

# STUDEBAKER | NAULT

EMILY R. STUDEBAKER, ESQ.  
11900 N.E. 1st Street, Suite 300  
Bellevue, WA 98005  
estudebaker@studebakernault.com

September 20, 2022

## VIA E-MAIL

Department of Health  
Certificate of Need Program  
111 Israel Road S.E.  
Tumwater, WA 98501  
fslcon@doh.wa.gov

Re: SharpeVision, PLLC  
Application for Certificate of Need

Ladies and Gentlemen:

Please find enclosed an electronic version of SharpeVision, PLLC's Certificate of Need Application seeking approval for a new ambulatory surgery facility in Bellevue, Washington. A check from SharpeVision in the amount of the \$20,427.00 review fee has been sent to the Department of Health via USPS. The tracking number is 9505 5154 3762 2263 7036 83.

Per a May 6, 2021 email from the Certificate of Need Program of the Department of Health, it is our understanding that the Department no longer wishes to receive submissions in hard copy. If that is incorrect, please advise us. If you have any questions or need any additional information, please let us know. Thank you for your assistance.

Sincerely,

STUDEBAKER NAULT, PLLC



Emily R. Studebaker

Enclosures

cc: Cory Salter, Chief Executive Officer  
SharpeVision, PLLC

SHARPEVISION, PLLC

CERTIFICATE OF NEED APPLICATION  
PROPOSING TO OPERATE A CERTIFICATE OF  
NEED APPROVED AMBULATORY SURGICAL  
FACILITY IN BELLEVUE, WASHINGTON



## **Table of Contents**

	<b>Page</b>
Application Form.....	1
Applicant Description .....	2
Project Description.....	3
Certificate of Need Review Criteria .....	6

## **Table of Exhibits**

	<b>Page</b>
Exhibit 1: SharpeVision Bellevue Surgery Center Organizational Chart.....	23
Exhibit 2: Letter of Intent .....	25
Exhibit 3: SharpeVision Bellevue Surgery Center Single Line Drawings .....	27
Exhibit 4: Numeric Need Methodology Analysis.....	58
Exhibit 5: Historical and Projected Resident Population Statistics for East King County Secondary Health Services Planning Area .....	62
Exhibit 6: Charity Care Policy .....	71
Exhibit 7: Non-Discrimination Policy .....	74
Exhibit 8: Admission and Pre-Procedural Risk Policy .....	76
Exhibit 9: Patient Rights and Responsibilities Policy .....	88
Exhibit 10: SharpeVision Pro Forma Revenue and Expense Projections and Assumption ....	91
Exhibit 11: Medical Director Description.....	107
Exhibit 12: Professional Limited Liability Company Agreement .....	111
Exhibit 13: Lease Agreement Between J&J CCE, LLC and SharpeVision, PLLC.....	114
Exhibit 14: Zoning Documentation .....	184
Exhibit 15: Contractor's Estimate.....	189

Exhibit 16: Listing of New Equipment.....	199
Exhibit 17: Letter of Financial Commitment between Live Oak Banking Company and SharpeVision, PLLC .....	201
Exhibit 18: SharpeVision Financial Statements .....	203
Exhibit 19: Transfer Agreement between Overlake Hospital Medical Center and SharpeVision, PLLC .....	211

### **Table of Tables**

	<b>Page</b>
Table 1: East King County Secondary Health Services Planning Area Hospitals .....	6
Table 2: East King County Secondary Health Services Planning Area ASFs.....	6
Table 3: National Center for Health Statistics Ambulatory Surgery Use Rates per 10,000 Residents, by Major Cohort .....	9
Table 4: SharpeVision Projected Utilization .....	11
Table 5: SharpeVision Estimated Total Staffing .....	17
Table 6: Physicians to Provide Surgical Services at SharpeVision .....	18



## **Ambulatory Surgical Facility (ASF) Ambulatory Surgery Center (ASC) Certificate of Need Application Packet**

### **Contents:**

1.	260-020	Contents List/Mailing Information.....	1 Page
2.	260-020	Definitions.....	2 Pages
3.	260-020	Application Instructions.....	1 Page
4.	260-020	ASF/ASC Application.....	11 Pages
5.	RCW/WAC and Website Links.....		1 Page

### **Submission Instructions:**

Provide one paper copy of the application and one electronic copy on a CD or thumbdrive.

### **To be accepted, the application must include:**

- A completed and signed Certificate of Need application, including the face sheet
- A check or money order for the review fee of \$20,427 payable to Department of Health.
- Mail or deliver the application and review fee to:

#### **Mailing Address:**

Department of Health  
Certificate of Need Program  
P O Box 47852  
Olympia, Washington 98504-7852

#### **Other Than By Mail:**

Department of Health  
Certificate of Need Program  
111 Israel Road SE  
Tumwater, Washington 98501

### **Contact Us:**

Certificate of Need Program Office 360-236-2955



## Definitions

The Certificate of Need (CN) Program will use the information you provide to determine if your project meets the applicable review criteria. These criteria are included in state law and rules. Revised Code of Washington [\(RCW\) 70.38](#) and Washington Administrative Code [\(WAC\) 246-310](#).

