




CN22-16

Certificate of Need Application
Home Health Agency

Certificate of Need applications must be submitted with a fee in accordance with Washington Administrative Code (WAC) 246-310-990.

Application is made for a Certificate of Need in accordance with provisions in Revised Code of Washington (RCW) 70.38 and WAC 246-310, rules and regulations adopted by the Washington State Department of Health. I attest that the statements made in this application are correct to the best of my knowledge and belief.

Signature and Title of Responsible Officer  CEO Email Address Kin On Health Care Center mchang@kinon.org	Date December 1, 2021 Telephone Number 206-556-2222
Legal Name of Applicant Kin On Health Care Center Address of Applicant 4416 S. Brandon St. Seattle WA 98118	Provide a brief project description <input checked="" type="checkbox"/> New Agency <input type="checkbox"/> Expansion of Existing Agency <input type="checkbox"/> Other: _____ Estimated capital expenditure: \$ <u>20,000</u>
Identify the county proposed to be served for this project. Note: Each home health application must be submitted for one county only. If an applicant intends to obtain a Certificate of Need to serve more than one county, then an application must submitted for each county separately. King County _____	

Kin On Health Care Center
Application for Certificate of Need
For Home Health

December 1, 2021

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Applicant Description

1. The legal name of the applicant is Kin On Health Care Center. Our address is 4416 S. Brandon St. Seattle, WA 98118.
2. Kin On Health Care Center is a 501(c)(3) and our UBI # is 601508556.
3. The contact person for this application is Min Chang, CEO, 4416 S. Brandon St. Seattle, WA 98118, mchang@kinon.org, 206-556-2222.
4. N/A. No consultant used.
5. See Exhibit 1: Organization Charts.
6. See Table 1: Facilities/Agencies.

Project Description

1. N/A. No existing agency.
2. N/A. No existing agency.
3. Kin On Home Health, 900 S. Jackson St. Ste. 219 Seattle WA 98104.
4. For over 35 years, Kin On has been a key long-term care provider in the Greater Seattle area for the Asian community. Kin On would like to launch a home health business. This would be a complementary business to our existing home care business. We know community care and we also specialize in health care for the elderly given that we have extensive experience running a nursing home, assisted living and adult family home. Our customer base would be our existing clients as well as new clients in King County. We would have to introduce our offering to hospitals, nursing homes and other health care partners in the community. The Kin On home health team would be comprised of RNs, PT/OT/SLP, CNAs and MSW staff. We can work with our existing PT/OT/SLP partner and our existing social services staff. We also have both RNs and CNAs at the nursing home and assisted living facilities and can either recruit additional resources or leverage these resources from our existing businesses. We would need to staff and train the team as well as market our services. Kin On would fulfill a niche for Asian elders that would like to receive skilled nursing at home with language and cultural understanding.
5. Kin On Home Health will be available and accessible to the entire geography of King County.
6. See Table 2: Timeline.
7. Skilled Nursing, Home Health Aide, Medical Social Services, PT/OT/SLP
8. N/A. This is not an expansion of a service area.
9. N/A. This is not an expansion of an existing home health agency.
10. Our strongest customer segment would be our own customer base from the nursing home, assisted living, adult family home and home care businesses. The current size of our customer base for these businesses is ~200. Conservatively we are estimating that we have 3 to 4 discharges from our nursing home monthly and 90% of them need Home Health. Potentially we can start with this internal demand in the first year. The age range of our residents in the nursing home is 70-100. The age range for our assisted living and adult family home is 60-90. The age range for our home care business is 50-100.
11. See attached Letter of Intent.
12. Kin On Home Health will be licensed and certified by Medicare and Medicaid.

Certificate of Need Review Criteria

A. Need (#1-3)

According to WA state the home health need for agencies is calculated by a 5-step process (below are calculations for King County):

Step 1: Project population of the area to be served; broken down by age group

Age Cohort	2023	2024	2025
0-64	1,941,913	1,953,635	1,965,356
65-79	282,808	292,350	301,891
80+	81,184	84,753	88,322

Step 2: Project number of home health patients

Age Cohort	Use Rate	2023	2024	2025
0-64	0.005	9,710	9,768	9,827
65-79	0.044	12,444	12,863	13,283
80+	0.183	14,857	15,510	16,163

Step 3: Project number of patient visits:

Age Cohort	Use Rate	Visits	2023	2024	2025
0-64	0.005	10	97,100	97,680	98,270
65-79	0.044	14	174,216	180,082	185,962
80+	0.183	21	311,997	325,710	339,423
Total			583,313	603,472	632,655

Step 4: Determine the projected home health agencies need; calculated by dividing total projected number of visits by 10,000

	2023	2024	2025
Total Number of Visits	583,313	603,472	632,655
Target Minimum Operating Volume	10,000	10,000	10,000
Number of Agencies Needed	58	60	63

Step 5: Subtract the existing number of home health agencies in the area served

Agency Name	Ration for Inclusion
ICHS PACE at Legacy House	CN approved by King County
Evergreen health	CN approved by King County
Careage Home Health	CN approved by King County
Brookdale Home Health	CN approved by King County
Kaiser Permanente Home Health	CN approved by King County
Wesley Health and Homecare	CN approved by King County
Signature Home Health	CN approved by King County
Kindred at Home (1)	CN approved by King County
Kindred at Home (2)	CN approved by King County
Providence Home Services	CN approved by King County
MultiCare Home Health	CN approved by King County
Assured Home Health	CN approved by King County
CHI Franciscan Health at Home	CN approved by King County
Envision Home Health	CN approved by King County
Kline Galland Community Based Services	CN approved by King County
Signature Home Health	CN approved by King County

Puget Sound Home Health of King County	CN approved by King County
Sea Mar Home Health	CN approved by King County
Advanced Health Care Inc.	80 HH FTEs to serve Pierce, Thurston & King Counties
Advisacare Healthcare Solutions Inc.	15 HH FTEs to serve Tacoma and Seattle area
Alliance Nursing Inc.	57 HH FTEs to serve 17 WA Counties
Amedisys Washington LLC	12 HH FTEs to serve 1 WA County
Avail Home Health Inc.	125 HH FTEs to serve 39 WA Counties
Careforce Inc.	50 HH FTEs to serve 6 WA Counties
CHC Services LLC	11 HH FTEs to serve 10 WA Counties
Coram Alternate Site Services Inc.	15 HH FTEs to serve 14 WA Counties
Infinity Home Health Solutions Inc.	5 HH FTEs to serve 5 WA Counties
New Care Concepts Inc.	99 HH FTEs to serve 11 WA Counties
Providence Health and Services (1)	16 HH FTEs to serve 1 WA County
Providence Health and Services (2)	47 HH FTEs to serve 22 WA Counties
Serengeti Care Partners LLC	24 HH FTEs to serve 2 WA Counties
Wesley Homes Community Health Services	2 HH FTEs to serve 2 WA Counties

For King County, the projected need is 26 new agencies by the end of 2023.

	2023	2024	2025
Total Number of Visits	583,313	603,472	632,655
Target Minimum Operating Volume	10,000	10,000	10,000
Number of Agencies Needed	58	60	63

Subtract Number of Existing Agencies	32	32	32
Net Agencies Needed	26	28	31

4. In addition to the above analysis, we only see one other home health agency that caters to the Asian elderly population in King County (i.e., ICHS). Given that the population of Asian elders in King County extends beyond 46,000 (see attached Market Assessment), there will be a need for an additional home health agency that can serve this important community. We have been serving this population for the past 35+ years. Home health would be a natural extension of our existing home care business and would add the much-needed skilled nursing, therapy services and medical social work to our clients in their homes.

From the attached Market Assessment that was completed in 2019, the service area we intend to serve has ~232,200 that identify as Asian or Pacific Islander. Like most of the U.S., the population in the area is rapidly aging. There are currently 143,000 residents over the age of 65 in the region, of which 46,400 are Asian/Pacific Islanders (API). Both groups are expected to grow by 15% by 2023. As the population ages, the area will experience an increase in the population of those with varying disabilities. These include those with hearing, vision, cognitive, ambulatory or self-care related disabilities. The service area within King County contains over 43,000 residents that are 65 or older who have at least one type of disability; of which 7,500 are Asians. Although we will serve all ages and Asians as well as non-Asians, we will have extensive expertise in serving this particular population.

5. N/A. We don't have an existing agency.

6. See Table 3: Projected Utilization

7. There should not be any restrictions on patient access to Kin On home health services.

8. There are at least 46,400 Asian/Pacific Islanders (APIs) 65+ in King County. Of these there are 7,500 that have at least one type of disability and 3,640 that have a self-care disability. We hope to serve all of these prospective clients through our Home Health business. We are able to serve both Asian and non-Asian elderly clients. In King County, we would be one of only two Asian-focused Home Health business in King County. (See Market Assessment)

9. Our proposed agency will be available and accessible to the entire planning area.

10. We intend to serve all ages and all ethnicities. We will also serve pediatric, young adults as well as people with all degrees of health needs in King County.

11. See Attachments on Admissions Policy, Charity Policy and Patients' Rights Policy. Also see Employee Handbook.

B. Financial Feasibility

Income Statement

Total Revenue	\$221,352	\$1,024,122	\$2,344,363
Subtotal Cost of Revenue	\$122,893	\$595,659	\$1,428,627
Deduction from Revenue (Charity Care)	\$2,214	\$10,241	\$23,444
Total Direct Cost of Revenue	\$125,106	\$605,900	\$1,452,071
Gross Margin	\$96,246	\$418,221	\$892,292
Gross Margin/Revenue	43.48%	40.84%	38.06%
Expenses	2023	2024	2025
Audit / Accounting Fees	\$5,778	\$5,778	\$5,778
Bus. Dev. - Entertainment	\$1,600	\$1,600	\$1,600
Bus. Dev. - Meals	\$1,800	\$3,300	\$3,300
Consulting Fees (Medical Director)	\$8,000	\$8,000	\$8,000
Education (Meals)	\$331	\$333	\$333
Education (Quarterly Staff Meetings)	\$661	\$667	\$667
Facilities - Insurance (Commercial)	\$800	\$800	\$800
Facilities - Phone (Cell Phones)	\$1,600	\$1,600	\$1,600
Facilities - Phone (Land Line)	\$752	\$752	\$752
Facilities - Rent / Prop. Mgmt. Fee	\$14,472	\$14,472	\$14,472
Insurance (Worker's Comp)	\$8,103	\$8,103	\$8,103
Legal Fees	\$1,600	\$1,600	\$1,600
Liability Insurance	\$3,200	\$3,200	\$3,200
Office Supplies	\$1,600	\$1,600	\$1,600
Payroll - ADP	\$2,400	\$2,400	\$2,400
Postal / Shipping	\$160	\$160	\$160
PR / Advertising	\$1,600	\$1,600	\$1,600
PR / Advertising (Job Postings)	\$1,600	\$1,600	\$1,600
Repairs & Maintenance	\$666	\$810	\$954
Taxes & Licenses	\$8,000	\$8,000	\$8,000
Vehicle - Mileage	\$6,400	\$6,400	\$6,400
Vehicle - Stipend	\$5,466	\$5,610	\$5,754
Depreciation	\$0	\$0	\$0
Aministrative/Office Payroll Taxes	\$11,721	\$12,307	\$12,922
Total Admininstrative/Office Payroll	\$167,440	\$175,812	\$184,603
Total Op. Expenses	\$255,750	\$266,504	\$276,198
Profit Before Int. & Tax	-\$159,504	\$151,717	\$616,094

Our assumptions in Year 1 include that we will focus on our own discharges from our skilled nursing facility, assisted living, adult family home and home care. We anticipate that there will be roughly 3 discharges a month that will need home health services. Therefore, our assumptions are very conservative for Year 1 and hence the negative impact on the bottom line. As we move forward and refine the business, we will be able to take on additional clients beyond our own and grow the business in Year 2 and Year 3. We anticipate positive bottom lines for both Year 2 and Year 3 and will break-even in Year 3.

Balance Sheet

	2023	2024	2025
Current Assets			
Cash	-\$181,411	-\$253,676	\$54,706
Accounts Receivable	\$0	\$0	\$0
Inventory	\$0	\$0	\$0
Other Current Assets	\$0	\$0	\$0
Total Current Assets	-\$181,411	-\$253,676	\$54,706
Fixed Assets			
Long-term Assets	\$0	\$0	\$0
Accum. Depreciation	\$0	\$0	\$0
Land	\$0	\$0	\$0
Total Fixed Assets	\$0	\$0	\$0
Total Assets	-\$181,411	\$25,185	\$614,421
Current Liabilities			
Accounts Payable	\$22,759	\$77,637	\$174,060
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$22,759	\$77,637	\$174,060
Long-term Liabilities	\$0	\$0	\$0
Total Liabilities	\$22,759	\$77,637	\$174,060
Paid-in Capital	\$0	\$0	\$0
Retained Earnings	-\$44,666	-\$204,170	-\$52,453
Earnings	-\$159,504	\$151,717	\$492,813
Total Capital	-\$204,170	-\$52,453	\$440,361
Total Liabilities and Capital	-\$181,411	\$25,185	\$614,421

Discipline Utilization		
Skilled Nurse	40%	6.7
Physical Therapy	38%	6.3
Occupational Therapy	14%	2.3
Speech Therapy	1%	0.2
Medical Social Work	2%	0.3
Home Health Aide	5%	0.9
	100%	16.68

Discipline Utilization Forecast	2023	2024	2025
Skilled Nurse	450	2084	4770
Physical Therapy	428	1979	4531
Occupational Therapy	158	729	1669
Speech Therapy	11	52	119
Medical Social Work	23	104	238
Home Health Aide	59	275	629
Total Visits	1129	5224	11957

	Medicare	Medicaid	Commercial	HMO	Private Pay	Charity Care	Other Gov / L&I	Total
% Source	40%	30%	0%	27%	2%	1%	0%	100%
% patients	40%	30%	0%	27%	2%	1%	0%	100%

The assumptions on the source mix is based on our own experience with Home Care and our comfort level with the Medicaid population. We are also very familiar with the Medicare population since we take care of them through our Rehab & Care Center. We also have experience with Managed Care and HMO through our Rehab & Care Center as well. Moreover, in our market research, we have learned that a combination of Medicare, Medicaid and Managed Care should be achievable. We have traditionally served less private pay in our other businesses and charity care will be new for us.

2. See Attachments – Medical Director Agreement.

3. See Pacific Rim Lease. Our lease currently runs out in November 2022. However, we have the ability to extend for an additional 2 years, which we can do no sooner than 10 months before the expiration date and no later than 6 months before expiration (detailed in Article 37 of lease).

4. See Table 4: Capital Expenditures.

5. Kin On Home Health will be responsible for the estimated capital costs identified above.

6. The only start-up cost would be for the license fee that is \$24,666 and the capital expenditures of \$20,000. The total start-up costs are \$44,666.

7. Kin On Home Health would be responsible for the start-up cost.

8 & 9. Increased use of, and access to, home health care by Medicare patients and others is a key element of health care reform. As part of that reform, Medicare is now financially penalizing hospitals that experience high rates. This approach rests on the core concept that each patient should receive care in the least restrictive and least expensive level of care appropriate to that patient’s clinical requirements. Available and accessible home health services are central to a hospital or physician’s program of serving patients in this manner. Through a broad strategy of admitting and keeping only the sickest patients, hospitals and third-party payers, including Medicare, expect to reduce the need for excess facility utilization that results in both unnecessary capital expense and operating costs.

Recognizing a continuing increase of patients that could receive home health care services along with an expected shortage of home health service providers, the creation of Kin On Home Health, will contribute significantly to the effort to continue to reduce capital and operating expenses by shifting the site of care for more individuals to patient’s homes.

Reimbursement is set by region. How much we spend will not impact reimbursement.

10.

Source Mix	Percentage of Gross Revenue	Percentage by Patient
Medicare	40%	40%
Medicaid	30%	30%
HMO	27%	27%
Private Pay	2%	2%
Charity Care	1%	1%

11. N/A. This is not an extension into a new county.

12.

Item	Estimated Cost
Partition Panels and Installation	\$4,000
Furnishing	\$3,000
Office Upgrades	\$4,000
2 Computers	\$3,000
Software and Licenses	\$2,000
Cellphones and iPads	\$4,000
Total	\$20,000

13. The costs associated with starting up Kin On Home Health are paid for through direct owner investment. No other financing sources were considered because direct owner investment is the most efficient funding source for this project. (See Commitment on Financing)

14. N/A. This project will not need debt financing.

15. See Audited Financials 2020.

B. Structure and Process (Quality) of Care

1.

Staff Count Per Position			2023	2024	2025
Administrator	Yearly	\$ 120,000	0.25	0.25	0.25
Director of Patient Care Svcs	Yearly	\$ 100,000	1.00	1.00	1.00
Assistant Director of Clinical Svc	Yearly	\$ 70,000	0.00	0.00	0.00
Business Office Manager	Yearly	\$ 45,000	0.00	0.00	0.00
Clinical Supervisor	Yearly	\$ 75,000	0.00	0.00	0.00
Intake/Scheduling	FT Hourly	\$ 18	1.00	1.00	1.00
Administrative Asst/Reception	Yearly	\$ 27,500	0.00	0.00	0.00
Non-Clinical Case Manager	Yearly	\$ 27,500	0.00	0.00	0.00
Area Director	Yearly	\$ 80,000	0.00	0.00	0.00
Registered Nurse-FTE	Yearly	\$ 85,000	0.47	2.17	4.97
Physical Therapist-FTE	Yearly	\$ 110,000	0.45	2.06	4.72
Occupational Therapist-FTE	Yearly	\$ 90,000	0.16	0.76	1.74
Speech Language Pathologist	Yearly	\$ 72,800	0.02	0.07	0.17
Medical Social Worker	Yearly	\$ 62,400	0.03	0.14	0.33
Home Health Aide	Yearly	\$ 31,200	0.08	0.38	0.87
Total Personnel			3.46	7.84	15.05

2. N/A. This is not an expansion project.

3. We assume that we will need one part-time administrator (0.25 FTE) to lead this business and one clinical director (1 FTE) to run the business. To handle intake, we will have a full-time administrative staff. We will have a full complement of RNs, PT/OT/SLP resources, MSWs and HHAs. These resources will ramp up as we ramp up in terms of patients.

4. We believe that the staffing will be sufficient for the number of patients that we will have.

5. The Medical Director will be Dr. Clement Sun. We intend to leverage Dr. Sun more in the first year of operations so that he can ensure the quality of our policies, procedures and record keeping. We anticipate that these needs will be much more limited in the outer years of operation.

6. The Medical Director will be under contract.

7.

Title/Position	Name	Hiring Timing
Administrator	Michael Woo	Existing Staff
Director of Client Care Services	James Nguyen	Existing Staff
Intake/Scheduling	TBD	11/2022
RN	TBD	12/2022
PT/OT/SLP	Infinity	Existing Partner
MSW	TBD	11/2022
HHA	TBD	12/2022

8. N/A

9. Kin On Health Care Center has a Rehab & Care Center as well as Assisted Living and an Adult Family Home. Because of this, we have experience hiring administrators, directors of patient care, RNs, HHAs

and MSWs. We also have an existing PT/OT/SLP partner that we intend to work with for Home Health. Our retention plans will also be strong since resources can move across Kin On's six businesses.

10. Kin On's office hours will be 8:00am to 5:00pm Monday through Friday (excluding major holidays). Kin On will provide 24/7 access to staff through an on-call service in which an RN will respond within two hours.

11. N/A

12. N/A

13. N/A

14. We have an existing home care business so we intend to offer this in conjunction with home health. We also have a robust healthy living business that we can also offer to our home health patients.

15. N/A

16. N/A

17. We intend to work closely with Infinity, our current therapy company. We will also work closely with hospitals, physician networks and other long-term care facilities (e.g. SNFs, ALs).

18. N/A

19. Kin On Home Health will only increase access to this service within King County. We will be able to service more Asians elders in the community as well as non-Asians.

20. Kin On Home Health will not only increase access to this service but it will complement all the other services in home care, healthy living and health homes in the community.

21 & 22. As part of its continuous customer and payer experience improvement, Kin On will establish and maintain an ongoing Quality Assessment and Performance Improvement Program (QAPI) comprised of a system of measures that captures significant outcomes that are essential to optimal care and are used in the care planning and coordination of services and events. The QAPI committee will be appointed by the Administrator and approved by the governing body. The DNS is responsible for the day to day QI activities.

Procedures to measure, monitor and correct performance are laid out below.

Procedure:

1. Monitoring of the QAPI Program
 - a. The QAPI Committee will be responsible for the ongoing monitoring of the QAPI Program. Findings are to be used by the Agency to contact identifies problems and revise policies, if necessary.

- b. The QAPI Committee will review the plan at least quarterly within a calendar year and revise the plan if needed.
2. QAPI Committee Membership Qualifications and Frequency of Meetings
- a. At a minimum, the QAPI Committee must consist of at least (1) the administrator; (2) the director or nursing services; (3) a therapist (one person may represent all therapies, e.g. PT, OT, SLP, SW, provided however, that should be the therapy being delivered); (4) representation from an unskilled discipline. Note: A nurse cannot represent the therapies and a therapist cannot represent the skilled nurses.
 - b. The QAPI Committee must meet at least quarterly and more often if needed.
 - c. Members are trained on PI (process improvement) activities which include but may not be limited to:
 - i. The purpose of PI activities
 - ii. Persons responsible for coordinating PI activities
 - iii. Individual's role in PI
 - iv. PI outcomes

In addition, Kin On Home Health will conduct a formal patient satisfaction survey, measuring the quality of care and service provided. Kin On Home Health will survey patients upon discharge to obtain information regarding their satisfaction with the services. The information obtained will be analyzed and any problems identified will be addressed.

Procedure:

1. Upon discharge and/or while the patient is under the Agency's care, mail the patient and/or the family a satisfaction survey and pre-addressed return envelope. Phone surveys may also be conducted.
2. Director of Nursing or designee reviews all returned surveys. Returned surveys, which have narrative comments, are retained in the Agency's administrative files.
3. Director of Nursing or designee investigates all negative comments and/or scores, documenting findings and actions taken on the Patient Satisfaction Follow-up Report
4. Director of Nursing forwards findings to the Administrator if further review is indicated.
5. Include findings of Patient Satisfaction Surveys in QA activities

D. Cost Containment (WAC 246-310-240).

Kin On had a home health business many years ago but it was a contracted business through Evergreen. Even back then, we saw the need for home health in the Asian elderly community of King County. We chose to start with the home care business and we now have a firm grasp of this business and fully understand how to serve the community in King County. In addition, we feel that our core expertise is health care with our over 35 years of skilled nursing experience with our SNF and Assisted Living facilities. We have always wanted to properly expand into home health so that we can serve the community better and leverage our healthcare expertise.

Given the continued large need for additional home health agencies (as identified in earlier sections of this application), Kin On made the decision to apply for this Certificate of Need in order to serve the community with this important service. Approval of this application will allow Kin On to meet the large need for home health services in King County. In particular, this would help meet the needs of Asian elders in the County.

We have several growth opportunities that we have analyzed and we believe that home health is the most appropriate one for us to expand into given our experience. We believe that staffing will not be an issue since we are familiar with the staffing of skilled nurses, nursing assistants, medical social workers and therapy teams. We understand the home health model given that we had ran this kind of business many years ago through Evergreen. We also considered contracting with Evergreen again but after careful thought, decided that directly providing this service would help us serve more of the community and at a more effective cost structure.



Received 11/03/21-KN

November 3, 2021

Dear Department of Health,

In accordance with WAC 246-310-080, Kin On Health Care Center is submitting a letter of intent to establish a Medicare certified/Medicaid eligible home health agency in King County.

Per the WAC above, the following information is provided:

- A description of the Extent of Services Proposed: Kin On proposes to establish a Medicare certified/Medicaid eligible home health agency.
- Estimated Cost of the Proposed Project: The estimated capital expenditures is \$20,000.
- Description of the Service Area: The service area will be King County.

Thank you for your consideration. Please feel free to contact me directly at 206-556-2222 should you have questions.

MAIN OFFICE

4416 S Brandon Street
Seattle, WA 98118

CHINATOWN-ID

900 S Jackson Street
Suite 219
Seattle, WA 98104

SUPPORTIVE HOUSING

5214 42nd Avenue S
Seattle, WA 98118

BELLEVUE

15921 NE 8th Street
Suite C206
Bellevue, WA 98008

1.888.721.3634

KINON.ORG

Sincerely,

A handwritten signature in black ink that reads "Min".

Min Chang
Chief Executive Officer
Kin On Health Care Center



December 1, 2021

Department of Health
Certificate of Need Program
P.O. Box 47852

RE: Letter of Financial Commitment on behalf of Kin On Home Health

Dear Department of Health,

The Certificate of Need Program's application for Medicare certified and Medicaid eligible home health agency requests a letter of support and financial commitment on startup healthcare ventures.

We, the governing board of Kin On Health Care Center, will commit the necessary personnel, capital investment, and financial resources to finance the startup and initial operations of Kin On Home Health.

Thank you,

A handwritten signature in black ink that reads "Min".

Min Chang
Chief Executive Officer

A handwritten signature in black ink that reads "Charles Do".

Charles Do
Finance Director

MAIN OFFICE
4416 S Brandon Street
Seattle, WA 98118

CHINATOWN-ID
900 S Jackson Street
Suite 219
Seattle, WA 98104

SUPPORTIVE HOUSING
5214 42nd Avenue S
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BELLEVUE
15921 NE 8th Street
Suite C206
Bellevue, WA 98008

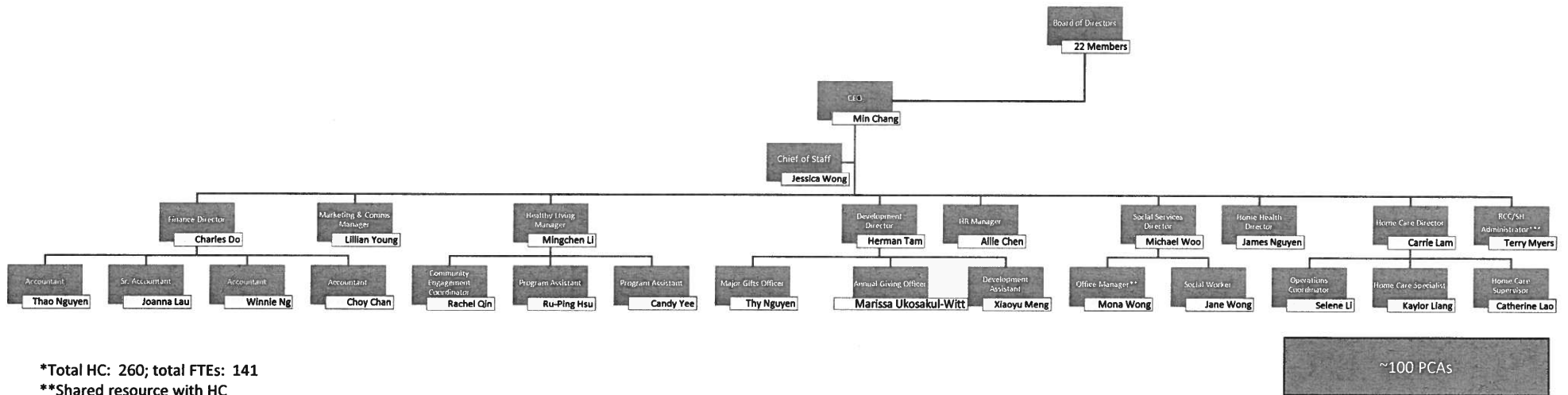
A handwritten signature in black ink that reads "Stella Leong".

Stella Leong
Board President

1.888.721.3634
KINON.ORG

Exhibit 1: Organization Charts

Organization – Kin On*



*Total HC: 260; total FTEs: 141

**Shared resource with HC

***See separate chart for details on full RCC/SH

Organization - Kin On Home Health

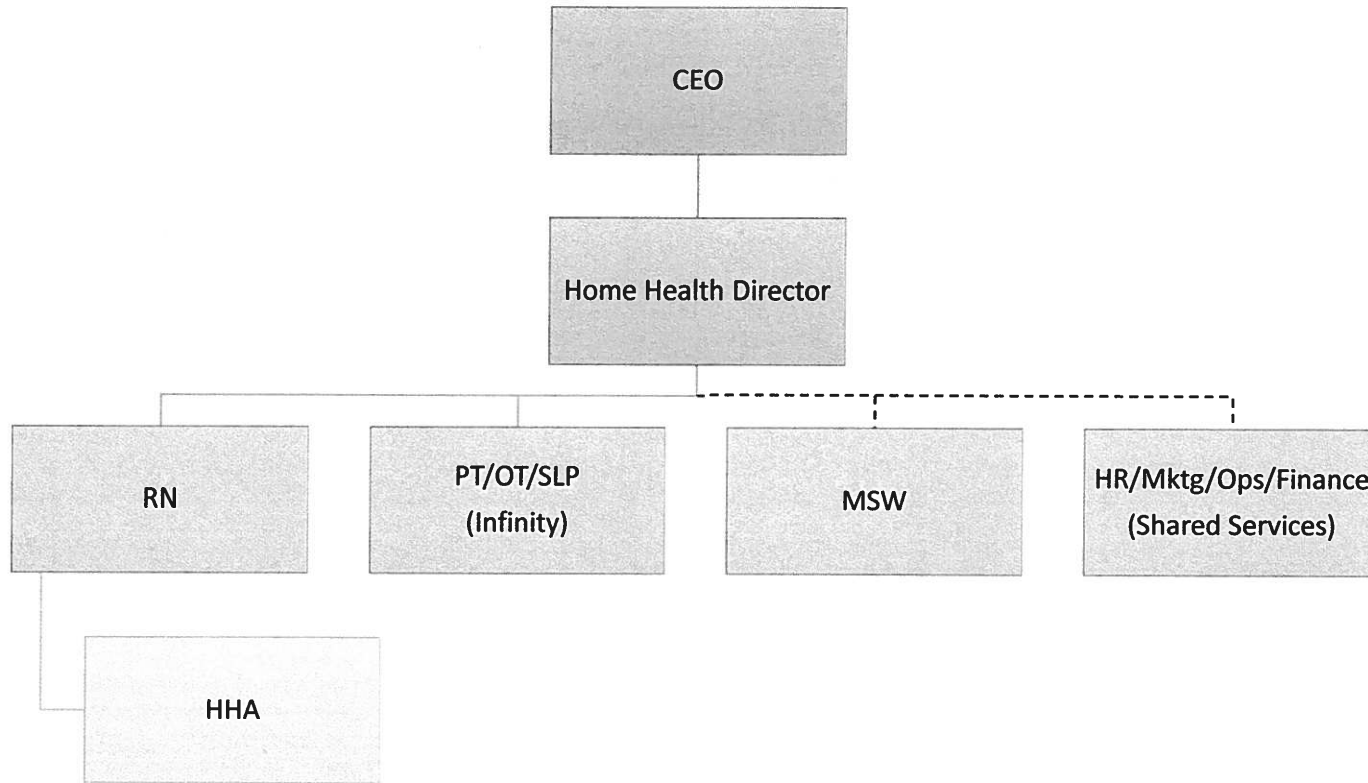


Table 1: Facilities/Agencies

Facility/Agency	Location	License #	CMS Certification #	Accreditation Status	Type of Facility/Agency
Rehab & Care Center	4416 S. Brandon St. Seattle WA 98118	1221	505453	N/A	Nursing Home
Assisted Living	5214 42 nd Ave. S. Seattle WA 98118	2519	80927	N/A	Assisted Living
Adult Family Home	5208 42 nd Ave. S. Seattle WA 98118	754155	80927	N/A	Adult Family Home
Home Care	900 S. Jackson St. Ste. 219 Seattle WA 98104	HIS.FS.61006746	DA22-5139	N/A	Home Care
Social Services	900 S. Jackson St. Ste. 219 Seattle WA 98104	N/A	N/A	N/A	Social Services
Healthy Living	4416 S. Brandon St. Seattle WA 98118	N/A	N/A	N/A	Community Center Classes and Events

Table 2: Timeline

Event	Anticipated Month/Year
CN Approval	10/2022
Design Complete	N/A
Construction Commenced	N/A
Construction Completed	N/A
Agency Prepared for Survey	10/2022
Agency Providing Medicare and Medicaid Services in King County	1/2023

Table 3: Projected Utilization

County	2023	2024	2025
Total number of admissions	36	120	180
Total number of visits	1126	5209	11925
Projected number of visits/patient	8.34	8.34	8.34

Table 4: Capital Expenditures

Item	Estimated Cost
Partition panels and installation	\$4,000
Furnishing	\$3,000
Office upgrades: carpet, paint and cabling	\$4,000
2 computers	\$3,000
Software and licenses	\$2,000
Cellphones and iPads	\$4,000
Total	\$20,000



PACE Market Assessment

Aging in PACE Washington

Seattle, Washington

December 2019



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Aging in PACE Washington

Aging in PACE Washington (Ai PACE) is a non-profit organization formed in partnership between International Community Health Services (ICHS) and Kin On Health Care Center (Kin On).

ICHS is a Federally Qualified Health Center (FQHC) accredited nationally with recognition as a Patient Centered Medical Home by the Accreditation Association for Ambulatory Health Care. In 2018, ICHS provided primary health care and other services to over 32,000 patients in 10 locations throughout the Seattle area. In March 2019, ICHS assumed operations of Legacy House, an assisted living facility and adult day center, and provides congregate meal services at another site in Chinatown/International District. ICHS was approved as a Program of All-Inclusive Care (PACE) provider and began offering PACE services at Legacy House starting July 1, 2019.

Kin On is an award-winning skilled nursing and long-term care provider committed to maximizing the quality of life for Asian seniors and facilities in Greater Seattle. In 1985, the Chinese community saw a need for a unique program of care that would feature culturally relevant care for their elderly population, and, in 1987, opened Kin On Nursing Home, the first Chinese nursing home operated by the Chinese community in the Nation. Kin On provides: a Healthy Living Program; Alzheimer's and dementia support; chronic care management; family caregiver support; home care; hospice services; housing with services; long-term care; and short-term rehab care.

Working together through Ai PACE, the two organizations are currently exploring the feasibility of opening a full service or satellite Program of All-Inclusive Care for the Elderly (PACE) site located on North Beacon Hill in Seattle, WA, within the service area of ICHS' first PACE site, located at Legacy House. In the future, Ai PACE may also consider the feasibility of opening a PACE site at the Kin On Community Center in Seattle, but this potential future site is not the subject of this feasibility analysis.

Ai PACE has contracted with Capital Link and the Galway Group to:

- Analyze the potential market demand for PACE in the service area over a five year forecast period;
- Assess potential competition for PACE market demand and forecast PACE capture rate of market demand.

Specific questions to be answered in this analysis and/or through the engagement include:

- What is the clientele's demographics? Specifically, what are the demographics of Asian Pacific Islanders?
- What is its geographic market?
- How will clients be referred?
- How will clientele relate to existing clientele/services at Kin On? At ICHS? At ICHS PACE?
- Will there be sufficient demand when ICHS PACE at Legacy House is in full operation?

Observations and Opportunities

This market assessment provides an examination of the feasibility of opening a full service or satellite PACE site located at 1200 12th Avenue, South, in Seattle, Washington (North Beacon Hill). The Service Area consists of 49 zip codes in the Seattle region. The analysis examines the geographic area, comparative demographics, and potential competition from current and proposed PACE programs. Observations are summarized below, with additional detail included throughout this assessment:

- The service area consists of a population of approximately 1.1 million, of which 232,200 identify as Asian or Pacific Islander. Like most of the United States, the population in the area is rapidly aging. There are currently 143,000 residents over the age of 65 in the region, of which 46,400 are Asian/Pacific Islanders (API). Both groups are expected to grow by 15% by 2023. The continued strong population growth in this older demographic bodes well for expansion of PACE, a program specifically designed to support frail, low-income elders.
- As the population ages, the area will experience an increase in the population of those with varying disabilities. These include those with hearing, vision, cognitive, ambulatory or self-care related disabilities. The Service Area contains over 43,000 residents age 65 or older who have at least one type of disability. The Asian/Pacific Islander population accounts for approximately 7,500 of those residents aged 65 or older with a disability. Those with a self-care disability most closely match nursing home and PACE eligibility and are the strongest target market for the program. The Service Area includes 10,300 residents who had a self-care disability in 2017. Based on overall population demographics, we estimate that approximately 3,640 of these are Asian-Pacific Islanders.
- Based on income eligibility for PACE in Washington in 2019, it appears that frail elders with incomes of up to \$27,756 per year—equivalent to 222% of the Federal Poverty Level (FPL)—would be eligible. Those with slightly higher levels of income of up to 300% of FPL might become eligible through “spend down” provisions. There were approximately 30,800 individuals aged 65+ who earned below 200% of FPL in the Service Area and 48,500 individuals aged 65+, who earned below 300% of FPL, indicating a sizable potential PACE market.
- Considering the data on population trends, disabilities and income together, it appears that there are approximately 16,013 individuals in the Service Area aged 65+ with incomes at or below 300% of FPL with some type of disability; 5,191 of these are Asian/Pacific Islanders. Of those with any disability, 3,882 have a self-care disability; approximately 1,258 of these are Asian/Pacific Islanders.
- Given that Ai PACE seeks to focus on the API population, the organization would need to enroll ~400 participants from a target market of between 1,200 and 5,200 frail, low-income, API individuals to support two full-service PACE sites (one at Legacy House and the other at North Beacon Hill). This enrollment represents penetration of between 8% and 32% of the target market, with the low-end penetration based on those with any disability vs. high-end penetration based on those with a self-care disability.
- There are four existing PACE programs and facilities offered by Providence Elderplace in Kent, Redmond and Seattle, with two more sites pending in Kent and Spokane. The four existing sites are located within the ICBS Service Area, while the two pending sites are outside ICBS’ service area. The pending Kent site is fairly close to the southern border of ICBS’ service area, but within Providence’s currently-defined service area. The pending Spokane site is outside both ICBS and Providence’s currently-defined service areas.

- Data reported to the Centers for Medicare and Medicaid Services on a monthly basis indicates 765 individuals were enrolled in the Providence Elderplace PACE program as of October 2019. The organization has seen an 18% growth in enrollment since the start of the year, with rapid acceleration in enrollment figures from May through October 2019, indicating an average growth of 18 members per month.
- It appears that Providence offers language services, but relies primarily on translation technology to facilitate communication. As a result, their reach into the API population is likely limited at the current time. Based on an overall population of ~10,822 non-API low-income, frail individuals, it would appear that Providence may have achieved an overall penetration of ~7% of these individuals to date. If the additional pending site in Kent is approved and achieves an enrollment of 200 (bringing Providence' total enrollment to ~965), it would suggest that Providence would then have a penetration of ~9% of the non-API population.
- The recent closure of Keiro Northwest's Rehabilitation and Care center, which served over 20,000 primarily API community members within the ICHS Service Area, offers a market opportunity for ICHS' current PACE program, as well as for the additional Ai PACE site in North Beacon Hill.
- By focusing on the API population, Ai PACE appears to have an opportunity to expand PACE services, through establishing a full-service PACE site in North Beacon Hill. By drawing on its unique strengths in serving the API population, it could hone its marketing and outreach strategy to emphasize its cultural competence in serving this population; in doing so, it could sufficiently distinguish itself from Providence, who is otherwise a formidable competitor.

Service Area Identification

Through strategic planning efforts, Aging in PACE Washington (Ai PACE) has proposed to explore the feasibility of developing a 2nd PACE program within the current PACE service area of International Community Health Services (ICHS), in Seattle, Washington. The 49 specific targeted zip codes are detailed below, as provided by Ai PACE, and will be referred to as the “Service Area” throughout the assessment.

Service Area Zip Codes						
98004	98005	98006	98007	98008	98009	98015
98033	98034	98039	98040	98052	98055	98056
98057	98083	98101	98102	98103	98104	98105
98106	98107	98108	98109	98112	98115	98116
98117	98118	98119	98121	98122	98124	98125
98126	98134	98144	98145	98146	98154	98164
98168	98178	98181	98185	98191	98195	98199

The Service Area population data is included in the following table to further define the region analyzed throughout this document. As can be seen here, Ai PACE’s Service Area has a total population of 1.1 million, with 21% identifying as Asian, Native Hawaiian or Other Pacific Islander. The Low-Income population consists of approximately 240,000, with Federally Qualified Health Centers serving an estimated 61%. In 2018, International Community Health Services (ICHS) served nearly 32,000 patients per year; approximately 4,500 were on Medicare and almost 3,200 were dually eligible for Medicaid and Medicare.

Service Area UDS Data ¹	Total Population 2013-2017	Low Income Population 2013-2017	Asian/Native Hawaiian/ Other Pacific Islander Population 2018	Total FQHC Patients 2018	FQHC Penetration of Low-Income	Total ICHS Patients 2018	ICHS Medicare Patients 2018 ²	ICHS Dual Eligible 2018
Summary	1,106,762	239,115	232,209	145,944	61%	31,841	4,455	3,189

ICHS currently operates one PACE site at Legacy House. The proposed Ai PACE site is in North Beacon Hill. The location of Kin On, a key partner in the Ai PACE collaboration is included on the accompanying maps as a point of reference. Addresses for these three sites are detailed below. These locations will be identified and referred to throughout this document.

Current ICHS PACE Site
ICHS Legacy House PACE 803 S. Lane Street Seattle, WA 98104

Proposed Ai PACE Site
North Beacon Hill 1200 12th Avenue S. Seattle, WA 98144

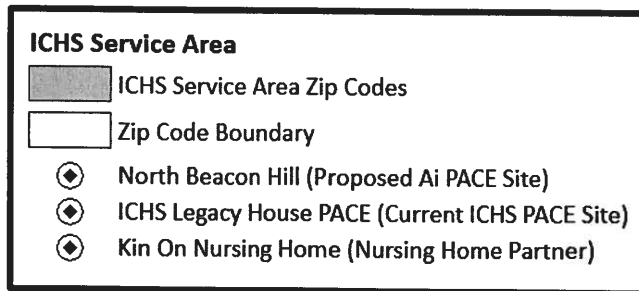
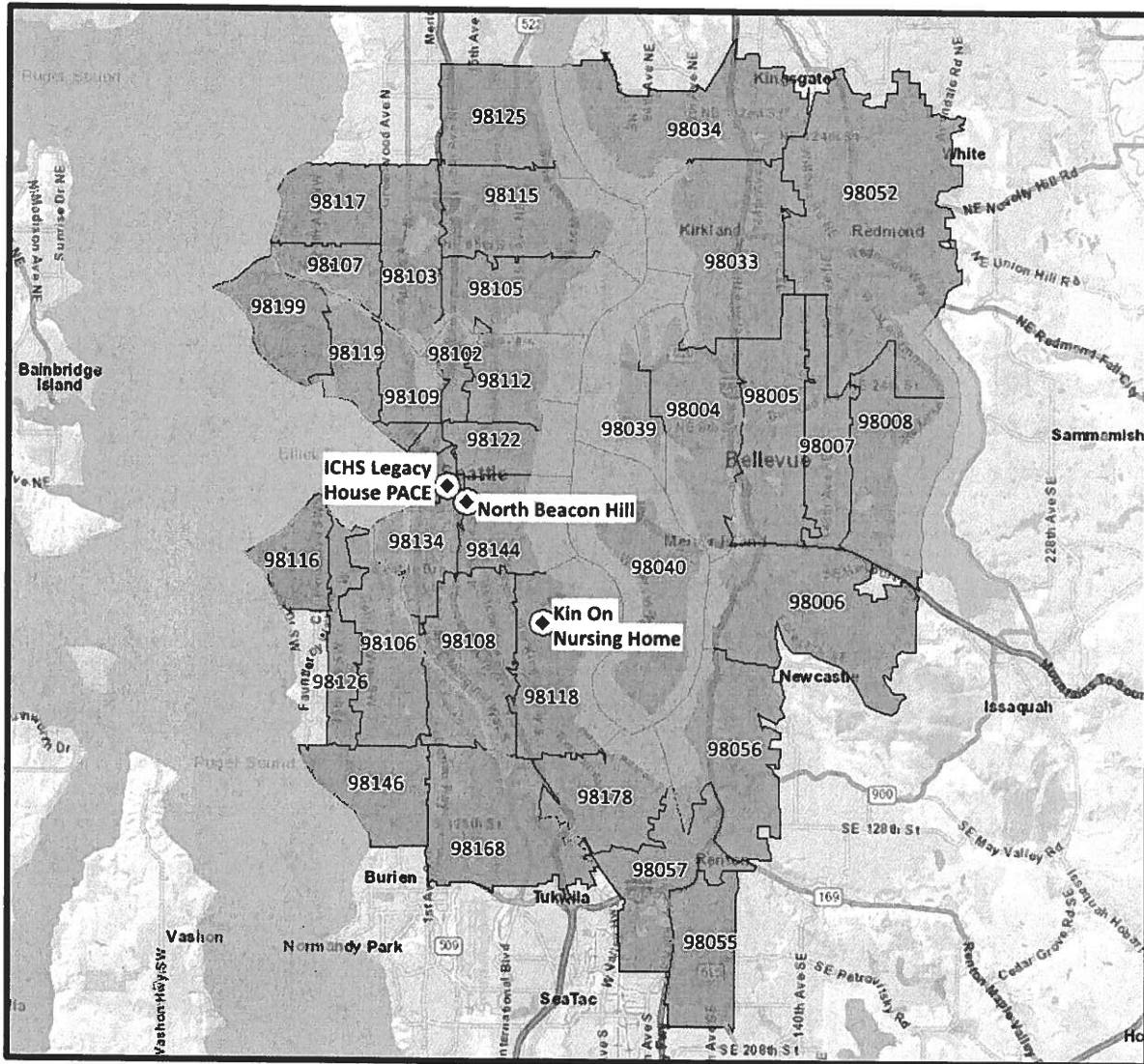
Nursing Home Partner
Kin On Nursing Home 4416 S. Brandon St. Seattle, WA 98118

¹ www.udsmapper.org

² From International Community Health Services’ Self-Reported UDS Report, 2018

ICHS Service Area Map

The following map illustrates ICHS's current PACE Service Area by zip code, including 49 zip codes within King County, Washington as designated by the orange shading. The labels represent ICHS' current PACE site, the proposed Ai PACE site at North Beacon Hill, and the location of Kin On as a reference point.



Service Area Comparison with PACE Criteria

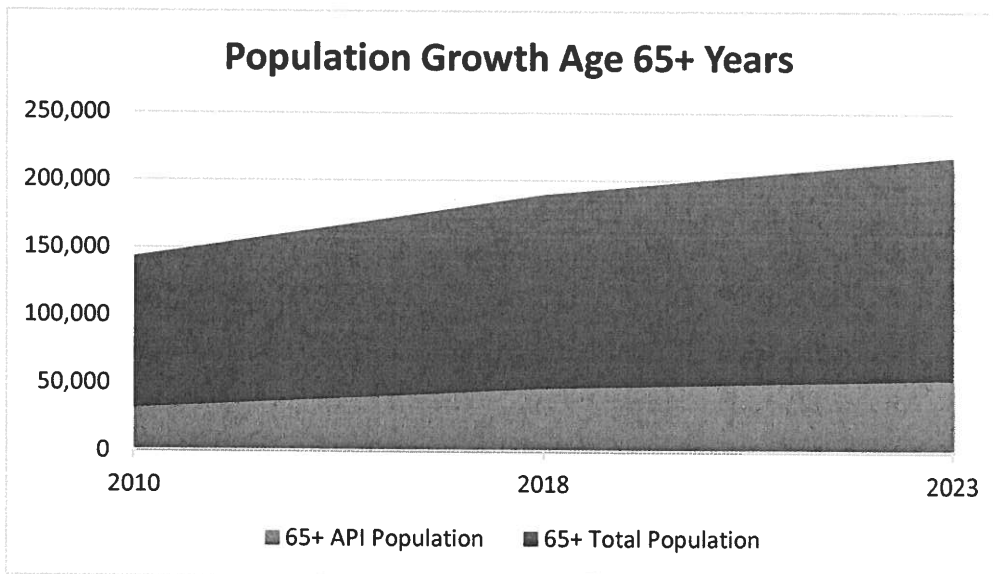
Overall Population

The current and projected demographics of the Service Area are detailed below with respect to the population aged 65+. The region is expected to see continued population growth over the next five years with the Asian/Pacific Islander population increasing at a level three times that of the overall population.

