discussions or negotiations are taking place concerning a possible transaction involving the Property or (ii) any of the terms, covenants, conditions, or other facts with respect to any such possible transaction (other than as permitted by the preceding paragraph). In no event shall any tenant of the Property be notified that the Property is being marketed.
3. We agree that Avista makes no representation or warranty as to the accuracy or completeness of the Evaluation Material. Any financial information and projections contained in Evaluation Material represent estimates based on assumptions believed to be reasonable under the circumstances, although they have not been independently verified. Avista expressly disclaims any and all liability for representations or warranties, express or implied, that actual results will conform to such projections; and we agree that Avista shall have no liability to us resulting from our use or reliance upon the Evaluation Material. We represent that we will conduct our own independent investigations for all those matters which we deem appropriate in order to evaluate any proposed transaction involving the Property. We agree that Avista is intended to be and shall be beneficiaries of this confidentiality agreement.
4. We represent that we are acting as principals without a broker and that, if we choose to employ a broker, we shall do so at our sole cost and expense. Therefore, we agree to indemnify and hold Avista harmless from and against any and all loss, costs, damages and judgments (including reasonable attorneys' fees and disbursements) arising from (i) the claim(s) of any brokers alleging to have dealt with or through us in connection with the Property or (ii) any breach of the terms of this agreement by us or any Related Party.
5. This agreement (i) expresses the parties' entire agreement on the matters covered hereinabove; (ii) supersedes all prior understandings between them on such matters; (iii) shall be governed by Washington law; (iv) shall be binding on their lawful successors, designees and assigns; (v) may not be altered, supplemented, or terminated except in a writing signed by each; and (vi) any disputes will be submitted to binding arbitration by American Arbitration Association.

Signature: _____ Date: _____

By: _____ Print Name: _____

DISCLAIMER

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