**"Ambulatory surgical facility"** or **"ASF"** means any free-standing entity, including an ambulatory surgery center that operates primarily for the purpose of performing surgical procedures to treat patients not requiring hospitalization. This term does not include a facility in the offices of private physicians or dentists, whether for individual or group practice, if the privilege of using the facility is not extended to physicians or dentists outside the individual or group practice. [WAC 246-310-010\(5\)](#)

**"Ambulatory surgical center"** or **"ASC"** is also a term used interchangeably with "ASF" to describe a facility that provides ambulatory surgical procedures. The Centers for Medicare and Medicaid Services state that an ASC is a distinct entity that operates exclusively for the purpose of furnishing outpatient surgical services to patients.

**"Ambulatory surgical facility"** or **"ASF"** as defined by licensing rules, and relied on by the CN Program for consistency, means any distinct entity that operates for the primary purpose of providing specialty or multispecialty outpatient surgical services in which patients are admitted to and discharged from the facility within twenty-four hours and do not require inpatient hospitalization, whether or not the facility is certified under Title XVIII of the federal Social Security Act. An ambulatory surgical facility includes one or more surgical suites that are adjacent to and within the same building as, but not in, the office of a practitioner in an individual or group practice, if the primary purpose of the one or more surgical suites is to provide specialty or multispecialty outpatient surgical services, irrespective of the types of anesthesia administered in the one or more surgical suites. An ambulatory surgical facility that is adjacent to and within the same building as the office of a practitioner in an individual or group practice may include a surgical suite that shares a reception area, restroom, waiting room, or wall with the office of the practitioner in an individual or group practice. [WAC 246-330-010\(5\)](#)

**"Assumptions,"** as referred to in this application, means the basis for any projection you provide.

**"Invasive procedure"** as defined by licensing rules means a procedure involving puncture or incision of the skin or insertion of an instrument or foreign material into the body including, but not limited to, percutaneous aspirations, biopsies, cardiac and

vascular catheterizations, endoscopies, angioplasties, and implantations. Excluded are venipuncture and intravenous therapy. [WAC 246-330-010\(20\)](#)

**“Operating room”** as defined by licensing rules means a room intended for invasive procedures. [WAC 246-330-010\(29\)](#)

**“Procedure room”** for Certificate of Need purposes has the same meaning as “operating room,” but is often used by providers in reference to rooms dedicated to specific procedure types, such as endoscopy or pain management.

**“Person”** means an individual, a trust or estate, a partnership, any public or private corporation (including associations, joint stock companies, and insurance companies), the state, or a political subdivision or instrumentality of the state, including a municipal corporation or a hospital district. [WAC 246-310-010\(42\)](#)

# Application Instructions

The Certificate of Need (CN) Program will use the information in your application to determine if your project meets the applicable review criteria. These criteria are included in state law and rules. Revised Code of Washington (RCW) 70.38 and Washington Administrative Code (WAC) 246-310.

## General Instructions:

- Include a table of contents for application sections and appendices/exhibits.
- Number all pages consecutively.
- Do not bind or 3-hole punch the application.
- Make the narrative information complete and to the point.
- Cite all data sources.
- Provide copies of articles, studies, etc. cited in the application.
- Place extensive supporting data in an appendix.
- Provide a detailed description of the basis used for all projections.
- Do not include a general inflation rate for any dollar amounts.
- Include known contract cost increases.
- Do not include a capital expenditure contingency.
- **If any of the documents provided in the application are in draft form, a draft is only acceptable if it includes the following elements:**
  - identifies all entities associated with the agreement,
  - outlines all roles and responsibilities of all entities,
  - identifies all costs associated with the agreement,
  - includes all exhibits that are referenced in the agreement, and
  - any agreements in draft form must include a document signed by both entities committing to execute the agreement as submitted following CN approval.

**Do not skip any questions in this application. If you believe a question is not applicable to your project, provide rationale as to why it is not applicable.**

**Please answer the following questions in a manner that makes sense for your project. In some cases, a table may make more sense than a narrative. The department will follow up in screening if there are questions.**

Program staff members are available to provide technical assistance (TA) at no cost to you before submitting your application. While TA isn't required, it's highly recommended and can make any required review easier. To request a TA meeting, call 360-236-2955 or [email us at FSLCON@doh.wa.gov](mailto:FSLCON@doh.wa.gov).



Date  
Stamp  
Here

Certificate of Need Application  
Ambulatory Surgical Facilities  
Ambulatory Surgery Centers

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:  Cory Salter, Chief Executive Officer	Phone Number  (425) 451-2020
Dated:  September 15, 2022	Email Address:  cory@sharpe-vision.com
Legal Name of Applicant:  SharpeVision, PLLC	Number of Surgery Rooms requested – include operating room and procedure rooms:  3
Address of Applicant:  2285 116th Avenue N.E. Bellevue, WA 98004	Estimated Capital Expenditure:  \$7,458,426

Identify the Planning Area for this project as defined in [WAC 246-310-270\(3\)](#):

East King County Secondary Health Services Planning Area

## **Applicant Description**

Answers to the following questions will help the department fully understand the role of applicants. Your answers in this section will provide context for the reviews under Financial Feasibility ([WAC 246-310-220](#)) and Structure and Process of Care ([WAC 246-310-230](#)).