Like most of the United States, the population in this area is rapidly aging. There are currently 143,000 residents over the age of 65 in the region, of which 46,400 are Asian/Pacific Islanders. With the anticipated growth of 15% each, there will be 164,400 residents age 65+ by 2023 in the Service Area, with 53,400 of those being Asian/Pacific Islanders. Consistent with current market trends, the API population skews somewhat older than the general population, with 21% aged 65 in 2018 and projected for 2023.

Selected Demographics ³	2018		2023		Percent Change 2018-2023	
	Total Population	Asian/Pacific Islander	Total Population	Asian/Pacific Islander	Total Population	Asian/Pacific Islander
Population	1,130,861	231,849	1,168,672	253,411	3%	9%
Population aged 65+	142,996	46,402	164,445	53,362	15%	15%
Population aged 75+	59,538	17,200	67,652	19,608	14%	14%
Population aged 85+	21,426	5,898	21,940	6,040	2%	2%

*Figures in gray were extrapolated based off Total Population Age Growth Percentages and applied to the Asian/Pacific Islander Population



³ www.esite.com a subscription-based demographics service

Disabled Population

The growth in the aging population and the increase in life expectancy over time has equated to an increase in the population of those with varying disabilities. PACE programs are specifically designed to support frail elders with complex medical care needs. These individuals include those with hearing, vision, cognitive, ambulatory or self-care related disabilities. As illustrated in the tables below, the ICHS Service Area contains over 43,000 residents who are age 65 or older and have at least one type of disability. The Asian/Pacific Islander (API) population is identified as well, indicating approximately 7,500 API residents aged 65 or older with a disability. Disability type by detailed age is also illustrated and indicates the most prominent disabilities in this age group include ambulatory and hearing difficulties. Self-care difficulties are also of note as they most closely match nursing home eligibility and are the strongest target market for PACE programs. The Service Area includes 10,300 residents who had a self-care disability in 2017.

Age By Disability Status 2017 ⁴	Total Population	Percent of Total Population	Asian/Pacific Islander Population	Percent of Asian/Pacific Islander Population
Population, Total (civilian, noninstitutionalized)	1,099,687		219,087	
65+ Population	132,194	12%	46,402	21%
75+ Population	54,540	5%	17,200	8%
65+ With a Disability	43,063	4%	15,312	7%
75+ With a Disability	27,221	2%	8,600	4%

*Figures in gray were extrapolated based off Total Population Disability characteristics and applied to the Asian/Pacific Islander Population

Disability Type by Detailed Age 2017 ⁵				
Population, Total (civilian, noninstitutionalized)	1,099,687			
	65+ Years		75+ years	
Population	132,194		54,540	
Population With a Disability	43,063		27,221	
With a hearing difficulty	18,392	14%	12,180	22%
With a vision difficulty	6,989	5%	4,850	9%
With a cognitive difficulty	12,595	10%	8,139	15%
With an ambulatory difficulty	26,420	20%	17,858	33%
With a self-care difficulty	10,371	8%	8,034	15%

⁴ <https://factfinder.census.gov>

⁵ <https://factfinder.census.gov>

Income Status and Eligibility

The state of Washington outlines PACE eligibility standards based on income as a percent of Supplemental Security Income (SSI). An individual qualifies if monthly income (after allowable deductions) is no more than 300% of SSI, or \$2,313 per month (\$27,756 per year). This income level is equivalent to 222% of the Federal Poverty Level (FPL), the income scale used by the US Census. If the applicant's income exceeds the traditional financial limits in Washington, it is possible to become eligible for PACE by "spending down" one's income to a point where they become financially eligible. To account for the possibility of becoming eligible through "spend down," we have included population data for those between 200% and 300% of FPL, equating to earnings of up to \$37,470 per year or \$3,123 per month.

2019 Single Person Household	Federal Poverty Level
Monthly	\$1,041
Yearly	\$12,490

Washington 2019 PACE Individual Eligibility Standards	
Monthly	\$2,313
Yearly	\$27,756
% of FPL	222%

To illustrate income demographics of the region, the table below outlines the ratio to income by age in the Service Area, specifically for those aged 65 to 74, as well as 75 and over based on the Federal Poverty Level (FPL). The population earning below 300% of FPL represents the targeted PACE population, including both "regular" eligibility and potential eligibility through spend down. There are approximately 48,500 individuals aged over 65, who earn below 300% of FPL in the Service Area indicating a sizable potential PACE market.

2017 Ratio to Income By Age ⁶	Earnings Below 200% of FPL	Earnings Between 200% & 300% of FPL	Total Earning Below 300% of FPL
Age 65+	30,782	17,741	48,523
Age 75+	15,801	8,373	24,174

Language Spoken at Home

As the table below indicates, 28% of the overall population speaks a language other than English at home. When looking specifically at the older generations, over 29,000 individuals over the age of 65 primarily speak a language other than English. Sixty-three percent of those individuals speak an Asian or Pacific Islander language, with 24% speaking "Other Indo European" languages. Of the more than 18,000 residents 65 years and older who speak an Asian or Pacific Island language at home, almost 78% speak English "less than very well," which implies that any PACE program geared to this population will need to address language barriers as part of its program. Understanding the community's communication preferences is an integral part of a successful PACE program as communication extends beyond medical visits to include patients being able to understand and locate appropriate foods, transportation, finance, social services, education, etc.

⁶ www.factfinder.census.gov

Language Spoken at Home in Service Area 2017⁷	Total	Percent of Total Population	Speak English or Speak English “Very Well”	Speak English Less Than “Very Well”
Total Population 5 years and over	1,046,274			
Population 5 years and over speak only English	755,103	72%		
Population 5 years and over speak a language other than English	291,171	28%	177,176	113,995
65 Years and Older who Speak a Language Other Than English	Total	Percent of 65+ who speak a language other than English	Speak English or Speak English “Very Well”	Speak English Less Than “Very Well”
Population 65 Years and Older who Speak a Language Other Than English	29,423			
Spanish	2,520	9%	1,326	1,194
Other Indo European Languages	7,028	24%	3,746	3,282
Asian and Pacific Island Languages	18,426	63%	4,129	14,297
Other Languages	1,449	4%	414	1,035

Summary

The following section summarizes the key demographics relevant for developing a second PACE site, focused primarily on the Asian and Pacific Islander (API) population.

The Service Area population included nearly 143,000 residents in 2018 aged 65 or above, of whom 46,400 were Asian/Pacific Islanders. Approximately 33% of those aged 65 or above face at least one disability. Applying 2017 disability percentages to 2018 population data, we estimate that in 2018, the 65+ disabled population in the Service Area was approximately 47,200, including an estimated 15,300 Asian/Pacific Islanders. The population at or below 200% of FPL with a disability is the closest approximation of the population that could be eligible for PACE in Washington (Line 15 of the table below), while portions of those between 200% and 300% FPL with a disability may qualify or opt for PACE through the “spending down” to achieve PACE eligibility (Line 16). In combination (lines 15 and 16), these two groups constitute the target market for Ai PACE. Just over 16,000 individuals in the overall Service Area met these criteria; almost 5,200 of them were Asian/Pacific Islanders.

A more granular analysis of the disability data shows that the number of individuals 65+, with incomes up to 300% of FPL and with a self-care disability was almost 3,900 in the general population, including almost 1,260 Asian/Pacific Islanders (lines 17 and 18).

To achieve targeted enrollment of 400, assuming two 200-enrollee PACE sites, Ai PACE would need to achieve penetration in the Asian/Pacific Islander market of between 8% and 32%--that is, 8% of the 65+ API population with incomes of up to 300% of FPL and any disability or 32% of the 65+ API population with incomes of up to 300% of FPL and a self-care disability. This enrollment target appears to be feasible if Ai PACE can capitalize on its unique cultural capacities and relationships with the API community to attract this niche population. (See also further discussion in the Competition section.)

⁷ www.factfinder.census.gov

The table below shows the detailed data summarized above.

2018 Service Area Summary⁸	Total Population	Asian/Pacific Islander
Overall Population		
1. Population, Total (civilian, noninstitutionalized)	1,130,861	231,849
2. Population, 55 to 64	128,992	41,662
3. Population aged 65+	142,996	46,402
4. Population aged 75+	59,538	17,200
Disabled Population		
5. Percent of population aged 65+ with any disability**	33%	33%
6. Population with any disability aged 65+ (#3 * #5)	47,189	15,313
7. Percent of population with a self-care disability aged 65+**	8%	8%
8. Population with a self-care disability aged 65+ (#3 * #7)	11,440	3,712
9. Percent of population aged 75+ with any disability**	50%	50%
10. Population with any disability aged 75+ (#4 * #9)	29,769	8,600
11. Percent of population with a self-care disability aged 75+**	15%	15%
12. Population with a self-care disability aged 75+ (#4 * #11)	8,931	2,580
Income Status		
13. Population 65+ with income approximating Medicaid eligibility (200% FPL)	30,782	9,976
14. Population 65+ with income between 200% FPL and 300% FPL	17,741	5,754
15. Number aged 65+ at or below 200% FPL with a disability (#5 * #13)	10,158	3,292
16. Number aged 65+ with disability between 200% FPL and 300% FPL (#5 * #14)	5,855	1,899
17. Number aged 65+ at or below 200% FPL with a self-care disability(#7*#13)	2,463	798
18. Number aged 65+ with a self-care disability between 200% FPL and 300% FPL (#7 * #14)	1,419	460
Penetration to Achieve Size Targets: Target Enrollment of 400		
19. Percent of population aged 65+ up to 300% FPL and with disability to reach 400 PACE enrollment (400 / (#15 + #16))	3%	8%
20. Percent of population aged 65+ up to 300% FPL and with self-care disability to reach 400 PACE enrollment (400 / (#17 + #18))	10%	32%

*Figures in gray were extrapolated based on Total Population Income by Age Percentages and applied to the Asian/Pacific Islander Population.

** Figures based on 2017 Service Area disability percentages and applied to current and projected population data

⁸ <https://factfinder.census.gov>

Competition: Other PACE Facilities and Services in the Market

Providence Elderplace Service Area

According to the Washington State Department of Social and Health Services, there are just two PACE organizations within Washington, including ICHS and Providence Elderplace. The service area of Providence Elderplace is identified in purple below, including 69 zip codes in the region of Seattle.⁹ Providence Elderplace currently operates four PACE locations in Kent, Redmond and Seattle, which all fall within the ICHS Service Area, illustrated by the dark blue border, for reference. In addition, Providence has proposed to open two additional PACE sites—a second site in Kent, near the southern border of ICHS’ service area and one in Spokane, outside either of the currently-defined services areas. Addresses of the four current and two proposed Providence PACE sites are included below.

Current Providence Elderplace Sites			
Kent 7829 S. 180 th St. Kent, WA 98032	Redmond 8632 160 th Ave. Redmond, WA 98052	Seattle on MLK 4515 Martin Luther King Jr. Way S. Seattle, WA 98108	West Seattle at Mount St. Vincent 4831 35 th Ave. SW Seattle, WA 98126

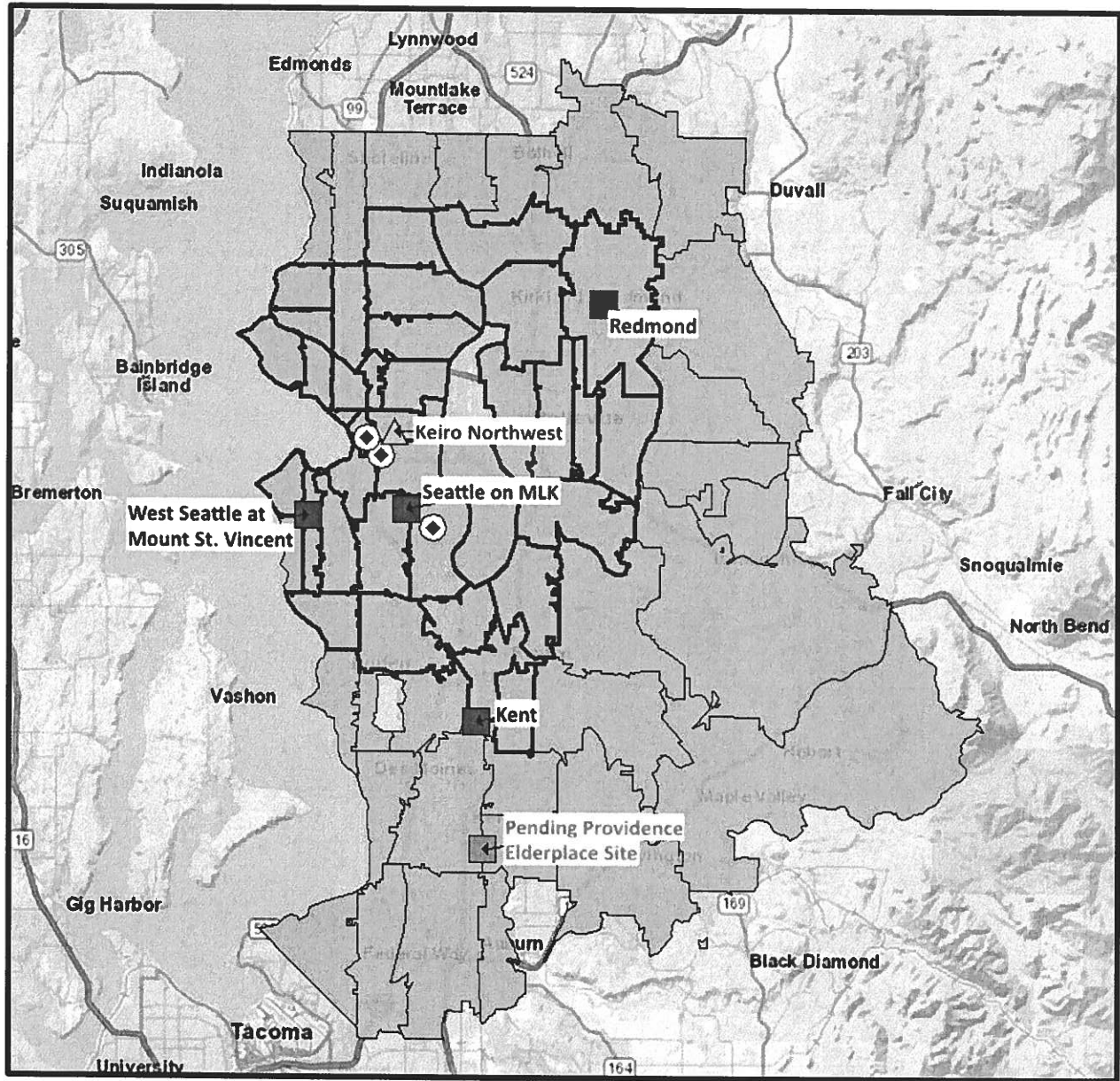
Pending Providence Elderplace PACE Sites	
Pending 1404 Central Ave. S. Kent, WA 98032	Pending 6018 N. Astor Spokane, WA 99208

As illustrated in the map below, the two service areas significantly overlap, indicating potential competition between programs. However, while Providence states that it offers language services, it appears to rely primarily on translation technology to facilitate communication. As a result, their reach into the API population is likely limited at the current time.

Also of note is the recent closure of Keiro Northwest’s Rehabilitation and Care center, which was located at 1601 E. Yesler Way, Seattle, WA 98122. This facility served over 20,000 primarily API community members through its services including rehabilitation, assisted living, home care, adult day programs, transportation services and catering. Portions of this population may be especially interested in an expansion of ICHS’ API-focused PACE.

⁹ <https://www.dshs.wa.gov/altsa/program-all-inclusive-care-elderly-pace>

Providence Elderplace Service Area Map

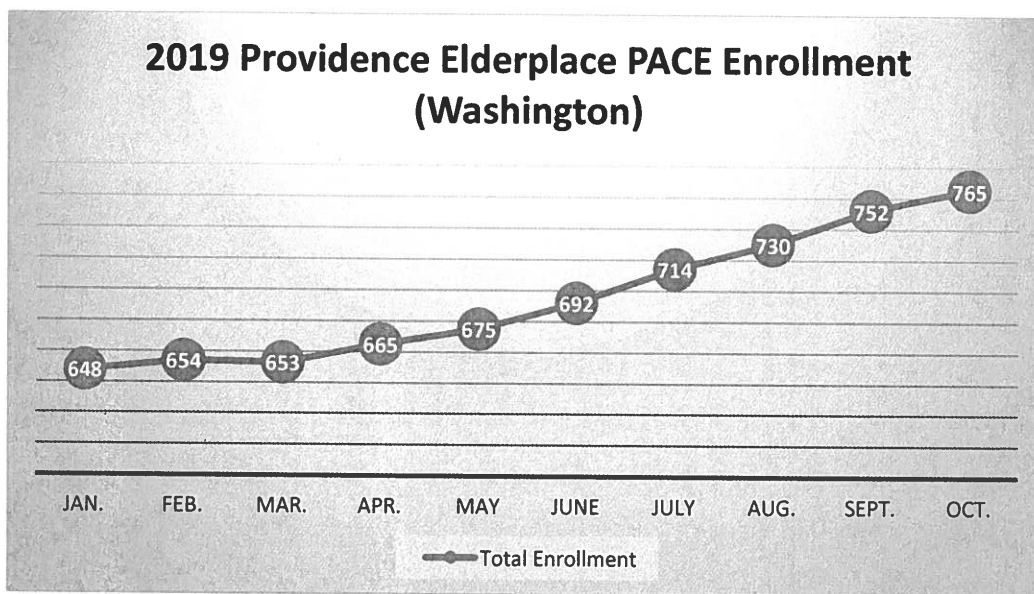


Providence Elderplace Service Area

- Providence Elderplace Service Area Zip Codes
- ICHS Service Area Zip Codes
- Pending Providence Elderplace Site
- Current Providence Elderplace Site
- Keiro Northwest Site
- Proposed Ai PACE Site
- ◊ Current ICHS PACE Site
- ◊ Kin On Nursing Home Site

Providence Elderplace Enrollment

As an organization, Providence Health Services operates more than 35 hospitals and various health and living facilities, including the four PACE locations identified above. PACE program enrollment is reported to the Centers for Medicare and Medicaid services on a monthly basis. Providence Elderplace's PACE program enrollment is detailed in the chart below, indicating 765 individuals were enrolled in the PACE program within the state of Washington as of October 2019. The organization has seen an 18% growth in enrollment since the start of the year, with an average increase of 13 enrollees per month. Also of note is the rapid acceleration in enrollment figures from May through October 2019, which indicated an average growth of 18 members per month over the six month period.¹⁰



Based on an overall population of ~10,822 non-API low-income, frail individuals,¹¹ it would appear that Providence may have achieved an overall penetration of ~7% of these individuals to date. If the additional proposed site in Kent is approved and achieves an enrollment of 200 (bringing Providence' total enrollment to ~965 in this service area), it would suggest that Providence would then have a penetration of ~9% of the non-API population.

¹⁰ <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAAdvPartDEnrolData/Monthly-Enrollment-by-Plan.html>

¹¹ See lines 15 + 16 of the prior table; total population minus the API population.

PACE Services

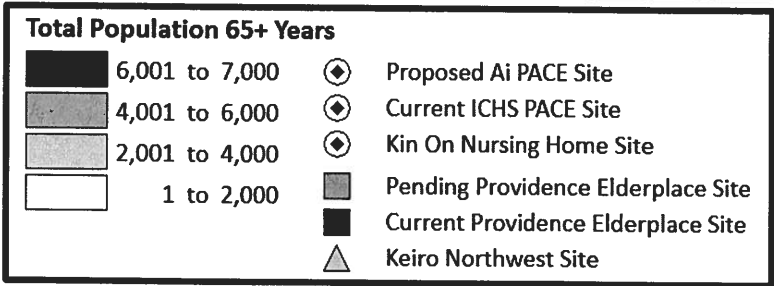
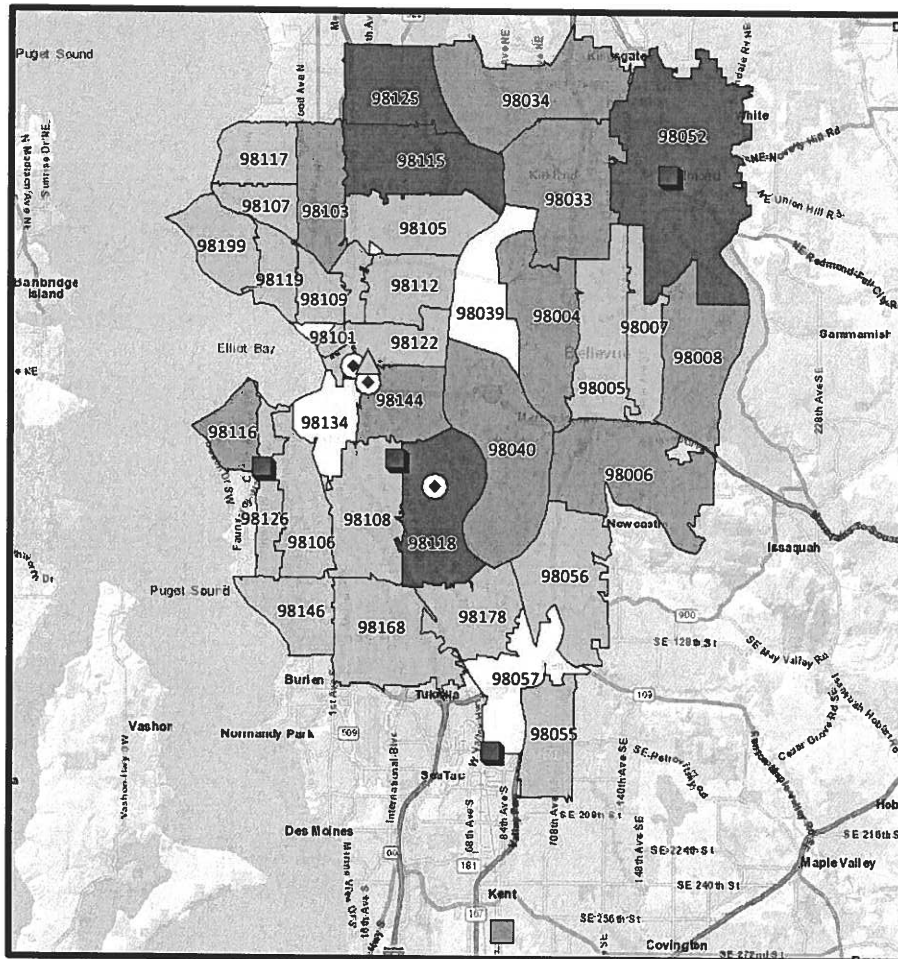
Each of the PACE programs within the Service Area region offers varying services to fit different needs. The table below outlines the types of services and care options that ICHS, Kin On Nursing Home and Providence Elderplace offer to their patients. The PACE program through ICHS has a strong interest in serving the Asian/Pacific islander population and will offer specific language abilities including Chinese, Vietnamese and Japanese. While Providence Elderplace also offers language services it appears to be through translation technology such as a translation phone line, whereas ICHS will employ those with various language abilities. The current ICHS PACE program and proposed Ai PACE site may benefit by incorporating services offered by Kin On, such as housekeeping, healthy living classes and support specific to caregivers—building off the synergies of the partners.

	Providence Elderplace	International Community Health Service	Kin On Nursing Home
Activities & Exercise	X	X	X
Adult Family Home			X
Assisted Living Facility			X
Caregiver Support			X
Enteral Feeding Program			X
Healthy Living Classes			X
Housekeeping			X
IV & Oxygen Therapy			X
Meals	X	X	X
Mental Health Services	X		
Nursing	X	X	X
Nutrition Counseling	X	X	X
Occupational Therapy	X	X	X
On-Site Medical Specialists : Dentist, Audiologist, Optometrist, Podiatrist	X	X	
Personal Care	X	X	X
Physical Therapy	X	X	X
Primary Medical Care	X	X	X
Recreation Therapy	X		
Rehabilitation Therapy		X	X
Social Work	X		X
Speech Therapy	X		X
Spiritual Care	X		
Transportation	X	X	

Population Density Maps

65+ Population Map

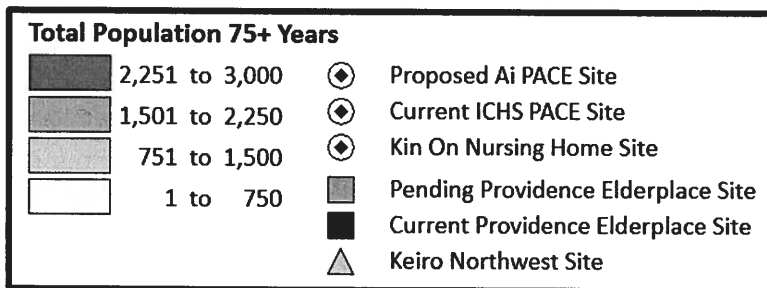
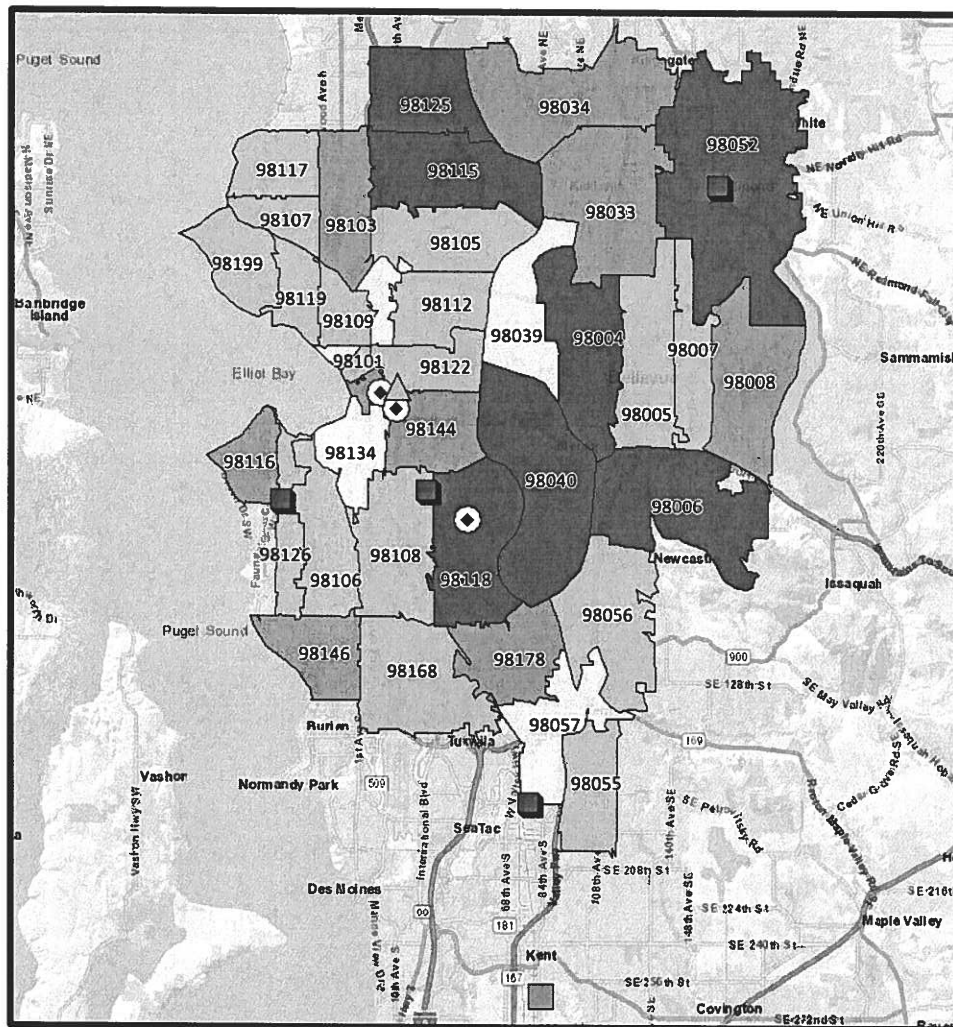
The following map indicates the total population of those aged 65 or above that are living within ICHS’s Service Area based on 2018 Census data.¹² The dark blue represents the zip codes with the highest concentration of those aged 65+, with over 6,000 residents. The lighter shades reflect progressively less dense areas of population aged 65+. This population appears to be the densest in zip code 98118, surrounding the Kin On Nursing Home as well as the northern zip codes including 98125, 98115 and 98052. It is also important to note the various locations of Providence Elderplace’s current and pending locations, designated by the blue and orange symbols, which could impact the ability to penetrate specific populations within the Service Area region.



¹² <https://factfinder.census.gov>

75+ Population Map

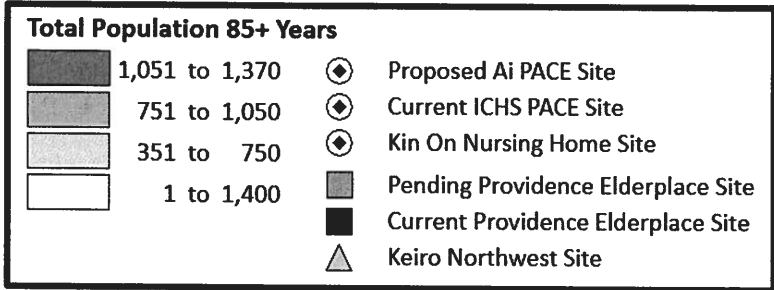
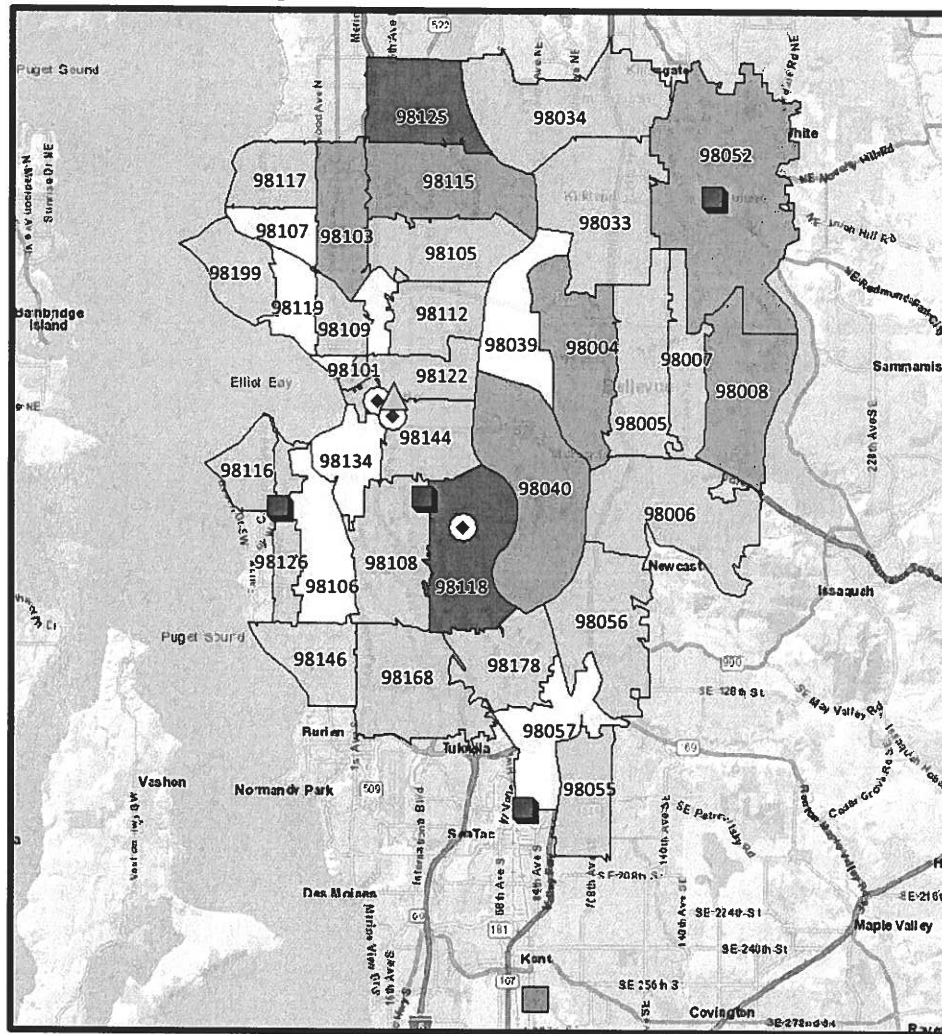
The map below indicates the total population of those aged 75 or above that are living within ICHS's Service Area based on 2018 Census data.¹³ The dark blue represents the zip codes with the highest concentration of those aged 75+, with over 2,250 residents, while the lighter shades reflect progressively less dense areas. Similar to previous figures, this population appears to be most dense in zip code 98118, where the Kin On Nursing Home is located as well as portions of the northern and eastern areas. The current and pending locations of Providence Elderplace are designated by the blue and orange symbols, demonstrating potential competition between programs.



¹³ <https://factfinder.census.gov>

85+ Population Map

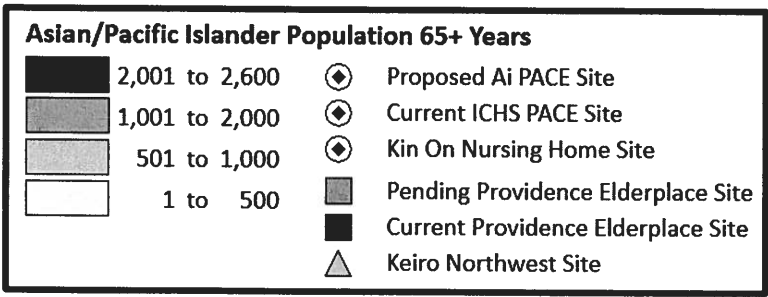
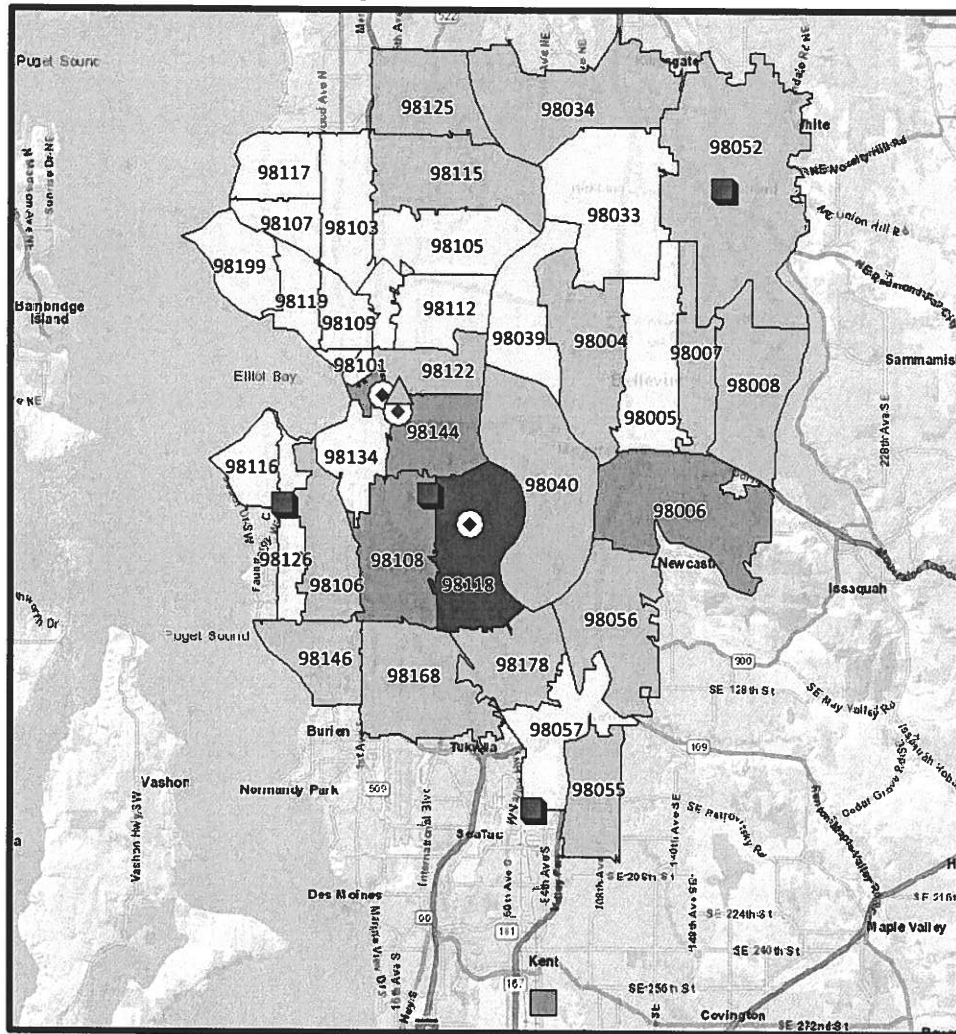
The next map indicates the total population of those aged 85 or above that are living within ICHS's Service Area based on 2018 Census data.¹⁴ The dark green represents the zip codes with the highest concentration of those aged 85+, with over 1,050 residents, while the lighter shades reflect progressively less dense areas. This population appears to be the densest in zip code 98118, where the Kin On Nursing Home is located as well as the northern zip code of 98125. The current and pending locations of Providence Elderplace are also indicated, designated by the blue and orange square symbols, which could impact the ability to penetrate specific populations within the Service Area region.



¹⁴ <https://factfinder.census.gov>

65+ Asian and Pacific Islander Population Map

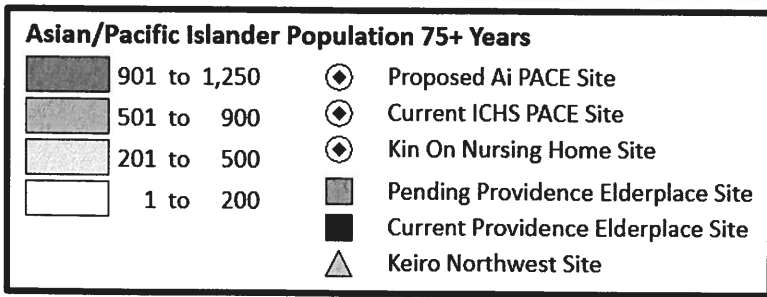
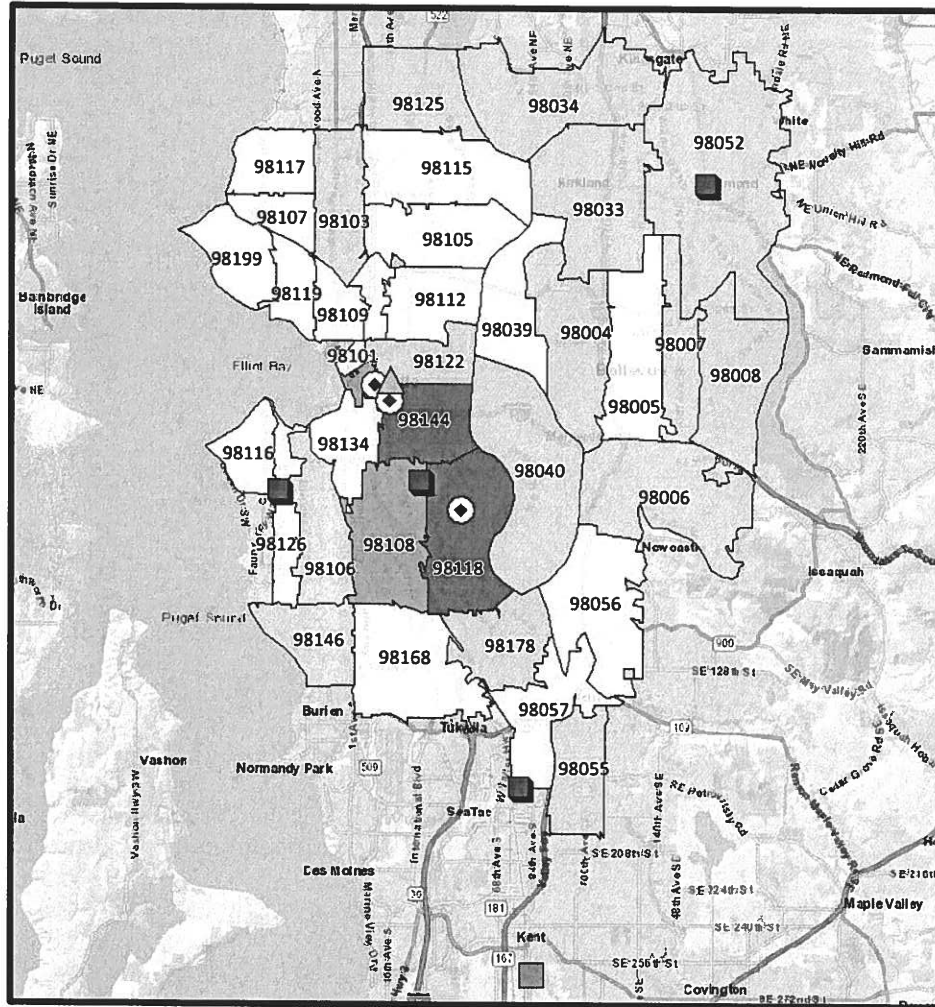
Similar to the previous graphic, the below map indicates the total population of those aged 65 or above, specific to the Asian and Pacific Islander population, that are living within ICHS's service area. The data is based on 2018 Census figures.¹⁵ The dark pink represents the zip code with the highest concentration of Asian/Pacific Islanders aged 65+, with over 2,000 residents. The lighter shades reflect progressively less dense regions. The 65+ Asian/Pacific Islander population appears to be densest in the zip code where Kin On Nursing Home is located, 98118. The current ICHS site and the proposed Ai PACE site are also located in fairly dense areas as well. Providence Elderplace locations are also designated, for reference.



¹⁵ <https://factfinder.census.gov>

75+ Asian and Pacific Islander Population Map

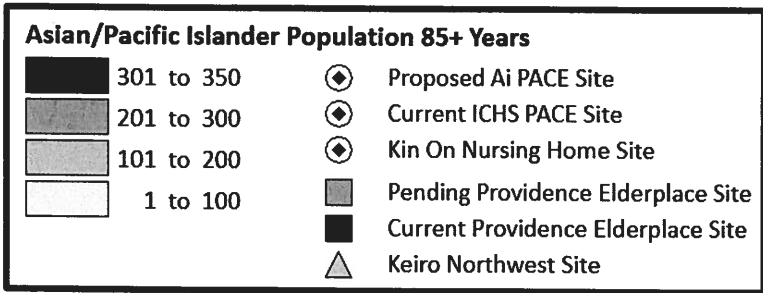
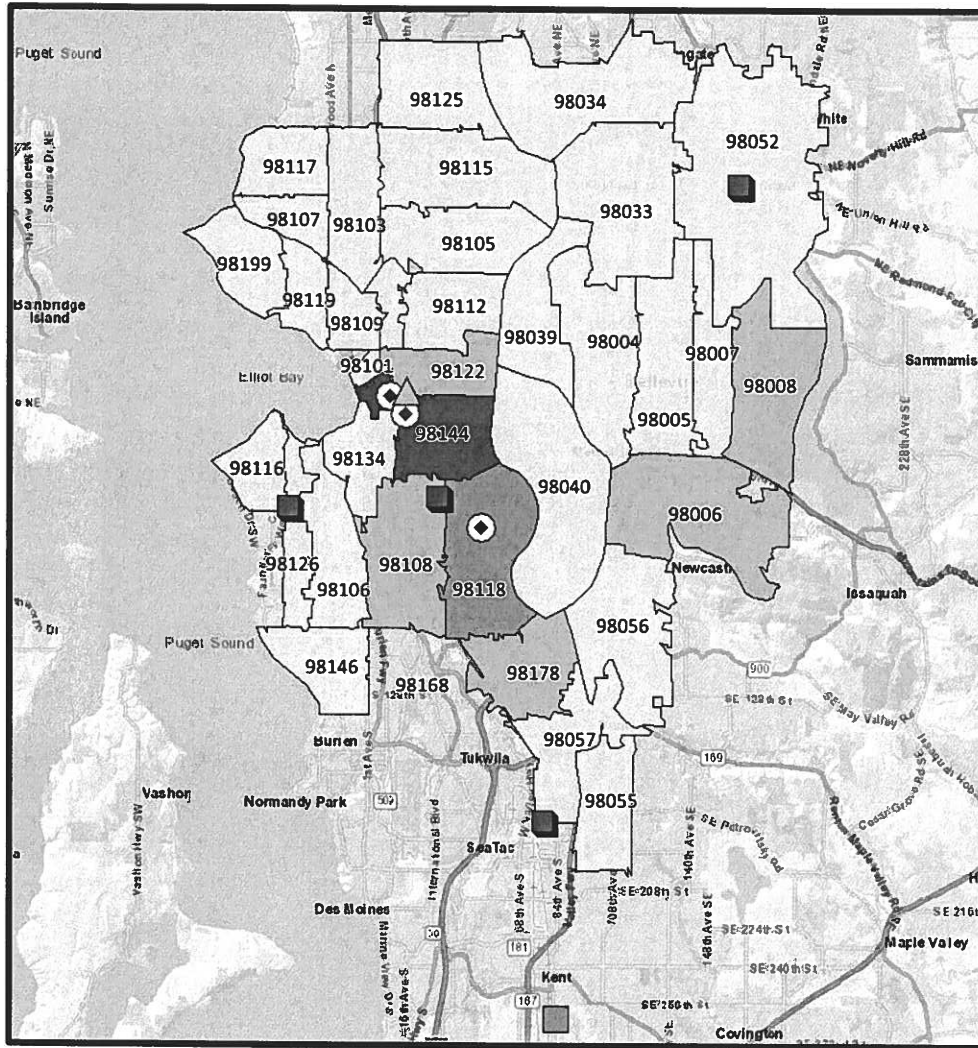
Also specific to the Asian and Pacific Islander population, the following graphic indicates the total population of the API population aged 75 or above, that are living within ICHS's service area. The data is based on 2018 Census figures.¹⁶ The dark orange signifies the zip codes with the highest concentration of Asian/Pacific Islanders aged 75+, with at least 900 residents. The lighter orange and yellow shades reflect progressively less dense regions. The 75+ Asian/Pacific Islander population appears to be densest in the zip code where Kin On Nursing Home is located, 98118 as well as the zip code directly north, 98144, where the proposed Ai PACE site is located. The various locations of Providence Elderplace are designated by the orange and blue square symbols, demonstrating potential competition between programs.



¹⁶ <https://factfinder.census.gov>

85+ Asian and Pacific Islander Population Map

Similar to the previous graphic, the below map indicates the total population of those aged 85 or above, specific to the Asian and Pacific Islander population, that are living within ICHS's service area. The data is based on 2018 Census figures.¹⁷ The dark red signifies the zip codes with the highest concentration of Asian/Pacific Islanders aged 85+, with at least 300 residents. The lighter shades reflect progressively less dense regions. The 85+ Asian/Pacific Islander population appears to be densest in the zip codes surrounding ICHS Legacy House and proposed Ai PACE sites, including, 98144 and 98104. Providence Elderplace locations are also designated, for reference.

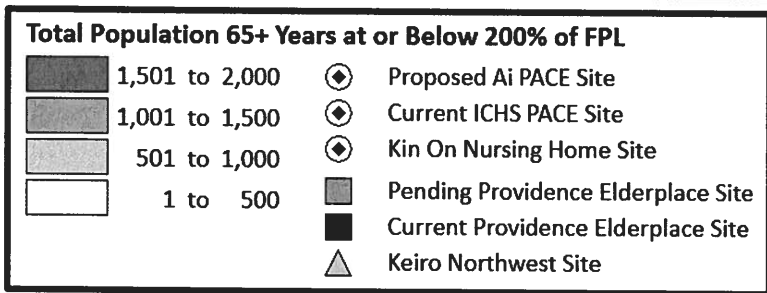
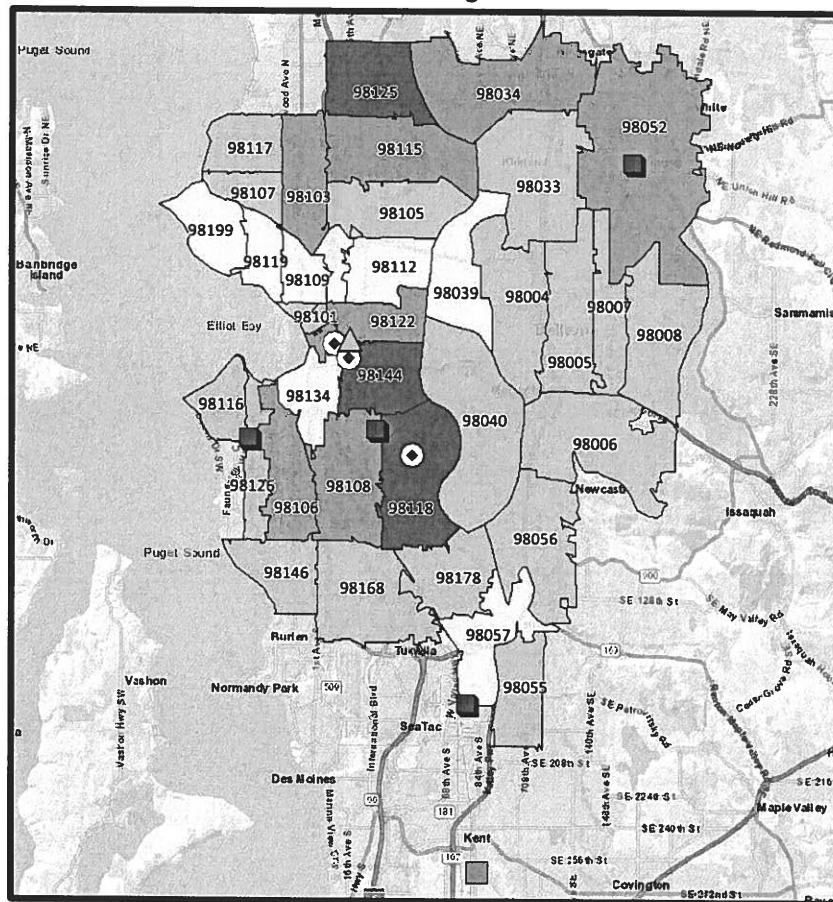


¹⁷ <https://factfinder.census.gov>

Income Maps

65+ Income at or below 200% of FPL Population Map

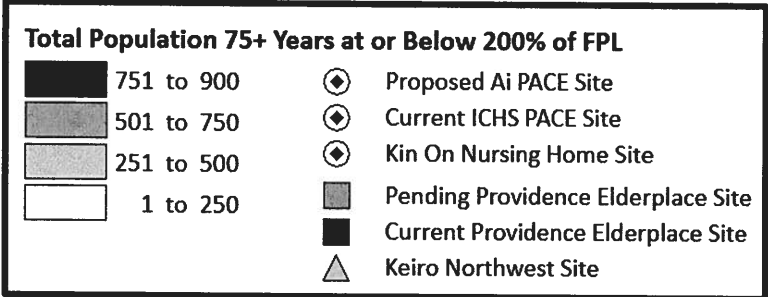
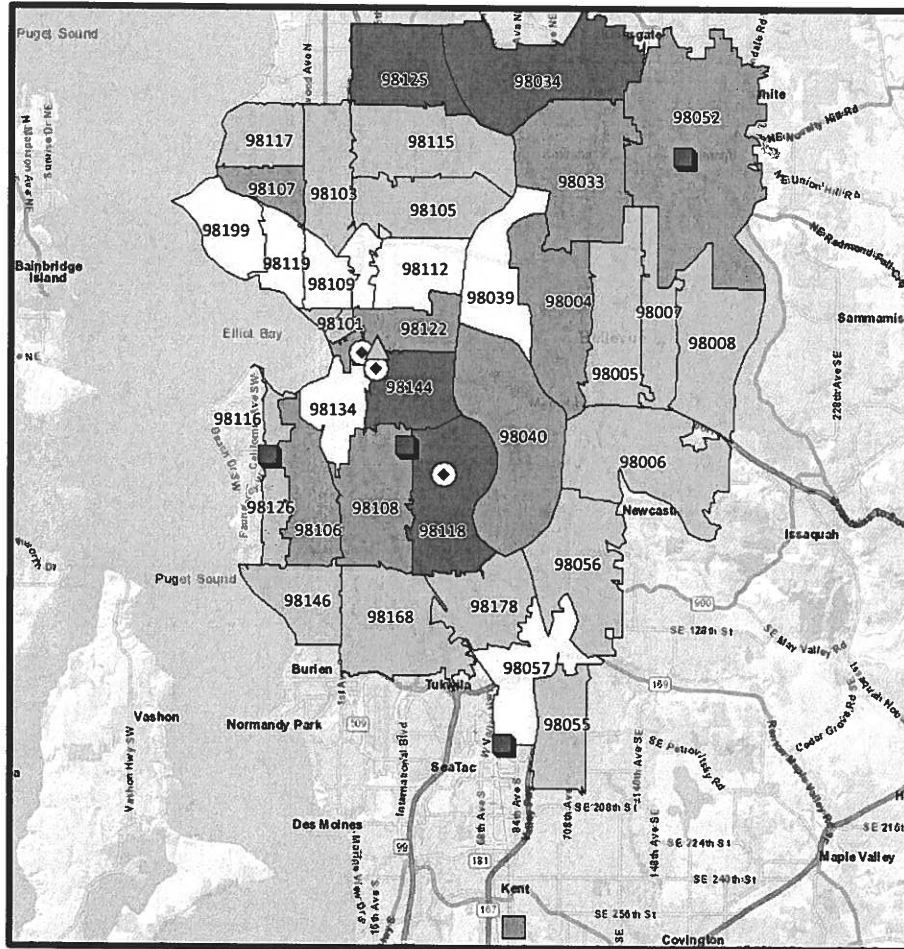
The following map indicates the number of individuals living in ICHS's Service Area who are age 65 or above and have incomes at or below 200% of the Federal Poverty Level (FPL) based on 2018 Census data.¹⁸ For reference, at or below 200% of FPL is defined as earning \$24,980 per year or less, equating to a maximum of \$2,082 per month. The dark purple shading on the map signifies the zip codes with the highest concentration of those aged 65+, at or below 200% FPL, with at least 1,500 residents. The lighter shades reflect progressively less dense regions. This population appears to be most dense in the zip codes surrounding Kin On Nursing Home, ICHS Legacy House and the proposed Ai PACE site including, 98144 and 98118. It is also important to note the various locations of Providence Elderplace, designated by the orange and blue symbols, which could impact the ability to penetrate specific populations within the Service Area region.



¹⁸ <https://factfinder.census.gov>

75+ Income at or below 200% of FPL Population Map

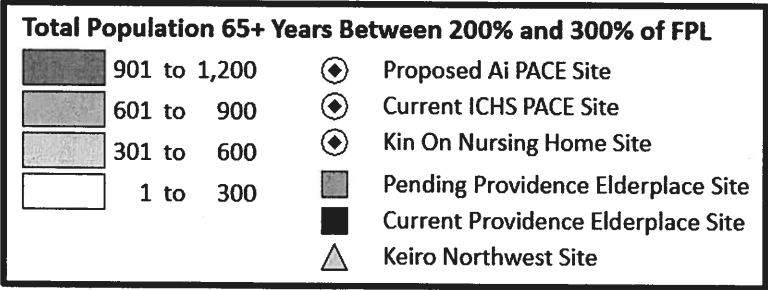
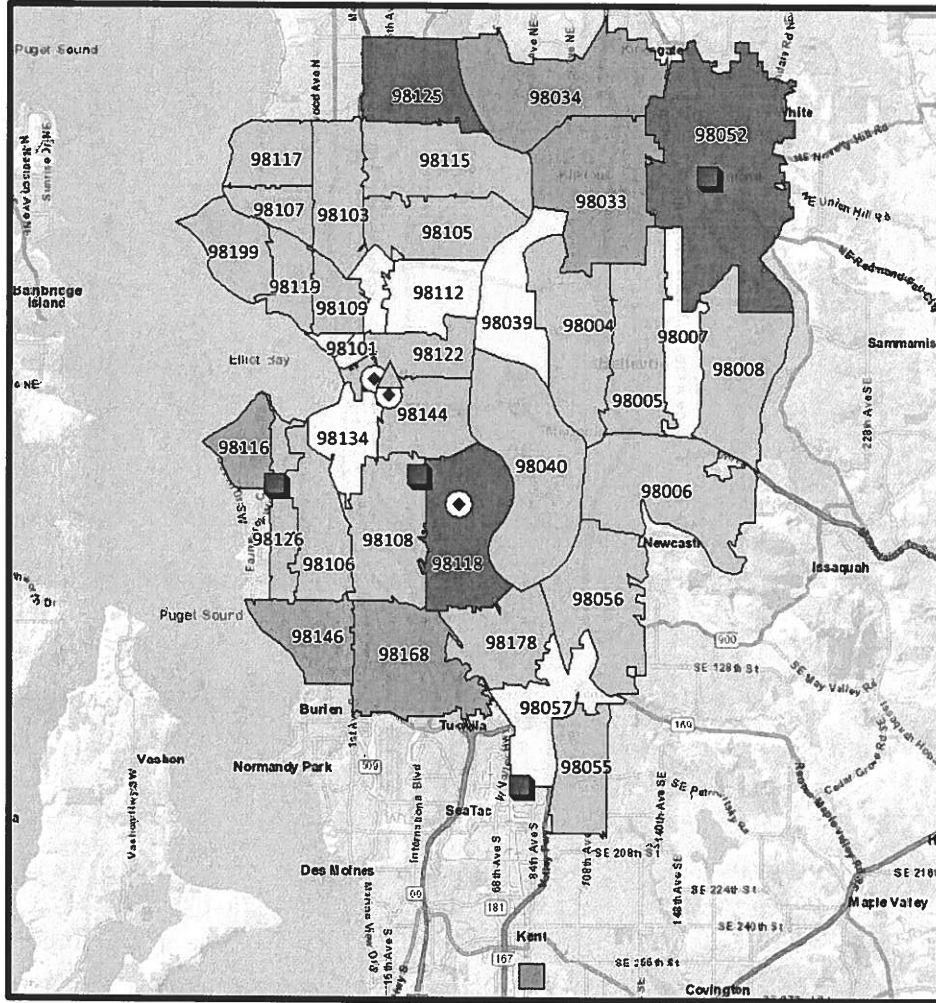
Similar to the map above, the following image indicates the number of individuals living in ICHS's Service Area who are age 75 or above and have incomes at or below 200% of the Federal Poverty Level (FPL) based on 2018 Census data.¹⁹ For reference, at or below 200% of FPL is defined as earning \$24,980 per year or less, equating to a maximum of \$2,082 per month. The deep purple shading on the map signifies the zip codes with the highest concentration of those aged 75+, at or below 200% FPL, with at least 750 residents. The lighter purple and blue shades reflect progressively less dense regions. This population appears to be most dense in the zip codes surrounding Kin On Nursing Home, ICHS Legacy House and the proposed Ai PACE site, including, 98144 and 98118 as well as the northern region of the Service Area in zip codes 98125 and 98034. Providence Elderplace locations are also designated, for reference.



¹⁹ <https://factfinder.census.gov>

65+ Income between 200-300% of FPL Population Map

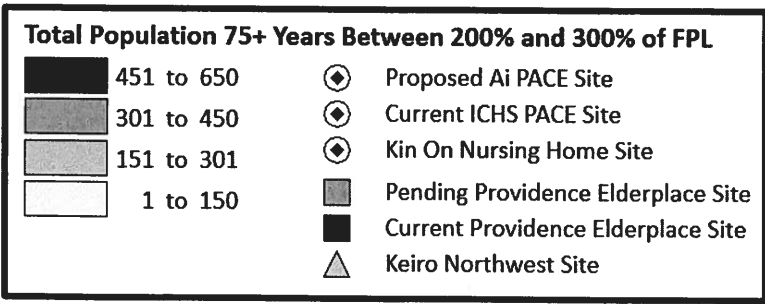
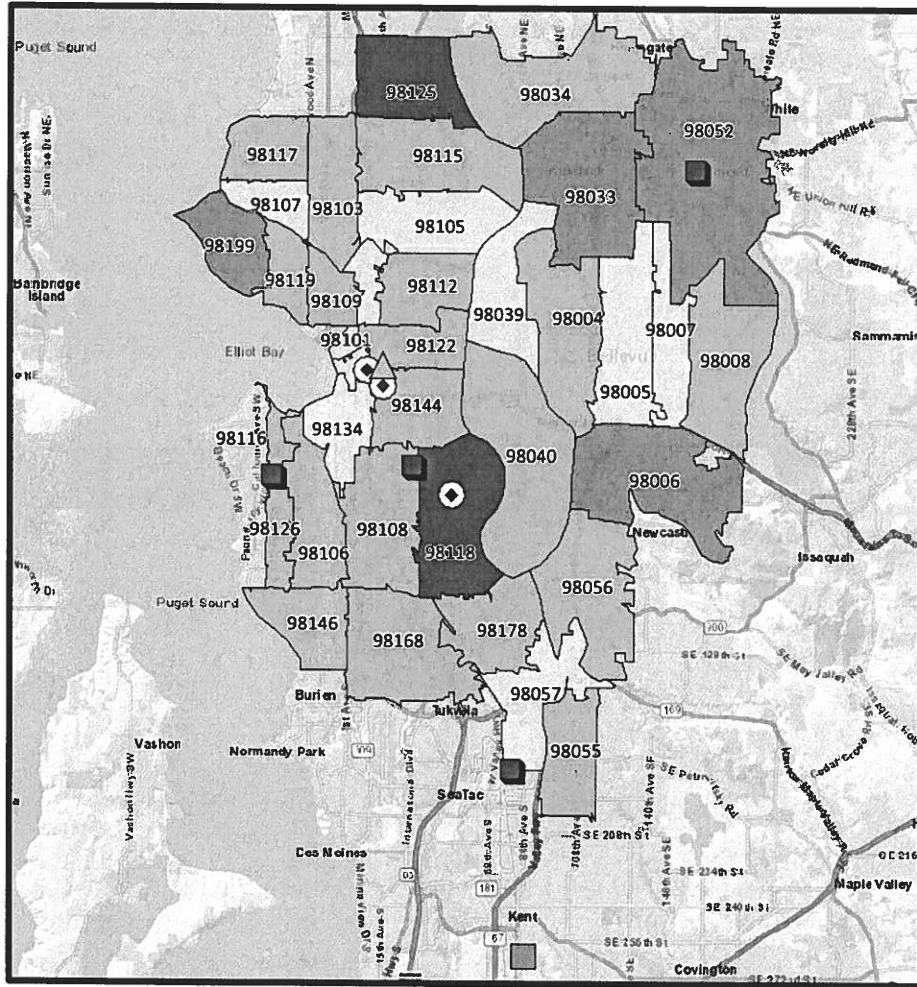
Also of note, are the individuals aged 65+ who have incomes between 200% and 300% of the Federal Poverty Level (FPL). While current Washington PACE eligibility standards indicate an income maximum of 222% of the FPL, it is possible to become eligible by “spending down” one’s income to a point where they become financially eligible. A high range for “spend down” eligibility is estimated at 300% of FPL. The following map indicates the number of individuals living in ICHS’s Service Area who are age 65 or above and have incomes between 200% and 300% of the Federal Poverty Level (FPL) based on 2018 Census data.²⁰ This population appears to be most dense in zip code 98118, where Kin On Nursing Home is located as well as portions of the north (98125) and northeast region (98052).



²⁰ <https://factfinder.census.gov>

75+ Income between 200-300% of FPL Population Map

As mentioned previously, those who earn between 200% and 300% of the Federal Poverty Level may be eligible for PACE through the income maximum of 222% FPL or become eligible by “spending down” one’s income to a point where they become financially eligible. The following map indicates the number of individuals living in ICHS’s Service Area who are age 75 or above and have incomes between 200% and 300% of the Federal Poverty Level (FPL) based on 2018 Census data.²¹ This population appears to be most dense in zip code 98118, where Kin On Nursing Home is located as well as the northern zip code of 98125. It is also important to note the various locations of Providence Elderplace, designated by the orange and blue square symbols, which could impact the ability to penetrate specific populations within the Service Area region.

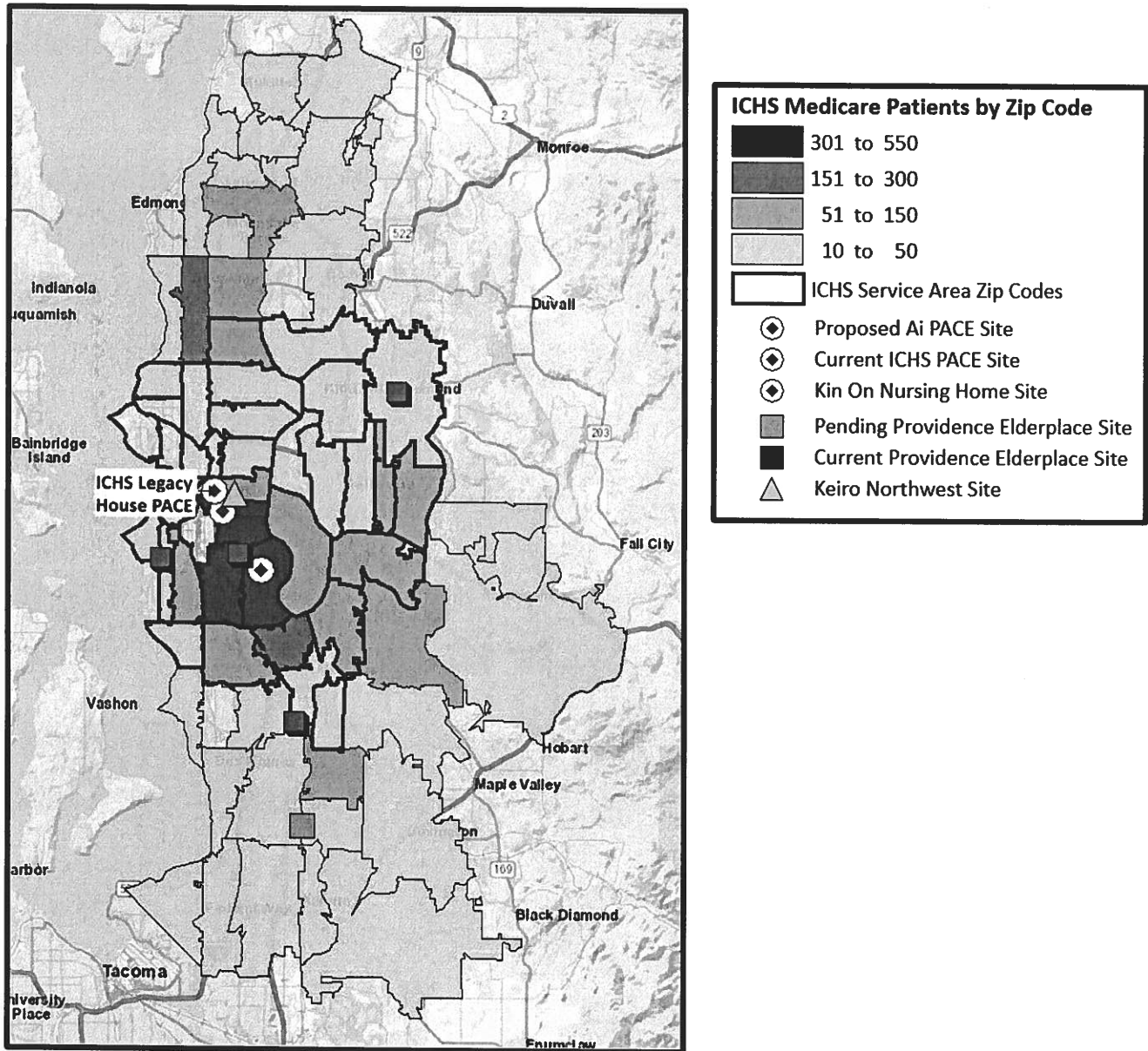


²¹ <https://factfinder.census.gov>

International Community Health Service Medicare Map

ICHS Medicare Patients

The following map indicates International Community Health Service's (ICHS) service area based on the health center's 2018 Uniform Data System (UDS) figures specific to Medicare patients. ICHS served 31,841 patients in 2018 with 14% consisting of Medicare (4,455).²² The dark green represents the zip codes with the highest concentration of Medicare patients, ranging from 301 up to 550. The lighter shades reflect progressively less Medicare patient population. The Service Area is identified by the dark blue colored border. The zip codes surrounding Kin On Nursing home and the proposed Ai PACE site have the largest number of patients.

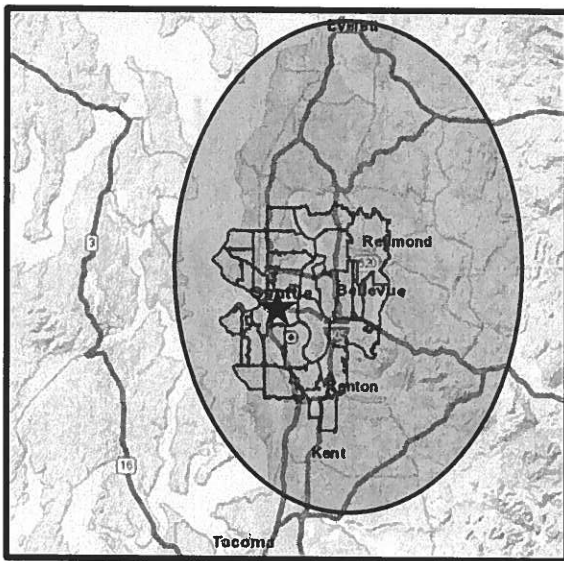


²² From International Community Health Services' Self-Reported UDS Report, 2018

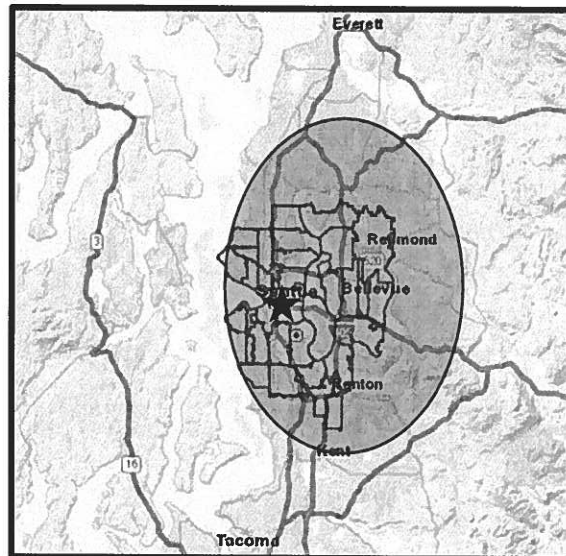
Drive Time Maps

The maps below illustrate the 30 and 45-minute drive time radius from the ICHS Legacy House site and the proposed Ai PACE site located in Seattle, Washington. Since these two sites are only one mile apart, within a six-minute drive of each other, the drive time radius is virtually the same for both sites. For simplicity, we have used the proposed Ai PACE site address for the maps. These estimates are calculated through Google Maps, which estimates approximate drive time based on traffic considerations and average speed limits along routes. The Service Area region is designated in the blue border for reference.²³ It appears the entirety of the Service Area region should be able to access both the current ICHS site and the proposed Ai PACE site within 30 minutes.

Proposed Ai PACE Drive Time Map: 1200 12th Ave. S. Seattle, WA



45 Minute Drive Time



30 Minute Drive Time

²³ www.maps.google.com

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Service Area UDS Mapper Data

Service Region UDS Data ²⁴	Total Population 2013-2017	Low Income Population 2013-2017	Asian/Native Hawaiian/ Other Pacific Islander Population 2018 ²⁵	Total Medicare/Private Ins Population 2018	Total Medicare/Private Ins Not Served by FQHC 2018	Total FQHC Patients 2018
98033	38,052	4,283	5,298	35,913	247	1,207
98034	42,943	6,841	7,673	38,813	565	3,659
98039	3,217	210	487	3,123	-	-
98040	24,768	2,189	4,864	22,224	162	408
98052	65,251	7,996	20,735	58,880	922	4,506
98055	23,782	5,754	7,116	16,742	648	2,687
98056	35,652	7,757	8,991	28,241	951	4,470
98057	13,089	5,626	2,595	7,869	706	2,864
98144	30,850	8,986	8,781	23,235	2,154	7,072
98146	27,587	8,591	6,133	16,764	1,747	7,438
98154	-	-	-	-	-	-
98164	127	-	-	138	-	-
98101	12,408	3,290	1,939	10,042	844	2,838
98168	31,771	12,257	8,670	18,283	2,773	12,071
98178	27,279	8,973	8,502	18,717	2,041	7,351
98195	52	-	948	-	-	-
98199	21,660	2,144	1,713	23,797	118	569
98102	24,703	3,928	2,578	21,784	676	1,733
98103	51,385	8,923	4,995	45,605	1,320	4,053
98104	14,143	5,171	3,933	10,353	1,910	7,650
98105	47,128	15,948	10,681	31,023	581	2,461
98106	26,244	9,082	6,180	16,596	1,644	6,610
98107	24,384	3,445	1,675	22,888	460	1,850
98108	24,134	10,132	10,870	13,088	2,579	9,536
98109	27,002	3,553	2,730	22,040	480	1,544
98112	24,720	3,524	1,494	24,454	727	1,819
98115	51,523	9,177	6,056	46,015	765	2,442
98116	25,694	2,988	1,517	22,518	614	1,736
98117	33,610	3,898	2,021	31,688	385	1,443
98118	46,800	17,250	16,718	31,705	4,816	16,576
98119	25,036	3,678	1,998	21,619	331	1,019
98121	16,466	3,235	3,043	12,499	879	3,660
98122	37,270	9,940	4,209	30,637	1,904	5,763
98125	40,803	10,966	7,579	33,283	1,536	5,680
98126	23,360	5,995	2,685	17,691	1,095	4,369
98134	844	411	324	506	54	362
98004	34,283	4,862	8,415	31,392	254	1,146
98005	18,735	2,805	5,572	16,584	305	1,132
98006	37,231	4,523	14,629	35,190	452	1,648
98007	27,954	6,536	11,623	22,331	677	2,861
98008	24,822	4,248	6,239	21,266	431	1,711
Summary	1,106,762	239,115	232,209	905,536	38,753	145,944

²⁴ www.udsmapper.org

²⁵ www.esiteanalytics.com

Providence Elderplace Service Area Zip Codes

98001	98015	98038	98072	98107	98121	98148
98002	98023	98040	98074	98108	98122	98155
98003	98027	98042	98075	98109	98125	98166
98004	98028	98052	98077	98111	98126	98168
98005	98029	98053	98101	98112	98131	98177
98006	98030	98055	98102	98115	98133	98178
98007	98031	98056	98103	98116	98134	98188
98008	98032	98057	98104	98117	98136	98198
98009	98033	98058	98105	98118	98144	98199
98011	98034	98059	98106	98119	98146	

Kin On Health Care Center

Category: Administrative

Subject: Admissions Policy

Applies: Intake Staff

Purpose: To establish criteria for admission to Home Health agency

Policy: The agency will evaluate each individual for the appropriateness of admission without regard to race, age, color, creed, sex, national origin, ancestry, religion, handicap or disability.

Procedure: The staff determines appropriateness for admission. They may consult with other staff members if necessary.

1. Patients are accepted for home health services based on a reasonable expectation that the patient's health care/rehabilitation needs can be met adequately in the patient's residence.
2. The agency must accept a patient for Home Health services based on a reasonable expectation that the patient's medical, nursing, and social needs can be met adequately in the patient's residence. An agency has made a reasonable expectation that it can meet a patient's needs if, at the time of the agency's acceptance of the patient, the patient and the agency have agreed as to what needs the agency would meet. For instance, the agency and the patient could agree that some needs would be met but not necessarily all needs.
3. The agency must start providing licensed Home Health services to a patient within a reasonable time after acceptance of the patient and according to the agency's policy. The initiation of licensed Home Health services must be based on the patient's health service needs.
4. Prior to initiation of services the RN will ensure that the patient or their legal representative receives a written notice concerning all policies governing patient conduct and responsibility, advance directives, and patient rights and confidentiality. If the patient cannot read the nurse will read the statement of rights and responsibility to the patient.
5. An initial health assessment must be performed in the patient's residence by the appropriate health care professional prior to or at the time that licensed Home Health services are initially provided to the patient. The assessment must determine whether the agency has the ability to provide the necessary services.
 - a. If a practitioner has not ordered skilled nursing care for a patient, then the appropriate registered nurse must prepare a care plan. The care plan must be developed after consultation with the patient and the patient's family and must include services to be rendered, the frequency of visits or hours of service, identified problems, method of intervention, and projected date of resolution. The care plan must be reviewed and updated by all appropriate staff members involved in patient care at least annually, or more often as necessary to meet the needs of the patient.

- b. If a practitioner orders therapy, then the appropriate PT, OT, or ST, must perform an evaluation. The plan of care must be signed and approved by a practitioner in a timely manner. The plan of care must be developed in conjunction with agency staff and must cover all pertinent diagnosis, including mental status, types of services, and equipment required, frequency of visits at the time of admission, prognoses, functional limitations, activities permitted, nutritional requirements, medications and treatments, any safety measures to protect against injury, and any other appropriate items. The appropriate health care personnel must perform services as specified in the plan of care. The plan of care must be revised as necessary, but it must be reviewed and updated at least every sixty days.
6. Considerations relevant to acceptance of a patient may include:
 - a. Adequacy and suitability of agency personnel and resources to provide the services required by the patient.
 - b. Attitudes of patient and family members toward home health.
 - c. Comparative benefits of home health to institutional care.
 - d. Adequate physical facilities in the patient's residence.
 - e. Availability and willingness of family members or substitute family members to participate in care.
 - f. Availability and cooperation of the patient's personal physician in establishing and managing the plan of care.
 - g. Condition of coverage, including homebound status, if applicable.
 - h. Safety of staff related to patient's housing, neighborhood and attitude of members in the home.
7. The decision regarding acceptance for admission to the agency is not based solely on the physician's referral or the patient's request. It is based on the determined need for skilled intervention.
8. Upon referral, the decision regarding acceptance of and initiation of service by licensed staff will be made within 48 hours, of the referral or within 48 hours of the patient's return home or knowledge of return home or the physician's ordered start of care date.
9. No patient is admitted for services without an order from a physician. However, a visit may be made by the agency's staff without a physician's order for the purpose of:
 - a. Evaluation of patient meeting criteria of home health services
 - b. Offering guidance to the individual regarding the selection of a physician
 - c. The use of community resources
10. If the patient cannot be admitted for services or be required to terminate a patient for any reason, appropriate persons are notified, and the agency will make every effort to refer the individual to other community resources related to the patient's needs.
11. All patients shall be under the care of a Doctor of Medicine, osteopathy, or podiatry. It is expected that the patient will be seen by the doctor when medically indicated, but at least every six months if possible.
12. The agency shall establish and maintain for each patient accepted for care, a health record which shall include at least the following information:
 - a. Name

- b. Current address
- c. Date of birth
- d. Sex
- e. Date of admission
- f. Name, address and telephone number of the responsible party
- g. Name, address and telephone number of the attending physician, dentist, podiatrist or other licensed and legally authorized person whose orders or recommendations are being implemented by the home health agency
- h. Admission diagnosis or pertinent health information
- i. Reason for admission
- j. Notation of the conditions and diagnoses which are relevant to the plan of treatment, plan of care, or plan for personal care services
- k. Plan of treatment, plan of care, or plan for personal care services in its entirety
- l. Allergies and known untoward reactions to drugs and food. This information shall be given such prominence in the record that it is obvious to any health practitioner or agency personnel who have reasons to provide food or medication to the patient
- m. Clinical notes dictated or written at the time of service by personnel rendering the services. Clinical notes shall be signed and incorporated into the patient's health record at least every seven working days
- n. Laboratory and X-ray reports, if applicable
- o. Treatment consent or service authorization forms
- p. Documentation that a list of patient rights has been made available to each patient, patient's representative or next of kin
- q. Patients who will receive PT, OT and/or SLP will receive a discipline specific evaluation by a therapist qualified to perform the evaluation
- r. Discharge statement. The discharge statement shall include the date of discharge, reason for termination of services and condition upon discharge

Kin On Health Care Center

Category: Administrative

Subject: Charity Care Policy

Applies: Intake Staff

Purpose: To provide medically necessary home health care at a discounted rate or at no cost to patients or their representative, when adequate income or assets are not available to pay for home health services. Kin On Home Health will provide charity care as dictated by its available resources and consistent with the following procedure. Kin On Home Health will not deny medically necessary care to any patients based on their ability to pay, national origin, age, physical disabilities, race, color, sex, or religion.

Charity adjustments may only be granted to patients receiving non-elective care. Charity adjustments may be applied to approved accounts for uninsured patients based on the patient's total gross family income and the patient's willful cooperation in applying for Medicaid or other available coverage.

In order to ensure the funds for uncompensated care are not abused and will be available for those in need, Kin On Home Health will make reasonable attempts to assist eligible candidates to become covered under any available assistance programs in the community.

Kin On Home Health will proactively make reasonable efforts to determine whether a patient is eligible for financial assistance before engaging in any collection activities.

Definitions: Family Unit Size is defined as the applicant (patient, if applicable), spouse, and all legal dependents as allowed by the Federal Government. If patient/applicant is a minor, the family unit will include parent(s)/legal guardian(s) and all household dependents as allowed by the Federal Government.

Family Unit Income is defined as gross income for all members of the family unit for the last three months or the last calendar year, whichever is the lesser amount. Examples of income are retirement, veteran's administration, workers compensation, sick leave, disability compensation, welfare, social security retirement (SSI not included in income determination), alimony, child support, stock/certificate dividends, interest, or income form property.

Medically Indigent is defined as an uninsured person who is not eligible for other health insurance coverage such as Medicare, Medicaid, or other private insurance. Those that

are “medically indigent” make too much to qualify Medicaid but too little to purchase health insurance or health care.

Uninsured Patients are defined as patients without third party insurance coverage for health services.

Scope/Procedure:

The calculation of the discount the uninsured patients qualifies for a charity care adjustment will be based on our Medicare reimbursement rate. This discount will be updated annually when new Medicare rates are received. Uninsured patients (i.e. those patients without third party coverage for health care services) qualify for a charity adjustment on a sliding scale as follow:

- Family income of 200% or less of the Federal Poverty Guidelines qualifies for a 100% charity adjustment, which means that their services are free.
- A family income above 200% of the Federal Poverty Guidelines may qualify for an adjustment rate or partial charity care when circumstances determined by Kin On Home Health indicate that full payment may cause social and financial hardship to significantly harm the patient or family unit.

Catastrophic Provision:

- Insured patients or uninsured patients who are not eligible for charity care and the patient’s responsibility exceeds 25% of the annual gross family income may qualify for a catastrophic charity adjustment (based on fairness and ability to pay).

Eligibility Criteria:

- Charity care is secondary to all other financial resources available to the patient. Insured patients are eligible for charity if their family income is 200% or less of the Federal Poverty Guidelines and they meet all other criteria
- Patients who are insured and their family income is more than 200% of the Federal Poverty Guidelines are ineligible for the charity program but will be considered under the catastrophic provision should the remaining balance for which they are responsible exceed 25% of the family’s annual gross income
- Determination of eligibility of a patient for charity care shall be applied regardless of the source of referral and without discrimination as to race, color, creed, national origin, age, handicap status or marital status:
 - Charity care will be provided to uninsured patients when net available assets are not sufficient and gross family income is between 0 and 200 percent of the Federal Poverty Guidelines adjusted for family size
- A patient who does not qualify for charity care, but whose patient responsibility incurred for medical care at Kin On Home Health, even after payment by third-party payers, significantly

exceeds the patient's ability to pay the balance in full (25% or more of the patient's gross income, considering all assets and resources) may be considered for a catastrophic charity adjustment

Eligibility Determination

- Charity eligibility can be determined once a completed application has been received along with all supporting documentation or through other criteria-based methods to determine charity eligibility. Should documentation not be supplied, or should the application remain incomplete, charity will not be granted. In these instances, the account(s) will be noted as uncooperative and will be subject to the normal account flow process of self-pay collection statements and outsourcing to bad debt collection agencies as well as debt collection attorneys as appropriate
- Cases for consideration may be requested by the patient, the patient's family, or the patient's physician. Agency personnel who have been made aware of the financial need of the patient or recognized social agencies
- Following the initial request for charity care, the Agency will pursue other sources of funding, including Medicaid and/or state programs. If a patient refuses to pursue any other source of funding, the patient will be ineligible for the Charity Care Program. All outstanding accounts will be notated as uncooperative and will be subject to the normal account flow process of self-pay collection statements and outsourcing to bad debt collection agencies as well as debt collection attorneys if appropriate
- Forms and instructions will be furnished to the responsible party when charity care is requested, when need is indicated, or when financial screening indicates potential needs. Refusal to complete the forms will result in denial of charity care and will subject the account to the normal escalation process including self-pay collection statements and outsourcing to bad debt collection agencies as well as debt collection attorneys
- The responsible party will be given fifteen (15) business days or a reasonable time as required by the person's medical condition to complete the required forms and furnish proof of income and assets
- Designation of charity care, while generally determined at the time of application, may occur at any time prior to judgment upon learning of facts that would indicate financial need. If a responsible party pays a portion or all of the charges related to medical care and is subsequently found to have met the charity care criteria at the time of application, the amount that will be eligible for charity care will be the balance due on the patient's account at the time of reapplication
- Approval for charity is granted for periods of six (6) months. If it has been longer than 6 months since an application and financial documentation have been supplied to Kin On Home Health, a new application and required documentation must be provided for reconsideration of charity care
- If the patient/responsible party's financial situation changes after charity has been approved and awarded, Kin On Home Health reserves the right to reverse their decision

at the discretion of the Program Administrator. Examples include but are not limited to a payout from court settlement, lottery, etc.

Application Process:

- All patients desiring consideration under the Kin On Home Health Charity Care Program must apply for assistance in writing disclosing financial information that is considered pertinent to the determination of the patient's eligibility for charity care. Persons requesting assistance will be given a Charity Care Application form. The patient will authorize the Agency to make inquiries of employers, banks, credit bureaus, and other institutions for verifying statements made by the patient in applying for assistance
- When returned, the financial statement shall be accompanied by one or more of the following types of documentation as needed for purposes of verifying income:
 - Payroll check stubs for the last three months
 - IRS tax return forms from the most recently completed calendar year
 - Forms denying unemployment or worker's compensation benefits
 - Income shall be annualized, when appropriate, based upon documentation provided and upon verbal information provided by the patient. This process will take into consideration seasonal employment and temporary increases and/or decreases of income
- All applications, supporting documentation and communications will be treated with proper regard for patient confidentiality. Kin On Home Health will exercise reasonable care to maintain supporting documents with the application form
- Additional information may be requested to complete the application

Notification:

- Financial agreement forms will state that financial responsibility is waived or reduced if the patient is determined eligible for charity care
- The Agency will make reasonable efforts to notify the patient of the final determination within fifteen (15) working days of receipt of financial statement with related documented materials (proof of income, etc.). The notification will include a determination of the amount for which the responsible party will be financially accountable. Denials will be written and include instructions for reconsideration

Appeals Process

- The responsible party may request reconsideration of eligibility for charity care by providing additional verification of income or family size within thirty (30) calendar days of receipt of notification. The Program Administrator of Kin On Home Health will review all requests for reconsideration and will make the final determination. If the determination affirms the previous denial of charity care written notification will be sent to the patient/guarantor

Policy Administration

- Kin On Home Health Program Administrator shall oversee this policy. The administrator shall be responsible for:
 - Assuring that current Federal Poverty Guidelines are available to applicants and staff assisting with administering this policy
 - Assuring that initial determination for charity care meet the requirements of the policy
 - For reviewing applications for charity care
 - For assuring that a timely determination of eligibility is made
 - For notifying the applicant of the results of determination
 - And for considering any appeals

Kin On Health Care Center

Category: Administrative

Subject: Patient Rights and Responsibilities Policy

Applies: All Staff

Patient Rights are an integral part of healthcare today. All clients come to our Agency with different healthcare experiences and may or may not be aware of their rights. Protections are afforded by federal and state legislation and as health care providers we must educate our client about their rights and the manner in which they may exercise them. For ease of access and teaching, the patient's rights are clearly stated in one document that is called the Patient's Bill of Rights.

Accessibility and Education

The Bill of Rights must always be accessible to the client, family, public and staff. It can be found posted in the office and in the client's admission packet. If a client would like an additional copy, they are located in the office. Upon admission, the nurse will explain the Bill of Rights to the client and/or caregiver. The client/caregiver must be given the opportunity to ask questions. Receipt of the Bill of Rights is documented in the clinical record. The client must also be informed that they have the right to exercise the rights at any time without fear of reprisal. Any questions about the protections afforded by the Bill of Rights may be directed to the Administrator if the employee/contractor cannot answer it.

Key Areas

Key things to remember about the Bill of Rights are:

- The rights can be exercised at anytime
- Clients are to receive the best quality care without regard to race, creed, nationality/origin, lifestyle choice and diagnosis
- The client/caregiver always has the right to refuse care
- The client/caregiver must be informed of care prior to initiation
- Privacy, including protection of PHI is paramount
- The client/caregiver must be informed of changes prior to initiating service
- The client has the right to be safe
- The client has the right to be treated with respect
- The client has the right to make concerns/grievances known without the fear of reprisal

Specific questions about patients' rights may be directed to the Administrator.

Interacting with clients: client rights not only govern what the client may do and when, but how Agency staff interacts with the client and their environment. Appropriate and professional interaction can increase client confidence and overall satisfaction.

When you are in a client's home, remember:

- Address the client using his or her name and the appropriate title. Nicknames like sweetie and honey are well meaning but it can across as demeaning. Terms of endearment should never be used and nicknames should only be used if and when the client gives permission.
- Treat the client's property with respect. Remember although you are working, you are in someone's home. Observe cultural considerations and do not slam doors or damage personal property
- Clients have the right to know who you are and what you are doing
 - Always introduce yourself when you enter into a client's environment and at the beginning of telephone conversations
 - Always wear your ID badge
 - Explain procedures prior to starting them
 - Answer questions honestly

Complaints/Grievances

The client has the right to make concerns known. The Agency has a responsibility to investigate the problem and resolve the issue to the client's satisfaction in a timely manner. Upon admission the client is given a copy of the grievance process and rights pertaining to having problems resolved. If a client is upset, it is important to remember:

- Remain calm and objective
- Respond to questions and problems promptly
- Do not take complaints personally
- Remain professional
 - Do not yell
 - Do not name call
 - Do not make accusations
 - Do not accept or assign blame

Responsibilities

For every right, there is a responsibility to assure that the right is exercised in a safe manner. As a healthcare provider, you have the responsibility to:

- Listen to your patient when they tell you what they need. Do not assume you know what they need or want
- Explain what you are going to do with the patient prior to starting in language that is appropriate for their level of development/national origin
- Be honest. If you do not know the answer to a question, redirect the question to the office
- Remember client privacy

Do

- Secure documents with client information
- Use the assigned number in place of identifying information when you can

Don't

- Gossip about clients
- Hold conversations with or about clients in public
- Encourage independence

Statement of Purpose:

It is anticipated that observance of these rights and responsibilities will contribute to more effective care and greater satisfaction for the patient as well as the staff. The rights will be respected by all personnel and integrated into all health home programs. A copy of these rights will be given to patients and their families or designated representative. If the patient or their designated representative is unable to read the Bill of Rights and Responsibilities. It will be read to them. If the patient or their representative does not speak English, a copy of these rights will be provided in a language that is understood. The patient or their designated representative has the right to exercise these rights. In the case of a patient adjudged incompetent, the rights of the patient are exercised by the person appointed by law to act on the patient's behalf. In the case of a patient who has not been adjudged incompetent, any legal representative may exercise the patient's rights to the extent permitted by law.

Each patient receives a copy of the Bill of Rights and Responsibilities on or before admission to the agency.

The Bill of Rights are based on payers and state specific requirements.

Included are some of the rights below:

1. To be fully informed in advance about care/service to be provided. Including the disciplines that furnish care and the frequency of visits, as well as any modifications to the plan of care
2. To choose a health care provider
3. To access necessary professional services 24 hours a day, 7 days a week. This care will be appropriate and professional care relating to physician orders
4. Be informed, both orally and in writing in advance of care being provided, of the changes, including payment for care/service expected from the third parties including Medicare, Medicaid, or any other federally funded or aided program known to the organization. Charges for services that will not be covered by the payer
5. Receive information about the scope of services that the home health aide will provide and specific limitations on these services
6. Participate in the development and periodic revision of the plan of care

Medical Director Agreement

This Medical Director Agreement (the "Agreement") is made into this ____ day of ____ 2022, by Kin On Health Care Center, a Washington non-profit, (hereinafter "Agency") and Dr. _____ (hereinafter "Consultant", "Physician" or "Medical Director").

Recitals:

- a. Agency provides medical care and treatment to patients including provisions of home health services; and
- b. Agency is responsible for patient care and may not delegate overall administrative and supervisory responsibilities. Agency administrative and supervisory responsibilities are solely those of the CEO
- c. Agency has determined that the retention of a physician to provide professional medical direction relating to home health services as the Medical Director of Agency is in the best interest of patients, the community, and Agency; and
- d. Physician is duly licensed to practice medicine in the state where the Agency operates and has expertise in the provision of home health services; and
- e. Agency and Physician mutually desire to enter into this Agreement, which will facilitate the delivery of home health services in Agency through the provision of Physician's medical director services.