1. Provide the legal name(s) and address(es) of the applicant(s)  
Note: The term “applicant” for this purpose includes any person or individual with a ten percent or greater financial interest in the partnership or corporation or other comparable legal entity. WAC 246-310-010(6)

The applicant is SharpeVision, PLLC (“SharpeVision”). Its address is 2285 116th Avenue N.E., Bellevue, WA 98004. SharpeVision is owned by Matthew R. Sharpe, M.D. (MD00046132), who holds a 100% interest in SharpeVision.

SharpeVision is seeking certificate of need (“CN”) approval for a 3-operating room (“OR”) ambulatory surgical facility (“ASF”) in the East King County secondary health services planning area.

2. Identify the legal structure of the applicant (LLC, PLLC, etc.) and if known, provide the UBI number.

SharpeVision is a Washington professional limited liability company. Its UBI is 603 191 088.

3. Provide the name, title, address, telephone number, and email address of the contact person for this application.

Please direct questions regarding this application to the following:

Emily R. Studebaker, Esq.  
Studebaker Nault, PLLC  
11900 N.E. 1st Street, Suite 300  
Bellevue, WA 98005  
Tel: (425) 279-9929  
E-mail: [estudebaker@studebakernault.com](mailto:estudebaker@studebakernault.com)

4. Provide the name, title, address, telephone number, and email address of any other representatives authorized to speak on your behalf related to the screening of this application (if any).



Emily R. Studebaker, Esq.  
Studebaker Nault, PLLC  
11900 N.E. 1st Street, Suite 300  
Bellevue, WA 98005  
Tel: (425) 279-9929  
E-mail: [estudebaker@studebakernault.com](mailto:estudebaker@studebakernault.com)

5. Provide an organizational chart that clearly identifies the business structure of the applicant(s) and the role of the facility in this application.

Please see Exhibit 1 for an organizational chart for SharpeVision.

### **Project Description**

Answers to the following questions will help the department fully understand the type of facility you are proposing as well as the type of services to be provided. Your answers in this section will provide context for the reviews under Need ([WAC 246-310-210](#)) and Structure and Process of Care ([WAC 246-310-230](#))

1. Provide the name and address of the existing facility.

SharpeVision operates a 1-OR ASF at 2285 116th Avenue N.E., Bellevue, WA 98004. SharpeVision proposes to relocate that facility and expand it to a 3-OR ASF at 3025 112th Avenue N.E., Suite 200, Bellevue, WA 98004.

2. Provide the name and address of the proposed facility. If an address is not yet assigned, provide the county parcel number and the approximate timeline for assignment of the address.

SharpeVision proposes to establish a 3-OR ASF at 3025 112th Avenue N.E., Suite 200, Bellevue, WA 98004. The proposed ASF will operate as “SharpeVision”.

3. Provide a detailed description of the proposed project.

SharpeVision proposes to establish a 3-OR ASF at 3025 112th Avenue N.E., Suite 200, Bellevue, WA 98004. SharpeVision previously obtained a determination of reviewability for the project. Please see Determination of Reviewability #22-23 (May 26, 2022). SharpeVision is now seeking CN approval for the ASF.

4. With the understanding that the review of a Certificate of Need application typically takes at least 6-9 months, provide an estimated timeline for project implementation, below:

Event	Anticipated Month/Year
Design complete	July 1, 2022
Construction Commenced	July 13, 2022
Construction Completed	November 11, 2022

Facility Prepared for Survey	November 23, 2022
Project Completion	November 30, 2022

5. Identify the surgical specialties to be offered at this facility by checking the applicable boxes below. Also attach a list of typical procedures included within each category.

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Ear, Nose, & Throat | <input type="checkbox"/> Maxillofacial            | <input type="checkbox"/> Pain Management |
| <input type="checkbox"/> Gastroenterology    | <input checked="" type="checkbox"/> Ophthalmology | <input type="checkbox"/> Plastic Surgery |
| <input type="checkbox"/> General Surgery     | <input type="checkbox"/> Oral Surgery             | <input type="checkbox"/> Podiatry        |
| <input type="checkbox"/> Gynecology          | <input type="checkbox"/> Orthopedics              | <input type="checkbox"/> Urology         |

☐ Other? Describe in detail: \_\_\_\_\_

6. If you checked gastroenterology, above, please clarify whether this includes the full spectrum of gastroenterological procedures, or if this represents a specific sub- specialty: N/A

☐ Endoscopy                      ☐ Bariatric Surgery                      ☐ Other: \_\_\_\_\_

7. For existing facilities, provide a discussion of existing specialties and how these would or would not change as a result of the project.

The existing ASF provides ophthalmic surgery. The proposed ASF will provide ophthalmic surgery.

8. Identify how many operating rooms will be at this facility at project completion. Note, for certificate of need and credentialing purposes, “operating rooms” and “procedure rooms” are one and the same.

The proposed ASF will have 3 ORs.

9. Identify if any of the operating rooms at this facility would be exclusively dedicated to endoscopy, cystoscopy, or pain management services. [WAC 246-310-270\(9\)](#)

None of the ORs will be exclusively dedicated to endoscopy, cystoscopy, or pain management services.

10. Provide a general description of the types of patients to be served by the facility at project completion (e.g. age range, etc.).

The proposed ASF will offer and provide care to patients ages 21 years to 90 years who require ambulatory surgery for ophthalmic care, are not expected to require hospitalization, and can be treated appropriately in an outpatient surgery setting.

11. If you submitted more than one letter of intent for this project, provide a copy of the applicable letter of intent that was submitted according to [WAC 246-310-080](#).

Please see [Exhibit 2](#) for the Letter of Intent for the proposed ASF.

12. Provide single-line drawings (approximately to scale) of the facility, both before and after project completion.

Please see [Exhibit 3](#) for single line drawings of the proposed ASF.

13. Confirm that the facility will be licensed and certified by Medicare and Medicaid, which is a requirement for CN approval. If this application proposes the expansion of an existing facility, provide the existing facility's identification numbers.

ASF License #: The proposed ASF will be licensed by the Department of Health pursuant to chapter 70.230 RCW.

Medicare #: The proposed ASF will be Medicare-certified.

Medicaid #: The proposed ASF will serve Medicaid beneficiaries.

14. Identify whether this facility will seek accreditation. If yes, identify the accrediting body.

The proposed ASF will seek accreditation from the American Association for Accreditation of Ambulatory Surgery Facilities.

15. **OPTIONAL** – The Certificate of Need program highly recommends that applicants consult with the office of Construction Review Services (CRS) early in the planning process. CRS review is required prior to construction and licensure ([WAC 246-330-500](#), [246-330-505](#), and [246-330-510](#)). Consultation with CRS can help an applicant reliably predict the scope of work required for licensure and certification. Knowing the required construction standards can help the applicant to more accurately estimate the capital expenditure associated with a project.

If your project includes construction, please indicate if you've consulted with CRS and provide your CRS project number.

SharpeVision has consulted with CRS, and its project number is #61252232.

## **Certificate of Need Review Criteria**

### **A. Need (WAC 246-310-210)**

[WAC 246-310-210](#) provides general criteria for an applicant to demonstrate need for healthcare facilities or services in the planning area. [WAC 246-310-270](#) provides specific criteria for ambulatory surgery applications. Documentation provided in this section must demonstrate that the proposed facility will be needed, available, and accessible to the community it proposes to serve. Some of the questions below only apply to existing facilities proposing to expand. For any questions that are not applicable to your project, explain why.

Some of the questions below require you to access facility data in the planning area. Please contact the Certificate of Need Program for any planning area definitions, facility lists, and applicable survey responses with utilization data.

1. List all surgical facilities operating in the planning area – to include hospitals, ASFs, and ASCs.

Hospitals in the East King County secondary health services planning area are listed in [Table 1](#) below.<sup>1</sup>

**Table 1**

#### **East King County Secondary Health Services Planning Area Hospitals**

<b>Hospitals</b>	
EvergreenHealth Medical Center	HAC.FS.00000164
Overlake Hospital Medical Center	HAC.FS.00000131
Snoqualmie Valley Hospital	HAC.FS.00000195
Swedish Medical Center – Issaquah	HAC.FS.60256001

ASFs in the East King County secondary health services planning area are listed in [Table 2](#) below.<sup>2</sup>

**Table 2**

#### **East King County Secondary Health Services Planning Area ASFs**

<b>ASFs</b>	
<b>CN-Exempt ASFs</b>	
Aesthetic Facial Plastic Surgery	ASF.FS.60429354
Aesthetic Physicians d/b/a SonoBello	ASF.FS.60291172

---

<sup>1</sup> Source: CN historic files, ILRS.