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which is acknowledged by parties, the parties agree as provided above and as follows:

1. Definitions: For purposes of this Agreement, the following terms shall have the meanings ascribed thereto unless clearly required by the context in which such term is used.
 - a. Agency Policies. The term "Agency Policies" shall mean the established policies, practices, and procedures of the Agency, adopted, approved, or amended by the Agency pursuant to normal procedure
 - b. Medical Director Services. The term "Medical Director Services" shall mean those certain services listed in Section 2.3 herein
 - c. Patients. The term "Patients" shall mean the patients of the Agency
 - d. Term: The term "Term" shall mean the contract period provided for under the Agreement.
2. Covenants of Physician
 - a. Appointment of Physician. Agency hereby appoints Physician as Medical Director of Agency and Physician accepts such an appointment, to provide administrative services for Agency in accordance with the terms of this Agreement and in accordance with 45 C.F.R. 484.14(d)
 - b. Qualifications of Physicians. Physician must at all times during the Term of this Agreement (i) hold a valid and unrestricted license to practice medicine in the state in

- which the Agency is located, and (ii) be fully capable and qualified, in accordance with good medical practice, to provide Medical Director Services as required by the Agreement. In providing services under the Agreement, the Physician may not have been (i) denied Medicare or Medicaid enrollment; (ii) been excluded or terminated from any federal health care program or Medicaid; (iii) had Medicare or Medicaid billing privileges revoked; or (iv) been debarred from participating in any government program.
- c. Duties of the Physician. Physician shall be available for consultant relating to the delivery of home health care services (“Program”) at the Agency and shall provide the following Medical Director Services:
- i. Quality improvement. Physician will participate in quality improvement /utilization review processes, review and update protocols periodically and make recommendations to improve quality of program services
 - ii. Education/Program Development. Physician agrees to be utilized to teach assessment skills to the program clinical staff, develop new patient care protocols and assist/review development of staff and patient education materials
 - iii. Executive/Administrative Consultant. Physician will serve on the Professional Advisory Committee (PAC) in order to provide medical perspective to administrative decision making and help articulate the mission, goals, and policies of the program. The functions of the PAC are to establish and annually review the program’s policies governing the scope of services offered, admission and discharge policies, medical supervision and plans of care, emergency care, clinical records, personnel qualifications and program evaluation
 - iv. Community Liaison. The physician agrees to intervene in the case of physician/program problems and will advocate for home health to the physician community. Community liaison duties do not include marketing program to other physicians or referral sources
 - v. Health Policy/Regulation. Physician agrees to provide medical input or interpretation of social, political, regulatory or economic factions that impact patient care or the program and act as a physician spokesperson and resource in representing the program position in dealing with regulatory or accrediting organizations
 - vi. Ethical Issues Consultant. Physician agrees to participate in the development of ethical policies and decisions and provide medical input on patient care issues of an ethical nature
 - vii. Planning. Participate in the planning and development activities for the program
 - viii. Medical Records. Monitor the maintenance, retention and required confidentiality of records and information associated with patient care in the program

- ix. **Miscellaneous Activities.** In addition, Physician shall perform such other administrative duties as may from time to time be agreed to between Physician and the Agency. Physician shall perform the duties described in this Section in accordance with Agency policies
- x. **Financial Obligation.** Physician shall not have the right or authority to, and hereby expressly covenants to, enter into a contract in the name of Agency, or otherwise bind Agency in any way to any financial obligation, without the express written consent of the Agency. Physician shall hold Agency harmless from any loss attributable to a violation of this covenant
- xi. **Reports and Records.** Physician shall prepare such reports relating to the provision of Medical Director Services as are reasonably requested by Agency. The ownership and right of control of all reports, and supporting documents submitted to or by physician shall exclusively with Agency
- xii. **Confidentiality of Information.** Physician agrees to keep confidential and not to use or to disclose to others either during the Term or during any other period of association with Agency extending beyond the Term and for a period of six (6) years thereafter, except as expressly consented to in writing by Agency, any secrets or proprietary information, patient lists, marketing programs, or trade secrets of Agency (which shall be deemed to include all provisions of this Agreement), or any matter or thing ascertained by Physician through Physician's association with Agency, the use or disclosure of which matter or thing might reasonably be construed to be contrary to the best interest of the Agency. Physician further agrees that should this Agreement be terminated, Physician will neither take nor retain without prior written authorization from Agency, any papers, policies, forms, patient lists, fee documentation, patient records, quality improvement materials, files or other documents or copies thereof or other confidential information of any kind belonging to the Agency pertaining to patients or to Agency's business, sales, financial condition or products. Physician will comply with all applicable privacy and security regulations as specified in Health Insurance Portability and Accountability Act of 1996 (HIPAA) and subsequent rules. Physician is not to share protected information with any third parties unless there is a stated need to share the information with an identified third party. Physician agrees to abide by all state and federal law relevant to the confidentiality of patient identifiable health information including but not limited to HIPAA. Any such protected information will be destroyed or returned to the Agency according to Agency policy. Without limiting other possible remedies to Agency for the breach of this covenant, Physician agrees that injunctive or other equitable relief shall be available to enforce this covenant, such relief to be without the necessity of posting a bond, cash or otherwise. Physician further agrees that if any restriction contained in this Section is held by any court of competent jurisdiction to be unenforceable or unreasonable, a lesser restriction shall be enforced in its place

and remaining restrictions contained herein shall be enforced independently of each other

- xiii. Exclusivity and Protection of Proprietary Information. Physician shall not provide similar Medical Director Services for any other Agency without prior written consent of the Agency. Further, Physician acknowledges that the manner of operating the program is proprietary information of the Agency. Nothing herein shall prohibit Physician from engaging in the regular practice of medicine (inclusive of care plan oversight) and/or Physician's participation in clinical consultation services for non-competing business or industries, nor shall its obligate Physician to direct referrals of medical business to a particular provider.
- d. Covenants of Agency
 - i. Amount of Compensation. In consideration of the Medical Director Services rendered by Physician pursuant to this Agreement. Agency shall pay to Physician the amount of \$150 per hour. Physician agrees that such amount shall be Physician's sole compensation for Medical Director Services furnished pursuant to this Agreement. No other financial, or other forms of incentives, bonuses or kick-backs shall be allowable under this agreement. Physicians provision of professional medical services to patients, regardless of whether the patient is also a patient of agency, and the compensation therefore, shall not be governed by this Agreement.
- e. Terms and Termination of Agreement
 - i. Term. This Agreement shall be effective as of the Effective Date for the term of one (1) year therefrom; subject however to Sections b. through e. This Agreement will be automatically renewed annually by the parties for additional one-year terms unless terminated pursuant to this Article 4. This Agreement will be reviewed annually by the Agency
 - ii. Immediate Termination for Cause by Agency. Agency may, as its option, terminate this Agreement immediately by written notice to Physician upon the occurrence of any of the following event: (i) Physician failure to meet any of the qualifications set forth in this Section 2; (ii) failure of the Physician to fulfill duties set forth in Section 2, (iii) the death or disability of the Physician; or (iv) failure of the Physician to attend scheduled PAC meetings without at least a 2-hour notice
 - iii. Termination. At any time during the term of this Agreement, either party may terminate this Agreement without cause upon the giving of thirty (30) days advance written notice to the other party
 - iv. Termination or Notice for Default. In the event that neither party shall give written notice to the other that such other party has breached a material provision in this Agreement (other than specified in Section b above), and such breach remains uncorrected for a period of (10) days after receipt of such written notice, the party giving such notice may, at its option, after the

expiration of the aforesaid ten (10) day period, terminate the Agreement immediately

- v. Termination Due to Legislative or Administrative Changes. This Agreement is intended to comply with all relevant state and federal statutes and regulations relating to the delivery of program services and to the reimbursement of program services under the Medicare, Medicaid, or other third-party payor programs and the deferral statutes and regulations governing entities exempt from federal taxation. In the event that there shall be: (i) a change in statutes, regulations or instructions relating to the Medicare, Medicaid, or other third-party payor programs, or the exemption of entities from federal taxation, including a change in the interpretation or enforcement thereof of government agencies; (ii) the adoption of any new legislation or regulations applicable to this Agreement; or (iii) the initiation of an enforcement action by a government entity with respect to legislation, regulations or instruction applicable to this Agreement any of which affects the continuing viability or legality of this Agreement, then both parties agree to negotiate in good faith to amend the Agreement to conform with the existing laws or regulations. If Agreement cannot be reached with respect to such amendments within (30) days after the effective date of such legislation or regulations), then either party may terminate this Agreement by written notice to the other party. Physician agrees to reimburse Agency for any payment that is determined by a court or government agency to be illegal.
- f. Miscellaneous
 - i. Status of Physician. It is expressly acknowledged by the parties hereto that Physician, in performing Physician duties and obligations under this Agreement, is an "independent contractor" and nothing in this Agreement is intended nor shall be construed to create an employer/employee relationship, a joint venture relationship, or to allow Agency to exercise control or direction over the manner or method by which Physician performs the services to be furnished hereunder by Physician shall be provided in a manner consistent with the program policies, the standard governing such services, and the provisions of this Agreement. Physician understands and agrees that, unless otherwise required under the applicable federal income tax laws or the term of any agreement between Agency and the IRS, (i) Physician shall not be treated as an employee for federal tax purposes; (ii) Agency will not withhold on behalf of Physician pursuant to this Agreement any sums for income tax, unemployment insurance, social security, retirement benefits, or any other withholding pursuant to any law or requirement of any governmental body relating to Physician, or make available to Physician any of the benefits, afforded to employees of Agency; (iii) all of such payments, withholdings, and benefits, if any, are the sole responsibility of Physician; and (iv) Physician will indemnify and hold harmless Agency from any

and all loss or liability arising with respect to such payments, withholdings or benefits, if any

- ii. Benefit. This agreement shall be binding upon and operate for the benefit of the parties and their respective heirs, executors, administrators, assigns and legal representatives
- iii. Applicable Law. This Agreement shall be deemed to have been made in the State of Washington and shall be governed by the laws of the state of Washington without regard to the laws pertaining to choice law. In the event a party in this Agreement must bring suite to enforce the terms of this Agreement, jurisdiction and venue shall lie exclusively in King County, WA
- iv. Amendment. No modification of any provision of this Agreement, or the application thereof to any person or circumstance, shall be invalid or unenforceable, the remainder of this Agreement, and the application of any term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and all other terms shall be valid and enforceable to the fullest extent permitted by the law.

Agency

Physician

In Witness Whereof, the parties have executed and entered into this Agreement this ____ of _____, 2022.



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EMPLOYEE HANDBOOK

員工手冊

4416 South Brandon St.
Seattle, WA 98118
(206) 721-3630
Fax: (206) 721-3626

**Kin On Health Care Center (Kin On)
Employee Handbook**

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**Kin On
Employee Handbook**

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SECTION I: INTRODUCTION

Welcome to the Kin On Family!

Kin On Health Care Center (Kin On) is a non-profit Asian elderly healthy living provider. Our services encompass both residential and community care. We have six specific business lines: skilled nursing facility, supportive housing, social services, home care, healthy living, and development.

Kin On expects its employees to be sensitive and caring. It is our desire that our employees are able to build lasting relationships with residents and clients and embrace our sense of respect for them in their native or preferred language.

The Objectives of this handbook are:

1. To inform employees about the organization of Kin On and its related policies and procedures.
2. To serve as a reference for employees about various functions of the organization.

Notwithstanding any provision of this handbook to the contrary, this handbook is intended to provide employees information and general statements of the policies of Kin On only and is NOT to be construed as an employment contract, express or implied, or a promise of treatment in any particular manner in any given situation, between employees and Kin On for employment services. Employment with Kin On is terminable AT-WILL and shall not be modified unless approved in writing by the Board of Directors or the Executive Committee of Kin On. The provisions of this handbook may be changed from time to time by Kin On as it deems appropriate in its sole and absolute discretion and without prior notice to employees. This handbook supersedes all prior handbooks.

After reading this handbook, if you still have questions, please contact your supervisor, Human Resources Personnel, Business Heads or the Chief Executive Officer.

SECTION II - EQUAL EMPLOYMENT OPPORTUNITY & ANTI-HARASSMENT

Kin On is an Equal Opportunity Employer that does not discriminate on the basis of actual or perceived race, creed, color, religion, alienage or national origin, ancestry, citizenship status, age, disability or handicap, sex, marital status, veteran status, sexual orientation, gender identity, genetic information, arrest record, or any other characteristic protected by applicable federal, state or local laws. Our management team is dedicated to this policy with respect to recruitment, hiring, placement, promotion, transfer, training, compensation, benefits, employee activities and general treatment during employment.

Kin On's commitment to equal employment opportunity is extended to all aspects of the employer-employee relationship, including recruitment, hiring, upgrading, and training, assignment, and promotion, and compensation, access to benefits, transfer, discipline, layoff, recall and termination.

Any employees with questions or concerns about equal employment opportunities or discrimination in the workplace are encouraged contact Human Resources Personnel. Kin On will not allow any form of retaliation against individuals who raise issues of equal employment opportunity. If employees feel they have been subjected to any such retaliation, they should contact Human Resources Personnel. Violations of this policy may result in discipline, up to and including discharge. All employees must cooperate with all investigations.

Accommodations for Individuals with Disabilities

Kin On will make reasonable accommodations, as required by law, for the known physical or mental disabilities of an otherwise qualified applicant or employee, unless doing so would impose an undue hardship upon Kin On's business operations. An accommodation is not reasonable if, even with the accommodation, the employee is unable to perform the essential duties of the job.

Any applicant or employee who believes they require an accommodation in order to perform the essential functions of the job should contact Human Resources Personnel to request such an accommodation. Employees should specify what accommodation they need to perform the job and submit supporting medical documentation from his or her healthcare provider. Kin On then will review and analyze the request, including engaging in an interactive process with the employee or applicant, to identify if such an accommodation is reasonable and not an undue hardship the business. Kin On will evaluate requested accommodation(s) and, as appropriate, may identify other possible accommodations, if any. The employee will be notified of Kin On's decision regarding the request within a reasonable period of time. Kin On endeavors to keep all medical information submitted as part of the accommodation process confidential.

Accommodations for Religious Beliefs

Kin On will endeavor to accommodate the sincere religious beliefs of its employees to the extent such accommodation does not pose an undue hardship on Kin On's operations. If employees wish to request such an accommodation, they should contact Human Resources Personnel.

Kin On prohibits any retaliation or discrimination against anyone for requesting or using an accommodation.

Anti-Harassment Policy

It is Kin On's policy to prohibit intentional and unintentional harassment of any individual by another person on the basis of any protected classification including, but not limited to, race, creed, color, national origin, alienage, ancestry, citizenship status, disability, religion, marital status, veteran status, sex, gender identity, sexual orientation, or age. Employees who violate this policy are subject to disciplinary action, up to and including termination.

Harassment may take many forms, but includes unwelcome conduct or comments based on one of the protected characteristics listed above, such as:

- Derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures depicting such protected groups in a derogatory way;
- Inappropriate comments such as negative stereotyping, epithets, derogatory jokes or comments, slurs, innuendo, or comments towards such protected groups; and
- Physical conduct such as assault, blocking normal movement or interfering with another person on the basis of the person's membership in a protected group, or making unwelcome sexual advances or contact.

Harassment in any form is strictly prohibited.

If employees feel that they have been subjected to conduct which violates this policy, they should immediately report the matter to their supervisor, Human Resources Personnel, or a member of management. If employees are unable for any reason to contact their supervisor, a Human Resources Personnel, or a member of management, or if employees believe they have not received a satisfactory response after making a report, employees should contact the head of the Human Resources Department. If the person toward whom the complaint is directed is one of the individuals indicated above, employees should contact any higher-level manager in their reporting hierarchy. Legitimate reports of perceived harassment will be investigated, and prompt corrective action will be taken where appropriate. All complaints will be kept confidential to the extent possible, but confidentiality cannot be guaranteed.

Kin On does not allow any form of retaliation against individuals who make a report or who cooperate in the investigations of such reports

in accordance with this policy. If employees feel they have been subjected to any such retaliation, they should report it in the same manner in which they would report a claim of perceived harassment under this policy. Violation of this policy including any improper retaliatory conduct may result in disciplinary action, up to and including discharge. All employees must cooperate with all investigations.

Sexual Harassment

It is Kin On's policy to prohibit harassment of any employee by any supervisor, employee, customer or vendor on the basis of sex or gender.

Examples of sexual harassment include, but are not limited to, the following types of behavior:

- Unwelcome sexual conduct unreasonably interferes with job performance or creates an intimidating, hostile or offensive work environment, even if it does not lead to tangible or economic job consequences;
- Excessive, one-sided, romantic attention in the form of requests for dates, love letters, telephone calls, emails or gifts;
- Visual or physical conduct, like leering, making sexual gestures or displaying sexually suggestive objects, pictures, cartoons, calendars or posters in the workplace;
- Verbal conduct or written material (including emails or other electronic documents) making or using derogatory comments, epithets, slurs, teasing and jokes of a sexual nature;
- Graphic verbal or written comments (including emails or other electronic documents) about an individual's sex life or body;
- Sexually degrading words used to describe an individual;
- Suggestive or obscene letters, emails, notes or invitations;
- Unwelcome physical contact, including pats, hugs, brushes, touches, shoulder rubs, assaults or impeding or blocking movements; and
- Other conduct directed toward a person because of their gender which is sufficiently severe or pervasive to create an unprofessional and hostile work environment.

If employees feel that they have been subjected to conduct which violates this policy, they should immediately report the matter to their supervisor, Human Resources Personnel, or a member of management. If employees are unable for any reason to contact their supervisor, a Human Resources Personnel, or a member of management, or if employees believe they have not received a satisfactory response after making a report, employees should contact the head of Human Resources Department. If the person toward whom the complaint is directed is one of the individuals indicated above, employees should contact any higher-level manager in their reporting hierarchy. Legitimate reports of perceived harassment will be investigated and prompt corrective action will be taken where appropriate. All complaints will be kept confidential to the extent possible, but confidentiality cannot be guaranteed.

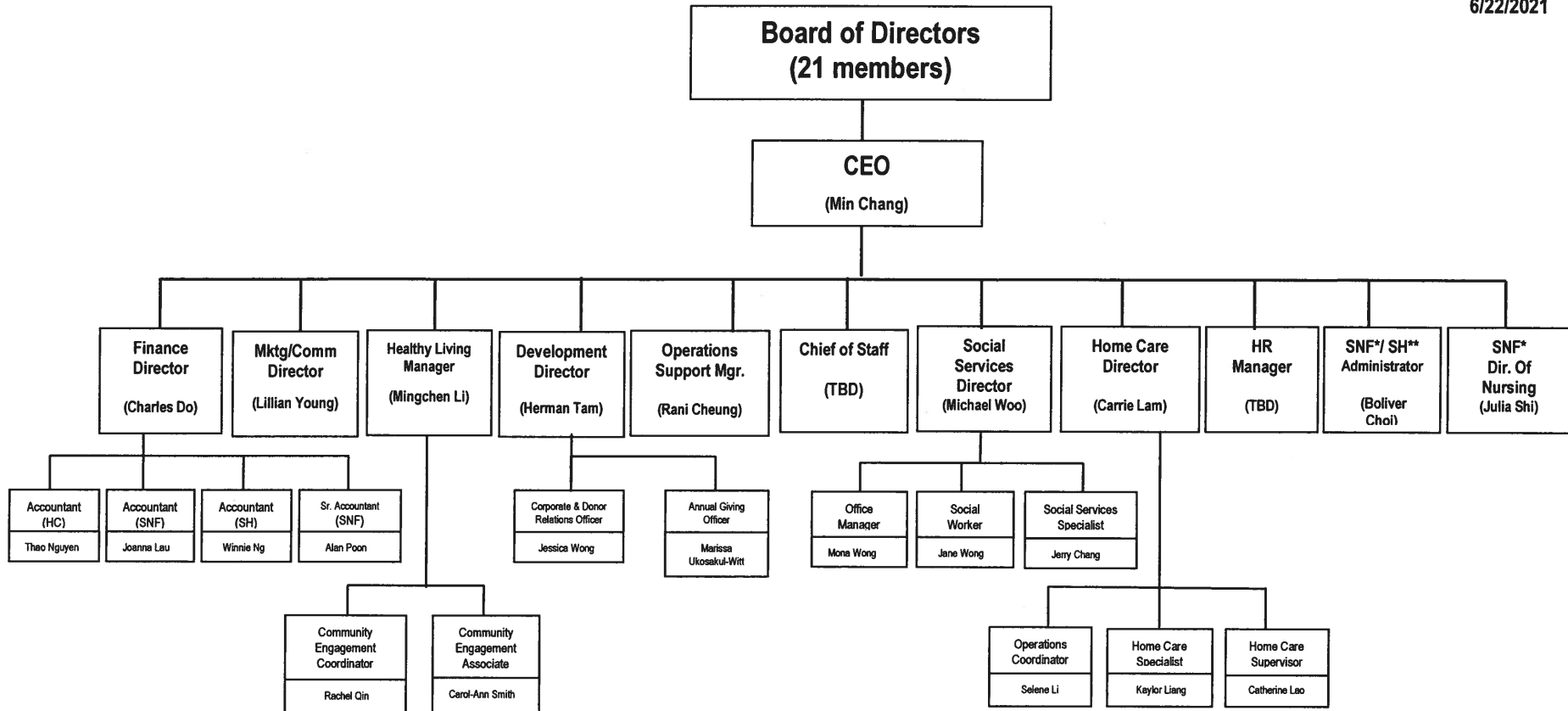
Kin On does not allow any form of retaliation against individuals who make a report or who cooperate in the investigations of such reports in accordance with this policy. If employees feel they have been subjected to any such retaliation, they should report it in the same manner in which they would report a claim of perceived harassment under this policy. Violation of this policy including any improper retaliatory conduct may result in disciplinary action, up to and including discharge. All employees must cooperate with all investigations.

For more information regarding Equal Employment Opportunity and Anti-Harassment, employees can contact:

Equal Employment Opportunity Commission
909 1st Ave, Suite 400
Seattle, WA 98104
Phone: 1-800-669-4000

SECTION III KIN ON ORGANIZATIONAL CHART

6/22/2021



*SNF – Skilled Nursing Facility

**SH – Supportive Housing

For SNF/SH staff, please see SNF Addenda for Organizational Chart of SNF and SH

For Care Network/Home Care staff, please see Network Addenda for “Organizational Chart of Community Care Network of Kin On”

SECTION IV: PERSONNEL POLICIES

A. PURPOSE

The purpose of these personnel policies is to ensure the effective and efficient utilization of human resources to benefit Kin On, its clients and its employees. By establishing these policies, the management hopes to handle personnel matters fairly and consistently. These policies attempt to assure that personnel decisions are arrived in a rational, normative and standard approach.

B. RESPONSIBILITIES

There are several levels within the Kin On organization that are responsible for the development and the implementation of the personnel policies. They are:

1. Board of Directors of Kin On

The Board of Directors acting through the entire Board of Directors or through the Executive Committee is responsible for adopting and revising within its sole discretion the personnel policies of the organization.

2. Chief Executive Officer:

The Chief Executive Officer is responsible for:

- a) Developing and maintaining the overall staffing plan for the organization;
- b) Overseeing and carrying out the personnel policies;
- c) Coordinating and staffing the meetings of the Kin On Board and presenting items to the Board for resolution;
- d) Preparing and reviewing all job descriptions, salary plans and salary increases of employees;
- e) Approving and coordinating the hiring and firing of all the employees

3. Human Resources Personnel:

Human Resources Personnel are responsible for:

- a) Monitoring the personnel practice of Kin On Rehab & Care Center to assure it is in full compliance with all applicable federal laws, state laws and local ordinances;
- b) Assuring confidentiality of all records of an employee's information and maintaining appropriate personnel files;
- c) Coordinating with department heads on the hiring of new staff, preparing and posting job announcements, screening of candidates and arranging interviews;
- d) Conducting orientation sessions for new employees.

4. Business Heads:

The Business Heads are responsible for:

- a) Initiating and coordinating any personnel functions of their responsible units with Human Resources Personnel;
- b) Bringing personnel matters, which require disciplinary actions, to the attention of the Chief Executive Officer for review and approval;
- c) Orienting new staff within their units with the assistance of Human Resources Personnel;
- d) Conducting regular performance evaluation of the staff within their units;
- e) Initiating and coordinating training for staff within their units.

C. EMPLOYMENT PROCESS

1. Fair Employment Practices

Kin On fully observes Title VII of the Civil Right Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act, in Employment Act of 1967, the American with Disabilities Act and amendments thereto and related laws and regulations. Therefore, all matters pertaining to employment shall be based on merit without regard to race, color, creed, sex, age, sexual orientation, marital status, political ideology, disabilities, and any other unlawful criteria.

2. Classifications of Employees

a) Full-Time Employees:

These are employees assigned to regular, established positions and who work a minimum of thirty (30) hours per week at these positions. These employees are eligible for vacation (annual leave), sick leave, medical & dental insurance, retirement benefits and Life AD&D Insurance benefit. Retirement benefit would be payable as long as the required employment period and annual earnings are met.

b) Part-Time Employees:

These are employees assigned to regular established positions and who work less than thirty hours (30) per week. These employees are **NOT** eligible for vacation and medical/dental insurance coverage. But they are still eligible for sick leave and retirement benefits. Retirement benefit would be payable as long as the required employment period and annual earnings are met.

c) Temporary/On-Call Employees:

These are employees whose main responsibility is to cover for the full-time and part-time employees of Kin On, who are on vacation and/or sick leave. Temporary/On-Call employees are not eligible for any benefits or leave from Kin On, unless otherwise provided by law.

d) Exempt and Non-Exempt Employees:

Employees at Kin On are either classified as Exempt or Non-Exempt employees depending on their duties and responsibilities (based on federal and state law). Before an employee can be classified as an exempt employee, the hiring manager or business head will be asked to complete the "Determination of Exempt Classification Status Form" (See Attachment 1) to make sure their job duties qualify them as exempt employees (i.e. satisfy all the provisions listed in the form). Pay structures for Exempt and Non-Exempt Employees are different. See Section IV.D.1.b. Pay Structure for detailed explanation.

3. Recruitment, Selection and Hiring

It is the policy of Kin On to best fill its positions with the best qualified candidates. The Human Resources Personnel, Business Heads and CEO are responsible for recruiting, screening, selecting and hiring employees. Qualified candidates may be recruited using one or more of the following means:

- Help wanted advertisements
- Employment agencies
- Placement offices
- Professional organizations
- Any other means deemed appropriate

For exempt positions, we will make best efforts to post job openings internally for Kin On staff for two weeks. Not all positions are guaranteed to be posted. Kin On reserves the right to seek applicants solely from outside sources or to post positions internally and externally simultaneously.

In addition, qualified employees may apply for available openings for consideration at other Kin On business streams (Please see Kin On Employees Internal Transfer Policy & Procedures, Attachment 2). The interested employee should talk to the Human Resources

Personnel and their current supervisor prior to applying for the opportunity.

Kin On will endeavor to follow the following procedures in its selection and interviewing process when reasonably possible under the circumstances:

- a) Job openings will be posted/announced or advertised for a minimum of two (2) weeks. Job applicants will be asked to fill out the Kin On Application for Employment, and in the case of management and professional positions, a personal résumé may also be required.
- b) For management positions, the HR Manager, Business Heads, and/or the Chief Executive Officer may organize an interviewing panel. Members of the interviewing panel may include members of the Kin On Board, the Chief Executive Officer, and/or supervisor of the position. Leadership team positions and all critical positions one level below the leadership team should include the CEO and at least one other Business Head in the interview process.
- c) For all other positions, the Human Resources Personnel, the Business Head and/or Supervisor of the position may form an interviewing panel to interview prospective candidates and to make a recommendation to the Chief Executive Officer.
- d) During any interview process, the interviewing panel will ask all potential candidates (of that specific opened position) the same set of standardized questions. The interviewing group will meet after the interviews are completed and will deliberate to reach decisions in a timely manner. Decisions will be communicated in a timely manner to all candidates.
- e) Any designated member of the interview panel shall decline to participate in the interviewing process if a relative is being considered for that position or in any other situation where a conflict of interest may arise.
- f) Each job applicant is responsible for providing proof of licensure if licensure is required for the position sought by the applicant.
- g) Reference checks should be utilized for the finalists of each position and should be part of the materials reviewed prior to making a final

decision. All new hires should sign a Reference Request Form. (See Attachment 3)

- h) Every newly hired employee will be asked to show proof of citizenship or immigration status to make sure that they have the authorization to work in the United States. They are to fill out the I-9 Form (Employment Eligibility Verification Form) as required by the United States Citizenship and Immigration Services. (See Attachment 4)
- i) Background checks are required for all businesses (see Addenda of the appropriate business). Fingerprinting may be required for some businesses.
- j. New hires and current employees should provide HR with emergency contacts through filling out an employment application form.

4. Orientation

All new employees will receive a basic orientation to the Kin On organization in order to develop a clear understanding of what is expected of each employee and what the employee can expect from the organization. The orientation will include but not be limited to the following:

- a) Philosophy and goals of the organization
- b) Organizational structure and chart
- c) Personnel policies
- d) Job description and responsibilities
- e) Time sheet/card, salary, employee benefits and payroll deduction information
- f) Work rules and standards of conduct
- g) Performance evaluation and training opportunity information
- i) Non-discriminatory practice and policies
- j) HIPAA Policy & Training
- k) Operation policies and procedures of the specific department - to which the employee is assigned
- l) Other topics as appropriate

5. Work Assignments, Work Shifts and Overtime

a) Work Assignments

Employees' Business Heads or their appropriate supervisors develop the employees' work schedules which are then posted. If a change in the prepared schedule is necessary, then such a change must be first approved by one of the above persons and appropriate substitute coverage arranged,

except as otherwise provided below. All employees are expected to fulfill their work obligations as scheduled.

b) Reporting of Illness & Absence

Employees must notify their supervisor as soon as possible of an absence due to illness or an emergency.

For emergencies, if possible, call their direct supervisor in four (4) hours before time scheduled.

Planned absences for doctor appointments or medical procedures should be submitted to their supervisor for approval as soon as possible or forty-eight (48) hours in advance. Employees should notify their supervisor as soon as possible if there is any change in appointment date.

c) Management & Professional Employees - Working Remotely Policy

For Kin On's Residential Businesses (skilled nursing and supportive housing), all employees are expected to report to work in the facility. However, due to some unusual or emergency circumstances, some management and professional employees may be allowed to work remotely.

Working remotely must be approved by a supervisor for both exempt and non-exempt employees.

While working remotely, all employees are expected to be working and reachable during normal business hours.

(Please see **Attachment 5** for "Working remotely during extenuating circumstances".)

d) Overtime

Non-Exempt Employees, who work overtime, will be compensated in accordance to the Fair Labor Standards Act and the Washington Minimum Wage Act. Non-Exempt Employees are entitled to overtime pay only after 40 worked hours per week. Paid time off, such as vacation and sick leave do not count as hours worked for the purpose of determining overtime pay eligibility. Overtime will be paid at the rate of one and one-half times the usual rate of pay for every hour of overtime worked.

All overtime must be previously approved by the employee's immediate supervisor.

In-Service training hours are considered regular worked hours and will be paid at an overtime rate if the total worked hours exceed 40 in one week.

e) Exempt Employees - Flexible Time Policy

Salaried/exempt employees receive a salary which is intended to compensate them for all hours they may work. Also, due to the nature of their work, salaried/exempt employees can maintain a flexible working schedule. For management and supervisory purposes, however, such employees are expected to maintain a PREDICTABLE work schedule to be discussed and approved by their managers.

f) No Call No Show

Employees who have not called in to request leave and who have been absent from work **for three (3) consecutive work days or more** will be considered having resigned from their employment position.

g) For Schedule Change Request Policy, Work shifts & Breaks Policy for the SNF & SH, please see SNF/SH Addenda.

6. Employee Evaluation

- a) The purpose of employees' evaluations is to provide feedback to the employees, improve their performance, and determine their development/training needs and to determine whether they might be eligible for a possible salary increase and/or promotion.
- b) Kin On will evaluate employees at the end of the year where salary, merit and promotions will be evaluated. Employee evaluations and merit based promotions or salary adjustments can also be done on an as needed basis.
- c) The content of any evaluation will be based on the employees' job related duties.
- d) The outcome of an evaluation will be discussed with the employees. Whether a pay increase is awarded shall be determined within the sole discretion of the Chief Executive Officer.

- e) Employees who receive an unsatisfactory performance evaluation may be subject to termination. Employees may also be given specific recommendations from their supervisor that will specify what the employees must do to improve their performance to a satisfactory level. Any unsatisfactory performance evaluation will be assessed on a case-by-case basis.
- f) Employees shall be given three (3) working days from receipt of their evaluation to provide their comments. Employee comments must also be reviewed by the employee's supervisor. Employees' evaluations and the employees' comments will be reviewed by the Business Head or Chief Executive Officer and then be filed in the employees' personnel files, which will be kept confidential in accordance with Kin On's policies.
- g) Employees may, within ten (10) days following their employee evaluation, request in writing an opportunity to inspect their personnel file. Personnel files shall be made available to the employees upon request. The rights and responsibilities of the employees and Kin On as they pertain to the employees' personnel files shall be governed by R.C.W. 49.12.240 through 49.12.260, inclusive, as amended.

7. Disciplinary Actions, At Will Employment and Termination

Disciplinary actions are applicable to all employees who violate the rules and regulations of the organization. These actions may include, but are not limited to verbal warnings, written reprimands, suspensions without pay, or in certain circumstances, immediate termination. Grounds for disciplinary actions include but are not limited to the following:

- a) Engaging in insubordination or willful violation of any instruction or direction from the Chief Executive Officer, Business Heads or from their supervisor, or any official order or regulation;
- b) Engaging in improper or unauthorized use of Kin On's property, supplies, or confidential or proprietary information;
- c) Engaging in unauthorized disclosure of any Kin On's confidential or proprietary information to news media or the general public;
- d) Engaging in unauthorized disclosure or use of information about any former or current client of Kin On;

- e) Working or reporting to work while under the influence of alcohol and/or drugs (See Section III F entitled Drug-Free Work place);
- f) Sleeping while on duty;
- g) Stealing, pilfering, or damaging of any item that belongs to a resident, fellow employee or Kin On;
- h) Abusing any resident or client;
- i) Being absent from work without proper notification;
- j) Performing your assigned duties in an incompetent manner;
- k) Leaving your work area without providing proper notification unless in the case of emergency (for residential services staff);
- l) Being excessively absent from work which adversely affects the operation of the Kin On (as determined by the Kin On management staff), e.g. abusing sick leave, break time or lunch time, or having chronic tardiness;
- m) Failing to perform assigned duties;
- n) Engaging in conduct which violates this employee handbook or other Kin On policies; or
- o) Providing inaccurate or false information on their Kin On Job Application;
- p) Engaging in inappropriate relationships with subordinates

Written warnings/reprimands and records of all disciplinary actions will be kept in the employees' personnel files. The Business Heads or Chief Executive Officer will review all the records of disciplinary actions.

Notwithstanding any provision of this handbook to the contrary, an employee's employment shall be **TERMINABLE-AT-WILL**. That is, employment with Kin On is for no set term or duration. Employees are free to resign at any time, with or without cause and with or without advance notice. Likewise, Kin On has the right to terminate an employee's employment at any time, with or without cause and with or without notice as long as there is no violation of any federal or state law or local ordinance. However, if the Chief Executive Officer within their sole discretion deems it appropriate under the circumstances, an employee will be given a two-week notice of termination, or pay in lieu thereof. All termination notices will be initiated by the Chief Executive Officer with the consultation of the immediate supervisor and the Business Head and be made in writing.

8. Resignation

Kin On requests that employee resignations be made in writing. However, whenever possible, a two-week notice should be given to their immediate supervisor. Accrued annual leave hours shall not be used to fulfill such two (2) weeks' notice. Notwithstanding any provision of this handbook to the contrary, the Chief Executive Officer shall have the right (but not the obligation) to ask the resigning employee to cease performing any services at Kin On during the two-week notice period for which the resigning employee will continue to be paid. Any unused annual leave hours will be paid out during this notice period.

D. SALARIES AND BENEFITS

1. Salary Plan

a) Pay Day:

Employees are paid bi-weekly or semi-monthly. If Kin On provides for "direct deposit" of an employee's paychecks to financial institutions of the employee's choice, an employee shall provide the Kin On payroll department with authorization to deposit such paychecks and information of their bank account.

For SNF & SH employees, please see SNF/SH Addenda for details of the pay day, pay stubs distribution and Time Card policy.

For Network Employees, please see Network/Home Care Addenda for details of the pay day, pay stubs distribution and clock in and out policy.

b) Pay structure (Exempt/Non-Exempt Employees/Per-Diem Pay for Part-Time employees)

Employees are paid either as salaried (exempt) employees or hourly paid employees (non-exempt). Pay scales of all employees with the exception of the Chief Executive Officer are determined by the Chief Executive Officer. In the case of the Chief Executive Officer, his or her salary is determined by the Executive Committee of the Board of Directors.

For any per diem employees, they will receive a premium pay equal to 10% of their hourly rate in lieu of any prorated annual leave. There are no

medical, dental and life insurance benefits, but they are still eligible for sick leave and retirement benefits as long as the required employment period and annual earnings are met.

- c) For SNF/SH employees, please see SNF/SH Addenda for Pay policy on standard time/day light savings time change

2. Salary Increase

An annual merit increase may be granted to employees subject to a satisfactory annual performance evaluation and approval by the Chief Executive Officer within their sole discretion. Merit increases may also be provided on an as needed basis.

Employee evaluations will be done annually or on an as needed basis by their supervisors.

3. Cost of Living Adjustment

An annual cost of living adjustment of a uniform percentage of an employee's compensation may be granted by the Chief Executive Officer within their sole discretion. Whether such an adjustment is granted and the amount of any such adjustment may be based on the financial status of Kin On, the cost of living index and other economic indices in the Seattle-King County area, and other factors.

4. Annual Leave, Sick Leaves & Shared Leave Policy etc.

a) Annual Leave:

All full time employees who work thirty (30) or more hours per week are eligible for an annual leave (except for home care PCAs). The average hours worked from the date that an employee commences their employment will determine the hours of annual leave earned. Annual leave hours begin to accrue from the date of employment and will be awarded according to the following methods:

- i) All employees who average a minimum of 40 hours per week will earn a total of 136 leave hours annually if they work the entire year.
- ii) After three (3) years of service, employees who average 40 work hours per week will earn a total of 160 hours of leave time annually.
- iii) After five (5) years of service, employees who average 40 work hour per week will earn a total of 176 hours leave time annually.
- iv) Recognized holidays for Kin On include:

New Year's Day, President's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, Christmas Day. Employees for some businesses will not be working these days.

An employee's accrued, but unused annual leave hours will be paid in the event of termination from employment with Kin On, but in no event more than 280 hours.

Except as otherwise stated below, an employee's annual leave requests must be made at least two (2) weeks in advance and have the approval from their business head if the request is three (3) working days or less. For an employee requesting annual leave that lasts for more than three (3) working days, they must have the approval of their business head at least four (4) weeks in advance. An employee who requests annual leave of one (1) month or more, they must submit a request three (3) months in advance. Any annual leave of one month or more must be approved by the employee's business head (See Attachment 6).

No request for annual leave is allowed within three months of hire unless a prior arrangement is made before hire and this arrangement is specified in the offer letter.

Up to two hundred and eighty (280) hours of accrued, unused annual leave time earned by an eligible employee may be carried over to the next year .

Employees are allowed to receive pay in lieu of time off for annual leave according to the following procedures:

- i) At the end of one (1) year of service, employees have the option to receive the current balance of their annual leave hours in the form of cash payment based on the rate when the annual leave was requested.
- ii) No cash payment will be payable that is based upon an accrual of more than 120 hours of work.
- iii) Employee may request cash payment in lieu of annual leave once a year.

b) Holiday Bonus:

Kin On provides a Holiday Bonus to Essential Non-Exempt Employees filling shifts for 24/7 operations as a reward for employees coming on shift to keep our operations running without interruption. These operations may include but are not limited to, Nursing Home, Home Care, Assisted Living and Adult Family Home and any business that falls under a 24/7 operation category.

The Holiday Bonus rate is 50% of the employee's regular base pay only; any shift differential pay, overtime pay, or other bonuses and incentives are precluded from this calculation. Employees will still receive overtime pay for any hours worked over 40 hours in a single week.

The Holiday Bonus will apply to three (3) Holidays observed by Kin On, including New Year's Day, Thanksgiving Day and Christmas Day. (For details of its implementation, please see Attachment 7).

For Community Care Network Administrative Staff, please see Addenda for their Annual Leave & Holidays Policy.

c) Paid Sick Leave

All Kin On employees will accrue 1.24 hour of paid sick and safe leave for every forty (40) hours worked. Paid sick leave is paid to employees at their normal hourly compensation.

Accrued, but unused paid sick leave can be carried over into the next calendar year.

An employee can use **sick leave or safe leave** for the following reasons:

- An employee's mental or physical illness, injury or health condition; an employee's need for medical diagnosis care or treatment of a mental or physical illness, injury or health condition; or an employee's need for preventive medical care.
- An employee providing care for a family member (child(ren), parent(s), spouse, parent-in-law(s), grandparent(s), grandchild(ren), registered domestic partner and sibling(s)) with an illness, injury or medical appointment, health condition, or preventive care.

- An employee's place of business has been closed by order of a public official to limit exposure to an infectious agent, biological toxin or hazardous material.
- An employee needs to care for a family member whose school or place of care has been closed.
- For reasons related to domestic violence, sexual assault or stalking that affect the employee or the employee's family member (a child, spouse, parent, parent-in-law, grandparent, grandchild, sibling, or person with whom the employee has a dating relationship).

Employees who need sick leave due to scheduled medical or dental appointments should request time off as soon as possible, preferably by the time such appointment was made, or 48 hours prior to the need for leave.

In case of illness that is expected to require more than **THREE (3)** consecutive day's absence from work, a physician's certificate verifying reason for absence is required.

Sick leave requests must be submitted to supervisor the first day employees return to work.

If it is in the best interest of the employee, any accrued annual leave time may be used to extend the sick leave period with pay at the discretion of the supervisor or the business head.

Sick leave does not accrue toward annual leave.

In cases of prolonged illness, where accrued sick leave and annual leave to extend the sick leave have been exhausted, leave without pay may be granted upon the approval of the supervisor or the business head. A request for prolonged medical leave should be made in writing, supported by the employee's physician and two weeks prior to the requested time off. In any case, such leave must not exceed three months, unless otherwise required under law.

Retaliation or discrimination against the employee who requests paid sick time or uses paid sick time or both is prohibited, and employees may file a complaint with the Washington State Department of Labor & Industries against an employer who retaliates or discriminates against the employee.

Kin On gives its employees who have been hired for one calendar year a sick leave bonus when they resign or retire. Resigning (or retiring) employees will be paid 25% of their accrued sick leave hours as a bonus at their resigning pay rate. Only employees who voluntarily resign or retire are eligible for the bonus. The Sick leave bonus will be offered to employees the first time they voluntarily resign or retire. The bonus payment will be made at their last payroll. Employees who are terminated from employment (or asked to resign) by Kin On will not be eligible.

d) Federal Family and Medical Leave Act (FMLA);
Washington State Paid Family Leave (PFML):

You are entitled to leave pursuant to the requirements of the Family and Medical Leave Act (FMLA) of 1993 and the Washington State Paid Family & Medical Leave (PFML) 2019.

Federal Family & Medical Leave (FMLA) 1993:

Employees who have been employed for at least 12 months and who worked at least 1250 hours during those 12 months are eligible for family and medical leave for the following reasons:

- i) the birth of the employee's child and in order to care for the child;
- ii) the placement of a child with the employee for adoption or foster care;
- iii) to care for a spouse, child or parent who has a serious health condition; or
- iv) a serious health condition which renders the employee incapable of performing the functions of his or her job;

Kin On requests that upon confirmation of pregnancy, or the pregnancy of their spouse, or placement for foster care or adoption of a child whichever is applicable, the employee notify their supervisor of any need for leave. After birth or the initial placement, the employee may take a parental leave without pay from work up to a period of twelve (12) weeks. This leave shall not be taken intermittently, unless otherwise specifically approved by the employee's manager.

If the request for this leave is based upon (d)(i) or (d)(ii), above, and is foreseeable based upon an expected birth or placement, then the employee must apply for such leave at least thirty (30) days

prior to the effective date of the leave and if not foreseeable then the application for such leave must be made as soon as practical. The entitlement to this leave that is based upon (d)(i) or (d)(ii), above, expires at the end of the twelve (12) month period beginning with the child's birth or initial placement.

For employees whose spouse, child (under age 18, or older and incapable of self-care due to a mental or physical disability) or parent with a serious health condition, they are allowed to have unpaid leave for up to twelve (12) weeks in any twelve (12) month period. Any accrued annual and/or sick leave shall first be used and be included in this twelve (12) week period. This leave may be taken intermittently or on a reduced leave schedule. A physician statement to verify the seriousness of such health condition is required prior to the approval of such leave. Kin On may seek a second or third opinion if there are any reasons to suspect the validity of the first verification.

If the request for this leave is based upon (d)(iii) or (d)(iv), above, and is foreseeable based upon planned medical treatment, then the employee shall make a reasonable effort to schedule the treatment so as not to unduly disrupt the operations of Kin On, subject to the approval of the health care provider of the employee, or the employee's child, spouse, or parent, whomever is applicable, and shall provide Kin On with at least thirty (30) days prior to the effective date of the leave except that if the medical treatment requires this leave to begin in less than thirty (30) days, the employee shall provide notice as soon as practical.

Washington State Paid Family & Medical Leave (PFML) 2019:

Paid Family and Medical Leave is a state-run insurance program that is funded by both employers and employees. Eligible employees are assured up to 12 weeks of leave as needed, with partial wage replacement. In certain exceptional cases 16-18 weeks may be taken.

Employees are able to apply for Paid Family and Medical Leave benefits with Washington State Employment Security Department. Benefits will be available for most employees who work at least 820 hours in the qualifying period.

The amount of this benefit varies depending on the employee's weekly wage, median statewide incomes, and other factors. Leave taken under Washington State Paid Family & Medical Leave runs concurrently with FMLA leave.

For details of the Washington State Paid Family & Medical Leave (PFML) 2019, please see Attachment 8.

e) Jury duty:

An employee being called for jury duty shall be excused from work with no loss of pay. The employee must notify their supervisor immediately when called to allow maximum time for rescheduling assignments.

f) Military leave:

Any full-time or part-time employee who leaves their job to enter the U.S. Military Service will be granted an unpaid leave of absence. Upon returning, the employee will be re-employed with Kin On and placed in a job position with all rights and benefits as required under the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

Annual Military Training Leave will be granted upon proper application for any member of the National Guard or the military reserve. A maximum of fifteen (15) days a year will be granted. If the pay rate from the military is lower than that of Kin On's, the employee shall receive the difference between the military pay and the regular pay from Kin On.

g) Death in the family (Bereavement Leave):

An employee may be granted up to three (3) consecutive scheduled working days of leave with pay in the event of a death of a family member. For purpose of the bereavement leave, an employee's family member is a parent, grandparent, brother, sister, in-law, spouse or child including an adopted or foster child, or grandchild including an adopted grandchild. Proof of death of the aforementioned family member is required. Pay for bereavement leave will be at straight time for a qualified employee and will be for only those days in which the employee was scheduled to work.

h) Leave without pay; Deemed Resignation:

An employee may request a leave without pay for personal development or other family needs up to a maximum of 6 months. However, the employee who requests leave without pay will not be entitled to any employee benefits as listed in Section III (D) of this handbook. The employee also takes leave without pay as provided under this Section III(D)(4)(h) acknowledges their understanding that their job may not be available when they are ready to return.

Employees who have not requested a leave without pay and who have been absent from work **for three (3) consecutive work days or more** will be considered having resigned from their employment position.

Employees who are not otherwise authorized to refuse a work assignment offer from Kin On after taking leave without pay shall be considered as having resigned from their employment position.

With the exception of employees requesting leave without pay under the WA State Paid Family & Medical Leave (PFML), if an employee has accrued annual leave hours, they must use up those annual leave hours before they can apply for leave without pay.

i) Shared Leave Policy:

Employees are allowed to "donate vacation leave" to financially help other Kin On employees who will need to take leave without pay due to a severe or extraordinary illness or having care givers responsibilities for a relative or a household member with severe or extraordinary illness. Employees who intend to share their vacation leave are advised to consult with their tax advisors before doing so. Kin On is not authorized to provide employees with any tax advice. (For details of the policy, see Attachment 9)

j) Lactation Breaks:

Kin On will provide a reasonable amount of break time to accommodate employees desiring to express breast milk for their infant child, in accordance with and to the extent required by applicable law. The break time, if possible, should run concurrently with rest and meal periods already provided. If the break time cannot run concurrently with rest and meal periods already provided, the

break time will be unpaid, subject to applicable law.