<sup>2</sup> *Id.*

Allure Laser Center and Medispa / Aesthetic Eye Associate	ASF.FS.60574719
Anderson Sobel Cosmetic Surgery	ASF.FS.60278641
Athenix Body Sculpting Institute	ASF.FS.60329939
Bellevue Spine Specialists	ASF.FS.60100993
Bellevue Surgery Center	ASF.FS.60287715
Center for Plastic Surgery/David Stephens	ASF.FS.60134975
Cosmetic Surgery and Dermatology of Issaquah	ASF.FS.60100200
Eastside Endoscopy Center-Bellevue site*	ASF.FS.60100024
Eastside Endoscopy Center-Issaquah site*	ASF.FS.60262734
Egrari Plastic Surgery Center	ASF.FS.60307710
Evergreen Endoscopy Center*	ASF.FS.60103003
Kaiser Foundation [Kaiser Foundation is used for only Kaiser enrolled patients. For this facility the cases – but not the ORs – are counted in the numeric methodology.]	ASF.FS.60100954
Marina Park Plastics	ASF.FS.61104390
Naficy Plastic Surgery and Rejuvenation Center	ASF.FS.60101790
Newvue Plastic Surgery	ASF.FS.60320007
Northwest Center for Aesthetic Plastic Surgery	ASF.FS.60101127
Northwest Laser and Surgery Center	ASF.FS.60277121
Overlake Reproductive Health	ASF.FS.60350164
Pacific Cataract and Laser Institute-Bellevue	ASF.FS.60884516
Remington Plastic Surgery Center	ASF.FS.60103007
Ridgway Face and Aesthetic Center	ASF.FS.61027806
SoGab Surgery Center	ASF.FS.60107297
Stern Center for Aesthetic Surgery	ASF.FS.60099126
Virginia Mason-Bellevue Endoscopy*	ASF.FS.61079026
Virginia Mason-Issaquah Endoscopy*	ASF.FS.60101658
Washington Institute Orthopedic Center	ASF.FS.60101120
Washington Urology Associates	ASF.FS.60222057
Yarrow Bay Plastic Surgery Center	ASF.FS.60312375
CN-Approved ASFs	
Bel-Red ASC (CN #1819)	ASF.FS.60102983
Eastside Surgery Center (CN #1462) (Ophthalmology)	ASF.FS.60477711
Evergreen Surgical Clinic ASC	Hospital license
Northwest Nasal Sinus Center (CN #1250)	ASF.FS.60118035
Overlake Surgery Center (CN #1192)	ASF.FS.60101029
Proliance Eastside Surgery Center (CN #1342)	ASF.FS.60101042
Proliance Highlands Surgery Center (CN #1567)	ASF.FS.60101051
Pro Sports Club (CN #1763)	ASF.FS.60932741
Redmond Ambulatory Surgery Center (CN #1573)	ASF.FS.60826603

Retina Surgery Center (CN #1603) (Retina specific ASC)	ASF.FS.61191721
Seattle Children's – Bellevue (CN #1395)	Hospital license

\* These ASFs are endoscopy centers.

- Identify which, if any, of the facilities listed above provide similar services to those proposed in this application.

There is only one CN-approved ASF in the East King County secondary health services planning area that offers ophthalmic surgical services to non-pediatric patients.

- Provide a detailed discussion outlining how the proposed project will not represent an unnecessary duplication of services.

The establishment of the proposed ASF is being undertaken to provide additional capacity for outpatient surgical services in the East King County secondary health services planning area. The proposed ASF will not duplicate services. Instead, establishing the proposed ASF is necessary to expand access to outpatient ophthalmic surgical services to patients and providers in a health planning area, which has need for additional outpatient ORs and currently has limited access to ophthalmic surgical services in the ASF setting. There is only one CN-approved ASF in the East King County secondary health services planning area that offers ophthalmic surgical services to non-pediatric patients.

The ability of patients in the East King County secondary health services planning area to obtain these services at an ASF, an outpatient surgical setting that is significantly more cost-effective for patients and payors, is currently limited. The proposed ASF would alleviate this access issue.

- Complete the methodology outlined in [WAC 246-310-270](#), unless your facility will be exclusively dedicated to endoscopy, cystoscopy, or pain management. If your facility will be exclusively dedicated to endoscopy, cystoscopy, or pain management, so state. If you would like a copy of the methodology template used by the department, please contact the Certificate of Need Program.

SharpeVision is seeking CN approval for a 3-OR ASF. Based on the Department's numeric need methodology set forth in WAC 246-310-270(9), the East King County secondary health services planning area is projected to need 16.50 additional outpatient ORs by 2025. Please see [Exhibit 4](#) for SharpeVision's numeric need methodology analysis.

CN approval of the proposed ASF will make the facility available to all physicians in the community who are credentialed, privileged, and in good standing and who perform outpatient ophthalmic surgical services. Local physicians gaining access to SharpeVision will improve East King County secondary health services planning area residents' access to outpatient ophthalmic surgical services. Further, because freestanding ASFs are more efficient and cost-effective in comparison to hospital outpatient surgery departments, the

contractual rates for purchasers in the East King County secondary health services planning area can be lower in a freestanding setting, which translates to cost savings to patients and payors.

The East King County secondary health services planning area has shown steady population growth from 2000 to 2020 and is forecasted to continue growing steadily through 2025. Please see [Exhibit 5](#) for additional historical and projected resident population statistics for the East King County secondary health services planning area.

The ASF forecast provided below uses a comprehensive, statistically valid survey of ambulatory surgery cases by the National Center for Health Statistics, which is based on 2006 survey statistics and was published in a revised report in September 2009. This survey includes surgery use rates by major age cohort groups. It demonstrates use rates for persons 65-74 years old are 2.6 times the average use rate, and 2.4 times higher for persons 75 years of age and older. These use rates are presented in [Table 3](#) below. Considering the much higher growth in the 65+ age cohort, these use rate differences signify demand for health services will be much higher in the future as populations age.

**Table 3<sup>3</sup>**

**National Center for Health Statistics Ambulatory Surgery Use Rates  
per 10,000 Residents, by Major Age Cohort**

	Overall Average	Persons < 15 years old	Persons 15- 44 years old	Persons 45- 64 years old	Persons 65- 74 years old	Persons > 75 years old
Use Rate	1,788.3	537.5	1,019.2	2,695.9	4,584.0	4,325.3
Use Rate/Overall Use Rate	1	0.3	0.6	1.5	2.6	2.4

There is an increasing need for additional outpatient surgery capacity in the East King County secondary health services planning area and surrounding areas. There continues to be significant shifting of surgeries to outpatient settings, where costs are lower and patient satisfaction is higher due to patients' preference for outpatient-based care. Having a local ASF not only reduces travel time and costs, it also reduces anxiety and inconvenience when patients are able to obtain both clinical and surgical care in the same location.

SharpeVision's proposed ASF will respond to projected planning area demand for outpatient ORs and is validated by the numeric need methodology, as shown below.

Need Methodology

The numeric portion of the need methodology analysis requires a calculation of the annual capacity of the existing providers' inpatient and outpatient ORs in a planning area.

<sup>3</sup> Source: "Ambulatory Surgery in the United States, 2006," U.S. Department of Health and Human Services, National Center for Health Statistics, Report Number 11, January 28, 2009, revised September 4, 2009. [Table 10](#), page 18.

The proposed ASF is located in the East King County secondary health services planning area. According to the Department's records, there are 44 planning area providers with OR capacity. Of the 44 providers, four are hospitals, and 40 are ASFs.

Because there is no mandatory reporting requirement for utilization of hospital or ASF ORs, the Department sends an annual utilization survey to all hospitals and known ASFs in the state. When this application was submitted in September 2022, the most recent utilization survey collected data for year 2020. However, not all providers submitted responses. The data provided in the utilization survey is used, if available.

Table 1 shows a listing of the four hospitals in the planning area. For the four hospitals, all known OR capacity and inpatient/mixed-use procedures are included in the methodology calculations for the planning area.

Table 2 shows a listing of the 40 ASFs in the planning area. Of the 40 ASFs shown above, five are endoscopy facilities, each designated with an asterisk. The numeric need methodology deliberately excludes the OR capacity and procedures for these ASFs from the analysis. For the remaining 35 ASFs, 22 are located within a solo or group practice (considered CN-exempt ASFs). Therefore, these 22 facilities do not meet the definition of "ambulatory surgical facility" in WAC 246-310-010. For CN-exempt ASFs, the number of surgeries, but not ORs, is included in the analysis for the planning area. The remaining 13 ASFs are CN-approved facilities. For these 13 ASFs, OR capacity and utilization are included in the analysis.

In summary, data will be used for 27 CN-exempt ASFs and 13 CN-approved ASFs.

Based on the information above, the numeric need methodology analysis indicates a need for 16.50 outpatient ORs in year 2025.

5. If the methodology does not demonstrate numeric need for additional operating rooms, [WAC 246-310-270\(4\)](#) gives the department flexibility. WAC 246-310-270(4) states: "Outpatient operating rooms should ordinarily not be approved in planning areas where the total number of operating rooms available for both inpatient and outpatient surgery exceeds the area need."

These circumstances could include but are not limited to: lack of CN approved operating rooms in a planning area, lack of providers performing widely utilized surgical types, or significant in-migration to the planning area. If there isn't sufficient numeric need for the approval of your project, please explain why the department should give consideration to this project under [WAC 246-310-270\(4\)](#). Provide all supporting data.

Based on the Department's numeric need methodology set forth in WAC 246-310-270(9), the East King County secondary health services planning area is projected to need 16.50 additional outpatient ORs by 2025. Please see Exhibit 4 for SharpeVision's numeric need methodology calculation. However, if the Department were to find no



numeric need for additional ORs, the Proposed Project nevertheless should be approved in order to provide patients needed access to an ASF for outpatient ophthalmic surgical services in the health planning area. Currently, there is only one CN-approved ASF in the East King County secondary health services planning area that offers ophthalmic surgical services to non-pediatric patients.

6. For existing facilities, provide the facility's historical utilization for the last three fullcalendar years.

N/A

7. Provide projected surgical volumes at the proposed facility for the first three full years of operation, separated by surgical type. For existing facilities, also provide the intervening years between historical and projected. Include the basis for all assumptions used as the basis for these projections.

**Table 4**

**SharpeVision Projected Utilization: 2023-2027**

	2023 (Year 1)	2024 (Year 2)	2025 (Year 3)	2026 (Year 4)	2027 (Year 5)
Procedure Volumes	2,000	2,500	3,125	6,125	7,000

8. Identify any factors in the planning area that could restrict patient access to outpatient surgical services. [WAC 246-310-210\(1\) and \(2\)](#)

See answer to Question #5 above.

9. In a CN-approved facility, [WAC 246-310-210\(2\)](#) requires that "all residents of the service area, including low-income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups and the elderly are likely to have adequate access to the proposed health service or services." Confirm your facility will meet this requirement.

There is only one CN-approved ASF in the East King County secondary health services planning area that offers ophthalmic surgical services to non-pediatric patients. Therefore, the Proposed Project is critical for providing patients in the planning area a meaningful choice for outpatient ophthalmic surgical services in a cost-effective setting. In addition, please see [Exhibit 6](#) for SharpeVision's Charity Care Policy and [Exhibit 7](#) for SharpeVision's Non-discrimination Policy.