Kin On will make reasonable efforts to provide employees with the use of a room or location other than a toilet stall to express milk in private. This location may be the employee's private office, if applicable. Kin On may not be able to provide additional break time if doing so would seriously disrupt Kin On's operations, subject to applicable law. Please consult Human Resources Personnel with questions regarding this policy.

Employees should advise management if they need break time and an area for this purpose. Kin On expressly prohibits any retaliation or discrimination against anyone for requesting or using an accommodation.

5. Health Insurance

Employees who are full-time employees (those who work thirty (30) hours or more per week on a regular basis) are eligible for the group medical insurance coverage through Kin On. Full premium (employees are required to pay a premium co-pay, amount of co-pay varies depending on the plan employees choose) is paid for all full-time employees who have worked one (1) full month after hiring (or being switched to full time status). The health & dental plan will commence on the first day after one month of full-time employment.

For the insurance coverage of the Personal Care Assistants of the Home Care Program, please see CNN Addenda for details of the eligibility.

If for three (3) consecutive weeks, an employee's coverage work hours drop below thirty (30) hours per week, then the employee will be ineligible for medical insurance coverage and will be dropped from the program. Employees who wish to have coverage for their spouse or children must pay for the full cost of such coverage as determined by the insurance company.

Health insurance coverage will continue to be available to full-time employees who are on approved Family and Medical leave.

Employees who terminate their employment and who have been covered by the health insurance coverage of Kin On will be eligible for continued coverage for the remainder of the month. The former employees have

the option to receive up to eighteen (18) months of COBRA; (See attachment 10, COBRA Regulations)

6. Retirement Plan

Kin On provides eligible employees with retirement benefits through the following two plans:

a) Simplified Employee Pension (SEP)

Under SEP, Kin On will contribute three(3)% of an eligible employee's annual earnings to a SEP account in the employee's name. Each employee who has been employed continuously by Kin On for two (2) full years and whose total earnings are more than \$450 a year will be eligible to participate in the SEP. The SEP funds will be put in a guaranteed interest fixed term investments for all participating employees.

b) Tax Sheltered Annuity (TSA) (403B)

Under the TSA, all Kin On employees may choose to contribute a percentage of their pre-tax earnings into their retirement account. These contributions are tax deferred until withdrawal occurs. There is no waiting period for TSA.

c) Administration

The rules governing the detail operation of the SEP and TSA are subject to IRS rules and to Kin On's contract with the third party administrator of these retirement plans/programs.

7. Life & AD&D Benefit:

Employees who are full-time employees (those who work thirty (30) hours or more per week on a regular basis) are eligible for the group Life & Accidental Death & dismemberment Benefit through Kin On. Full premium is paid for all full-time employees who have worked one (1) full month after hiring (or being switched to full time status). Life & AD&D benefit will commence on the first day after one month of full-time employment.

8. Labor & Industrial (L&I) Insurance:

Kin On shares the cost of the L & I insurance premium with workers. In case a claim is needed after an accident, the Department of L & I will cover the medical cost and replace part of the worker's lost wages. Job training will also be available if the injured worker is no longer able to return to their original work.

As an additional benefit, Kin On will provide transitional work for employees who have been injured and are temporarily unable to perform their regular duties. We hope this will enable us to bring employees back to the work force sooner, as well as to help employees maintain their regular income. Employees on this transitional work program will be paid up to 92% of their regular rate of pay and generally remain in these positions for no more than six (6) weeks.

9. Rehire Policy

As an incentive to recruit former employees, reinstatement of employment will be applied if an employee has accepted an offer of reinstatement **within 12 (twelve) months** of their termination date.

Previous employees of Kin On who terminated employment in good standing and accepts an offer of reinstatement **within 12 (twelve) months**, may be eligible for reinstatement:

- Original hire date will be retained.
- The pay rate at termination will be reinstated if the employee returns to the same position.
- For employees rehired to full time employment, their health/dental plan will commence on the first day of the month one full month after they are rehired. Pension plan for all eligible rehired will start the first day of the month one full month after they are rehired.
- Vacation accrual rate will be reinstated.
- Previous service will be counted toward years of recognition.
- Vacation hours, accumulated but not used, **WILL NOT** be reinstated as we pay employee at termination.
- Sick leave accrual will be reinstated if not paid out upon termination.

10. Reimbursement for Travel and Official Business Expenses

Employees conducting official business on behalf of Kin On will be reimbursed for their travel and expenses. Employees are required to exercise prudence in incurring travel and business expenses.

Prior approval of business expense and travel cost (for out of town on official business) must be obtained from the Chief Executive Officer, or in the case of the absence of Chief Executive Officer, prior

approval from Executive Committee of the Kin On Board is necessary one week prior to the actual date. Reimbursement for necessary and reasonable expenses is obtained by submitting Expense Voucher from the Accounting Office three working days following the return of the trip, or once each month for business expenses incurred locally. Out of town business expenses must not be more than 80% of the per diem rates set by the City of Seattle or actual cost of the expenses, whichever is lower.

Local transportation by private automobile for official business trips will be reimbursed at the maximum deductible rate permitted under the Internal Revenue Code. Requests for reimbursement for local travel must be submitted monthly. Details as to dates, destinations and purposes must be included on the Mileage Reimbursement Form. (See Attachment 11) It is the responsibility of the employee to keep receipts for reimbursement of travel related expenses (e.g. tickets, parking or toll charges). Any incurred illegal citations will be the sole responsibilities of the employee.

For Care Network Office Staff, please see Network Addenda for Monthly Parking Permit/Monthly Bus Pass.

11. Training and Staff Development

There will be opportunities for employees to participate in skills training and other staff development opportunities. These include:

- a) On-the-job and in-service training;
- b) Training that is intended to improve and enhance an employee's current job performance, skills and knowledge;
- c) Training that is intended to improve organizational, planning, leadership and managerial skills; and
- d) Other appropriate training conference and courses:

Attendance of appropriate conferences and training courses can be initiated by either the employees or their supervisors. After the Chief Executive Officer considers such requests they may authorize such requests after receiving comment from the employees' immediate supervisors. (See, Attachment 12a Training Request Form and 12b Compensation for Training and Professional Development)

Employees will receive complete reimbursement and release time for any job related training requested

or approved by their supervisors. Other training requests may receive release time, and/or cost reimbursements depending on the nature and appropriateness of the training to the need of the facility.

12. Meal Purchases

Employees may purchase meals from the SNF kitchen at a discounted rate. There is a limit on the number of meals purchased by employees and meals are available on a first come, first served basis. (Please see Attachment 13 for policy.)

13. Free Healthy Living Membership:

All Kin On staff are entitled to a free Healthy Living Staff Membership. This membership entitles staff to free or discounted programs within Healthy Living and a special community center rental pricing.

For more information regarding Healthy Living, visit <https://kinon.org/healthy-living-program/> and click "Program Catalog" on the left column.

E. WORK RULES AND STANDARDS OF CONDUCT

All employees of Kin On are expected to obey the work rules of the organization. In addition, specific standards of conduct are expected to be maintained while on duty. The following are some of the organization's work rules and standards of conducts. Any violation of these work rules and standards of conduct by an employee will result in specific disciplinary action including the possibility of immediate termination of employment.

1. Resident Confidentiality (HIPAA Compliance)

Kin On understands and acknowledges the importance of protecting the residents' and clients' privacy and confidentiality. Accordingly, Kin On strives to implement security measures to guard the integrity and confidentiality of resident information as required under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Every newly-hired employee will be required during employee orientation to sign a form that pledges their commitment to comply with the organization's HIPAA policy. (see Kin On's HIPAA Compliance Handbook)

All information relating to a resident's and client's diagnosis, treatment and complaints as determined pursuant to conversations with the resident/client or as compiled in the resident's/client's records constitute confidential information subject to the organization's HIPAA policy.

A resident's/client's information may be given to other employees only when it is necessary to do so as part of the performance of duties for the benefit of the resident and should be done in a manner that ensures the resident's privacy and the confidentiality of such information.

Under no circumstances will medical/nursing records or any copies thereof leave the premises and facility owned and operated by Kin On or the appropriate nursing station without expressed prior permission from the Chief Executive Officer.

Notwithstanding any other provision of this handbook to the contrary, no employee shall discuss a resident's/client's confidential information with other employees when the discussion is not part of the performance of duties for the benefit of such resident or part of such employee's assigned duties, and no employee shall discuss a resident's confidential information with non-employees or volunteers.

If an employee receives any request from an individual concerning a resident's/client's medical condition they should not provide the individual with the requested information but must promptly refer the request to the licensed nurse in charge.

2. Residents', Clients', Employees' and Kin On's Property

When using property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards and guidelines.

Employees must notify their supervisor if any equipment, machines, or tools appear to be damaged, defective or in need of repair. Employees should ask their supervisors if they have questions about their responsibility to maintain and care for the equipment used on the job.

Employees also are prohibited from any unauthorized use of Kin On's intellectual property, such as audio and video tapes, print materials and software.

Improper, careless, negligent, destructive, or unsafe use or operation of equipment, or any other violation of this policy can result in discipline, up to and including discharge.

Kin On is not responsible for any damage to employees' personal belongings brought onto Kin On's property.

Except with prior consent employees must not take any items that belong to the residents/clients, fellow employees and or Kin On. If a resident/client has granted their prior consent to an employee to take an item belonging to that resident/client, such employee is required to promptly notify their immediate supervisor for approval.

3. Gifts, Tips and Gratuity

Employees must neither solicit nor accept any gifts, tips or gratuity from any residents/clients, visitors, business firms or any other persons or organizations for any service rendered by the employees while on duty or for whatever nature.

4. Accidents

Should an employee be involved in an accident or witness an accident involving a resident, client,

visitor or other fellow employee at Kin On, they must call 911. An accident/incident report must be filled out and turned in to the immediate supervisor within 24 hours. (See Attachment **14**)

5. Tuberculosis Testing (Residential Services Only)

Each new employee is required to have a tuberculosis test (PPD). Each employee then must have a TB test every two years. If the PPD test is positive, then two successive annual negative X-rays are required. If the two annual X-rays are negative, then no further testing is required.

6. Communicable Disease

Any employee, who in good faith believes that they or anyone else at the premises owned and operated by Kin On has a communicable disease, is required to report this information immediately to their immediate superior. The reporting employee shall not be subject to any disciplinary action in the event their good faith belief proves to be incorrect. In case of an outbreak, employees may be required to wear appropriate Personal Protective Equipment (PPE) at all times in the facility. (For details of protocols (for different service programs) regarding a specific communicable disease, e.g. COVID-19, please see the facility's Emergency Handbook)

7. Job Safety and Health Protection

All employees must assume responsibility to help prevent and eliminate conditions and causes of accidents and fires at Kin On . Accordingly all employees are required to adhere to the Occupational Safety and Health Act (OSHA) and Washington Industrial Safety and Health Act (WISHA) safety regulations including the Blood borne Pathogen Standard and Universal Precautions.

Hepatitis B Vaccination is available free of charge to all employees who are members of the following staffs and who have direct contact with residents:

- a. Nursing Staff--Licensed nurses and Nurses' aides
- b. Housekeeping/Laundry staff
- c. Dietary Staff
- d. Supportive Housing staff
- e. Home Care Staff

8. Smoking

Smoking is not permitted inside Kin On or on the surrounding premises.

9. Visitation

An employee shall not have personal visitors without prior notification to the supervisor at Kin On during the employee's working hours.

10. Personal Phone Calls & Cell Phone Usage

Personal telephone calls are not encouraged while an employee is working. Therefore, employees may make personal calls during their working hours only in case of family emergencies or when absolutely necessary. Such calls should be short. No long distance calls for personal use will be permitted on Kin On phones.

11. Electronic Mails & Technology Use Policy

Kin On has established a policy with regard to access and disclosure of electronic mail (e-mail) messages created, sent or received by Kin On employees using the company's electronic mail systems either in-house or the Internet, and the use of Kin On hardware (See Attachment 15).

12. Media Use Policy

Kin On has established a policy to provide procedures for Kin On active and former employees, volunteers, and interns when using media. The purpose of such policy is to protect the confidentiality and privacy of residents/clients, employees, volunteers, interns, and Kin On information (see Attachment 16)

13. Video and Photo Taking Policy

To protect the privacy of the residents, clients and staff, taking photographs and video of residents/staff/volunteers **IS NOT** allowed without the prior consent from the residents/clients/staff/volunteers within the Kin On premises or at Kin On associated events which include the resident outings and other special events.

14. Personal Appearance and Dress Code

Kin On requires that employees dress neatly and appropriately at all times and that they maintain adequate personal hygiene. The success of any company is reliant on the support and goodwill of its customers.

Kin On has chosen to establish a casual dress code at the office in order to enable employees to work comfortably. Employees should wear clothing that is comfortable and practical for work, but not distracting or offensive to others. Any clothing that has words, terms, or pictures that may be offensive to other employees is unacceptable. On occasions when employees will be meeting with clients or external stakeholders they are required to adopt a more formal dress code in order to project a professional image. We urge employees to use common sense and sound judgment when it comes to selecting their work attire.

Employees must also adhere to additional department-specific requirements.

15. Employees' Name Tags

All employees are expected to wear the name tags provided by Kin On during their work shifts as identification for the benefit of the residents/clients, the family members of residents/clients and visitors.

16. Non-solicitation Policy

Kin On prohibits the solicitation, distribution and posting of materials on or at Kin On property by any employee or non-employee, except as may be permitted by this policy. The sole exceptions to this policy are charitable and community activities supported by Kin On management and Kin On-sponsored programs related to Kin On products and services.

Non-employees may not solicit employees or distribute literature of any kind on Kin On's premises at any time. Employees may not solicit other employees or distribute literature of any kind during work times, except in connection with a Kin On-approved or sponsored event. "Work time" is defined as the time an employee is engaged, or should be engaged, in performing his or her work tasks for Kin On. The posting of materials or electronic announcements are

permitted with approval from Human Resources Personnel.

For example, we prohibit the following:

- Selling goods for personal profit
- Requesting support or funding for political campaigns
- Unauthorized posting of non-work related material on company bulletin boards
- Solicitation or distribution of non-business literature towards customers, partners and vendors
- Proselytizing others to groups or initiatives that violate non-discrimination and equal opportunity policies

Employees have the legal right to refuse assistance or participation to any kind of activities or organizations. Employees should not be forced or harassed to support fundraising events, collections, purchasing of merchandise or other activities.

17. Reporting Reasonable Suspicion of a Crime

Pursuant to Section 1150B of the Social Security Act as established by section 6703(b)(3) of the Patient Protection and Affordable Care Act of 2010, employees of Kin On are to report any reasonable suspicion of crimes committed against a resident/client or person receiving care at Kin On to the police and Aging & Adult Services Administration (see Attachment 17)

18. Policy on Staff Hired as Personal Helper

Due to potential liability concerns and to avoid the perception of partiality, Kin On staff should not receive pay from a third party to serve as personal helper for residents/clients at Kin On.

19. Policy on "Bringing Kids to Work"

In order to maintain a safe and professional work environment, and due to the liability issue, Kin On would not allow unsupervised access to the facility for children of employees. We do understand that occasional situations may arise when children need to be brought to the facility (e.g. to wait for rides), if other arrangements cannot be made. Prior approval must be received from employees' supervisor and the following guidelines should be observed:

- The employee should be responsible for supervising the children.

- While supervising the children, the employee must be off their work duty (clock out).
- The employee and the children must stay in area outside the work station(s) - they may stay in the vestibule.
- The children should not stay in the facility for more than 30 minutes.

20. Policy on Access to Personnel Records

Kin On retains a personnel file on each employee. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals, and other employment records.

Personnel files are the property of Kin On and are confidential. Access to the information they contain is restricted. Generally, only Human Resources Personnel, supervisors and management personnel of the facility who have a legitimate reason to review information in a file are permitted to do so. (For detailed policy, see Attachment 18)

21. Employee Relationships

A familial relationship among employees can create an actual or a potential conflict of interest in the employment setting, especially where one relative supervises another relative. To avoid this problem, Kin On may refuse to hire or place a relative in a position where the potential for favoritism or conflict exists. If two employees marry, become related or enter into an intimate relationship, they may not remain in a reporting relationship or in positions where one individual may affect the compensation or other terms or conditions of employment of the other individual. Accordingly, all parties to any type of intimate personal relationship must inform management.

For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

22. Concealed Weapons Policy

Employees may not, at any time while on any property owned, leased, or controlled by Kin On, including anywhere that company business is conducted, such as customer locations, client locations, trade shows,

restaurants, company event venues, and so forth, possess or use any weapon.

Weapons include, but are not limited to, guns, knives, or swords with blades over four inches in length, explosives, and any chemical whose purpose is to cause harm to another person.

Regardless of whether an employee possesses a concealed weapons permit or is allowed by law to possess a weapon, weapons are prohibited on any company property. They are also banned in any location in which the employee represents the company for business purposes, including those listed above.

Employees who violate this policy will be subject to disciplinary actions, up to and including employment termination.

23. False Claim Policy

Kin On is committed to complying with all applicable local, State and Federal laws, rules and regulations that address the prevention, detection, reporting, and correction of fraud, waste, and abuse of public funding. Complaints regarding acts which violate the False Claims Act, such as false claims or attempts to defraud health care programs will be promptly reported, investigated, and remedied, as appropriate and required by law. (See Attachment 19).

24. Snow and Inclement Weather

For SNF and SH nursing and dietary staff, who are already on duty at the facility during snow or other inclement weather, they are expected to remain on duty until members of the next shift report to work. Overtime pay will be paid for additional time worked (i.e., over 40 hours/week). If an employee, who is late reporting to work or cannot make it to work because of snow or other inclement weather, their annual leave (accrued vacation time) or leave without pay will be charged.

During emergencies (i.e., snow storm, earthquake, etc.) employees of the Rehab & Care Center & Supportive Housing stranded in the facility will be provided meals free of charge by the Dietary Department. (For policy, see Attachment 20).

For Network Office Staff, please see Network Addenda for Snow and Inclement Weather policy.

25. Fire and Disaster Procedures

For the SNF and SH, details of Fire and Disaster Procedures are contained in the Kin On Disaster Plan. For the SNF, copies of these plans are in the two nursing stations. During emergencies at the SNF & SH, the charge nurses on duty should contact the Administrator and department heads, who will then contact their own department staff. The HC, SS and HLP businesses, separate fire and disaster procedures are documented and implemented at their sites. Development and HLP personnel on the main campus follow the SNF and SH procedures. All business heads should develop ways to communicate with their own staff during emergencies, e.g. via text messages etc.

F. DRUG-FREE WORK PLACE

This section describes the prohibitions against on-the-job use or possession of alcohol or illegal drugs and informs employees of the penalties and disciplinary action in the event the policies stated in this section are violated.

1. General Prohibition

It is the intent of Kin On to establish and maintain a drug free work place. Therefore, all employees are prohibited from taking, using, possessing, selling or distributing any illegal drug at any time anywhere on the premises owned and operated by Kin On.

Furthermore, all employees shall perform their normal duties while not under any influence of alcohol or an illegal drug. Violators of any of the above policies will result in penalties and discipline described below.

2. Testing of Employee

If a supervisor of an employee believes in good faith that the employee appears to be in impaired condition or under the influence of alcohol or drugs, such employee may be required to take blood tests, breath analyzer, urinalysis, or similar examinations to determine whether or not the employee is in a impaired condition or under the influence of alcohol or drugs. The cost of such testing shall be borne solely by Kin On. **An employee's refusal to submit to such testing may result in disciplinary action as provided below.**

3. Prescription drugs

For purposes of this handbook, an "illegal drug" shall not include those prescription drugs that an employee is required to take on the advice of physician. If such prescribed drug causes adverse side effects, e.g. drowsiness or impaired reflexes, the employee shall inform their immediate supervisor prior to taking such drug of the possible effects of the drug on the performance and expected duration of use. In the event the employee's supervisor determines that use of such prescription drug could cause safety problems, such supervisor may grant the employee sick leave or temporarily assign the employee different duties.

4. Disciplinary action in Event of Violation.

In general a violation by an employee of the policies stated in Section IV (F) of this handbook, except the

employee's failure to provide their supervisor prior notice of the use of prescription drugs, may result in discipline, up to and including, termination of employment.

G. REVIEW AND AMENDMENT

The Board of Directors acting through the entire Board or through the Executive Committee expressly reserves the right to amend this handbook from time to time without prior notice to the Kin On employees.

KIN ON HEALTH CARE CENTER

AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (restated)

Prepared By

Branch, Richards & Co., P.S.
Certified Public Accountants
155 NE 100th Street Suite 410
Seattle, WA 98125
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KIN ON HEALTH CARE CENTER

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Kin On Health Care Center

Report on the Financial Statements

We have audited the accompanying financial statements of Kin On Health Care Center, which comprise the statements of financial position as of 2020, and 2019, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kin On Health Care Center as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters and Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of divisional activities on page 24 is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Restatement of Prior Period

As discussed in Note 12 to the financial statements, prior period net assets were restated due to the overstatement of prepaid expenses and the results of a program audit. These corrections were discovered by management of the Organization during the current year. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2021, on our consideration of Kin On Health Care Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kin On Health Care Center's internal control over financial reporting and compliance.

Brandt Richards & Co., P.S.

Seattle, Washington
April 22, 2021

KIN ON HEALTH CARE CENTER

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2020 AND 2019 (restated)

	2020	2019
ASSETS		
Current Assets		
Cash & cash equivalents	\$ 3,288,215	\$ 2,246,765
Accounts receivable	486,213	354,574
Medicare, Medicaid & other insurance receivables	636,061	893,922
Inventory	186,486	118,445
Patient deposits held in trust	631	952
Prepaid expenses	134,371	88,866
Total current assets	4,731,977	3,703,524
Property and equipment, net	15,418,018	15,988,200
Other Assets		
Investments	11,994,951	10,727,699
Org. costs, net of accum. amort.	45,788	56,023
Deposits	147,668	125,583
Other	556,747	-
Total Other Assets	12,745,154	-
TOTAL ASSETS	\$ 32,895,149	\$ 30,601,029
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 1,580,748	\$ 380,558
Patient deposits held in trust	631	952
Wages, taxes and benefits payable	1,172,434	1,198,157
Mortgage payable - current maturities	168,501	161,778
Total current liabilities	2,922,314	1,741,445
Mortgage payable	3,933,085	4,090,941
Total liabilities	6,855,399	5,832,386
Net Assets		
Without donor restriction	26,039,750	24,666,891
With donor restriction	-	101,752
Total net assets	26,039,750	24,768,643
TOTAL LIABILITIES AND NET ASSETS	\$ 32,895,149	\$ 30,601,029

See accompanying notes and auditor's report.

KIN ON HEALTH CARE CENTER

STATEMENTS OF ACTIVITIES & CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Restriction	With Restriction	2020
OPERATING ACTIVITIES			
Revenues and Support			
Skilled nursing services	\$ 10,719,552	\$ -	\$ 10,719,552
Community care services	3,547,123	-	3,547,123
Supportive housing services	490,429	-	490,429
Grants	-	-	-
Donations	1,514,879	-	1,514,879
Released from restriction	101,752	(101,752)	-
Total operating revenues and public support	<u>16,373,735</u>	<u>(101,752)</u>	<u>16,271,983</u>
Expenses			
Program expenses			
Skilled nursing services	9,049,835	-	9,049,835
Community care services	3,494,852	-	3,494,852
Supportive housing services	1,605,644	-	1,605,644
Supportive services			
Management & administration	1,654,186	-	1,654,186
Development and fundraising	337,994	-	337,994
Total Expenses	<u>16,142,512</u>	<u>-</u>	<u>16,142,512</u>
Changes in net assets from operating activities	231,223	(101,752)	129,471
OTHER INCOME & (EXPENSE)			
Interest income	44,863	-	44,863
Dividends, and capital gain distributions	186,879	-	186,879
Unrealized gain/(loss) on value of investments	739,759	-	739,759
Other income	179,142	-	179,142
Gain (loss) on disposal of asset	(9,007)	-	(9,007)
Changes in net assets from non-operating activities	<u>1,141,636</u>	<u>-</u>	<u>1,141,636</u>
TOTAL CHANGES IN NET ASSETS	1,372,859	(101,752)	1,271,107
Net assets, beginning of year	<u>24,666,891</u>	<u>101,752</u>	<u>24,768,643</u>
Net assets, end of year	<u>\$ 26,039,750</u>	<u>\$ -</u>	<u>\$ 26,039,750</u>

See accompanying notes and auditor's report.

KIN ON HEALTH CARE CENTER

STATEMENTS OF ACTIVITIES & CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2019 (restated)

	Without Restriction	With Restriction	2019
OPERATING ACTIVITIES			
Revenues and Support			
Skilled nursing services	\$ 10,564,387	\$ -	\$10,564,387
Community care services	2,986,604	-	2,986,604
Supportive housing services	108,819	-	108,819
Grants	171,047	-	171,047
Donations	1,193,783	-	1,193,783
Other income	118,985	-	118,985
Total operating revenues and public support	<u>15,143,625</u>	-	<u>15,143,625</u>
Expenses			
Program expenses			
Skilled nursing services	8,049,683	-	8,049,683
Community care services	3,243,959	-	3,243,959
Supportive housing services	537,540	-	537,540
Supportive services			
Management & administration	2,167,124	-	2,167,124
Development and fundraising	485,879	-	485,879
Total Expenses	<u>14,484,185</u>	-	<u>14,484,185</u>
Changes in net assets from operating activities	659,440	-	659,440
OTHER INCOME & (EXPENSE)			
Interest income	13,072	-	13,072
Dividends, and capital gain distributions	354,924	-	354,924
Unrealized gain/(loss) on value of investments	1,445,227	-	1,445,227
Gain (loss) on disposal of asset	300	-	300
Other income (expense)	339	-	339
Changes in net assets from non-operating activities	<u>1,813,862</u>	-	<u>1,813,523</u>
TOTAL CHANGES IN NET ASSETS	<u>2,473,302</u>	-	<u>2,473,302</u>
Net assets, beginning of year	<u>22,193,589</u>	<u>101,752</u>	<u>22,295,341</u>
Net assets, end of year	<u>\$ 24,666,891</u>	<u>\$ 101,752</u>	<u>\$24,768,643</u>

See accompanying notes and auditor's report.

KIN ON HEALTH CARE CENTER

STATEMENTS OF CASH FLOWS FOR THE YEARS DECEMBER 31, 2020 AND 2019 (restated)

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 1,372,859	\$ 2,473,302
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	686,456	503,406
Amortization	10,645	12,012
Loss (gain) on disposal of equipment	9,007	-
Unrealized (gain) loss on value of investments	(739,759)	(1,445,227)
Cash provided/(used) by operating activities:		
Accounts receivable	(131,639)	(40,593)
Medicare, Medicaid & other receivables	257,861	(87,994)
Inventory	(68,041)	(31,961)
Prepaid expenses & deposits	(54,219)	(6,056)
Accounts payable	1,200,190	16,935
Due patient trust	-	(111,704)
Accrued compensation & related taxes	(25,723)	402,707
Net cash provided by operating activities	2,517,637	1,684,827
Cash flows from investing activities:		
Purchase of investments	(6,046,379)	(3,315,403)
Sales of investments	5,518,886	2,757,204
Purchase of property and equipment	(115,045)	(2,312,683)
Additions to construction in progress	(556,747)	-
Net cash provided/(used) by investing activities	(1,199,285)	(2,870,882)
Cash flows from financing activities:		
Principal payments on mortgage payable	(161,778)	(2,675,502)
Increase in loan advances	-	4,500,000
Net cash provided/(used) by financing activities	(161,778)	1,824,498
Net increase (decrease) in cash and cash equivalents	1,156,574	638,443
Cash and cash equivalents		
Beginning of year	2,246,765	1,608,322
End of year	\$ 3,403,339	\$ 2,246,765
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 204,580	\$ 100,573

See accompanying notes and auditor's report.

KIN ON HEALTH CARE CENTER

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Expenses					Supportive Housing	Total Program Expenses	General & Admin.	Development	Total Expenses
	Skilled Nursing Services	Social Services	Home Care	Healthy Living	AiPACE					
Salaries	\$ 5,576,377	\$ 131,085	\$ 2,026,923	\$ 104,404	\$ 83,968	\$ 631,795	\$ 8,554,552	\$ 789,761	\$ 225,730	\$ 9,570,042
Payroll taxes	555,009	12,596	229,982	8,552	6,880	197,352	1,010,372	56,950	19,691	1,087,013
Employee benefits	1,183,355	29,036	439,983	25,788	16,656	123,207	1,818,026	128,072	54,379	2,000,477
Total payroll and benefits	7,314,741	172,717	2,696,888	138,744	107,504	952,355	11,382,949	974,783	299,800	12,657,533
Bad debt	-	8	142	-	-	-	150	-	-	150
Consultants	24,657	-	-	-	-	-	24,657	5,033	1,800	31,490
Continuing education	19,259	-	1,917	-	-	226	21,402	134	2,962	24,498
Depreciation	-	2,619	258	4,866	-	221,523	229,266	457,190	-	686,456
Dues and subscriptions	25,457	1,861	4,404	250	-	370	32,342	8,838	-	41,180
Food	251,202	-	-	-	-	29,831	281,033	-	100	281,133
Insurance	23,067	727	10,723	574	-	46,770	81,861	98,272	-	180,133
Interest	-	-	-	-	-	176,857	176,857	-	-	176,857
License and permits	46,369	219	2,924	-	-	7,978	57,491	-	9	57,500
Maintenance and repairs	22,447	10,787	24,830	4,704	-	5,166	67,934	-	-	67,934
Miscellaneous	125,494	6,536	21,093	3,749	122,269	58,096	337,238	55,139	22,046	414,423
Minor equipment	15,515	1,072	14,276	3,346	-	3,311	37,520	726	4,752	42,998
Program expense	428,759	-	-	-	-	-	428,759	-	3,129	431,888
Professional services	-	2,053	27,368	-	-	8,000	37,421	25,241	1,314	63,976
NH safety net	379,916	-	-	-	-	-	379,916	-	-	379,916
Rent	-	4,269	15,831	43,285	-	-	63,385	-	420	63,805
Supplies	165,699	2,797	30,021	785	-	22,148	221,449	6,137	1,662	229,248
Taxes	-	-	218	436	-	17,930	18,584	4,776	-	23,360
Telephone	-	604	6,237	521	-	3,060	10,422	17,917	-	28,339
Utilities	207,253	23	396	-	-	52,023	259,695	-	-	259,695
Total Expenses	\$ 9,049,835	\$ 206,292	\$ 2,857,527	\$ 201,260	\$ 229,774	\$ 1,605,644	\$14,150,332	\$ 1,654,186	\$ 337,994	\$16,142,512

See accompanying notes and auditor's report.

KIN ON HEALTH CARE CENTER

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2019 (restated)

	Skilled Nursing Services	Social Services	Program Expenses		AiPACE	Supportive Housing	Total Program Expenses	General & Admin.	Development	Total Expenses
			Home Care	Healthy Living						
Salaries	\$ 4,984,379	\$ 134,071	\$ 1,916,767	\$ 83,389	\$ 67,446	\$ 265,742	\$ 7,451,794	\$ 580,093	\$ 229,428	\$ 8,261,315
Payroll taxes	518,390	12,622	216,878	7,379	5,785	29,584	790,637	49,628	18,483	858,748
Employee benefits	1,007,287	30,489	365,028	23,021	14,079	39,576	1,479,480	123,709	26,725	1,629,914
Total payroll and benefit:	6,510,056	177,182	2,498,672	113,789	87,310	334,902	9,721,911	753,430	274,636	10,749,977
Bad debt	-	-	-	-	-	-	-	284	-	284
Consultants	17,665	-	13,057	-	-	-	30,722	-	-	30,722
Continuing education	41,269	-	-	-	-	2,466	43,735	1,054	2,847	47,636
Depreciation	-	-	-	-	-	53,759	53,759	443,982	-	497,741
Dues and subscriptions	24,211	1,846	4,894	250	-	-	31,200	-	-	31,200
Food	266,422	-	-	-	-	6,979	273,401	-	-	273,401
Insurance	23,152	608	8,308	116	-	26,004	58,188	92,690	-	150,878
Interest	-	-	-	-	-	14,426	14,426	-	-	14,426
License and permits	47,233	111	1,485	-	-	3,117	51,947	-	44	51,991
Maintenance and repairs	113,820	194	10,684	4,243	-	28,156	157,097	-	-	157,097
Miscellaneous	32,707	5,219	23,751	21,090	1,543	8,181	92,491	38,896	66,334	197,721
Minor equipment	23,605	218	28,941	3,830	-	1,261	57,855	-	3,776	61,631
Program expense	435,970	-	105,644	-	27,000	-	568,614	-	128,727	697,341
Professional services	-	2,171	-	4,235	-	-	6,406	34,500	7,036	47,942
NH safety net	-	-	-	-	-	-	-	770,974	-	770,974
Rent	-	7,009	25,991	41,962	-	-	74,962	-	-	74,962
Supplies	304,988	218	8,694	2,489	-	26,682	343,071	7,535	2,479	353,085
Taxes	-	-	2,904	-	-	-	2,904	6,054	-	8,958
Telephone	-	685	6,891	727	-	2,190	10,493	17,725	-	28,218
Utilities	208,585	-	-	-	-	29,417	238,002	-	-	238,002
Total Expenses	\$ 8,049,683	\$ 195,461	\$ 2,739,916	\$ 192,730	\$ 115,853	\$ 537,540	\$11,831,182	\$ 2,167,124	\$ 485,879	\$14,484,185

See accompanying notes and auditor's report.

KIN ON HEALTH CARE CENTER

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 - DESCRIPTION OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ENTITY

Kin On Health Care Center (“the Center”) was organized as a not-for-profit Washington State corporation, and is a corporation exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code. The Center was organized to provide a 100 bed community-oriented skilled nursing care facility and a community health care services center. Kin On Health Care Center also organizes fundraising activities and events for future financial needs of the Center. Funds are maintained in separate bank and investment accounts.

Skilled Nursing Services

Kin On’s 52,000 sq. ft., 100-bed facility is specially designed to meet the medical, physical, psychological and spiritual needs of the residents. The skilled nursing facility is licensed by the State of Washington and certified by Medicare and Medicaid to provide both long-term care and short-term rehabilitative services.

With a dedicated team of multi-lingual and multi-cultural staff, Kin On is committed to offering a culturally and linguistically sensitive environment and programs that reflect the customs and traditions of our residents.

Short-term rehab program provides short-term rehabilitative and special care services to individuals discharged from the hospital, so they can successfully transition back to the community or other care settings. While the purpose of this program is to provide short-term rehabilitative care, a Social Service Staff will work closely with the client and family members on discharge planning. Staff will also be available to assist in accessing additional in-home services as well as other transitional facilities based on the preferences and needs of the client.

Social Services

Chronic care managers to provide assessment, care plan development, monitoring of service progress and quality, coordinate health care with client's physician, arrange for medication deliver and monitoring, information and referral, outreach to community groups and gatekeepers to identify potential caregivers in need of support services. Provide support to unpaid caregivers and referral to respite services. Organize and maintain a resource library, develop and maintain a bilingual website, publish a health newsletter.

Home Care

Home Care consists of personal care assistants who provide personal care services at the client's home. Services include the following tasks: ambulation, positioning, bathing, toileting, body care, dressing, transfer, eating, essential shopping, housework, meal preparation, personal hygiene, assistance with medication, supervision, and travel to medical services.

Note 1 – (Continued)

Healthy Living

Healthy Living Program (HLP) enables Asian adults age 55+ to stay physically, mentally, socially active through fitness and cognitive development, health education and lifelong learning programs. An array of activities such as Mahjong, table tennis, dancing, arts and crafts, cooking, and health education classes are offered at two Kin On community centers in South Seattle and Bellevue Crossroads.

AiPACE

Aging in PACE Washington (AiPACE) is a 501c3 not-for profit organization established in 2015 as a partnership between International Community Health Services and Kin On Health Care Center. Once completed, AiPACE will provide low-income, nursing home eligible elders in King County the option to age at home, stay close to family members, and maintain independent living in the community.

Development

The program records and acknowledges all donations including cash, in-kind, and planned gifts. It maintains a donor database and mailing list, organizes fundraising and other special events, and prepares grant applications. Planning and Development also produces the Kin On Report and other communication materials as well as providing support to the Fund Development, Communications, and Planning Committees of the Kin On Board of Directors. Kin On Community Health Care (“the Program”), a non-profit organization located in Seattle, Washington, provides community health care services for the elderly including Social Services, Home Care, Home Health, Hospice, and Planning and Development.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Center presents its financial statements in accordance Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 958-10-65-1. Under FASB ASC No. 958-10-65-1, The Center is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Public Support

To ensure observance of limitations and restrictions placed on the use of resources available to the Center, their accounts are maintained in accordance with the recommendations of the Financial Accounting Standards Board in FASB ASC No. 958-10-65-1. Accordingly, contributions are recognized as revenue when they are received or unconditionally pledged. The Organization records contributions as restricted support, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

See accompanying auditor’s report.

Note 1 – (Continued)

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expense Classification and Allocation

Expenses are classified in the accompanying Statement of Functional Expenses according to whether they relate to a specific program or administrative services. Expenses have been allocated among program and administrative classifications on the basis of payroll expenses and estimates made by the Center's management. Administrative expenses include those expenses that are not directly identifiable with any specific program but provide for the overall support and direction of the Center.

Supplies Inventory

Inventory consists of nursing supplies, food, and other supplies generally used in the operation of the nursing care facility. Inventories are stated at the lower of cost or market on a first-in, first-out basis.

Land, Building, and Equipment

Land, Building and Equipment are stated at cost. The Center's current capitalization policy is to capitalize all assets with an estimated useful life that exceeds one year and with a cost of greater than \$750. The provision for depreciation is computed by the straight-line method based upon the estimated economic useful lives of the assets. The estimated useful lives of Land, Building, and Equipment is five to forty years.

Maintenance and repairs are charged to operations when they occur. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Center has not designated any other assets as cash equivalents in determining the net increase in cash in the statement of cash flows.

Certificates of Deposit

Certificates of deposit are recorded at market value.

Financing & Organization Costs

Certificate of Need and Organization costs are amortized on a straight-line basis over forty years, Financing costs are amortized on a straight-line basis over fifteen years, the term of the loan, with annual amortization expenses of \$10,236.

Medicaid and Medicare Reimbursement

The Center provides services to patients under contractual arrangements with Medicaid and Medicare, which pay according to predetermined rates. These rates are subject to change however the effects do not significantly affect revenue. Contractual payments of approximately are reflected in the financial statements as patient revenue. The related Medicaid costs are audited annually by the Washington State Department of Social and Health Services.

Note 1 – (Continued)

Income Tax Status

The Center is a not-for-profit corporation under the provisions of Section 501(c)(3) of the Internal Revenue Code and, as such, is subject to income taxes only to the extent of taxable unrelated business income. The Organization did not generate any taxable income for the years ended December 31, 2020 and 2019 and therefore no provisions for federal income taxes are necessary. In addition, the Organization has been classified as an organization that is not a private foundation under Section 509(a)(2). The Center's tax filings from the years 2014 forward are subject to audit by various taxing authorities. The Center did not incur interest or penalties related to income tax filings, and had no unrecognized tax benefits which were expected to significantly increase or decrease in the following year.

Investment Valuation

The stated fair values of investments are determined using quoted market prices of identical assets in active markets. This is a level one input per FASB ASC No. 820-10-50, which establishes a three-level hierarchy of inputs used to measure fair values. The Center does not have assets which require level two or level three inputs.

Construction in Progress

Construction in Progress costs consist of legal, architect, survey and other costs related to the development of a senior housing project.

Net Assets

Accounting principles generally accepted in the United States of America require nonprofit entities to report information regarding their financial position and activities according to two classes of net assets: net assets with donor restrictions, and net assets without donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor – (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as Net Assets Released from Restrictions.

Note 1 – (Continued)

Fundraising Expenses

Fundraising expenses include direct costs related to fundraising activities not considered special events. These include costs such as publicizing and conducting fundraising campaigns, maintaining donor lists, and preparing and distributing fundraising materials.

NOTE 2 – MORTGAGE PAYABLE

	<u>2020</u>	<u>2019</u>
Financing agreement payable to Wells Fargo Bank, collateralized by specific land and buildings, payable in scheduled monthly installments of principal and interest through December 2048.	\$ 4,248,835	\$ 4,410,613
Less: Unamortized Loan Fees	(147,249)	(157,894)
Less: Current Maturities	<u>(168,501)</u>	<u>(161,778)</u>
Long Term Debt	<u>\$ 3,933,085</u>	<u>\$ 4,090,941</u>

Principal maturities on the mortgage payable for the next 5 years:

Debt Year	<u>Amount</u>
2021	168,501
2022	175,058
2023	181,835
2024	188,580
2025	196,278
Thereafter	<u>3,338,583</u>
	<u>\$ 4,248,835</u>

NOTE 3 – PORTFOLIO LOAN ACCOUNT AGREEMENT

The Center entered into a lending agreement with Morgan Stanley Bank N.A. pledging its investment securities account as collateral in exchange for a line of credit. The Center advanced amounts enabling it to payoff its existing Wells Fargo term loan and has utilized the line for the Assisted Living Center construction project. Upon completion of the Assisted Living Center it is their plan to obtain permanent term financing. At December 31, 2018 the line of credit balance was \$2,586,115.

NOTE 4 – COMMITMENTS & CONCENTRATION OF RISK

Concentration of Risk

The Center maintains several cash and investment accounts with different banks with amounts exceeding the federally insured limits as of December 31, 2019 and 2018. The Center has not experienced any losses in such accounts.

NOTE 5 – INVESTMENTS

In accordance with generally accepted accounting principles, the Organization uses the following prioritized input levels to measure fair value of investments. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes.

Level 2 – Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data.

Level 3 – Unobservable inputs, which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, such as bid/ask spreads and liquidity discounts.

The fair values of mutual funds and exchange traded products were determined using Level 1 inputs, which were based on quoted prices in active markets. Management believes the fair values of investments to be a reasonable approximation of their exit price.

Investments consisted of the following at December 31, 2020 and 2019:

	2020	2019
Cash Reserves	\$ 22,708	\$ 21,881
Savings and Time Deposits	1,320,995	830,710
Exchange Traded Funds ETFs	1,587,176	1,319,172
Mutual Funds	9,064,072	8,555,936
	<u>\$ 11,994,951</u>	<u>\$ 10,727,699</u>

Net investment return consisted of the following for the years ended December 31, 2020 and 2019:

	2020	2019
Dividend Income	\$ 249,854	\$ 354,924
Interest Income	26,123	13,072
Investment Manager Fees	(62,975)	(67,254)
Net Gain (Loss) Investments	739,759	1,512,481
	<u>\$ 952,761</u>	<u>\$ 1,813,223</u>

NOTE 6 - PENSION PLAN

The Center has a Simplified Employee Pension (SEP) plan covering all employees with over two years of continuous service. The Center's contribution is based upon three percent of the participant's compensation. The Center's contributions for the years ended December 31, 2020 and 9 were \$210,368 and \$183,804 respectively, the related expense is included in the financial statements as a component of employee benefits.

NOTE 7 - OPERATING LEASE

The Program leases office space for \$2,100 and \$3,600 per month on a month to month basis.

NOTE 8 – FUNDING AGREEMENT

In April 2016, the Organization entered into a funding agreement with International Community Health Services of Washington to provide initial funding for Ageing in PACE Washington, a 501(c)(3) organization. An agreement was entered into by Kin On Community Health Care confirming a commitment to provide \$3,000,000 in funding for the organization. A specific funding date has not been specified. The commitment was affirmed by Kin On Health Care Center during the merger of the organizations.

NOTE 9 – PROPERTY & EQUIPMENT

Property and equipment consisted of the following at December 31:

	2020			2019		
	Cost Basis	Accumulated Depreciation	Net Book Value	Cost Basis	Accumulated Depreciation	Net Book Value
Land	\$ 1,208,556	\$ -	\$ 1,208,556	\$ 1,208,556	\$ -	\$ 1,208,556
Improvements	3,504,259	724,548	2,779,711	3,504,260	576,437	2,927,823
Buildings	16,037,582	5,148,365	10,889,217	16,037,582	4,747,470	11,290,112
Equipment	1,765,141	1,224,803	540,338	1,681,025	1,120,663	560,362
Vehicles	56,826	56,631	195	56,826	55,479	1,347
	<u>\$ 22,572,364</u>	<u>\$ 7,154,347</u>	<u>\$ 15,418,017</u>	<u>\$ 22,488,249</u>	<u>\$ 6,500,049</u>	<u>\$ 15,988,200</u>

NOTE 10 – NET ASSETS WITH DONOR RESTRICTION

With donor restriction net assets reported on the statement of activities consisted of funds received by the Organization for the following purposes for years ended December 31, 2020 and 2019:

Restriction	2020	2019
Building expansion	\$ -	\$ 101,752
	<u>\$ -</u>	<u>\$ 101,752</u>

NOTE 11: LIQUIDITY AND AVAILABILITY OF RESOURCES

Kinon Health Care Center strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds.

The following table reflects Kinon Health Care Centers' financial assets as of December 31, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations. Amounts not available include a board-designated pledge fund that is intended to fund the initial support of AiPace of Washington. Amounts not available to meet general expenditures within one year also include net assets with donor restrictions that are restricted in perpetuity, or with purpose restrictions that are not associated with day-to-day operations and/or programs operated by Kinon Health Care Center.

	2020	2019
Cash	\$ 3,288,215	\$ 2,246,765
Investments	11,994,951	10,727,699
Accounts and contract receivables	1,122,274	1,248,496
	<u>16,405,440</u>	<u>14,222,960</u>
Net Assets with Donor Restrictions, not for day-to-day operations	(101,752)	(101,752)
Board Pledged Funding	<u>(3,000,000)</u>	<u>(3,000,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 13,303,688</u>	<u>\$ 11,121,208</u>

NOTE 12 – PRIOR PERIOD ADJUSTMENT

The prior period has been adjusted to reflect the following corrections: Prior period expenses were recorded as other assets in the amount of \$27,000. This amount has increased the prior period expenses relating to the AiPACE program. An additional adjustment was made in the amount of \$105,644 reflecting the results of a program audit. The combined adjustment have reduce the change in net assets for the period ended December 31, 2019 by \$132,644.

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through April 22, 2021, the day the financial reports were available for review.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Kin On Health Care Center

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Kin On Health Care Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 22, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kin On Health Care Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kin On Health Care Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Kin On Health Care Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kin On Health Care Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Branch, Richards & Co., P.S.

Seattle, Washington
April 22, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Kin On Health Care Center

Report on Compliance for Each Major Federal Program

We have audited Kin On Health Care Center's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Kin On Health Care Center's major federal programs for the year ended December 31, 2020. Kin On Health Care Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Kin On Health Care Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Kin On Health Care Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Kin On Health Care Center's compliance.

Opinion on Each Major Federal Program

In our opinion, Kin On Health Care Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the major programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of Kin On Health Care Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Kin On Health Care Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Kin On Health Care Center's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Branch, Richards & Co., P.S.