10. Provide a copy of the following policies:
  - Admissions policy
  - Charity care or financial assistance policy
  - Patient Rights and Responsibilities policy

- Non-discrimination policy
- Any other policies directly related to patient access to care.

Please see the following exhibits:

- Exhibit 6, Charity Care Policy;
- Exhibit 7, Non-discrimination Policy;
- Exhibit 8, Admission and Pre-Procedural Risk Policy; and
- Exhibit 9, Patient Rights and Responsibilities Policy.

## **B. Financial Feasibility (WAC 246-310-220)**

Financial feasibility of a project is based on the criteria in [WAC 246-310-220](#).

1. Provide documentation that demonstrates that the immediate and long-range capital and operating costs of the project can be met. This should include but is not limited to:
  - Utilization projections. These should be consistent with the projections provided under “Need” in section A. Include the basis for all assumptions.
  - Pro Forma revenue and expense projections for at least the first three full calendar years of operation. Include the basis for all assumptions.
  - Pro Forma balance sheet for the current year and at least the first three full calendar years of operation. Include the basis for all assumptions.
  - For existing facilities, provide three years of historical revenue and expense statements, including the current year. Ensure these are in the same format as the pro forma projections. For incomplete years, identify whether the data is annualized.

Please see Table 4, SharpeVision Projected Utilization, above, and Exhibit 10 for the pro forma revenue and expense projections for the proposed ASF and the basis for assumption regarding the same.

2. Provide the following applicable agreements/contracts:

- Management agreement
- Operating agreement
- Medical director agreement
- Development agreement
- Joint Venture agreement

Note that all agreements above must be valid through at least the first three full years following completion of the project or have a clause with automatic renewals. Any agreements in draft form must include a document signed by both entities committing to execute the agreement as submitted following CN approval.

Please see the following exhibits:

- Exhibit 11, Medical Director Job Description; and
- Exhibit 12, Professional Limited Liability Company Agreement of SharpeVision, PLLC.

3. Certificate of Need approved ASFs must provide charity care at levels comparable to those at the hospitals in the ASF planning area. You can access charity care statistics from the Hospital Charity Care and Financial Data (HCCFD) website. Identify the amount of charity care projected to be provided at this facility, captured as a percentage of gross revenue, as well as charity care information for the planning area hospitals. The table below is for your convenience but is not required. WAC 246-310-270(7)

Planning Area Hospital 3-year Average Charity Care as a Percentage of Total Revenue	0.82%
Projected Facility Charity Care as a Percentage of Total Revenue	0.82%

Consistent with WAC 246-310-270(7), SharpeVision will offer charity care in an amount equal to or greater than the average percentage of total patient revenue, other than Medicare or Medicaid, that affected hospitals in the planning area utilized to provide charity care in the last available reporting year.

4. Provide documentation of site control. This could include either a deed to the site or a lease agreement for the site. If a lease agreement is provided, the terms must be for at least five years following project completion. The costs identified in these documents should be consistent with the Pro Forma provided in response to question 1.

Please see Exhibit 13 for the Lease Agreement between SharpeVision, PLLC and J&J CCE, LLC.

5. For new facilities, confirm that the zoning for your site is consistent with the project.

Please see Exhibit 14 for zoning information for the site.

6. Complete the table below with the estimated capital expenditure associated with this project. Capital expenditure is defined under WAC 246-310-010(10). If you have other line items not listed below, please include the items with a definition of the line item. Include all assumptions used as the basis the capital expenditure estimate.

Item	Cost
a. Land Purchase	N/A

b. Utilities to Lot Line	N/A
c. Land Improvements	N/A
d. Building Purchase	N/A
e. Residual Value of Replaced Facility	N/A
f. Building Construction	\$4,850,508
g. Fixed Equipment (not already included in the construction contract)	\$1,199,710
h. Movable Equipment	\$140,049
i. Architect and Engineering Fees	\$244,815
j. Consulting Fees	\$176,132
k. Site Preparation	\$124,752
l. Supervision and Inspection of Site	\$211,225
m. Any Costs Associated with Securing the Sources of Financing (include interim interest during construction)	N/A
1. Land	N/A
2. Building	\$110,246
3. Equipment	\$26,706
4. Other	N/A
n. Washington Sales Tax	511,235
<b>Total Estimated Capital Expenditure</b>	<b>\$7,458,426</b>

7. Identify the entity or entities responsible for funding the capital expenditure identified above. If more than one entity is responsible, provide breakdown of percentages and amounts for all.

SharpeVision, PLLC is responsible for funding the capital expenditure.

8. Please identify the amount of start-up costs expected for this project. Include any assumptions that went into determining the start-up costs. If no start-up costs are needed, explain why.

N/A

9. Provide a non-binding contractor's estimate for the construction costs for the project.

Please see Exhibit 15 for contractor's estimate.

10. Explain how the proposed project would or would not impact costs and charges to patients for health services. WAC 246-310-220

The proposed project would provide patients in the East King County secondary health services planning area the ability to obtain outpatient ophthalmic surgical services at an ASF, an outpatient surgical setting that is significantly more cost-effective for patients

and payors.