Seattle, Washington

April 22, 2021

KIN ON COMMUNITY HEALTH CARE

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Contract Number	2020 Federal Expenditures
U.S. Department of Health & Human Services			
Pass-through from State of WA Department of Human Services			
Aging & Disability Services			
COPEs and Medicaid Personal Care	93.778*	DA20-5139	\$ 2,360,579
Respite Care Program	93.778*	DA20-5139	162,767
Total for Cluster			<u>2,523,346</u>
Special Programs for the Aging	93.044	DA20-1464	57,355
National Family Caregiver Support	93.052	DA20-7318A1	110,313
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,691,014

See notes to the schedule of expenditures of federal awards.

KIN ON HEALTH CARE CENTER

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2020**

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

NOTE 2 - MAJOR PROGRAMS

The asterisk (*) to the right of a CFDA number identifies the grant as a major federal program as defined by OMB Uniform Guidance.

NOTE 3 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal portion of the program costs. Actual program costs may be more than shown.

NOTE 4 – INDIRECT OVERHEAD RATE

The Center has elected to not use the 10% indirect overhead reimbursement rate.

KIN ON HEALTH CARE CENTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be a material weakness?	None reported
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over financial reporting Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be a material weakness?	None reported
Type of auditor's report on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	No
Identification of major programs: CFDA # 93.778	COPES and Medicaid Personal Care Program
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

KIN ON HEALTH CARE CENTER

**SCHEDULE OF DIVISION ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Expenses							General & Admin.	Development	Total
	Skilled Nursing Services	Social Services	Home Care	Healthy Living	AiPACE	Supportive Housing	Total Program			
Support and revenues										
Contract and grant	\$10,719,552	\$ 201,885	\$ 3,125,391	\$ 113,687	\$ 106,161	\$ 490,429	\$14,757,104	\$ -	\$ -	\$14,757,104
Donations	25,000	-	408	69,180	-	50,008	144,596	-	1,370,283	1,514,879
Total	10,744,552	201,885	3,125,799	182,867	106,161	540,437	14,901,700	-	1,370,283	16,271,983
Expenses										
Salaries	5,576,377	131,085	2,026,923	104,404	83,968	631,795	8,554,552	789,761	225,730	9,570,042
Payroll taxes	555,009	12,596	229,982	8,552	6,880	197,352	1,010,372	56,950	19,691	1,087,013
Employee benefits	1,183,355	29,036	439,983	25,788	16,656	123,207	1,818,026	128,072	54,379	2,000,477
Total payroll and benefit:	7,314,741	172,717	2,696,888	138,744	107,504	952,355	11,382,949	974,783	299,800	12,657,533
Bad debt	-	8	142	-	-	-	150	-	-	150
Consultants	24,657	-	-	-	-	-	24,657	5,033	1,800	31,490
Continuing education	19,259	-	1,917	-	-	226	21,402	134	2,962	24,498
Depreciation	-	2,619	258	4,866	-	221,523	229,266	457,190	-	686,456
Dues and subscriptions	25,457	1,861	4,404	250	-	370	32,342	8,838	-	41,180
Food	251,202	-	-	-	-	29,831	281,033	-	100	281,133
Insurance	23,067	727	10,723	574	-	46,770	81,861	98,272	-	180,133
Interest	-	-	-	-	-	176,857	176,857	-	-	176,857
License and permits	46,369	219	2,924	-	-	7,978	57,491	-	9	57,500
Maintenance and repairs	22,447	10,787	24,830	4,704	-	5,166	67,934	-	-	67,934
Miscellaneous	125,494	6,536	21,093	3,749	122,269	58,096	337,238	55,139	22,046	414,423
Minor equipment	15,515	1,072	14,276	3,346	-	3,311	37,520	726	4,752	42,998
Program expense	428,759	-	-	-	-	-	428,759	-	3,129	431,888
Professional services	-	2,053	27,368	-	-	8,000	37,421	25,241	1,314	63,976
NH safety net	379,916	-	-	-	-	-	379,916	-	-	379,916
Rent	-	4,269	15,831	43,285	-	-	63,385	-	420	63,805
Supplies	165,699	2,797	30,021	785	-	22,148	221,449	6,137	1,662	229,248
Taxes	-	-	218	436	-	17,930	18,584	4,776	-	23,360
Telephone	-	604	6,237	521	-	3,060	10,422	17,917	-	28,339
Utilities	207,253	23	396	-	-	52,023	259,695	-	-	259,695
Total Expenses	9,049,835	206,292	2,857,527	201,260	229,774	1,605,644	14,150,332	1,654,186	337,994	16,142,512
Changes in Net Assets	\$ 1,694,717	\$ (4,407)	\$ 268,272	\$ (18,393)	\$ (123,612)	\$ (1,065,207)	\$ 751,368	\$ (1,654,186)	\$ 1,032,289	\$ 129,471

See accompanying notes and Auditor's report.

Pacific Rim Center LLC
COMMERCIAL LEASE AGREEMENT
900 South Jackson Street
Seattle, Washington 98104





TENANT: KIN ON HEALTH CARE CENTER

THIS AGREEMENT OF LEASE, is made and entered into this 19th day of **October, 2020**, by and between **PACIFIC RIM CENTER, L.L.C.** a limited liability company in the State of Washington, hereinafter referred to as "Landlord", and **Kin On Health Care Center, a Washington State Non-Profit Corporation**, hereinafter referred to as "Tenant."

Landlord: **Pacific Rim Center LLC**
Address for notices: **P.O. Box 1001, Mercer Island, WA 98040**
Tenant: **Kin On Health Care Center**
Address for notices: **4416 South Brandon Street, Seattle, WA 98118**

- Article 1: Premises and term
- Article 2: Rent
- Article 3: Alterations, occupancy and indemnity
- Article 4: Use of Premises
- Article 5: Quiet enjoyment
- Article 6: Utilities
- Article 7: Air conditioning and heat
- Article 8: Taxes and other assessments
- Article 9: Pest control
- Article 10: Maintenance and repair of Premises
- Article 11: Insurance
- Article 12: Destruction of Premises
- Article 13: Eminent domain
- Article 14: Access to Premises
- Article 15: Windows and storefronts
- Article 16: Signs and advertisement
- Article 17: Waiver of subrogation rights
- Article 18: Indemnification
- Article 19: Waste and liens
- Article 20: Assigning and subletting
- Article 21: Successors and assigns
- Article 22: Holding over
- Article 23: Surrender
- Article 24: Default
- Article 25: Perfection of Landlord's lien
- Article 26: Subordination
- Article 27: Waiver
- Article 28: Notices
- Article 29: Recording
- Article 30: Attorneys' fees
- Article 31: Entire agreement; Amendments in writing
- Article 32: Other tenants
- Article 33: Confidentiality
- Article 34: Changes requested by institutional lender, estoppel certificate
- Article 35: Force majeure
- Article 36: Instructions, rules and regulations

Landlord:  Tenant: 

Article 37: Option to Extend
Article 38: Security deposit and pre-paid items
Article 39: General
Article 40: Additional provisions

WITNESSETH:

For and in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

ARTICLE 1. PREMISES AND TERM

1.1 Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord those certain premises hereinafter called "Premises", which are in a **commercial and residential** building located in King County, Washington, known as **Pacific Rim Center, 900 South Jackson Street**, Seattle, Washington. **Pacific Rim Center** has both a commercial and residential space. The **Pacific Rim Center** is legally described in Exhibit A which is attached hereto and made a part hereof. **Pacific Rim Center** is hereinafter referred to as the "Building." The Building and the real property upon which it is located legally described in Exhibit A is hereinafter collectively referred to as the "Property." The boundaries and location of the Premises consist of an agreed area of approximately **2,286** rentable square feet and shall extend to the center line of any party walls and to the exterior faces of any exterior walls of the Building. Tenant hereby waives and releases Landlord from any past, present or future claim based on a determination that the rentable area of the Premises, its configuration as of the Commencement Date, or the Property is other than as represented in this Section 1.1, Exhibits A, B, or any of the exhibits specified under Article 40. Tenant agrees that it has made its own independent investigation of the configuration, the Premises, the Property, their location and legal descriptions and waives any claims against Landlord or others based on the legal descriptions of the Premises and/or location and/or configuration of the Property. The Premises are designated as **900 South Jackson Street #218-219** and more particularly described in Exhibit B attached hereto.

1.2 Acceptance of Premises. Tenant has inspected and accepted the Premises and agrees to lease the Premises based on their "as is" condition and the approximate square footage of the Premises stated in this Section 1.1. Landlord makes no representations or warranties to Tenant regarding the Premises, including but not limited to the structural condition of the Premises or the condition of all mechanical, electrical and other systems on the Premises, or the presence in, on or under the Premises or any improvements, of any hazardous, toxic or regulated material or substance, as defined in any applicable law or regulation. Except for any tenant improvements to be completed by Landlord as described in the exhibits under Article 40 (the "Landlord's Work"), Tenant shall be responsible, after receiving written consent from Landlord, for performing any work necessary to bring the Premises into a condition satisfactory to Tenant. By signing this Lease, Tenant acknowledges that it has had adequate opportunity to investigate the Premises; acknowledges responsibility for making any corrections, alterations and repairs to the Premises (other than the Landlord's Work); and acknowledges that the time needed to complete any such items shall not delay the Commencement Date and/or commencement of rental payments.

1.3 Common Area(s). The terms "Common Area" and "Common Areas" shall respectively mean a portion or portions of the Property outside the Premises which are not specifically leased or specifically available for lease to tenants and which have at the time in question been designated by Landlord in its sole discretion for the benefit of more than one tenant of the Property, such as common hallways, lobbies, sidewalks, stairs, walkways, driveways, parking areas, service areas, shared heating ventilation and air conditioning systems, shared mechanical equipment and rooms, landscaped areas, roof, exterior and interior walls, elevators, building identification signs, traffic markers and signs, trash facilities, loading docks, storm drains and sewers, utility lines, maintenance spaces and restrooms serving the public. All of

the Common Area shall be subject to the exclusive control and management of Landlord, its manager and its representatives. Tenant's access to use Common Areas, which is non-exclusive, shall be subject to Landlord's policies and as such may be denied or limited at any time and for any reason at Landlord's sole discretion, so long as Landlord makes diligent effort to make reasonable access available to the Premises. Landlord reserves the right from time to time to (a) make changes in the Common Areas, including without limitation, changes in location, size, number, shape and/or configuration; (b) close and/or deny access, temporarily or permanently, to any of the Common Areas for any purposes; (c) restrict access to some (but not all) tenants; (d) convert any portion of the Common Areas to the exclusive use of Landlord or selected tenants; and (e) add additional spaces, buildings, parking areas and/or other improvements to the Common Areas; and/or (e) do and perform such acts and make such other changes in, to or with respect to the Common Areas as Landlord may deem appropriate. Tenant agrees that any reduction in the size or number of, or Tenant's access to, Common Areas will not result in a reduction of Tenant's rent obligations including but not limited to obligation Tenant may have for Operating Costs.

Tenant shall place no personal property in the Common Areas of the Property including without limitation the hallways, stairways, roof, loading docks, sidewalks and parking areas. Any personal property left by Tenant in such areas shall become property of the Landlord to dispose of as Landlord deems appropriate without any accounting or notice to Tenant and without prejudice to Landlord's rights as provided herein. Tenant shall reimburse Landlord the cost of removing such personal property as additional rent and Tenant waives any claims against Landlord for any damages resulting from Landlord's retention or disposition of any such personal property. Landlord's rights and Tenant's obligations under this Article shall survive the expiration or termination of this Lease.

1.4. Lease Term. The term of this Lease ("Lease Term" shall be for **two (2.0) years** commencing on **November 1, 2020** ("commencement Date") and ending precisely on **October 30, 2022**. Both Landlord and Tenant agree that the rental payment commences on **March 1, 2021** and that **no monthly rental payment shall be due between November 1, 2020 – February 28, 2021** (the "free rent" period).

ARTICLE 2. RENT

Tenant shall pay to Landlord, as rental therefor, without notice, demand, deduction or offset, the following amounts, in lawful money of the United States of America, determined and payable in the manner and at the times set forth below, to wit:

2.1. Minimum Base Rent. For the period commencing on **March 1, 2021** and continuing to the end of the Lease Term, Tenant shall pay Landlord on or before the first day of each calendar month a Minimum Base Rent of:

Three Thousand Six-Hundred and Twenty and 00/100 Dollars (\$3,620.00)

for each and every calendar month. Rent for any period during the Lease Term hereof which is for less than one (1) month shall be a pro-rata portion of the monthly installment based on a thirty (30) day month. Any Minimum Base Rent is due on or before twelve o'clock midnight (12:00 A.M.) of the first day of each calendar month. If any sums or other charges payable by Tenant to Landlord under this Lease are not received within five (5) days of their due date, Tenant shall pay Landlord a late charge of five percent (5%) of such overdue payment, which late charge shall constitute additional rental due to the Landlord under this Lease. Landlord's acceptance of any such Lease payments after the due date, and/or acceptance of any payment less than the full amount due, shall not be deemed a waiver of Landlord's right to take such action as is allowed under the terms of this Lease or other applicable laws, including but not limited to the right to terminate this Lease and Tenant's rights to possession thereunder. Any and all other charges due under this Lease not received by Landlord within five (5) days of their due date shall also be subject to a five percent (5%) late charge to be paid by Tenant to Landlord as additional rent. Tenant further agrees to pay Landlord an interest charge of twelve percent (12%) per annum applied to any amount owed under this Lease by Tenant and not paid within five (5) days of their due date. For each payment returned for insufficient funds, Tenant shall pay Landlord an additional NSF fee equal to two

percent (2%) of the attempted payment amount. Tenant agrees that if Tenant breaches this Lease and/or abandons the Premises before the end of the Term, or if Tenant's right to possession is terminated by Landlord because of Tenant's default, Landlord shall, at its option: (i) void the period of "free rent" or "reduced rent" granted to Tenant as a concession for entering this Lease, and (ii) recover from Tenant, in addition to any damages due Landlord under the terms and conditions of this Lease, the Minimum Base Rent for such rent-free or reduced-rent period at a rental rate equivalent to the greater of the Minimum Base Rent rate set forth in this Lease applicable to the period immediately after the rent-free or reduced-rent period, or the period immediately preceding such period.

2.2. Minimum Base Rental Adjustment. The Minimum Base Rent provided for in Section 2.1 above shall be subject to an increase of three percent (3%) starting on **November 1, 2021**.

2.3. Intentionally deleted.

2.4. Common Area Charge.

(a). The Tenant's "common area charge"(CAC) is defined as **0.00%** of Landlord's costs and expenses of every kind and nature incurred by Landlord in the ownership, operation, maintenance and repair of the Property, and the common areas (collectively the "common areas") in accordance with reasonable accounting and management practices consistently applied, including, without limitation all taxes and assessments (including but not limited to real estate and property taxes and assessments, local improvement district assessments and other special purpose assessments, utility or transportation assessments or taxes and/or taxes on rents or gross receipts); insurance premiums paid by Landlord and deductibles; the cost of electrical, water/sewer and other utilities consumed on the Property (other than utilities separately metered and paid directly or separately by Tenant or other tenants); the cost of any governmentally required license, permit or inspection for or of the Property; personal property taxes on any personal property owned by Landlord and located on the Property and used for the maintenance and operation of the Property; janitorial and all other cleaning services; refuse and trash removal (other than removal paid directly and/or separately by Tenant or other tenants); refurbishing and repainting; flooring replacement; servicing of common heating, ventilation and air conditioning (HVAC) components and systems; elevator service, repair and replacement; pest control; amortization of capital improvements as Landlord may install; costs of legal services (except those incurred directly relating to a particular occupant of the building); accounting services; labor, supplies, materials and tools; parking lot or security attendant; the costs of any property management fees associated with the administration of the Property; salaries, wages, other compensation, workers' compensation, social security, unemployment or similar taxes, benefits imposed by law or otherwise relating to employees of Landlord or its agents directly engaged in the operation, repair or maintenance of the Property; Property security patrol; fire alarm/sprinkler and security alarm monitoring, etc.; and any other costs and expenses of any other kind whatsoever reasonably incurred by Landlord in operating or maintaining the Property. The annual total of the aforementioned expenses shall be referred to as "Total Expenses".

Expenses for Common Areas shall not include: Costs incurred in connection with or directly related to the original construction (as distinguished from operation and maintenance) of the Property; interest, principal, points and fees on debt or amortization of any mortgage encumbering the Property or any portion thereof; depreciation; leasing commissions or broker fees incurred in connection with leasing with other tenants of the Property; charitable or political donations made by Landlord; sculptures, paintings or works of art exceeding \$1,000.00; attorneys' fees and expenses incurred with respect to defaulting tenants; costs in connection with disputes with tenants or other occupants, or expenses associated with the enforcement of leases; repairs or maintenance performed for the exclusive benefit of a tenant in that tenants space which is not part of the common area; any expenditures for which Landlord is reimbursed by insurance or condemnation proceeds.

Tenant agrees to pay Landlord as additional rent a "common area charge" as detailed above. The amount owed by Tenant for CAC is subject to annual increase and adjustment based on each year's increase

and/or decrease in the amount of Total Expenses as set forth below. Without advance notice to Tenant, Landlord may change the size, use, or nature of any Common Areas, erect improvements on the Common Areas or convert any portion of the Common Areas to the exclusive use of Landlord or selected tenants, so long as Tenant is not thereby deprived of substantial benefit of the Premises. Landlord reserves the right to use exterior walls, ceilings and the roof, and the rights to install, maintain, use, repair and replace pipes, ducts, conduits, and wires leading through the Premises in areas which will not materially interfere with Tenant's use thereof. Notwithstanding the foregoing, in the event that there are CAC which only benefits the Premises not shared by other tenants, Tenant shall pay one hundred percent (100%) of such CAC which Landlord in its sole discretion may allocate exclusively to the Premises. Notwithstanding the foregoing, Landlord may equitably adjust Tenant's Pro Rata Share for all or part of any item of expense or cost reimbursable by Tenant that relates to a repair, replacement, or service that benefits only the Premises or only a portion of the Building and/or the Property or that varies with the occupancy of the Building and/or the Property.

(b). The Tenant shall pay a CAC of:
Zero and 00/100 Dollars (\$0.00)
for each and every calendar month.

2.5. Light, air, view and access: Tenant covenants and agrees that no diminution of light, air, view or access by any structure which may hereafter be erected, or reconfiguration of any infrastructure shall entitle Tenant to any reduction of Rent under this Lease, result in any liability or obligation of Landlord to Tenant, or in any way affect this Lease or Tenant's obligation hereunder.

2.6. Place of Payment. Unless otherwise directed by Landlord, the Tenant shall pay all rentals and other amounts due under this Lease to the order of **Pacific Rim Center LLC**, P.O. Box 1001, Mercer Island, WA 98040, or to such other party or at such other place as Landlord may hereafter designate in writing.

2.7 Intentionally deleted.

ARTICLE 3. ALTERATIONS, OCCUPANCY AND INDEMNITY

3.1. Alterations and Tenant Improvements. Except for the Landlord Work specified in Exhibit D, if any, Tenant accepts the Premises based on their "As Is" condition, including any alterations, additions and improvements made by previous tenants, and any equipment or items remaining in Premises at lease commencement. No alterations, including storefront alterations, can be made to the Premises without prior written permission of the Landlord in response to a Tenant written request that includes the names of Tenant's contractors and reasonably detailed plans and specifications therefor, including but not limited to specific plans for any new or altered roof penetrations or utility installations and/or alterations if applicable. Upon prior written consent of Landlord, Tenant may make alterations, additions and improvements in said Premises ("Tenant Improvements") using contractors approved in writing by Landlord, not affecting the structural components of the Premises or utility systems therein, at Tenant's sole cost and expense. Tenant shall promptly perform, at its sole cost and expense and without any right of reimbursement, any alterations, additions or renovations required to bring Premises into compliance with the Americans with Disabilities Act and Local Barriers Acts. In the performance of such work, Tenant agrees to comply with the standards set forth by Landlord and all laws, ordinances, rules and regulations of any proper public authority. If any alteration of the Premises desired by Tenant would trigger any obligation on the part of the Landlord to make other changes to the Property to comply with any law or regulation from which the Property is otherwise exempted or grandfathered, then the Landlord shall have the discretion to refuse Tenant's desired alteration. Tenant and Tenant's agents and contractors shall perform work in a manner so as to not unreasonably interfere with other tenants, which at Landlord's sole discretion, may include without limitation restrictions on construction work to evenings and weekends. Tenant shall pay, when due, all claims for labor or materials furnished to or for Tenant at, or for use in the Premises. Tenant shall not permit any lien to be asserted against the Premises or Property

for any charge incurred or alleged to have been incurred by Tenant, and Tenant shall indemnify, defend Landlord against, and hold Landlord harmless from any and all liability, costs (including attorneys' fees and costs), and damages therefrom. Landlord may, at its sole option, require Tenant, at Tenant's expense, to obtain for Landlord's benefit a surety bond in an amount equal to the estimated cost of such work, to insure Landlord and the Property against any liability for liens arising from such work and to insure completion of the work. Any Tenant Improvements which are made without the prior written consent of Landlord shall be removed by Tenant at its sole cost within ten (10) days after Landlord requests the removal.

Tenant is solely responsible for remedy or repair work in the event Tenant or Tenant's contractor(s) causes any damage to the Property, regardless of whether the action was intentional or unintentional. Landlord hereby informs Tenant and Tenant acknowledges that Premises may have a post-tension and/or structural concrete floor, and Tenant or Tenant's contractor(s) shall not perform, or permit others to perform coring or any penetration of the floor for any purpose, unless Tenant furnishes Landlord with X-ray scans of the floor area accompanied by written plans outlining specifications of the proposed coring, and Landlord, at its sole discretion, is satisfied on the basis of such X-ray scans and other information obtained by Landlord, that coring of the floor shall not weaken the structure of the floor, and provides Tenant with written consent. Tenant agrees that all interior partitioning wall studs must be steel or metal; no wood studs are allowed.

Tenant must ensure that all contractors making alterations, additions and/or improvements in said Premises are licensed, insured and bonded as required by laws and regulations of any proper public authority, and prior to commencement of construction, Tenant shall ensure and provide Landlord with compliance documentation that all contractors have in full force and effect a policy of commercial general liability and builder's risk insurance, and that all policies name as additional insureds the Landlord, the Landlord's lender, its manager and any entities or persons designated by the Landlord and such insurance shall be primary and any insurance purchased by Landlord shall be excess to it and non-contributory. The policy limits for personal injury, property damage, loss of use, and business interruption shall not be less than One Million Dollars (\$1,000,000) per occurrence, with a \$2,000,000 aggregate and \$4,000,000 umbrella policy following the form of each underlying policy, with a deductible of not more than \$10,000. The insurance shall be with a reputable insurance company with a minimum financial rating of A-VII or better that is admitted in the state in which the Premises are located, and a certificate of insurance and additional insured endorsements shall be delivered to the Landlord prior to commencement of any work. The Landlord also shall be named an additional and/or named insured on the builder's risk policy and its limits shall be in the full amount of the cost of construction, shall not have a deductible of more than \$5,000, will be purchased at Tenant's expense, and shall be in a form approved by Landlord. All deductibles discussed herein, related to any policy of any type, shall be paid by Tenant. The Tenant and its insurers agree that all such policies discussed herein shall provide a waiver of any claim for subrogation against Landlord and Landlord's lender by Tenant and the insurer that issued the policy and Tenant further agrees to waive any claim for subrogation against Landlord and its lender.

Tenant warrants to Landlord that all materials and equipment furnished by Tenant in its improvement of the Premises shall be new and that all of the Tenant's work to be performed shall be of good and workmanlike quality, free from faults and defects, and in accordance with the final plans and specifications. Any of the Tenant's work not conforming to the above standards shall be considered defective and Tenant agrees to correct or remove such work at Landlord's sole discretion. During construction of any Tenant improvements, Landlord may reasonably restrict hours of construction if such activity adversely affects the ability of other tenants on the Property to peaceably and quietly hold and enjoy use of their respective premises. During construction of any Tenant improvements, Tenant's Representative shall confer periodically with Landlord regarding the progress of the work. Landlord's Representative may request and Tenant agrees to make reasonable changes, modifications or alterations to the plans and specifications at Tenant's sole cost. Landlord shall not be responsible for any delays in the time for completion or construction, even if it requests changes. In the course of constructing Tenant

Improvements, Tenant, its employees, officers, agents, servants or contractors will use protective materials in common areas including but not limited to floor and elevator pads if applicable, and take necessary precautions as to prevent damage to Property's common areas. Tenant shall complete construction of Tenant Improvements within one-hundred twenty (120) days after the plans and specifications have been approved by Landlord. Tenant shall immediately upon completion of construction give written notice to Landlord of such completion.

Upon termination of this Lease, for any reason, including but not limited to default, Tenant agrees that Landlord has the right to determine in its sole discretion, whether Tenant is required to remove such Tenant Improvements to restore the Premises to their Original Condition at the date of Lease commencement, at Tenant's sole cost and expense.

Landlord has the right to determine in its sole discretion, whether Tenant is required to remove at Tenant's sole cost and expense any Tenant Improvement made without the prior written consent of Landlord during the Lease Term. In the Tenant's removal of any Tenant Improvement, Tenant shall restore utilities and repair damage to walls and floors and return the Premises to Original Condition at its sole cost and expense. "Original Condition" is further defined as a vacated, cleaned space with no damage to perimeter walls or other areas or items, and properly functioning utilities. Upon written notification from Landlord to Tenant of such a determination, Tenant agrees to immediately comply. In the event Tenant fails to remove any improvements, alterations, equipment or trade fixture as directed by Landlord, Landlord may effect such removal and repair at Tenant's expense. Unless Landlord required removal, as provided elsewhere in this Lease, all alterations, improvements or additions which may be made on the Premises shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term; provided Tenant's machinery, equipment and trade fixtures, other than that which is affixed to the Premises so that it cannot be removed without material damage to the Premises, shall remain the property of Tenant and may be removed by Tenant prior to the end of the Term of this Lease and subject to Tenant's obligations to maintain the Premises. If Tenant does not remove its property at the end of the lease term, such machinery, equipment, and trade fixtures shall become property of the Landlord to dispose of as Landlord deems appropriate without any accounting or notice to Tenant and without prejudice to Landlord's rights as provided herein. Tenant waives any claims against Landlord for any damages resulting from Landlord's retention or disposition of any such property. Landlord's rights and Tenant's obligations under this Article shall survive the expiration or termination of this Lease.

Until Tenant has fully completed all removal, restoration and cleaning required by Landlord, Tenant shall be liable for continuing Minimum Base Rent common area charges and all other amounts normally due under the Lease, in the amounts applicable at the time of the termination of the Lease by default or otherwise, until such time as improvements are removed by Tenant or at its expense as required by the Landlord. Tenant shall immediately repair any damage to the Premises caused by removal of Tenant Improvements.

3.2. Occupancy.

(a). Tenant shall have the right to occupy the Premises upon the **Commencement Date**, payment of rent and deposits, and Landlord's receipt of required insurance certificates from contractors (if applicable) and Tenant as described in Articles 3 and 11. Tenant's responsibility for payment of utilities used by Tenant shall commence upon such entry.

(b). **Early access.** If Landlord permits Tenant, its agents and contractors, reasonable access to the Premises with no obligation to pay rent, for the sole purpose of making tenant improvements as approved by Landlord, as well as installing utilities and furniture, prior to the Commencement Date specified in Section 1.3, then such early occupancy shall not advance the Commencement Date or the Termination Date set forth in Section 1.3, but otherwise all terms and conditions of this Lease shall nevertheless apply during the period of early occupancy before the Commencement Date; and prior to any such early access,

Tenant shall deliver to Landlord deposits and required insurance certificates as described in Articles 3 and 11. Landlord has no obligation to grant Tenant early access to the Premises.

3.3. Indemnity. Tenant shall defend, hold harmless and indemnify Landlord and its representatives, employees, lenders, successors and assigns, from any and all claims, damages, loss of rents and damages, costs, liens, judgments, penalties, loss of permits, attorneys' and consultants' fees and costs, expenses and liabilities of any kind or nature including but not limited to claims for injury or damage to person or property resulting from or arising out of any Tenant Improvements to the Premises and from all liens or other claims.

ARTICLE 4. USE OF PREMISES

4.1. Business. Tenant covenants that:

Tenant intends to operate under the trade name of:

Kin On Health Care

and shall use the Premises solely for the purpose of conducting the business of:

Office space

and for no other use without Landlord's prior written consent. Tenant agrees that it has determined to its satisfaction that the Premises can be used for the Permitted Use and waives any right to terminate this lease if the Premises cannot be used for the Permitted Use during the Term, unless the prohibition on use is the direct result of actions taken by Landlord. Tenant shall not conduct any business on, from or through the Premises or publish any advertising for services or products to be sold or provided on, from or through the Premises under a trade name ("Tenant's d/b/a"), except for the trade name stated in this Section 4.1, unless Tenant shall have first obtained Landlord's written approval of Tenant's d/b/a. No act shall be done by Tenant, its' employees, officers, agents, contractors, customers, clients, visitors, guests, or other licensees or other licensees or invitees, on or around the Premises that is unlawful or that will increase the existing rate of insurance on the Premises, the Building, or the Property, or cause the cancellation of any insurance on the Premises, the Building or the Property. Tenant shall not commit or be allowed to be committed any waste upon the Premises, or any public or private nuisance. Tenant shall not do or permit anything to be done on the Premises, the Building or the Property which will obstruct or interfere with the rights of other tenants or occupants of the Property, or their employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, or to injure or annoy such persons. Tenant shall not, without the prior written consent of the Landlord, use any apparatus, machinery or device in or about the Premises which will cause any substantial noise, vibration or fumes. Tenant shall not use or permit the use of the Premises or any portion thereof as living quarters, sleeping quarters or for lodging purposes. No auction pursuant to any assigning for the payment of creditors or pursuant to any bankruptcy or other insolvency proceeding, or for any other reason may be conducted on the Premises without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion and, if granted, such consent may be conditioned as Landlord deems appropriate. Any breach by Tenant of the provisions of this Article 4 shall be deemed a default by Tenant under the terms of this Lease.

4.2. Legal Compliance. Tenant shall make no unlawful improper or offensive use of the Premises, or any portion thereof, and during said term, or any extension thereof, shall comply with all statutes of the United States and/or the State of Washington and with all ordinances, rules, regulations and laws of other governmental authorities applicable to the Premises and the general use thereof, including without limitation, the Americans with Disabilities Act (including the Americans with Disabilities Act Accessibility Guidelines for Building and Facilities), the Fair Housing Amendments Act of 1988 insofar as applicable, and all other governmental requirements relating to the foregoing. Tenant shall not alter or permit any assignee or subtenant or any other person to alter the Premises in any manner which would violate such Access Laws or increase Landlord's responsibilities for compliance with Access laws, without the express prior written approval of the Landlord. Tenant shall not use or permit the use of the Premises in any

manner that could create a nuisance, unnecessarily disturb other tenants or occupants of the Property or tend to injure the reputation of the Property. Tenant will not do anything that could create a danger of life and limb, hazards to health or increase any insurance rates upon the Premises or other portions of the Property. Tenant shall be responsible, at its sole cost and expense, for making any changes or alterations as may be required by law, rule, regulation, or order required for Tenant's lawful use of the Premises.

4.3. Prohibited Activities. Tenant agrees not to use the Premises for the sale of controlled substances (except alcohol, but only if licensed to do so), illegal drugs, marijuana, flammable liquid, toxic materials or poisonous materials. Except for standard office supplies normally used in general business offices, neither the Tenant, nor the Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees shall at any time handle, use, manufacture, disturb, store or dispose of in or about the Premises, any flammables, explosives, radioactive materials, hazardous wastes or materials, toxic wastes or materials, or other similar substances, petroleum products or derivatives or any other substance subject to regulation by or under any federal, state and local laws and ordinances (collectively "Hazardous Materials"). Tenant shall immediately notify Landlord in writing of, and shall contemporaneously provide Landlord with a copy of (i) any written notice of release of hazardous wastes or substances, pollutants or contaminants on the Property that is provided by Tenant or any subtenant or other occupant of the Premises to a government or regulatory agency; (ii) any violation, or a potential or alleged violation, of any environmental law that is received by Tenant or any subtenant or other occupant of the Premises from any governmental or regulatory agency; (iii) any inquiry, investigation, enforcement, cleanup, removal or other action that is instituted or threatened by a governmental or regulatory agency against Tenant or any subtenant or other occupant of the Premises and that relates to the release of discharge of hazardous wastes of substances, pollutants or contaminants on or from the Property; (iv) any claim that is instituted or threatened by any third-party against Tenant or any subtenant or other occupant of the Premises and that relates to any release or discharge of hazardous wastes or substances, pollutants or contaminants on or from the Property. Tenant shall protect, defend, indemnify and hold Landlord harmless from and against any and all loss, claims, liability or costs (including court costs and attorney's fees) incurred by reason of any actual or asserted failure of Tenant to fully comply with any applicable laws, or the presence, handling, use or disposition in or from the Premises of any Hazardous Materials, or by reason of any actual or asserted failure of Tenant to keep, comply with, observe, or perform any provision of this Article 4.

ARTICLE 5. QUIET ENJOYMENT

Landlord warrants and covenants that Tenant, if Tenant is in compliance with all of its obligations hereunder, shall, and may peaceably and quietly hold and enjoy the Premises for the term aforesaid.

ARTICLE 6. UTILITIES

Tenant is solely responsible for payment for electrical, gas and other utilities, which have separate meters serving the Premises used by utility providers. In addition to Minimum Base Rent, CACs and payment for utilities that have separate meters, Tenant covenants to promptly, and as the bills therefor become due and payable, pay for any and all additional costs incurred by Landlord for heat, air conditioning, water, gas, light, power and/or other utility service, including garbage, trash removal and sewage disposal, used by Tenant in or about the Premises during the term of this Lease or any extension thereof whether such bills are presented to Tenant before, during or after the termination of the occupancy of said Premises by the Tenant.

Tenant shall store garbage and recycling within Premises and shall timely move containers for collection to the west exterior of the Building along 9th Avenue South, or to such other location as designated by Landlord at its sole discretion, and return containers to Premises.

Landlord:  Tenant: 

In the case of garbage, recycling collection and composting, Tenant agrees to contract with and pay directly to service providers.

In the case of water/sewer, Tenant agrees to pay Landlord 0.00% of the charges to the Building.

Tenant shall pay Landlord on or before the first day of each month a minimum estimated water/sewer charge of:

Zero and 00/100 Dollars (\$0.00)

on each and every calendar month. Tenant agrees to the additional provisions contained in the exhibits under Article 40.

Tenant shall furnish all other utilities, including but not limited to, garbage, recycling and composting collection, telephone, Internet, television and cable service, and other services which Tenant requires with respect to the Premises, and shall pay, at Tenant's sole expense, the cost including but not limited to applicable taxes and fees of all utilities separately metered to the Premises and of all other utilities and other services which Tenant requires with respect to the Premises, except those to be provided by Landlord as described above. Tenant shall be solely responsible for any fines or penalties issued by or associated with use of any utilities described in this Article.

Landlord shall not be liable for any loss, injury, damage to person or property caused by or resulting from any variation, interruption, or failure of utilities due to any cause whatsoever, and Rent shall not abate as a result thereof. In the event of sewer clogging, Tenant is solely responsible for costs of jet cleaning or any other method to remove the clog. Landlord at its sole discretion may on occasion contract for jet cleaning and allocate costs to multiple tenants, including Tenant, payable to Landlord within 30 days and Tenant agrees to pay its share for such costs as determined by Landlord.

ARTICLE 7. AIR CONDITIONING AND HEAT

Landlord shall maintain and repair heating, ventilation and air conditioning (HVAC) components and systems serving more than just the Premises, and the Common Areas. Tenant agrees (at Tenant's sole costs) to operate, maintain, service and repair the HVAC handling systems directly serving the Premises and/or located in the ceiling or on the roof of the Premises, and Tenant's duty to maintain the system includes but is not limited to periodic servicing of filters/equipment, repairs of components and/or replacement of failed equipment. At no time during the Lease Term shall Tenant allow any component of the HVAC system directly serving the Premises to remain inoperable for more than two weeks. Tenant agrees to additional provisions contained in the exhibits under Article 40.

Tenant's pro-rata share of costs incurred by Landlord to maintain, repair and operate the HVAC systems as specified in this section shall be included in CACs, and computed, estimated and charged as part of CAC as set forth in Section 2.4 above.

Tenant shall not install or operate plug-in space heaters, window-mounted heating or air-conditioning units without prior written approval of Landlord. Landlord makes no representations to Tenant regarding the adequacy or fitness of the heating and air-conditioning systems in the Building to maintain temperatures that may be required for, or because of, any of Tenant's equipment or personal property, and Landlord shall have no liability for loss or damage suffered by Tenant or others in connection therewith.

ARTICLE 8. TAXES AND OTHER ASSESSMENTS

8.1. Taxes and Assessments. Landlord shall initially pay or cause to be paid all real estate taxes and other assessments assessed against the Property including the leased Premises and other improvements

Landlord:  Tenant: 

thereon, or any taxes (other than Federal income taxes) upon rents, except as described in Section 8.2 below.

Tenant's pro-rata share of costs incurred by Landlord for taxes and assessments as specified in this section shall be included in CACs, and computed, estimated and charged as part of CAC as set forth in Section 2.4 above.

8.2. Tenant use and Personal Property Taxes. Tenant shall pay before delinquency any and all taxes, assessments, liens, public charges and license fees ("Taxes") levied, assessed or imposed by any authority having the direct or indirect power to tax or assess any such liens, which become payable during the term hereof, related to or required by Tenant's use of the Premises as well as all Taxes on Tenant's personal property located on the Premises including but not limited to Tenant's fixtures, furniture, appliances and inventory installed or located in the Premises.

ARTICLE 9. BUILDING OPERATIONS

9.1 Premises Pest Control. Tenant shall be responsible at its sole cost and expense for pest control within the Premises for the purposes of keeping the Premises pest-free and vermin-free. In the event Tenant refuses or fails to satisfy its obligations set forth in this section, then the Landlord may, but is not obligated to, take such action on Tenant's behalf and in which event, the costs incurred by Landlord in connection with the same shall be paid by Tenant as additional rent within ten (10) days after demand therefor.

9.2 Common Area Pest Control. Landlord may contract for pest control of the Common Areas and Building. Tenant's pro-rata share of costs incurred by Landlord for pest control as specified in this section shall be included in CACs, and computed, estimated and charged as part of CAC as set forth in Section 2.4 above..

9.3 Parking and maintenance. Landlord agrees to maintain during the period of this Lease and any extension thereof, a parking area whose use, size, pricing and configuration may change at Landlord's discretion. The cost and expense of maintain such parking area and associated facilities shall be reimbursed to Landlord by Tenant as a Common Area Expense in accordance to Section 2.4. Tenant agrees to pay a surcharge, as reasonably determined by Landlord, if Tenant's business or type of business requires additional costs for parking lot and/or common area maintenance, operation or security than the other tenants on the Property. In order to make more parking available to customers, Tenant and its employees shall only park their vehicles on the property where the Building is located only with the prior written consent of the Landlord and if such permission is granted, only in spaces designated by Landlord for employee parking only at the Landlord's sole discretion. Tenant hereby authorizes Landlord to tow away at Tenant's sole expense any improperly parked vehicle(s) belonging to Tenant or Tenant's employees and/or attach violation stickers, notices or devices to prevent such vehicles from being moved.

9.4 Tenant Property and Common Areas. Tenant shall place no property in the common areas of the building, including without limitation the hallways, stairways, roof, loading docks, sidewalks and parking areas. Any property left by Tenant in such areas shall become property of the Landlord to dispose of as Landlord deems appropriate without any accounting or notice to Tenant and without prejudice to Landlord's rights as provided herein. Tenant shall reimburse Landlord the cost of removing such property as additional rent and Tenant waives any claims against Landlord for any damages resulting from Landlord's retention or disposition of any such property. Landlord's rights and Tenant's obligations under this Article shall survive the expiration or termination of this Lease.

ARTICLE 10. MAINTENANCE AND REPAIR OF PREMISES

Landlord:  Tenant: 

10.1 Tenant's Obligation. At its expense, Tenant shall at all times keep the Premises in good order, condition and repair including periodic painting of the interior of the Premises. Tenant's duty to maintain, at its expense, includes, but is not limited to, maintaining exterior and interior front entrances, doors and windows, interior walls, all trade fixtures, equipment, lighting, plumbing fixtures, heating, ventilation and air conditioning equipment directly serving the Premises, floor coverings, ceilings, and all other interior portions of the Premises and shall keep all pipes and drains free and unclogged. If Tenant fails to maintain the Premises in good condition and repair as required by this Article and if such failure is not cured within thirty (30) days after notice of such failure is given by Landlord to Tenant, then Landlord may, at its option, cause the Premises to be maintained in good condition and repair and Tenant shall promptly reimburse Landlord for all reasonable costs incurred by Landlord in performance of Tenant's obligations to maintain the Premises. If Tenant operates a restaurant or cooking areas, Tenant shall at its sole expense, contract with a licensed vendor for monthly confidence testing of fire suppression and grease exhaust systems, as required by local fire codes, Landlord and/or Landlord's insurance company, and shall provide Landlord with compliance documentation upon request. Tenant is also responsible for the costs of repairing any damage to the common areas of the building attributable to Tenant, or the Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. If the Premises have a storage area, marquee or display or exit and/or entrance which fronts or opens onto a common area, Tenant shall maintain such storage area, marquee, display, exit and entrance, at its expense. Tenant shall also maintain and operate, at its expense, adequate marquee sign lighting on the leased Premises consistent with the lighting hours of the Building (if Tenant has a lighted storefront sign). Upon expiration of the Lease Term, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises, together with all keys and security cards, to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable wear and tear and insured casualty excepted.

10.2 Landlord's Obligation. Landlord shall be responsible for any structural repairs to the Premises. Landlord will maintain the exterior walls, roof structure, foundation and common areas. Landlord shall not be in default under this Lease and shall not be liable to Tenant for any loss or damage to person or property, or any inconvenience or interference with Tenant's business caused by or resulting from Landlord's failure to perform its obligations under this Article, unless such failure shall persist due to Landlord's gross negligence, for an unreasonable period of time after 30 days written notice of the need for repair or maintenance has been given by Tenant to Landlord. There shall be no abatement of Rent, except as provided in Articles 12 and 13, and Landlord shall not be liable or responsible to Tenant for any loss or damage to person or property or for inconvenience to, or interference for, Tenant which may arise through repair, maintenance or alteration of any part of the Building. Tenant waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

ARTICLE 11. INSURANCE

11.1. Public Liability and Property Damage. Tenant covenants that it shall, during the entire Lease Term, keep in full force and effect a policy of commercial general liability insurance with contractual liability coverage covering the Premises, the business operated by Tenant and if applicable, sidewalks adjacent to the building. The policy limits for personal injury, property damage, loss of use, and business interruption shall not be less than One Million Dollars (\$1,000,000) per occurrence, with a \$2,000,000 aggregate and \$3,000,000 umbrella policy following the form of each underlying policy, with a deductible of not more than \$10,000. Tenant's policies shall insure against all liability of Tenant and its authorized representatives to Landlord and third parties arising out of and in connection with Tenant's use or occupancy of the Premises. From time to time the Landlord shall have the right to reexamine the policy limits for liability coverage and property damage in line with standard industry practice at the time of the Landlord's review of the Tenant's coverage. Tenant's policies shall name the Landlord, the Landlord's lender, its manager and any entities or persons designated by the Landlord as additional insureds and such additional insurance shall be primary and any insurance purchased by Landlord shall be excess and non-contributory to it. The additional insured endorsement shall be on the broadest form available which

must at a minimum provide Landlord defense and indemnity from claims, losses and/or damage of any nature that arise out of Tenant's operations and/or its use of the Premises. Tenant shall provide Landlord thirty (30) days prior written notice of any cancellation or change of insurance; The policy shall also contain a clause that the insurer will not cancel or change the insurance without giving the Landlord thirty (30) days prior written notice. The insurance shall be with a reputable insurance company with a minimum financial rating of A-VII or better that is admitted in the state in which the Premises are located. Certificate of insurance and additional insured endorsements for all policies required by this Lease shall be delivered to the Landlord prior to the Commencement Date and throughout the Lease Term prior to the expiration of any certificate and/or endorsement. Such policies shall provide for a waiver of subrogation of any claim against Landlord and/or Landlord's lender.

11.2. Tenant's Property, Fire and Extended Coverage. Tenant at its sole cost shall maintain on all its personal property, Tenant's improvements and alterations, in, on, or about the Premises, a special causes of loss form policy of property insurance, to the extent of at least 100% of their full replacement value, with a minimum \$500,000 limit and a deductible of not more than \$10,000. Tenant shall use the proceeds from any such policy for the replacement of personal property or the restoration of the Tenant's improvements or alterations. Such Tenant policy shall also include removal of Tenant Improvements and/or personal property in the event the Property is damaged. Landlord shall be named as an additional insured and/or loss payee under such policy.

11.3. Storefront and Plate Glass Insurance. Tenant is responsible at its sole cost and expense for repairing any damage, vandalism or breakage to the retail interior and/or exterior storefront of the Premises, including without limitation the glass, hardware or exterior signage, and Tenant at its sole cost and expense shall maintain full coverage plate glass insurance on the Premises, naming Landlord as an additional insured and/or loss payee on the policy. Tenant shall complete such repairs within 21 days of the damage.

11.4. Dram Shop Liability Insurance. Tenant shall not serve or allow the sale of alcoholic beverages on the Premises unless the applicable governmental authorities and Landlord have both given written approval for Tenant to do so. In such event, Tenant's indemnification obligations under this Lease shall extend to damage resulting from risks insurable by so-called dram shop liability insurance, and the liability insurance required to be obtained by Tenant by this Lease shall include dram shop liability insurance.

11.5. Fire and Extended Coverage on Buildings and Public Liability on Common Areas. Landlord shall maintain on the Building and other improvements in the Building in which the Premises are located, a causes of loss special form policy of property insurance and may include earthquake and flood insurance in amounts deemed necessary by the Landlord.

If Tenant's conduct or use of the Premises causes any increase in the premium for such insurance policies, then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body. Specifically, Tenant covenants that it will not keep, have or sell in or upon the leased Premises any article that may be prohibited by the standard form of causes of loss special form insurance policy. Tenant shall provide the Landlord with thirty (30) days prior written request of its desire to merchandise or stock items and/or install fixtures and equipment on or about the Premises, which may result in an increase in premiums for such property insurance that may be charged on any portion of the Property. Landlord shall, within thirty (30) days of receipt of said notice from Tenant, consent or deny Tenant's request in writing, and in the event permission is granted, Tenant at its sole cost shall pay any additional insurance premiums. If Tenant unknowingly stocks or merchandises items or installs fixtures or equipment on or about the Premises which results in an increase in such property insurance premiums and does so without Landlord's written approval, Tenant shall pay any increase in insurance premium resulting from the increased risk and will promptly remove said items or fixtures immediately upon written notice to Tenant by Landlord if

insurance company refuses to insure said items. A schedule issued by the organization making the insurance rate on the Property shall be conclusive evidence of the several items and charges that make up the insurance rate.

Landlord may also maintain on the buildings, sidewalks, parking areas and all other areas of the Property a policy of public liability insurance providing Landlord with "Lessor's risk" coverage in amount deemed necessary by Landlord. Tenant shall reimburse Landlord for Tenant's pro-rata share of the cost of any casualty and public liability insurance, including fire and extended coverage and flood and earthquake coverage, which Landlord carries at its discretion on the Premises and any portion of the Building. Tenant's pro-rata share of costs incurred by Landlord for insurance as specified in this section shall be included in CACs, and computed, estimated and charged as part of CAC as set forth in Section 2.4 above.

11.6. Business Interruption Insurance. Tenant is solely responsible for any and all business loss or interruption and may carry at its discretion and cost, business interruption (or business income) insurance with a sufficient amount to cover Tenant for any loss suffered by Tenant if the Premises are damaged, destroyed or rendered inaccessible, as well as extended coverage insurance, with vandalism and malicious mischief endorsements. Tenant shall defend, indemnify and hold Landlord harmless from any business loss or interruption and Tenant waives any and all claims against Landlord for any such loss or interruption and agrees that its obligation to pay amounts owed to Landlord under this Lease shall not be abated by any such business interruption.

Landlord may carry at its discretion loss of rents insurance insuring that the minimum monthly rentals, percentage rents, Operating Costs and any additional rents for a period of up to one (1) year will be paid to Landlord if the Premises are destroyed or rendered inaccessible by a risk insured against by a policy of causes of loss special form insurance. Tenant's Pro-Rata Share of costs incurred by Landlord for such insurance as specified in this section shall be included in Operating Costs, and computed, estimated and charged as part of Operating Costs as set forth in Section 2.4 above.

11.7. Miscellaneous. Tenant shall deliver to Landlord upon commencement of the Lease and from time to time thereafter, and upon Landlord's written request, copies of the insurance policies or evidence of insurance and copies of endorsements required by this Article. In no event shall the limits of such policies be considered as limiting the liability of Tenant under this Lease. If Tenant fails to acquire or maintain any insurance or provide any policy or evidence of insurance required by this Article and such failure continues for three (3) days after notice from Landlord, such failure shall constitute a default by Tenant under the terms of the Lease and Landlord may, in addition to its other available remedies, but shall not be required to, obtain such insurance for Landlord's benefit and Tenant shall reimburse Landlord for the costs of such insurance. Such amounts shall be Additional Rent payable by Tenant hereunder and in the event of non-payment thereof, Landlord shall have the same rights and remedies with respect to such non-payment as it has with respect to any other non-payment of Rent hereunder.

ARTICLE 12. DESTRUCTION OF PREMISES

12.1. Fully Tenable. If the Premises are damaged, but are not thereby rendered totally or partially untenable, Landlord may at its sole option cause such damage to be repaired and the rent shall not be abated and this Lease shall not terminate. If the damage was caused in any way by Tenant or those for whom it is responsible, Tenant shall be liable to Landlord for the cost to repair such damage and all other damage and expenses incurred by Landlord as a result of such damage.

12.2. Partially Untenable. If the Premises shall be rendered partially untenable by reason of damage, as determined in Landlord's sole discretion, this Lease shall not necessarily be terminated and the Landlord may at its sole option cause the damage to be repaired, and the Minimum Base Rent for the part of the Premises rendered untenable shall be abated proportionately on a square footage basis as long as said part remains untenable, provided that there shall be a Rent abatement only if the damage

or destruction of the Premises or the Property did not result from, or was not contributed to directly or indirectly by the act, fault, or negligence of the Tenant, or the Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. Such abatement of rent, if any, shall be Tenant's sole remedy for such damage and Tenant waives and releases any and all other claims against Landlord arising out of or related to such damage. However, Landlord shall have the option, which may be exercised by written notice delivered to Tenant within sixty (60) days from the date of such damage, to elect to keep the insurance proceeds if any, and not to repair the damaged Premises, and in such event this entire Lease and the tenancy hereby created shall cease as of the date of said written notice and the rent shall abate as of the date of said written notice, except as provided in Section 12.4 below. If the Landlord elects not to repair the Premises, the Tenant agrees to waive and release Landlord from any and all claims of any kind or type arising out of or related to the Lease, the damage, and/or the Premises. In the event of any such damage or destruction to the Premises shall not be repaired, or cannot reasonably be repaired within eighteen (18) months following the date of such damage or destruction, then Tenant shall have the option to terminate the Lease by written notice to Landlord provided that the damage or destruction of the Premises or the Property did not result from, or was not contributed to directly or indirectly by the act, fault, or neglect of Tenant, or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests or other licensees or invitees.

12.3. Totally Untenantable. If the Premises shall be rendered wholly untenantable by reason of damage, as determined in Landlord's sole discretion, the Landlord may at its sole option cause such damage to be repaired, and except as provided in Section 12.4 below, the Minimum Base Rent meanwhile shall be abated, provided that there shall be a Rent abatement only if the damage or destruction of the Premises or the Property did not result from, or was not contributed to directly or indirectly by the act, fault, or neglect of Tenant, or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests or other licensees or invitees. Such rent abatement, if any, shall be Tenant's sole remedy for such damage and Tenant waives and releases any and all other claims against Landlord arising out of or related to such damage. However, Landlord shall have the option, which may be exercised by written notice delivered to Tenant within sixty (60) days from the date of such damage, to elect to keep the insurance proceeds if any, and not to reconstruct the destroyed Premises, and in such event this entire Lease and the tenancy hereby created shall cease as of the date of said written notice and the rent shall abate as of that date of said written notice provided that there shall be a Rent abatement only if the damage or destruction of the Premises or the Property did not result from, or was not contributed to directly or indirectly by the act, fault or negligence of Tenant, or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests or other licensees or invitees. If the Landlord elects not to repair the Premises, the Tenant agrees to waive and release Landlord from any and all claims of any kind or type arising out of or related to the Lease, the damage, and/or the Premises. If the Premises shall be rendered wholly untenantable during the last year of the Lease Term by reason of damage and Landlord does not elect to terminate the Lease or is not entitled to terminate the Lease pursuant to its terms, then Tenant shall have the option to terminate the Lease by written notice to Landlord if Premises cannot be, or are not in fact, fully restored by Landlord to their prior condition within one-hundred-eighty (180) days after the damage, provided that the damage or destruction of the Premises or the Property did not result from, or was not contributed to directly or indirectly by the act, fault, or neglect of Tenant, or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests or other licensees or invitees.

12.4. Restoration Work. If Landlord restores the Premises or the Property under this Article, Landlord shall proceed with reasonable diligence to complete the work, and the monthly Minimum Base Rent shall be abated in the same proportion as the untenantable portion of the Premises bears to the whole Premises, provided that there shall be a Rent abatement only if the damage or destruction of the Premises or the Property did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or

consequentially arising from any repair or restoration of any portion of the Premises or the Property and Tenant's sole remedy for damage incurred by Tenant as a result of Landlord's restoration efforts will be the abatement of rent, if any, as provided for herein. Landlord shall have no obligation to carry insurance of any kind for the protection of Tenant; any alterations or improvements paid for by Tenant; any Tenant Work identified in the exhibits under Article 40 or attached exhibits (regardless of who may have completed them); Tenant's furniture and personal property; or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord's restoration obligations hereunder shall not include any obligation to repair any damage thereto or replace the same.

12.5. Destruction of Building. In the event that a significant portion of the Building, as determined in Landlord's sole discretion, is damaged or destroyed by a fire or other cause, the Landlord shall have the right to elect to cancel and terminate this Lease by written notice delivered to Tenant within sixty (60) days from the date of such occurrence. Upon the giving of such notice, the terms of this Lease shall expire by lapse of time upon the third (3rd) day after such notice is given, after which the Tenant shall promptly vacate and surrender the Premises to the Landlord and Tenant waives any and all claims against Landlord arising out of or related to the Lease, such damage or destruction, such occurrence and/or the Premises.

ARTICLE 13. EMINENT DOMAIN

If the Premises are damaged by the exercise of the right of eminent domain or by the change of grade of adjacent streets or other activity by a public authority, whether or not such damage involves a physical taking of any portion of the Premises, this shall be considered a taking. If the extent of the taking is such that the Premises are no longer suitable for the purpose of the tenancy as determined in Landlord's sole discretion, this shall be considered a total taking. Any other taking shall be considered a partial taking.

13.1 Partial Taking. If the condemning authority takes a portion of the Premises or of the Building or the Property that is part of Tenant's leasehold interest that does not render the remainder of the Premises untenable, as determined in Landlord's sole discretion, then this Lease shall at Landlord's sole option, continue in full force and effect and the monthly Minimum Base Rent shall be equitably reduced based on the proportion by which the floor area of the Premises is reduced. The reduction in Rent shall be effective on the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises or the Building or the Property and Tenant shall make no claim for the value of its leasehold. Tenant waives and releases any and all claims against Landlord arising out or related to any taking and Tenant's sole recourse shall be to make a separate claim against the condemning authority for moving expenses provided that in no event shall Tenant's claim against the condemning authority reduce any award from the condemning authority to which Landlord is entitled.

13.2. Total Taking. In the case of a total taking, the Lease may be terminated by Landlord in its sole discretion and Landlord shall be entitled to all compensation paid therefor by third parties, whether fixed by agreement or judicial award, except those portions that are specifically allocated as compensation for actual expenses incurred by the Tenant for moving Tenant's fixtures, stock in trade and inventory and as compensation for the taking of Tenant's fixtures and leasehold improvements which shall belong to the Tenant and Tenant waives any other claims for damage of any type or kind against Landlord arising out of or related to the Lease, the Premises, or the taking. All Rents and other payments shall be paid by Tenant through the date the condemning authority first has possession of such portion or title vests in the condemning authority, whichever occurs last.

ARTICLE 14. ACCESS TO PREMISES

14.1 Right of entry to Premises. Except in the event Tenant requests up to twenty-four hours' notice for a non-emergency situation, the Landlord, or its agents, representatives, employees and contractors may at any and all reasonable times (and with no notice in the event of an emergency), enter into or upon said

Premises or any part thereof for the purpose of examining the condition thereof and for the purpose of making any repairs, inspections, alterations or improvements that Landlord may desire to make. Landlord shall not be liable in any manner for any inconvenience, annoyance, disturbance, loss of business, nuisance or other damage arising out of Landlord's entry on the Premises as provided in this section. In addition, Landlord may, upon 24 hours' notice or shorter as agreed upon by Tenant, show the Premises to prospective purchasers or lenders at any time, and show to prospective tenants as well as post "for lease" signs within one-hundred-eighty (180) days prior to the expiration or termination of the Lease Term. Tenant shall not install an alarm system and/or place any additional lock or locks on any door in the Premises or Building without Landlord's prior written consent.

ARTICLE 15. WINDOWS AND STOREFRONTS

Tenant shall not use films, tapes or any adhesives to attach signs or any items to exterior windows without prior written consent of Landlord. Tenant is responsible for cleaning storefront windows at least once every six months and is responsible for any maintenance or repair of the storefronts including doors and glass, and shall not use any films, tapes or any adhesives to attach signs or any items to storefronts without prior written consent of Landlord. In the event Tenant repairs or replaces any glass in the exterior storefront, such glass shall be double-pane tempered and Landlord at its sole option, may require Tenant to install at Tenant's sole cost graffiti or security film. Tenant shall not place any personal property, signs or other items that block more than 20% of the total window area, so as to provide for sufficient visibility into Tenant spaces. Tenant is responsible for costs of any maintenance, repair, replacement, removal or alteration of coiling fire or security doors if any, as required by the Landlord.

ARTICLE 16. SIGNS AND ADVERTISEMENT

16.1 Intentionally deleted.

16.2 Tenant-provided signage. Tenant shall install any approved signage at Tenant's sole expense and in compliance with all applicable laws, local governmental codes and regulations, including but not limited to seismic codes, electrical codes and the regulations of any government's Landmarks Preservation Board or similar entity, if applicable to the Building. Installation and any associated permits, where necessary, shall be the responsibility of and at the sole expense of Tenant. Landlord makes no representation with respect to Tenant's ability to obtain such approval. Landlord may demand the removal of signs which are not so approved, and Tenant's failure to comply with said request within forty-eight (48) hours will constitute a breach of the Lease and will entitle Landlord to terminate this Lease or, in lieu thereof, to cause the sign to be removed and the building repaired at the sole expense of the Tenant.

Tenant shall obtain Landlord's written consent as to size, location, materials, method of attachment, and appearance, before installing any signs upon the Premises. Sign standards, content and control will be the responsibility of the Landlord including but not limited to the specification of size, location, materials, method of attachment and appearance of any and all permanent or temporary signs or lettering, lit or unlit, visible from Common Areas or from the exterior, whether mounted or displayed on walls, ceilings or windows. All work required to alter signage proposals or to modify signage to conform to Landlord's guidelines shall be at the expense of Tenant. Temporary signs or banners shall be subject to Landlord's approval in advance and shall be used only for the duration as such approval is given.

Tenant will meticulously maintain any signs in good condition and repair at all times, including bulb replacement. Landlord shall have the option to provide such required maintenance and charge entire cost to Tenant's Share of Expenses as provided herein. Tenant shall provide electrical power for lighted signage and awning, if applicable. In no case shall paint or similar medium be applied directly to the Building surface. Non-adhesive (cling) window signs applied to the Premises side of the window surface are restricted to the street level storefront windows and doors and may cover no more than 20% of the total window area, so as to provide for sufficient visibility into Tenant spaces. Landlord may require an

additional security deposit which Landlord may apply toward removal of window signage should Tenant fail to do so at termination of lease or upon default or cancellation.

At the termination of this Lease or upon default or cancellation, Landlord shall determine at its sole discretion whether Tenant is required at its sole cost and expense to remove all signs placed by it upon the Premises and to repair any damage caused by such erection, installation, maintenance or removal at Tenant's sole expense and Tenant agrees to comply with any such determination. Tenant shall defend, indemnify, and save Landlord harmless from any damage caused by the erection, installation, maintenance or removal of such signs.

Tenant shall not, without Landlord's written consent, place on or about the Premises or the common areas of the Building, or on the public sidewalk along the Building, any searchlights, flashing lights, flashing signage, loudspeakers, public address systems or other similar visual or audio media. Tenant shall not place any advertising media or signage in the common areas of the Building, and shall not solicit business in, on, or about the common areas, sell merchandise from the common areas, or distribute handbills or other advertising or promotional media in, on, or about the common areas, or in the parking areas. Landlord has discretion to advertise the Property and its tenants in various media.

ARTICLE 17. WAIVER OF SUBROGATION RIGHTS

17.1. Release. Tenant hereto hereby waives any and all rights of action against Landlord hereto which may hereafter arise for damage to the Premises, to property therein, or the right to use and occupancy resulting from any fire or other casualty of the kind to the extent covered by insurance policies in place, regardless of whether or not or in what amounts such insurance is now or hereafter carried by the parties hereto. Tenant shall provide notice to the insurance carrier or carriers of this waiver of subrogation, and shall cause its insurance carriers to waive all rights of subrogation. It is agreed by the parties that insurance purchased by Tenant shall be primary and insurance purchased by Landlord excess and non-contributory.

17.2. Non-Liability of Landlord. Tenant waives all claims against the Landlord for, and Landlord shall not be liable for, any damage to property of Tenant or others located on the Premises, nor for the loss of or damage to any property of Tenant or others by theft, vandalism or otherwise and Tenant waives all claims against Landlord for, and Landlord shall not be liable for, injury or damage to property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain, snow or leaks from the pipes, appliances, plumbing, roof, street or sub-surface, or from any other place or from water or dampness. Tenant assumes the risk of all property kept or stored on the Premises and shall defend, indemnify, and hold the Landlord harmless from any claims arising out of damage to the same. Tenant shall give immediate notice to Landlord in case of fire or accidents on the Premises or in the building or defects thereon or therein.

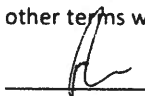
ARTICLE 18. INDEMNIFICATION

18.1. Indemnification by Tenant. The Tenant shall at all times indemnify, protect, defend and hold harmless Landlord and its representatives, employees, lenders, successors and assigns, from and against all claims, demands, loss of rents and damages, costs, liens, judgments, penalties, loss of permits, attorney's' and consultants' fees and costs, expenses and liabilities of any kind arising out of, involving, or in connection with, the occupancy of the Premises or Property by Tenant, the conduct of Tenant's business, any act, omission or neglect of Tenant, its agents, contractors, employees or invitees, and out of any default or breach by Tenant in the performance in a timely manner of any obligation on Tenant's part to be performed under this Lease. The foregoing shall include, but not be limited to, the defense or pursuit of any claim or any action or proceeding involved therein, and whether or not (in this case of claims made against Landlord) litigated or reduced to judgment. In case any action or proceeding be brought against Landlord by reason of any of the foregoing matters, Tenant upon notice from Landlord shall defend the Landlord and its representatives, employees, lenders, successors and assigns, at Tenant's

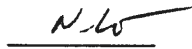
expense by counsel reasonably satisfactory to Landlord and Landlord shall cooperate with Tenant in such defense. Landlord need not have first paid any such claim in order to be so indemnified. The intent of this paragraph is to provide Landlord with the broadest defense and indemnity rights allowed under applicable law.

18.2. Landlord Liability. Except to the extent of claims arising out of Landlord's intentional criminal acts, Landlord and its representatives, employees, successors and assigns shall not be liable for injury or damage to Tenant or its assets or any loss of income by Tenant or for damage to any property of Tenant or its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, or any other person in or about the Premises or the Property. Anything in this Lease to the contrary notwithstanding, covenants, undertakings and agreements herein made on the part of Landlord are made and intended not as personal covenants, undertakings and agreements for the purpose of binding Landlord personally or the assets of Landlord, but are made and intended for the purpose of binding only the Landlord's interest in the Property, as the same may from time to time be encumbered. In no event shall Landlord or its partners, shareholders, or members, as the case may be, ever be personally liable hereunder.

18.3 Waiver of Immunity. For the benefit of Landlord and Landlord's representatives, employees, successors and assigns only, Tenant specifically and expressly waives any immunity that it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW. Tenant's indemnity obligations under this Lease shall not be limited by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third party under the Workers Compensation Acts, Disability Benefit Acts or other employee benefit acts. Landlord and Tenant acknowledges and agree that the above waiver and other terms were the subject of mutual negotiation.



Landlord's initials




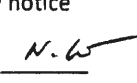
Tenant's initials

18.4 Hazardous Substances

a. Definition. As used herein, the term "Hazardous Substance" means any hazardous, toxic or dangerous substance, waste, or material which is or becomes regulated under any federal, state, or local statute, ordinance, rule, regulation, or other law now or hereafter in effect pertaining to environmental protection, contamination or cleanup, including without limitation any substance, waste or material which now or hereafter is designated as a "Hazardous Substance" under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.), or under the Washington Model Toxics Control Act; without limiting the foregoing, Hazardous Substance shall include, but not be limited to, any substance which after being released into the environment and upon exposure, ingestion, inhalation or assimilation, whether directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer, and/or genetic abnormalities.

b. Indemnity and Landlord Warranty. Tenant will defend, hold harmless and indemnify Landlord and its representatives, employees, lenders, successors and assigns, from and against any claims, demands, penalties, fees, liens, damages, losses, expenses, or liabilities resulting from (i) any cost and expenses incurred as a result of Hazardous Substances being found on or being removed from any other properties where such Hazardous Substances came from activities of Tenant on or contamination from the Premises caused by Tenant, and (ii) any cost and expense, including the cost of cleanup, incurred as a result of Hazardous Substances being found on the Premises resulting from activities of Tenant. This indemnity shall survive the Term of this Lease and any extensions thereof. As of the date hereof, Landlord has no knowledge of the presence of any Hazardous Substances on the Premises.

c. Notification Cleanup. Tenant will immediately notify Landlord should Tenant (i) become aware of any Hazardous Substance problem or liability with respect to the Premises or Property, (ii) receive any notice

Landlord:  Tenant: 

of or become aware of any actual or alleged violation with respect to the Premises of any federal, state, or local statute, ordinance, rule, regulation or other law pertaining to Hazardous Substances, or (iii) become aware of any lien or action with respect to any of the foregoing. Tenant will, at its sole expense, take all actions as may be necessary or advisable for the cleanup of Hazardous Substances with respect to the Premises or Property resulting from activities of Tenant, including without limitation, all removal, containment, and remedial actions in accordance with all applicable laws and in all events in a manner satisfactory to Landlord, and shall further pay or cause to be paid all cleanup, administrative, and enforcement costs of governmental agencies if obligated to do so by contract or law.

d. Right of Entry. Landlord is hereby authorized to enter the Premises, including the interior of any structures for the purpose of inspecting the Premises to ascertain the observance of all covenants contained in this Section 18.

18.5. Survival. The provisions of this Indemnification Article shall survive expiration or termination of this Lease.

ARTICLE 19. WASTE AND LIENS

Tenant covenants not to commit or suffer any damage to or waste of the Premises and to keep the Premises free from all liens of every kind and description caused or incurred by any act or omission of the Tenant. Tenant shall indemnify and hold Landlord harmless from liability for any such liens including, without limitation, liens arising from any Tenant Improvements. If a lien is filed against the Premises by any person claiming by, through or under Tenant, Tenant shall, within ten (10) days after Landlord's demand, at Tenant's expense, either remove the lien or furnish to Landlord a bond in form and amount and issued by a surety satisfactory to Landlord, indemnifying Landlord and the Premises against all liabilities, costs and expenses, including attorneys' fees, which Landlord could reasonably incur as a result of such lien(s).

ARTICLE 20. ASSIGNING AND SUBLETTING

If Tenant desires to assign this Lease or sublet all or any part of the Premises, Tenant shall give Landlord written notice thereof at least sixty (60) days in advanced or proposed commencement period designating the space proposed to be sublet or assigned, the terms proposed, and a current reviewed or audited financial statement prepared by a certified public accountant for such proposed subtenant or assignee and a credit report on such proposed subtenant or assignee prepared by a recognized credit reporting agency. Tenant acknowledges that the Building is a multi-tenant Building, occupied by tenants specifically selected by Landlord, and that Landlord has a legitimate interest in the type and quality of such tenants, the location of tenants in the Building and in controlling the leasing of space in the Building so that Landlord can better meet the particular needs of its tenants and protect and enhance the relative image, position and value of the Building. The Tenant shall not assign this Lease in whole or in part by operation of law or otherwise, nor sublet all or any part of the Premises, without prior written consent of the Landlord in each instance. The Landlord reserves the right to withhold consent for any reason, including but not limited to the creditworthiness or net worth of the prospective transferee, the experience of the prospective transferee in conducting its operations, the suitability of the Premises for the proposed use, compatibility as determined in the sole discretion of the Landlord of the prospective transferee to the mix of tenants, restrictions or exclusive use provisions in other tenant leases, the anticipated number of employees, contractors, guests or invitees expected to use the Premises, or the availability of other Landlord space for the prospective transferee. If the proposed sublease covers the entire Premises and if the term of the proposed sublease (including any renewal or extension terms) will expire during the final six (6) months of the Term (or if Tenant has exercised a renewal or extension option, if any, then during the final six (6) months of the subject renewal or extension period), then Landlord shall have the prior right and option to terminate this Lease. If Landlord fails to exercise its option to terminate this Lease, this shall not be construed as or constitute a waiver of any of the provisions of this Article. In the event

Landlord: _____ Tenant: N-L

the Landlord provides its written approval to an assignment or sublet, Landlord reserves the right to impose conditions upon assignment or subletting that it deems reasonable and necessary. Any subtenant or assignee shall keep in full force and effect its own insurance policies as specified in Article 11, and shall agree to indemnify the Landlord and its representatives, employees, successors and assigns, as specified in Article 18. A minimum handling and transfer fee of Two Thousand Five Hundred Dollars (\$2,500.00) shall be payable by Tenant to Landlord should a lease assignment or subletting transpire. The Landlord reserves the right to increase the transfer fee if in Landlord's sole judgment the transaction necessitates the expenditure of substantial time and expense on the part of the Landlord. As a further condition to any rights Tenant may have under this Lease to sublet all or any portion of the Premises, Tenant shall offer and advertise space for sublease at a starting base rental rate no lower than Landlord's then current highest asking base rental rate for other space in the Building which is then on the market for direct lease. In case of sublet, any excess base rent over and above the Minimum Base Rent payable should first be allocated and paid to Landlord in the amount equal to the difference between the Minimum Base Rent payable under this Lease and the then current highest asking base rental rate for other space in the Building on the market, and then any remainder excess amounts shall be shared equally between Landlord and Tenant on a monthly basis. Landlord shall not have any liability for any real estate brokerage commission(s) or with respect to any of the costs and expenses that Tenant may have incurred in connection with its proposed subletting, and Tenant agrees to hold Landlord harmless from and against any and all claims including without limitation claims for commissions, arising from such proposed subletting. Landlord's foregoing rights and options shall continue throughout the Term. For purposes of this section, a proposed assignment of this Lease in whole or in part shall be deemed a proposed subletting of such space.

Notwithstanding any assignment or sublease, the Tenant shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions of the Lease. As a condition to Landlord's approval, if given, any potential assignee or sublessee otherwise approved by Landlord shall assume all obligations of Tenant under this Lease and shall be jointly and severally liable with Tenant and any guarantor, for the payment of Rent and performance of all terms of this Lease. In connection with the transfer, Tenant shall provide Landlord with copies of all assignments, subleases and assumption agreements and documents. Consent to any transfer shall not operate as a waiver of the necessity for Landlord's consent to any subsequent transfer. Landlord shall be permitted freely to assign all its rights and obligations hereunder. In the event of a sale or other transfer of the Premises, whether by foreclosure or otherwise, Tenant agrees to attorn to the new owner and to recognize such owner as Landlord under this Lease and Tenant shall thereafter look solely to such transferee for performance of this Lease. Any attempt by Tenant to transfer this Lease by merger, incorporation, consolidation, redemption or liquidation, or any attempt to change in the ownership of, or power to vote, which singularly or collectively represents a majority of the beneficial interest in Tenant, shall be void and ineffective unless approved in writing by Landlord.

In the event of sublet or assignment, Tenant shall provide Landlord with signed copies of such agreements, which shall include a provision requiring, in the event of default by Tenant under this Lease, that the subtenant and/or assignee is obligated to the Landlord, at Landlord's sole discretion and option, to continue to perform under such sublet and/or assignment agreements and that all of the Tenant's rights under such agreements as sublessor are deemed transferred to Landlord in such event, and that such agreements also provide that the subtenant and/or assignee agrees that the Landlord has the right and option upon default of Tenant to terminate such sublet and/or assignment agreements and that in such event, the subtenant and/or assignee waives any and all claims for damage of any type of kind against Landlord.

Notwithstanding any provisions in this Article 20 to the contrary, after the Landlord receives a request from Tenant to consent to an assignment or sublease of all or substantially all of the Premises, Landlord shall have the option, to be exercised by written notice within sixty (60) days after the receipt of such request, to terminate this Lease and the Term hereof on not less than thirty (30) days' notice to the

Tenant. If the Landlord elects to terminate this Lease as aforesaid, the Tenant shall have the right, to be exercised by written notice to the Landlord within seven (7) days after receipt of such notice of termination, to withdraw the request for consent to the proposed assignment or sublease, in which case the Tenant shall not proceed with such assignment or sublease, the notice of termination shall be null and void and this Lease shall continue in full force and effect in accordance with its terms.

ARTICLE 21. SUCCESSORS AND ASSIGNS

Without waiver of the restrictions on subletting, assignments and transfer by Tenant contained herein, all rights, remedies, liability and obligations herein given to or imposed upon either of the parties hereto shall inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors in interest and permitted assigns of the respective parties. This Lease shall be assignable by Landlord without the consent of Tenant. In the event of any transfer or transfers of Landlord's interest in the Premises, upon the assumption of this Lease by the transferee, Landlord shall be automatically relieved of obligations and liabilities accruing from and after the date of such transfer, including any liability for any retained security deposit or prepaid rent, for which the transferee shall be liable, and Tenant shall attorn to the transferee.

ARTICLE 22. HOLDING OVER

Any holding over (when Tenant remains in possession of the Premises or any part thereof) after the expiration of the Lease Term or upon termination of the Lease, with or without the consent of the Landlord, shall constitute a tenancy from month to month with monthly rent set at an amount equal to the total rent owed (including but not limited to Minimum Base Rent, CAC, Utility charges, HVAC expenses, Taxes and Assessments) for the month just prior to commencement of the holdover plus 50 percent (50%) and such tenancy shall be subject to and governed by the other terms and conditions contained herein. All other terms of the Lease shall remain in effect, including but not limited to Tenant's obligation to pay all other amounts due to Landlord, including but not limited to Minimum Base Rent, CAC, Utility charges, HVAC expenses, Taxes and Assessments. Tenant acknowledges and agrees that this Article does not grant any right to Tenant to holdover, and that Tenant agrees that it shall also be liable to Landlord for any and all damages or expenses which Landlord may have to incur as a result of Tenant's holdover. In the event of any unauthorized holding over, Tenant shall also indemnify and hold Landlord harmless from and against all liability, losses, claims, causes of action, damages, costs and expenses (including without limitation attorneys' fees) resulting from Tenant's failure to surrender the Premises. Tenant's obligations under this Article 22 shall survive the expiration or termination of this Lease.

ARTICLE 23. SURRENDER

Tenant covenants that at the end of the Lease Term, or any renewals thereof, or upon any sooner termination of this Lease, to quit and deliver up the Premises to the Landlord peaceably and quietly and in good order and clean, neat and sanitary condition, and in full compliance with the other terms of this Lease. No act or conduct of Landlord, including without limitation the acceptance of the keys to the Premises, shall constitute and acceptance by the Landlord of the surrender of the Premises by Tenant before the expiration of the Lease Term. Only written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of this lease. If Tenant ceases to operate its business on the Premises or substantially vacates the Premises for more than thirty (30) days, Landlord may at its sole discretion, enter the Premises to prepare for future leasing, including lock changes, removal of Tenant's property and demolition of tenant improvements therein, all without waiver of Landlord's right to other remedies available to it under this Lease or otherwise and all without liability of Landlord to the Tenant.

ARTICLE 24. DEFAULT

Landlord:  Tenant: 

24.1. Cancellation and Termination.

- a. If Tenant shall fail to pay to Landlord any installment of the Minimum Base Rent, common-area charges, utility charges, or any additional rent or other fees, costs, fines or charges, as and when the same are required to be paid hereunder, and such failure shall continue for a period of ten (10) days after written notice, or
- b. If Tenant shall default in the performance of any of the other terms, covenants or conditions of this Lease and such failure shall continue for a period of fifteen (15) days after written notice, or
- c. If Tenant shall become bankrupt or insolvent, or if any debtor proceedings are initiated against Tenant in any court pursuant to any statute within the United States or of any state a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Tenant's property, or
- d. If a trustee or receiver is appointed to take possession of any of the Tenant's assets located at the Premises or of Tenant's interest in this Lease, or
- e. If any execution or attachment or judicial seizure shall be issued against Tenant or any of Tenant's property whereby the Premises shall be taken or occupied or attempted to be taken or occupied by someone other than Tenant, or
- f. If Tenant vacates or abandons the Premises (defined as an absence of ten (10) days or more while Tenant is in breach of some other term of this lease), or vacates or abandons or fails to operate its business for twenty-one (21) days or more without any other breach of any of the provisions of this Lease, or
- g. If Tenant fails to take possession of the Premises on the Commencement Date or fails to open for public business within one-hundred twenty (120) days of the Commencement Date,
- h. If Tenant is required by any proper public authority to shut down its business specifically due to Tenant's conduct for more than ten (10) days,

Then Tenant shall be deemed in default and breach of this Lease, and Landlord shall have the right, at Landlord's option, to terminate this Lease and the term hereof, and to terminate all rights title and interest of Tenant hereunder and upon Landlord's exercise of its option to terminate Tenant's right title and interest herein, shall wholly cease and expire as if the date fixed by the notice was the expiration of the term herein originally granted; and the Tenant shall immediately quit and surrender to Landlord the Premises and each and every part thereof, and Landlord may enter into or repossess the Premises, either by force, summary proceedings, or otherwise. Nothing stated above, nor any election by Landlord to terminate, shall relieve Tenant of its obligations under the Lease. The right granted to Landlord in this Article or any other Article of this Lease to terminate this Lease shall apply to any extension of the term hereby granted and the exercise of any such right to Landlord during the term hereby granted shall terminate any extension of the term hereby, granted and any right on the part of Tenant thereto.

Any legal costs incurred by Landlord in collecting any delinquent monthly rent, additional rent or other fees and charges from Tenant, shall be due and payable by Tenant to Landlord along with the rents and charges so delinquent. Failure to reimburse Landlord the legal fees incurred by Landlord along with any sums so delinquent as defined in this Section 24.1. (a), shall constitute a default by Tenant and be subject to the provisions of this Article 24.

All notice periods granted herein shall be deemed to run concurrently with and not in addition to any default notice periods required by law.

24.2. Continuing Liability. In the event of cancellation or termination hereof, either by operation of law or by the issuance of a writ of restitution or judgment of unlawful detainer or by the service of a notice of termination based on a default of Tenant, Tenant shall remain liable to Landlord upon an independent covenant and promise to pay damages to Landlord. The parties agree that the amount of said damages shall be measured by one of the following two methods as selected by the Landlord at its sole discretion and in writing:

Landlord:  Tenant: 

a. Tenant shall pay in a lump sum to Landlord the full of all past due Minimum Base Rent, additional rent, common area charges, utility charges, and other fees, costs, damages and charges, together with the amount of all future rent and other future payments required to be made by Tenant under the Lease for the entire remainder of the Lease term such future rent and other future payments discounted to their present cash value at the time of re-entry, together with the full cost of removing Tenant's fixtures and improvements and restoring the Premises to the condition they were in prior to commencement of Tenant's occupancy of Premises, plus all other damages, attorney fees, and costs incurred by Landlord as a result of Tenant's default.



b. Or in the alternative, at the sole and written election of the Landlord, Tenant shall pay to Landlord in monthly installments for the number of years equal to the then remaining term of this Lease, all amounts due under the terms of the Lease including but not limited to Minimum Base Rent, all increases to Minimum Base Rent, CAC, utilities, interest and all other amounts otherwise owed under the terms of the Lease.

Regardless of which one of the two above options is selected by Landlord, Tenant agrees that Landlord has no duty to mitigate and Tenant waives and releases any defense based on an alleged failure of the Landlord to mitigate.

In regard to the origination of Tenant's proposed tenancy, the negotiation and preparation of this Lease and the preparation of the Premises for Tenant's occupancy, Landlord has incurred substantial one-time transactional costs, including without limitation broker's fees, attorney's fees and tenant improvement costs (the "Initial Costs"). In the event that this Lease is terminated due to Tenant's breach, Landlord shall be entitled to recover, and Tenant shall pay Landlord upon Landlord's demand therefor in addition to any other damages permitted to be recovered hereunder, an amount (the "Prorated Initial Costs") equal to the product of the Initial Costs multiplied by a fraction, the numerator of which is the number of whole or partial months remaining in the Lease Term from and after the date of Tenant's breach and the denominator of which shall be the number of months in the original Lease Term.

If Tenant fails to make any payment or perform any of its obligations under this Lease, Landlord may, without notice to or demand upon Tenant and without waiving or releasing Tenant from any obligations under this Lease, make such payment or perform such obligation of Tenant in such manner and to such extent as Landlord deems desirable. All sums paid by Landlord and all necessary costs and expenses in connection with the performance of any such obligation by Landlord, together with interest at the Default Rate set forth in Section 2.2 from the date Landlord makes such expenditure, shall be deemed additional Rent hereunder and shall be payable to Landlord on demand. Landlord may, but shall not be required to, undertake efforts to mitigate its damages resulting from Tenant's default. Landlord shall not be required to take any action, in response to Tenant default, which Landlord deems to be contrary to its best economic interests.

In connection with any default by Tenant, Landlord may re-enter the Premises, using such force for that purpose as may be necessary without being liable to any prosecution for said re-entry or the use of such force, and Landlord may retain, repair or alter the Premises and Tenant's building and improvements thereon in such manner as to Landlord may seem necessary or advisable, and/or let or re-let the Premises or any or all parts thereof for the remainder of the original term hereof, or for a longer period, and, out of any rent so collected or received, Landlord shall (i) first, pay to itself the expense or cost of retaking, repossessing, restoring, repairing and/or altering the Premises, including attorneys' fees, and the expense of removing all persons and property therefrom, including Tenant's fixtures and improvements, and (ii) second, pay to itself any cost or expense incurred in securing or attempting to secure any new leases or tenants, and (iii) third, pay to itself any balance remaining on account of the liability of Tenant to Landlord and other costs and charges. Any entry or re-entry by Landlord, whether had or taken under summary proceedings or otherwise, shall not absolve or discharge Tenant from liability hereunder. The parties acknowledge that Landlord's efforts to re-rent the Premises as herein described may be effected by noncompetitive and/or restrictive clauses in other leases so that the reasonableness of Landlord's efforts

Landlord:  Tenant: 

and the results obtained shall be considered in view of such limitations. Nothing herein shall require Landlord to re-let the Premises upon Tenant's default or vacation of the Premises.

The liability and promise to pay of Tenant herein shall survive the issuance of any writ of restitution or judgment of unlawful detainer or other termination of this Lease based upon the default of Tenant.

24.3. Deficiency. Should any rent collected by Landlord after default and after payment of all of the costs and expenses of Landlord provided for herein be insufficient to fully pay Landlord a sum equal to all regular monthly Minimum Base Rent and additional rent herein reserved, and other charges or damages owed to Landlord by Tenant, then the balance of deficiency shall be paid by Tenant to Landlord, together with all other amounts owed by Tenant to Landlord, pursuant to the terms of this Lease, on each of the rent due dates specified herein.

24.4. Landlord's Lien. If Tenant is in default under any covenant, term or condition of this Lease and after notices have been served on Tenant as provided in in this Lease agreement, in addition to the rights of Landlord identified above and as may be provided by law, Tenant hereby grants to Landlord a lien upon any personal property or trade fixtures of Tenant in said Premises (except that no lien is granted for consignment items stored by Tenant on the Premises on behalf of Tenant's customers) which lien Landlord may satisfy by entering the Premises and selling said personal property and trade fixtures at public or private sale after ten (10) days written notice to Tenant, and from the proceeds of said sale satisfy first any cost of storage, removal and sale and any other debts due from Tenant to Landlord and secondly, for the account of Tenant. At Landlord's request, Tenant will execute a Uniform Commercial Code Financing Statement (UCC-1 or UCC-2, as applicable) perfecting Landlord's security interest granted herein. This lien shall accrue to Landlord's benefit whenever Tenant is in default and when Landlord exercises any right, which Landlord may have at law or remedy which Landlord may have under the terms of this Lease. This lien is in addition to any lien rights Landlord may have as a matter of law.

ARTICLE 25. PERFECTION OF LANDLORD'S LIEN

The lien described in Section 24.4. may be perfected without legal process by Landlord by forcible detention upon the Premises of the goods and property subject thereto. Tenant shall not remove nor permit the removal of any goods subject to said lien from the Premises so long as Tenant is in default of any of its monetary or other obligations under this Lease except with Landlord's express written permission. Any vehicle in which such goods have been loaded for the purposes of removal under such circumstance shall be considered an extension of the Premises for the purpose of this Article, and Landlord shall have the right to halt and detain and to direct its return to the Premises and to enter into and upon said vehicle for the purpose of its return to the Premises, and to enter into and upon the same to remove said goods and restore them to the Premises for the detention hereinabove provided; and all without being guilty of trespass to person or property, and Tenant shall save Landlord harmless from any and all such claims and demands of damage on account thereof.

ARTICLE 26. SUBORDINATION

This Lease, at Landlord's option, shall be subject and subordinate to the liens of any mortgages or deeds of trust and to any ground leases now or hereafter placed on or against the Property or any portion thereof, or on or against Landlord's interest or estate therein, without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination. If any mortgagee or trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage or deed of trust or ground lease and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage or deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage or deed of trust or ground lease. Tenant covenants and agrees to execute and deliver upon demand, without charge therefor, such further instruments evidencing such subordination of this Lease to the lien of any such ground leases, mortgages or deeds of trust as may be

required by Landlord. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage, or if any ground lease is terminated, to attorn, without any deductions or set-offs whatsoever, to the purchaser upon any such foreclosure sale, or to the lessor of such ground or underlying lease, as the case may be, if so requested to do so by such purchaser or lessor, and to recognize such purchaser or lessor as the lessor under this Lease. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale.

ARTICLE 27. WAIVER

The waiver by the Landlord of any breach of any term, covenant or condition of this Lease shall not be deemed to be a waiver of any past, present or future breach of the same or any other term, covenant or condition of the Lease. The acceptance of rent by the Landlord hereunder shall never be construed to be a waiver of any term of the Lease. No payment by Tenant or receipt by Landlord of a lesser amount than shall be due according to the terms of this Lease shall be deemed or construed to be other than a payment of the earliest rent due nor shall any endorsement or statement on any check or letter accompanying any payment be deemed to create an accord and satisfaction or otherwise be legally binding upon Landlord.

ARTICLE 28. NOTICES

Any notice by Tenant to Landlord must be served by certified or registered U.S. mail, or by FedEx delivery, postage prepaid, addressed to Landlord at the address above given, or at such other address as Landlord may designate by written notice to Tenant. Any notice by Landlord to Tenant must likewise be by certified or registered U.S. mail, or by FedEx delivery, postage prepaid, addressed to Tenant at the address above given, or at such other address as Tenant may designate by written notice to Landlord. If Tenant is no longer occupying the Premises for any reason, it will be Tenant's responsibility to make arrangements for its mail to be forwarded to it. Any notice or letter sent by Landlord to Tenant at the address above given at any time shall be deemed received by Tenant no later than five calendar days after the date such notice or letter was sent whether actually received by Tenant or not.

ARTICLE 29. RECORDING

Neither this Lease nor any memorandum or "short form" thereof shall be recorded without Landlord's consent. In the event Landlord elects to record this Lease, the parties will execute a short form of this Lease containing the description of the Premises, the provisions relating to the term of the Lease and a reference to this Lease. Recording fee shall be paid by the requesting party.

ARTICLE 30. ATTORNEYS' FEES

In the event of any claims (either in court, arbitration, or other proceedings) between Landlord and Tenant arising out of or related to this Lease, the non-prevailing party agrees to pay to the prevailing party, the prevailing party's attorneys' fees and other costs and expenses of litigation, including but not limited to those incurred during any appellate proceedings, and including but not limited to expert fees. By this provision, the parties intend that attorneys' fees and other costs and expenses of litigation actually incurred by the prevailing party shall be awarded by the court or arbitrator to the prevailing party and paid by the non-prevailing party. The amount of such required reimbursement shall be included in a judgment for the prevailing party against the non-prevailing party.

ARTICLE 31. ENTIRE AGREEMENT; AMENDMENTS IN WRITING

Landlord:  Tenant: 

This Lease, including the exhibits and riders, if any, attached hereto and forming a part hereof, shall constitute the entire agreement between the parties. The Tenant to this Lease hereby acknowledges and agrees that the Landlord has made no warranties, representations, covenants or agreements, express or implied, to Tenant other than those expressly set forth herein, and that Tenant, in entering into and executing this Lease, has relied upon no warranties, representations, covenants or agreements other than those expressly set forth herein.

Tenant further warrants and represents that there are no collateral agreements or external conditions precedent or other circumstances which would justify the use of parole evidence to supplement, add to, vary, or delete from this agreement or any term, condition or covenant contained herein and Tenant hereby waives any right to rely on such evidence. The covenants and agreements of this Lease shall not be altered, modified or amended except in writing, signed by Landlord.

ARTICLE 32. OTHER TENANTS

Landlord reserves the right to effect such tenancies in the Building as Landlord, in the exercise of its sole judgment, shall determine to best promote the interest of the Building. Tenant is not relying on the fact, nor does Landlord represent, that any specific tenant or number of tenants shall, during the term of the Lease, occupy any space at the Building, nor that a specific percentage of the Building has heretofore been leased. If Landlord should elect to grant to any other tenant a right to expand within the existing building or elects to provide any other rights to other tenants, Landlord shall not be obligated to disclose such information to Tenant.

ARTICLE 33. CONFIDENTIALITY

Tenant agrees not to disclose the terms and conditions contained in this Lease Agreement to any third party, except to Tenant's legal counsel or in the event that Tenant is required to do so by law or court order. If so required to disclose the terms of the Lease, Tenant shall provide Landlord fifteen (15) calendar days' written notice of Tenant's intent to disclose prior to making such disclosure. In the event Tenant fails to comply with the terms of this Article, Tenant agrees to pay Landlord either actual damages suffered by Landlord or a penalty of Five Thousand Dollars (\$5,000.00), whichever is greater. Tenant further agrees not to authorize or permit or provide for publication or broadcast by news media any information or material that identifies Tenant with Landlord, without prior written approval from Landlord.

ARTICLE 34. CHANGES REQUESTED BY INSTITUTIONAL LENDER, ESTOPPEL CERTIFICATE

34.1. Amendments. In the event a Lender making a loan for the financing or refinancing of the Property, requires as a condition to making such loan a modification to this Lease, upon Landlord's written request, Tenant shall enter into with Landlord an amendment of the Lease in recordable form, making the modifications that are requested by such lender, provided that such changes are reasonable and do not materially increase Tenant's obligations under the Lease.

34.2. Estoppel Certificate. Tenant within seven (7) days after notice from Landlord, shall, from time to time, execute, acknowledge and deliver to Landlord or its designee a written statement specifying the following, subject to any modifications necessary to make such statements true and complete: (i) the total rentable square footage of the Premises; (ii) the date the Lease term commenced and the date it expires; (iii) the amount of minimum monthly Rent and the date to which such Rent has been paid; (iv) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way; (v) that this Lease represents the entire agreement between the parties; (vi) that all obligations under this Lease to be performed by either party have been satisfied; (vii) that there are no existing claims, defenses or offsets which the Tenant has against the enforcement of this Lease by Landlord; (viii) the amount of Rent, if any, that Tenant paid in advance; (ix) the amount of security that Tenant deposited

with Landlord; (x) if Tenant has sublet all or a portion of the Premises or assigned its interest in the Lease and to whom; (xi) if Tenant has any option to extend the Lease or option to purchase the Premises; and (xii) such other factual matters concerning the Lease or the Premises as Landlord may reasonably request. Tenant acknowledges and agrees that any statement delivered pursuant to this Article may be relied upon by Landlord and third parties. Tenant's failure to deliver such statement within such time period shall be conclusive upon tenant that (i) this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) there are not uncured defaults in Landlord's performance, and (iii) not more than one (1) month's rent has been paid in advance. Tenant grants full authority to Landlord to provide such statement on Tenant's behalf if Tenant fails to provide such statement within such period described herein.

ARTICLE 35. FORCE MAJEURE

In the event that either party hereto shall be delayed, hindered in, or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of utilities, restrictive governmental laws or regulations, riots, insurrection, war or any reason or a like nature, not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of such delay, provided that the provisions hereof shall not operate to excuse Tenant from prompt payment of rent, percentage rent or any other payments required by Tenant hereunder.

ARTICLE 36. INSTRUCTION RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the instruction rules and regulations that Landlord shall from time to time promulgate. Landlord reserves the right from time to time to make any and all reasonable modifications to said rules. The additions and modifications to those rules shall be binding upon Tenant effective upon delivery of a copy of them to Tenant. Landlord shall not be responsible to Tenant for the nonperformance of any said rules by any other tenants or occupants. Tenant also agrees to comply with instruction, rules and regulations set forth in the exhibits under Article 40.

ARTICLE 37. OPTION TO EXTEND

The Tenant has an option to extend ("Option to Extend") for two (2) years at the end of the initial Lease Term, provided (i) the Tenant has not sublet or assigned the Lease as specified in Article 20; and (ii) there has been no event of default during the initial Lease Term as described in Article 24, regardless of whether Landlord has elected to terminate the Lease. In order to exercise such Option to Extend, Tenant must inform Landlord of its commitment to extend the Lease in writing no sooner than ten (10) months before the expiration of the initial term of this Lease and no later than six (6) months before the expiration of the initial term of this Lease. If Tenant either fails or elects not to exercise the then applicable such Option to Extend by not timely giving its Election Notice, then such Option to Extend shall be null and void and Tenant shall have no further or additional right to extend the term of the Lease.

If the Tenant properly exercises such Option to Extend, the beginning Minimum Base Rent of the extension shall be 103% of the Minimum Base Rent in effect on the last day of the initial Lease Term.

ARTICLE 38. SECURITY DEPOSIT AND PRE-PAID ITEMS

38.1. Security deposit. On execution of this Lease, Tenant shall deposit with Landlord the sum of: **Three Thousand Six Hundred and 00/100 Dollars (\$3,600.00)** as security for Tenant's full performance of the agreement hereunder. The sum should be refunded to Tenant without interest within sixty (60) days of the end of the Lease Term or the surrender of the Premises whichever is later, provided Tenant has fully complied with all the terms, covenants and conditions specified in this Lease agreement. Landlord's obligations with respect to the security deposit

are those of a debtor and not of a trustee, and Landlord may commingle the security deposit with its other funds. If Tenant breaches any covenant, term or condition of this Lease, including but not limited to completion of Tenant improvements outlined in the exhibits listed in Article 40, and/or the payment of monies owed by Tenant to Landlord, Landlord may apply all or any part of the security deposit to the payment of any sum in default and any damage suffered by Landlord as a result of Tenant's breach. Tenant acknowledges, however, that the security deposit shall not be considered as a measure of Tenant's damages in case of default by Tenant, and any payment to Landlord from the security deposit shall not be construed as a payment of liquidated damages for Tenant's default, but as a partial payment of actual damages. If Landlord applies the security deposit as contemplated by this Article, Tenant shall, within five (5) days after written demand therefor by Landlord, deposit with Landlord the amount so applied, so as to replenish the full amount of the security deposit. Landlord and its successors and assigns shall not be bound by any actual or attempted assignment or encumbrance of the security deposit by Tenant.

38.2 Intentionally deleted.

ARTICLE 39. GENERAL

39.1. Time Essence. Time is of the essence of this agreement.

39.2. Right to Perform. If Tenant shall fail to timely pay any sum or perform any other act on its part to be performed hereunder, Landlord may, but is under no obligation to do so, make any such payment or perform any act on Tenant's behalf. Tenant shall, within ten (10) days of demand, reimburse Landlord for its expenses incurred in making such payment or performance, together with interest thereon at the default rate set forth in Section 2.1. Landlord shall (in addition to any other right or remedy of Landlord provided by law) have the same rights and remedies in the event of the nonpayment of sums due under this Article as in the case of default by Tenant in the payment of Rent.

39.3. Severability. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way. The Article headings contained herein are for convenience of reference only and shall not affect the meaning or construction of any of the terms hereof.

39.4. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Washington.

39.5. Submission of Lease Form Not an Offer. One party's submission of this Lease to the other for review shall not constitute an offer to lease the Premises. This Lease shall not become effective and binding upon Landlord and Tenant until it has been fully signed by both of them.

39.6. Authority of Parties. Each party signing this Lease represents and warrants to the other that it has the authority to enter into this Lease, that the execution and delivery of this Lease has been duly authorized, and that upon such execution and delivery, this Lease shall be binding upon and enforceable against the party on signing. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-laws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Tenant is a corporation, Tenant shall, upon request, within thirty (30) days after execution of this Lease, deliver to Landlord a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease.

39.7. Time. "Day" as used herein means a calendar day and "business day" means any day on which commercial banks are generally open for business in the state where the Premises are situated. Any

period of time which would otherwise end on a non-business day shall be extended to the next following business day.

39.8. Brokers' Fees. Tenant represents and warrants to Landlord that except for Tenant's Broker, if any, described and disclosed in the exhibits under Article 40, it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Landlord against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant.

39.9 Name. Tenant shall not use the name of the Landlord for any purpose and shall not use the name of the Building for any purpose other than as an address of the business to be conducted by Tenant on the Premises. Landlord shall have the right at any time to change the name, number or designation by which the Building or the Premises is known without any liability to Tenant. Tenant shall not use any fictitious name to which Landlord reasonably objects.

ARTICLE 40. ADDITIONAL PROVISIONS

Tenant acknowledges that Tenant has read and understands this Lease, has had an adequate opportunity to consult with experts/attorneys of Tenant's choosing concerning its terms, and has not relied upon and does not rely upon any prior written or oral representations by Landlord concerning this Lease or the Premises. This Lease supersedes any past, present or future oral agreements and any future agreements or amendments must be in writing.

The following exhibits and riders are attached and made part of this Lease and the terms thereof shall control over any inconsistent provision in the Articles of this Lease:

Agency Disclosure

Exhibit A – Legal Description of Property

Exhibit B – Description of Lease Premises

Exhibit C – Parking Facilities

Exhibit D – Additional Terms and Conditions

Exhibit E – Instruction, Rules and Regulations

Exhibit F – Pacific Rim Center Glass Storefront Specifications

Capitalized terms used in the riders and exhibits shall have the meaning given to them in the lease.

In witness whereof, the parties hereto have hereunto set their hands and seal the date first above written.

LANDLORD: Pacific Rim Center LLC

By: [Signature]
Manager, Pacific Rim Center LLC

ROBERT MAK

STATE OF WASHINGTON }
COUNTY OF KING } ss

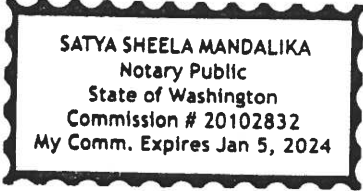
I certify that I know or have satisfactory evidence that Robert Mak is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the manager of Pacific Rim Center LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 10/19/2020

Witness my hand and official seal thereto affixed the day and year first above written.

[Signature]

Notary Public in and for the state of Washington residing at Revere Island, King County
Printed Name: SATYA SHEELA MANDALIKA
My Commission Expires: Jan 5th, 2024



TENANT:

By: [Signature]
Nigel Lo
Kin On Health Care Center
Title: CEO

STATE OF WASHINGTON }
COUNTY OF KING } ss

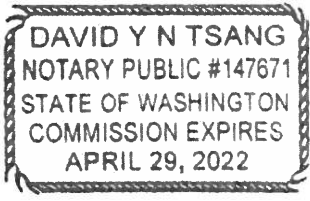
I certify that I know or have satisfactory evidence that Nigel Lo is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the CEO of Kin On Health Care Center to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 10/14/20

Witness my hand and official seal thereto affixed the day and year first above written.

[Signature]

Notary Public in and for the state of Washington residing at King County
Printed Name: David Y.N. Tsang
My Commission Expires: April 29, 2022



**Exhibit A
LEGAL DESCRIPTION
PACIFIC RIM CENTER**

The Pacific Rim Center was built on the real properties legally described as follows:

Lots 1, 2, 3, 4 and 5 being all of Block 1, McNaught's Addition to Seattle according to the plat recorded in Volume 1 of Plats, page 75 in King County, Washington except the south 15 feet thereof, condemned in King County Superior Court, case No. 56407 for the widening of Jackson Street as approved by Order No. 15291 of the City of Seattle.

Lots 3 through 6, inclusive, Block 1 of William R. Brawley's Addition to the City of Seattle. As per Plat recorded in Volume 1 of plats, page 209. Records of the King County, together with an easement for drainage and retaining wall and access thereto as delineated on the face of instrument recorded November 13, 1986, under recording No. 8611130507; and together with A perpetual easement for drainage system, fence, and retaining wall as delineated on the face of instrument recorded December 14, 1988, under recording No. 8812140352, as described below:

That portion of land 4.5 feet wide which is the southern four and one-half (4.5) feet of Lots 2 and 7, Block 1, WILLIAM R. BRAWLEY'S ADDITION TO THE CITY OF SEATTLE, according to the plat thereof recorded in Volume 1 of plats, page 209, in King County, Washington.

The Pacific Rim Center Retail is designated as Unit 1 of the Pacific Rim Center Condominium according to Condominium Declaration recorded under Recording Number 20010131000169 in King County, Washington.

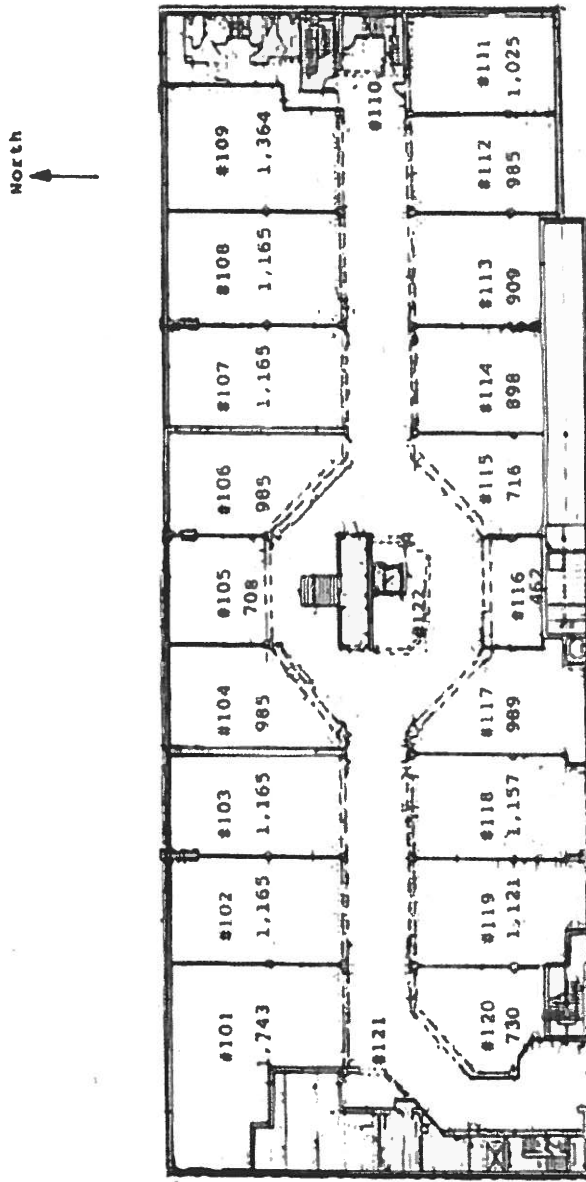
The Pacific Rim Center Residential is designated as Unit 2 of the Pacific Rim Center Condominium according to Condominium Declaration recorded under Recording Number 20010131000169 in King County, Washington.

King County Property Tax Parcel Number: 660077-0010-07

**EXHIBIT B
DESCRIPTION OF LEASE PREMISES
PACIFIC RIM CENTER**

The lease Premises are located in Pacific Rim Center Retail at 900 South Jackson Street, Seattle, WA, 98104, built on property described in Exhibit A. The location of the Premises is on the 2nd floor and designated as Suites 218-219 on the floor plans in this exhibit.

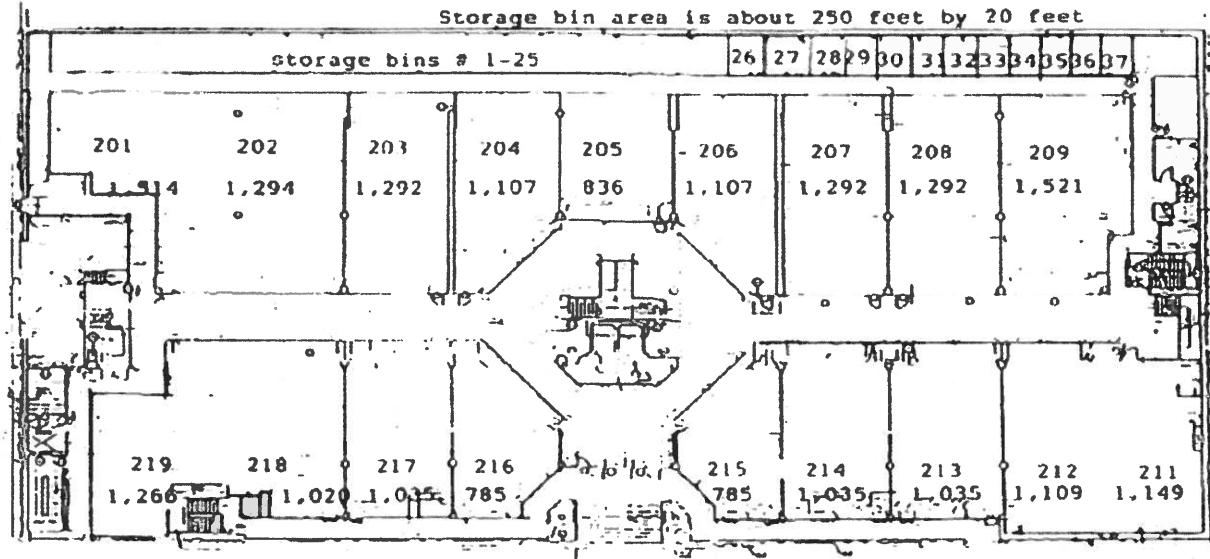
1st floor



2nd Floor

33 Kin On 101420v2f

Landlord:  Tenant: 



Landlord: *[Signature]*
Tenant: *N. G.*

EXHIBIT C
PARKING FACILITIES
3rd Floor Parking Garage
PACIFIC RIM CENTER

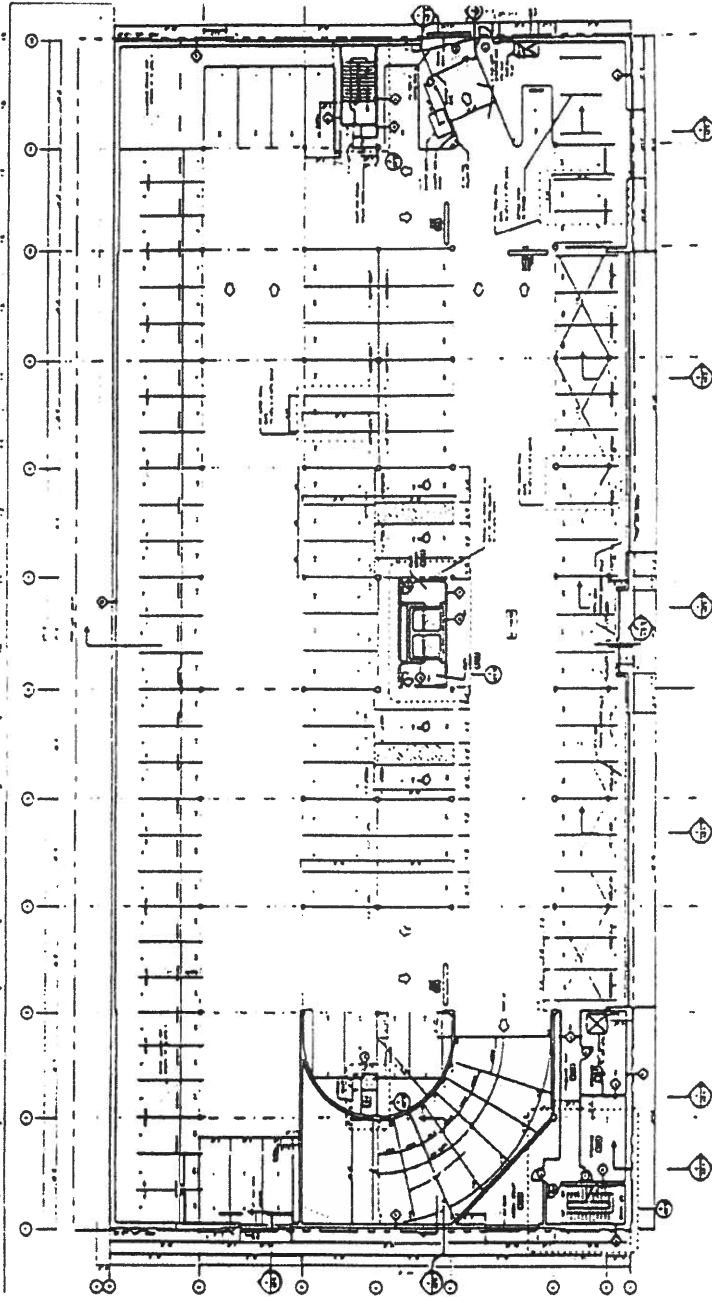
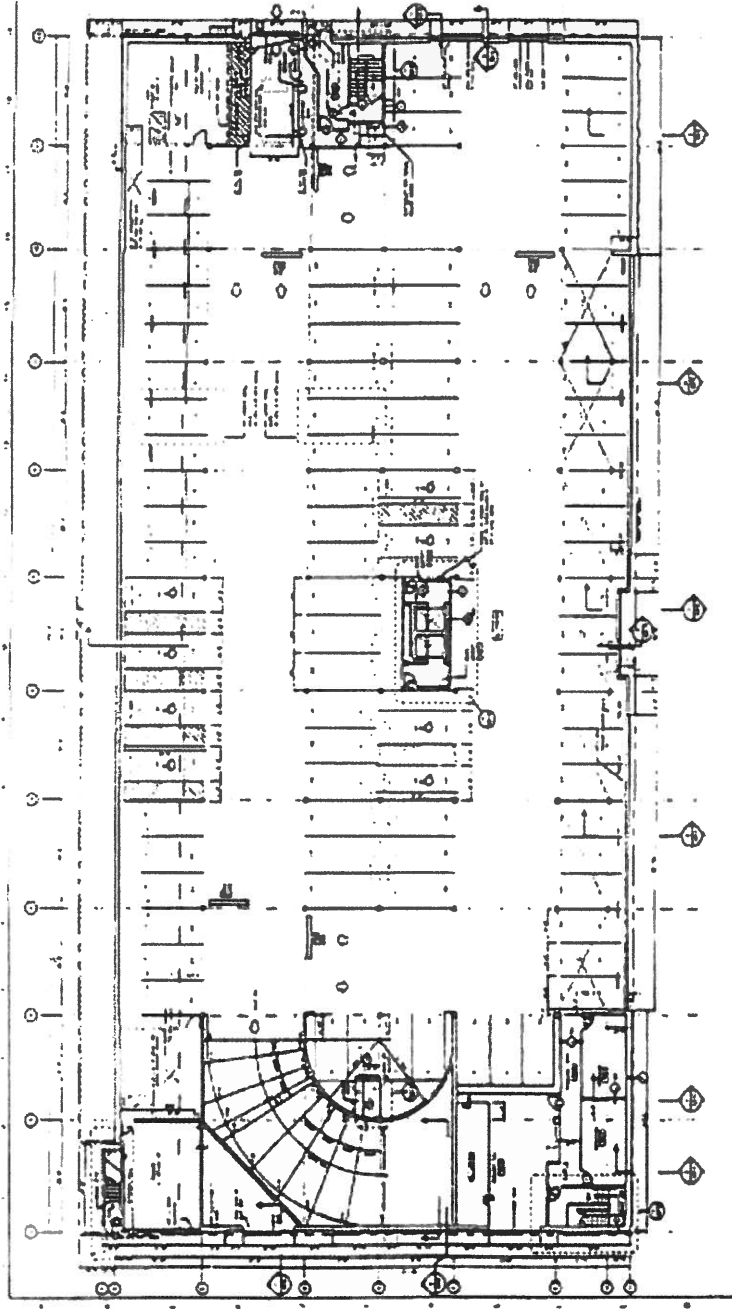


EXHIBIT C
PARKING FACILITIES
4th Floor Parking Garage



36 Kin On 101420v2f

Landlord: *[Signature]* Tenant: *n.w.*

Exhibit D
ADDITIONAL TERMS AND CONDITIONS

Landlord and Tenant mutually agree to the following additional terms and conditions:

Landlord work. Prior to Commencement Date, Landlord shall complete the following work:

- Touch up paint on interior walls and trim
- Replace damaged or missing ceiling tiles
- Repair/replace damaged floor tiles
- Replace burned out fluorescent bulbs. After Commencement Date, Tenant shall assume responsibility for replacing bulbs.

Signage. In the event Landlord at its sole option provides a back-lit cabinet sign above the mall-facing storefront of #218 or #219, Tenant shall provide and install artwork approved by Landlord. Tenant shall provide and install channel-lettering signage above street-facing storefront. All signage shall be subject to approval of Landlord and any public authority having jurisdiction. Landlord makes no representations regarding Tenant's ability to obtain sign approval from applicable governmental authorities.

Locks. In the event Tenant wishes to re-key or replace any locks to the Premises at Tenant's sole cost, Tenant shall notify Landlord and use only Landlord's approved contractor to key locks in accordance to the Landlord's master key system.

Landlord:  Tenant: N. Co

Exhibit E
PACIFIC RIM CENTER INSTRUCTIONS, RULES AND REGULATIONS
June 22, 2010

1. Tenant shall not display merchandise or place any personal property or belongings, merchandise, goods or any waste, trash or container boxes, etc. in the common areas. Tenant grants Landlord permission to remove any items left in the common areas without any prior notice and Tenant shall reimburse Landlord for the cost of the removal of such items.
2. All merchandise or goods for sale shall be displayed inside the lease Premises (inside front door).
3. No noise or music or any sound from each store, should exceed 30db at any time during business hours unless otherwise with written prior consent of the Landlord.
4. The entire Shopping Center is a NO SMOKING PROPERTY. No smoking is allowed in any part of the property.
5. For the best interest of promoting businesses of the Shopping Center, parking is for short time customer patronage only. Free parking is limited to the first hour. There will be \$3.00 charge for each additional hour of parking. The Tenant who validates the parking ticket will be billed monthly for the extra hour parking based on \$3.00 per hour exceeding the first hour.
6. Parking on 9th Avenue South or 10th Avenue South is prohibited (whether Tenant, employee or shopper).
7. Any cars in violation of parking rules will be towed at the car owner's expense.
8. Each Tenant is allowed one parking space in the parking garage at market rental rate. The Shopping Center management reserves the right to direct Tenant parking in certain areas (off Premises) to allow more shoppers to do business in the center. No car over 20 feet of length or over 6 feet 8 inches in height is allowed to enter the parking garage.
9. No hazardous/toxic waste is allowed in the center; nor should it be placed in the common areas or dumpster.
10. No pornographic, offensive, discriminatory posters, photos or other materials shall be displayed or placed in the lease Premises or common areas.
11. Restaurant owners must install and maintain an exhaust system. The exhaust fans should be large enough to efficiently remove gases through the exhaust duct (pre-installed in the building by the Landlord), so that there is no smoke or odor at any time in the Shopping Center.
12. Signage in the common areas or designated area must comply with standards set by the Landlord for the sign (inside the arcade or exterior wall), type, style, size, color, electrical illumination, etc. The Tenant is responsible to comply with the City of Seattle's requirements.
13. Tenant shall not erect or install or otherwise utilize signs, light symbols, canopies, awnings, window coverings or other advertising or decorative matter on the windows, walls and exterior doors, or areas otherwise visible from the exterior of the Premises without first submitting its plans to the Landlord and obtaining Landlord's written approval thereof.
14. Lettering upon the directory board and the doors as required by Tenant shall be performed by the sign company designated by Landlord. Any directory provided by Landlord for the building will be for display of the name and location of tenants and Landlord preserves the right to exclude any other names.
15. Landlord reserves the right to close and keep locked all entrance and exit doors of the building on legal holidays and between the hours of 10:00 p.m. of any day and 10:00 a.m. of the following day and during such further hours as Landlord may deem advisable for the adequate protection of the building and the property of the Tenants. Restaurant Tenants, with prior written consent of Landlord may conduct business during reasonable periods.
16. Tenant or its agents or contractor should not make any changes to the ceiling, walls, floor/floor covering, structural elements, without express written consent of the Landlord. The Shopping Center management reserves the right to reject any request for changes, in order to maintain the proper character or image and structural integrity of the Shopping Center.
17. Do not use passenger elevator(s) to transfer or load or unload the Tenant's merchandise. Tenants may use freight elevator for moving Tenant's goods or waste.

Landlord:  Tenant: 

18. No furniture, packages, supplies, equipment or merchandise will be received in the building or carried up or down in the passenger elevator except between such hours and in such elevators as shall be designated by the Landlord.

19. All waste or wastes (trash, garbage and container boxes, packages etc.) must be disposed daily by Tenant. Only trash (in plastic bags) can be placed into the common dumpster. All other wastes must be disposed off Premises by Tenant.

20. For security and safety of the Shopping Center, various devices and systems are installed by the Management Tenants are prohibited from tampering the system/devices (smoke detectors, fire alarms, etc.). Tenant must help collectively to maintain safety and security of the Shopping Center.

21. It is necessary to have special prior permission in writing to the Landlord for entrance in the Shopping Center during off hours (when the Shopping Center is officially closed).

22. Every Tenant doing businesses in the Shopping Center must work collectively to provide the best clean, sanitary, comfortable and pleasant environment to enhance businesses. No one should be creating nuisance (noise, odor and/or negative store advertisement etc.).

23. The Tenant is solely responsible for the damage or nuisance caused by the Tenant or his/her employees. The Tenant agrees to pay for all such damages.

24. Every Tenant must have his/her individual insurance to cover his/her merchandise, injury or damage within the store. The insurance policy must name the Landlord as a primary additional insured.

25. No additional locks shall be placed upon any doors of the Premises, and Tenant agrees not to have duplicate keys made without the consent of the Landlord. If more than the agreed number of keys upon occupying space is needed for any lock, such additional keys shall be paid for by the Tenant. Each Tenant, upon the termination of the tenancy, shall deliver to the Landlord the keys of offices and rooms which shall have been furnished the Tenant or which the Tenant shall have had made, and in the event of loss of any keys so furnished, shall pay the Landlord therefor.

26. Furniture, freight, supplies or equipment of any kind not carried by hand shall not be brought into or removed from the building without the written prior consent of the Landlord. Such furniture, freight, equipment, safes and other property shall be moved in or out of the building only at the times - and in manner permitted by Landlord. Landlord will not be responsible for loss or damage to any of the items above referred to, and all damage done to the Premises or the building by moving or maintaining any of such items shall be at the expense of Tenant. Any merchandise not capable of being corrected by hand shall be moved utilizing hand trucks equipped with rubber tires and rubber side guards.

27. Landlord shall have the right to limit the weight, size and to designate the locations of all safes, file rooms, books, libraries and other heavy property in the building. Maximum uniform floor loading allowed is 65 pounds per square foot. Tenant warrants that under no circumstances shall they load the floor in excess of this limit. If excess floor loading is required, all costs (including engineering) to prepare the floor surface and structure to withstand excess floor load shall be borne by the Tenant. In no event shall excess floor loads be imposed by Tenant without the express written permission from Landlord.

28. The entrances, corridors, stairways and elevators shall not be obstructed by Tenant, or used for any other purpose than ingress or egress to and from the Premises.

29. Tenant, will not use or permit to be used in the Premises anything that will increase the rate of insurance on the building or any part thereof; nor overload any floor or part thereof; nor permit anything that may be dangerous to life or limb; nor in any manner deface or injure the building or any part thereof; nor do anything or permit anything to be done upon the Premises in any way tending to create a nuisance or to disturb any other Tenant or occupant of any part of the building; and Tenant, at Tenant's expense, will comply with all such requirements and with all health, fire and police regulations respecting the Premises.

30. Tenant shall not mark, drive nails, screw or drill into woodwork or plaster, or paint or in any way deface the building or any part thereof, or the Premises or any part thereof or fixtures therein. The expense of remedying any breakage, damage resulting from a violation of this rule shall be borne by the Tenant.

31. Canvassing, soliciting and peddling in the building are prohibited, and each Tenant shall cooperate to prevent such activity. All communication to Landlord by Tenant shall be through the main office of Landlord. Landlord's employees shall not perform any work or do anything outside of their

regular duties, except on issuance of special instructions from Landlord. If Landlord's employees are made available for the assistance of any Tenant, such Tenant at hourly rates established by Landlord shall pay Landlord for their services.

32. Tenant shall exercise care and caution to insure that all water faucets and water apparatus, electricity and gas are carefully and entirely shut off before Tenant or its employees leave the building, so as to prevent waste or damage. Tenant shall be responsible for any damage to the Premises or the building and for all damage or injuries sustained by other tenants of the Premises or to the building arising from Tenant's failure to comply with this provision.

33. Landlord reserves the right to exclude or expel from the building any person who, in the judgment of Landlord is under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the building.

34. Tenant, employees and invitees shall obey all traffic and parking regulations as posted throughout the building by Landlord. Tenant is responsible for informing employees, visitors and clients of parking regulations. Landlord shall not be held responsible for any damages or costs if Landlord causes a vehicle to be towed if not parked in compliance with these regulations.

35. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be deposited therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees, have caused it.

36. Tenant shall employ a person or entity for the purpose of cleaning the lease Premises but only after prior written approval of such person or entity by Landlord. The janitor hired by Landlord is to clean all public areas only. The Landlord's janitor is not responsible to clean Tenant's spaces.

37. Tenant shall not employ any person or person other than the janitor of Landlord for the purpose of cleaning the Premises unless otherwise agreed to by the Landlord. Except with the written consent of Landlord, no other person or persons other than those approved by Landlord shall be permitted to enter the building for the purpose of cleaning the same. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall in no way be responsible to any Tenant for any loss of property on the Premises, however, occurring, or for any damage done to the effects of any Tenant by the janitor or any other employee of any other person. Janitorial services shall include ordinary dusting and cleaning by the janitor assigned to such work and shall not include cleaning of carpets or rugs, except normal vacuuming or moving of furniture or other special services.

38. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the building by reason of noise, odors, and/or vibration, or interfere in any way with other Tenants or those having business therein, nor shall any bicycles, vehicles animals or birds be brought in or kept in or about the Premises or the building or Shopping Center.

39. Tenant shall not use or keep in the Premises, Shopping Center or the building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.

40. Landlord will direct electricians as to where and how telephone and electrical wires are to be introduced. No boring or cutting for wires will be allowed without the prior written consent of the Landlord. The locations of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

41. No Tenant shall lay linoleum, tile, carpet or other similar flooring covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by the Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by the Tenant by whom, or by whose contractors, employees or invitees, the damage shall have been caused.

42. No Tenant shall make, or permit to be made any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring buildings or Premises or those having business with them,

whether by the use of any musical instrument, radio, phonograph, unusual noise, or in any other way. No Tenant shall throw anything out of doors, windows into the common areas and hallways.

43. During off hours and legal holidays (10:00 p.m. to 10:00 a.m.), access to the building or to the halls, corridors, elevators or stairways in the building, the Shopping Center, or to the Premises may be refused unless the person seeking access is known to the person or employee in charge of the building and has a pass or is properly identified. The Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the building of any person. In case of invasion, mob, riot public disturbance or other commotion, Landlord reserves the right to prevent access to the building during the continuance of the same by closing the doors or otherwise, for the safety of the Tenants and protection of the property in the building.

44. Tenant shall ensure that the Premises are not used for sleeping quarters.

45. No auction, quitting business, bankruptcy, fire, or similar sale shall be conducted on the Premises without the prior written approval of the Landlord.

46. Tenant shall not offer for sale or rent on or from the Premises any food, beverage, or other merchandise or service that is misbranded, and shall not misrepresent the size, quality, capabilities or other characteristics of any food beverage, merchandise or service offered for sale or rent

47. No storage of materials, equipment or property of any kind is permitted outside the Premises (except in designated storage locations with Landlord's prior written consent) and Landlord may remove any such property at Tenant's risk and expense.

48. Tenant shall not at any time display a "For Rent" sign upon the Premises.

49. Tenant shall be responsible for keeping a copy of the Lease and Landlord's current instructions, rules and regulations upon the Premises.

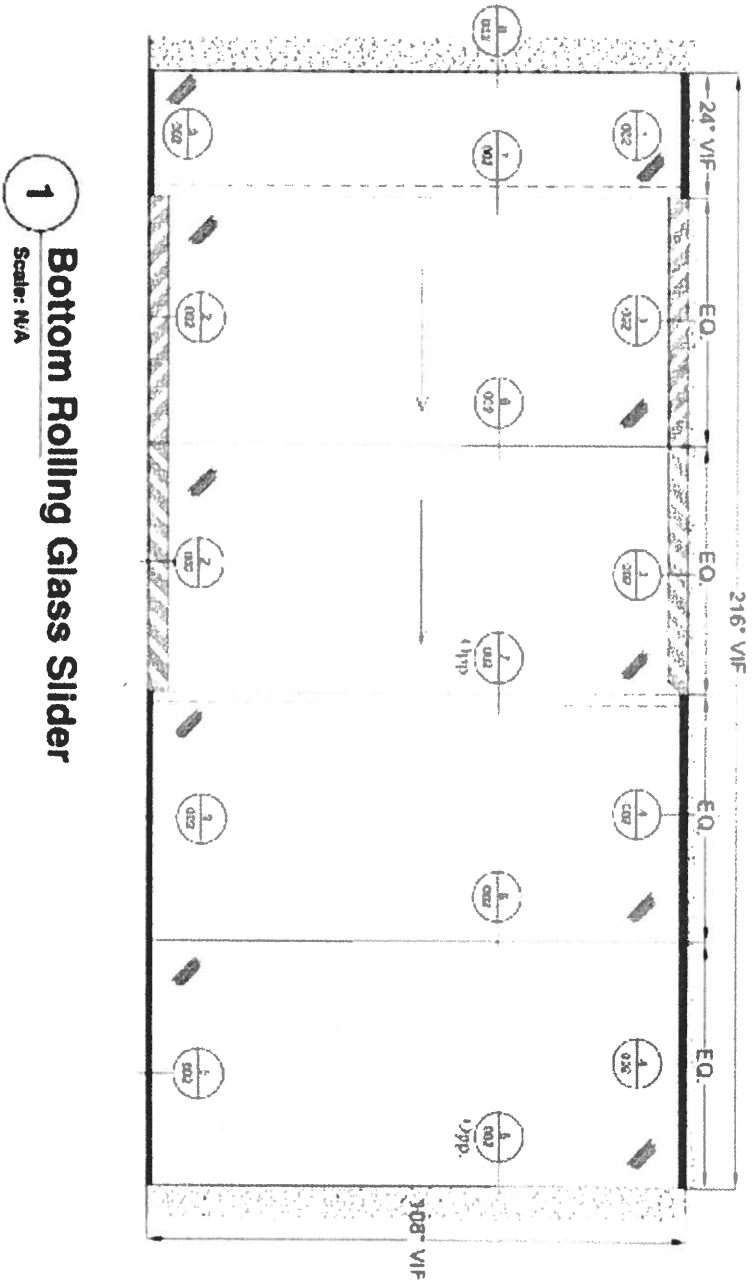
50. Tenant shall not waste electricity or water and agrees to cooperate fully with Landlord to assure the most effective and economical use of utilities services as may be provided to the building by Landlord.

51. Tenant shall keep Landlord advised of the current telephone numbers of Tenant's employees who may be contacted in any emergency: i.e., fire, break-in, vandalism, etc. If Landlord shall deem it necessary to respond to such emergency Tenant shall pay all costs incurred for services ordered by Landlord to secure or otherwise protect the Premises and the contents thereof, including a premium charge for any time spent by Landlord's employees in responding to such an emergency.

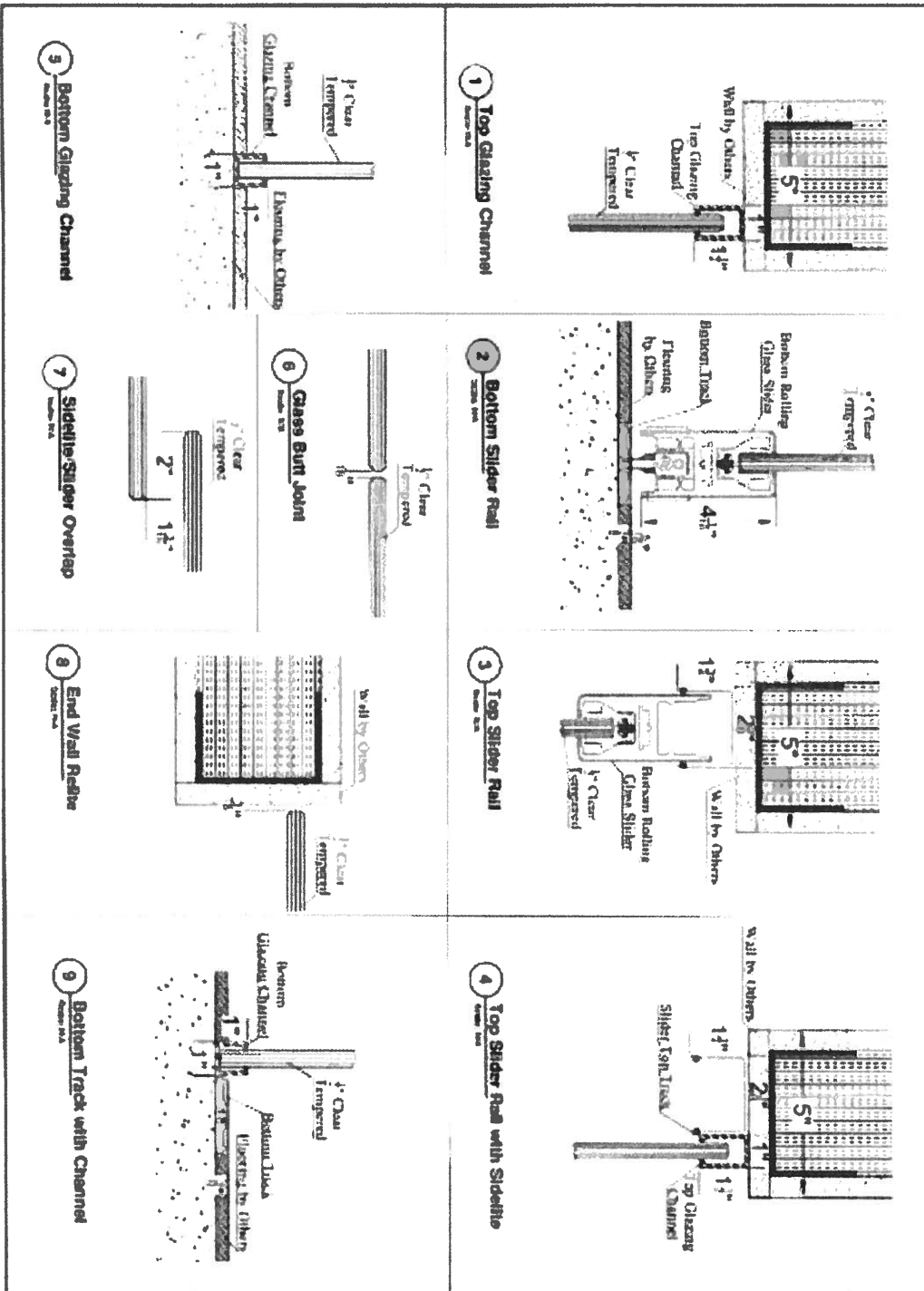
52. Landlord reserves the right to make such other and further reasonable regulations as in its judgment may from time to time be needed or desirable for the safety, care and cleanliness of the Premises, the Shopping Center and the building, and the preservation of good order therein.

Landlord:  Tenant: 

Exhibit F
 PACIFIC RIM CENTER GLASS STOREFRONT SPECIFICATIONS



Landlord: [Signature] Tenant: N.W.



Landlord: [Signature] Tenant: N.W.

Michael Woo, Ph.D., MSW, LICSW, NHA.
900 S Jackson St., Ste 219
Seattle, WA 98104

Email: mwoo@kinon.org
Phone: (206) 800-5028

Education

Ph.D. Sociology, Washington State University, Pullman WA.

Master of Social Work, University of Hawaii at Manoa, Honolulu, HI.

B.A. Sociology (with Distinction), University of Hawaii at Manoa, Honolulu, HI.

Professional Experience

Teaching Faculty: Bellevue College, Bellevue, WA, 1993 to Present.
Teach classes in introductory sociology. Conduct lecture and facilitate discussion.
Counsel students on academic and related matters.

Director of Social Service: Kin On Community Care Network, Seattle, WA,
2010 to present

Collaborate with Seattle Aging and Disability Services to provide social services and support for family caregivers and clients with dementia.

Administrator: Kin On Health Care Center, Seattle, WA, 2001 to 2010
Oversaw operations of a 100-bed skilled nursing facility that serves medically vulnerable individuals. Work with multi-disciplinary team to ensure regulatory compliance and to maintain a high quality of care. Citation-free annual health inspection (federal level) in 2006, 2005 and 2003.

Assistant Administrator, Kin On Health Care Center, Seattle, WA, 1992-2000.
Oversaw the operation of the Activity, Dietary, Environmental and Social Service Departments. Involved in hiring and personnel issues. Coordinated facility's Y2K transition plan. Assumed dual responsibility as the Social Service Director until 1996 to provide psychosocial and case management services. Involved in the selection, procurement and setup of the new computer system. Oversaw the operation of the facility's network computer system. Interpreted and implemented complex government regulations to ensure compliance.

Director of Social Service, Kin On Nursing Home, Seattle, WA 1990-1996.
Oversaw and streamlined the operation procedure and protocol of the Social Service Department. Served as a member of the management team to guide the operation of the facility. Screened applicants for admission. Facilitated resident's ongoing adjustment to nursing home living. Collaborated with consulting

psychiatrist to provide mental health services for residents. Coordinated volunteer service.

Licensure/Credentials

- Master Trainer for Chronic Disease Self-Management Program (Certified by Patient Education, Department of Medicine, Stanford University)
- Master Trainer for Diabetes Self-Management Program (Certified by Patient Education, Department of Medicine, Stanford University)
- Washington State Licensed Nursing Home Administrator (License #: NH00001880).
- Washington State Licensed Independent Clinical Social Worker (License #: LW00004330).
- Washington State Department of Social and Health Services Certified Medical Interpreter (Cantonese)
- "Approved Supervisor" for Washington State Licensed Social Worker Candidates.



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

11/16/2021

Subject: Credential Verification

To Whom It May Concern:

This verifies the status of the Nursing Home Administrator License for Woo, Tai Ming Michael.

This site is a Primary Source for Verification of Credentials.

Credential Number:	NH00001880
Credential Type:	Nursing Home Administrator License
First Credential Date:	05/10/1993
Last Renewal Date:	06/08/2021
Credential Status:	ACTIVE
Current Expiration Date:	06/12/2022
Enforcement Action:	No

The Washington Department of Health presents this information as a service to the public.

The absence or presence of information in this system does not imply any recommendation, endorsement, or guarantee of competence of any health care professional, the mere presence of such information does not imply a practitioner is not competent or qualified.

This site provides disciplinary actions taken and credentials denied for failure to meet qualifications. If the Enforcement Action is listed as a No, there has been no disciplinary action. It allows viewing and downloading of related legal documents since July 1998. Contact our [Public Records Office](#) for information on actions before July 1998. This information comes directly from our database. It is updated daily.





STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

11/16/2021

Subject: Credential Verification

To Whom It May Concern:

This verifies the status of the Social Worker Independent Clinical License for Woo, Tai Ming Michael.

This site is a Primary Source for Verification of Credentials.

Credential Number:	LW00004330
Credential Type:	Social Worker Independent Clinical License
First Credential Date:	07/22/2001
Last Renewal Date:	06/08/2021
Credential Status:	ACTIVE
Current Expiration Date:	06/12/2022
Enforcement Action:	No

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James Nguyen, RN, BSN
Columbia City • Seattle, WA 98108
(206) 940-7277 • J.D.NGUYEN@hotmail.com



OBJECTIVE

To obtain a position to effectively utilize my talent and where I can implement innovative practice and develop staff. In addition, I would like to support my colleagues and advocate for clients.

PROFILE

1. Five years Health Care Specialist (honor graduate) –US Army – 2.5 yrs Front Line Combat Iraq
2. Seattle Pacific University – class president of nursing, ambassador of health science, Award winner in Community health, Honor Society
3. University of Washington Medical Center - Dialysis RN, Coordinator, preceptor, charge RN of 7SA - winner of 2 awards for Resource RN via preceptor and charge. Innovation is current HD operations
4. Experience in collaborative work as a team member and leader.
5. Strong work ethic, self-starter, honorable, perceptive, and adaptable

EXPERIENCE

REGISTERED NURSE

2021-Current Kin On Health Care Center Seattle, WA
 Geriatric Nurse

- Provide oversight of CNAs and residents while providing therapy and pharm interventions

2020 – 2021 Kindred Home Health Seattle, WA
 Home Health Nurse

- Case Manager patients in the community throughout eastside of King County
- Deliver care to remote areas and elderly as well as providing education
- Communicate with Providers and obtain orders

2021 Covid-19 – Microsoft Campus Redmond, WA
 Vaccinator

- Handling & Distribution of vaccine, observer for post-vaccination reactions, vaccinator

2014-2020 University of Washington Medical Center Seattle, WA

Acute Care Nurse, Charge Nurse, Preceptor, Dialysis RN & Coordinator

- 5 years experience on med/surg acute care unit with specialties in organ transplant, specifically renal and liver, with pre and post care
- Received star awards for charge nurse and preceptor, with 4 years of rotation as a charge nurse
- 3 years experience as Dialysis Coordinator for inpatient/outpatient, including transportation and triage
- Assisted Vascular Access team on occasion. Member of Patient Safety Committee.
- Innovation led to 3 consecutive years of highest grossing in umbrella
- Instilled culture of financial accountability, safety, and efficiency
- Patient Safety Committee 2 years

2008-2009 City of Renton Renton, WA

POLICE OFFICER

- Interpreted and enforced city ordinance and state law
- Protected and served the citizens of the community

2003-2007 United States Army Fort Lewis, WA

HEALTH CARE SPECIALIST, 3RD BRIGADE, 2ND INFANTRY DIVISION

- Served over two years in Iraq as a combat line medic
- Accompanied patrols to provide immediate medical coverage for all soldiers in combat
- Initial stabilizing treatment and triage, plan and conduct evacuation from the field of battle and en route life support
- Preventative medicine and field sanitation

- 2 Overseas Service Ribbons, 3 Army Commendation Medals, Combat Medical Badge, Army Achievement Medal, Good Conduct Medal

EDUCATION

- | | | |
|------------|--|-------------------|
| 2012-2014 | Seattle Pacific University | Seattle, WA |
| | <ul style="list-style-type: none">• Bachelor of Science Degree in Nursing (BSN)• Nursing class co-president, Honor Society• Student Ambassador for School of Health and Sciences | |
| 2010-2012 | Seattle Central Community College | Seattle, WA |
| | <ul style="list-style-type: none">• Associate of Arts Degree (AA), 3.86 GPA• Dean's and President's Lists• Peer tutor and teacher's assistant | |
| 2003
TX | Academy of Health Science | Fort Sam Houston, |
| | <ul style="list-style-type: none">• Health Care Specialist (68W)• EMT Basic Certification• Trained in patient care and performing emergency medical techniques. | |

REFERENCES

Provided and currently on

Min Chang

From: James Nguyen <jnguyen@kinon.org> on behalf of James Nguyen
Sent: Saturday, November 20, 2021 9:52 PM
To: Min Chang
Subject: RE:

Credential Information for: Nguyen, James Dinh

Credential	Credential Type	First Issue Date	Last Issue Date	Expiration Date	Credential Status	Enforcement Action
RN60486736	Registered Nurse License	09/23/2014	08/02/2021	09/08/2022	ACTIVE	No

From: Min Chang <mchang@kinon.org>
Sent: Saturday, November 20, 2021 6:00 PM
To: James Nguyen <jnguyen@kinon.org>
Subject:

Dear James,

Can you send me your RN license...thanks.

Best regards,

Min

Min Chang
Chief Executive Officer



Kin On Health Care Center
4416 S. Brandon Street, Seattle WA 98118
Direct: 206.556.2222 | Cell: 206.741.8595

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