11. Provide documentation that the costs of the project, including any construction costs, will not result in an unreasonable impact on the costs and charges to patients for health services in the planning area. WAC 246-310-220

Please see Exhibit 15 for documentation of the project costs. Because freestanding ASFs are more efficient and cost-effective in comparison to hospital outpatient surgery departments, the contractual rates for purchasers in the East King County secondary health services planning area can be lower in a freestanding setting, which translates to cost savings to patients and payors.

12. Provide the projected payer mix by gross revenue and by patients using the example table below. If “other” is a category, define what is included in “other.”

Payer	Percentage by Patient	Percentage by Revenue
Medicare	48%	46.12%
HMO / MCare Plus	6%	5.77%
HMO / Managed Care	14%	13.731%
Self-pay	32%	34.41%
Total	100%	100%

13. If this project proposes CN approval of an existing facility, provide the historical payer mix by revenue and patients for the existing facility for the most recent year. The table format should be consistent with the table shown above.

N/A

14. Provide a listing of new equipment proposed for this project. The list should include estimated costs for the equipment. If no new equipment is required, explain.

Please see Exhibit 16 for listing of new equipment.

15. Provide a letter of financial commitment or draft agreement for each source of financing (e.g. cash reserves, debt financing/loan, grant, philanthropy, etc.). WAC 246-310-220.

Please see Exhibit 17 for letter of financial commitment.

16. If this project will be debt financed through a financial institution, provide a repayment schedule showing interest and principal amount for each year over which the debt will be amortized. WAC 246-310-220

Please see answer to Question #15 above.

17. Provide the applicant's audited financial statements covering the most recent three years. WAC 246-310-220

Please see Exhibit 18 for SharpeVision's financial statements.

**C. Structure and Process of Care ([WAC 246-310-230](#))**

Projects are evaluated based on the criteria in [WAC 246-310-230](#) for staffing availability, relationships with other healthcare entities, relationships with ancillary and support services, and compliance with federal and state requirements. Some of the questions within this section have implications on financial feasibility under [WAC 246-310-220](#) and will be marked as such.

1. Identify all licensed healthcare facilities owned, operated by, or managed by the applicant. This should include all facilities in Washington State as well as out-of-state facilities, and should identify the license/accreditation status of each facility.

SharpeVision Modern LASIK  
2285 116th Avenue N.E.  
Bellevue, WA 98004  
Ophthalmic surgical services

SharpeVision Modern Cataract  
1135 116th Avenue N.E., Suite 450  
Bellevue, WA 98004  
Clinical ophthalmology and ophthalmic surgical services

SharpeVision Modern LASIK  
11005 Burnet Road, Suite 120  
Austin, TX 78758  
Ophthalmic surgical services

SharpeVision Modern LASIK  
145 W. North Avenue  
Chicago, IL 60610  
Ophthalmic surgical services

2. Provide a table that shows FTEs [full time equivalents] by classification (e.g. RN, LPN, Manager, Scheduler, etc.) for the proposed facility. If the facility is currently in operation, include at least the last three full years of operation, the current year, and the first three full years of operation following project completion. There should be no gaps in years. All staff classifications should be defined.

**Table 5**

**SharpeVision Estimated Total Staffing: 2022-2026**

<b>Position</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Registered Nurse	2.00	2.00	2.00	2.00
Nursing Director	1.00	1.00	1.00	1.00
Surgical Technician	2.00	3.00	3.00	4.00
Ophthalmic Technician	1.00	2.00	2.00	2.00
Instrument Technician	1.00	2.00	2.00	2.00
PXS/PKL	1.00	2.00	2.00	2.00
Center Director	0.25	0.25	0.25	0.25
Patient Billing Specialist	0.50	0.50	1.00	1.00
<b>Total</b>	<b>8.75</b>	<b>12.75</b>	<b>13.25</b>	<b>14.25</b>

3. Provide the basis for the assumptions used to project the number and types of FTEs identified for this project.

SharpeVision's assumptions used to project the number and types of FTEs identified for this project are as follows:

- Projected number of surgical cases based on the surgeons' historical volumes of cases that can be performed in an ASF setting (indicated in [Table 4](#) above);
- Proposed number of operating rooms (indicated in answer to Question #8 above);
- Anticipated hours of operation, Monday through Friday, 7:00 a.m. to 6:00 p.m.

4. Provide the name and professional license number of the current or proposed medical director. If not already disclosed under [WAC 246-310-220\(1\)](#) above, identify if the medical director is an employee or under contract.

Matthew R. Sharpe, M.D. (MD00046132) will be the Medical Director of SharpeVision.

5. If the medical director is/will be an employee rather than under contract, provide the medical director's job description.

N/A

6. Identify key staff by name, if known (e.g. nurse manager, clinical director, etc.)

Kristen M. Butterfield, R.N. (RN60146865) will be the Director of Nursing of SharpeVision.

7. Provide a list of physicians who would use this surgery center, including their names, license numbers, and specialties. [WAC 246-310-230\(3\) and \(5\)](#).

See Table 6 for physicians who will provide surgical services at SharpeVision.

**Table 6**

**Physicians to Provide Surgical Services at SharpeVision**

Physician	License	Specialty
Abel W Li, M.D.	MD00038596	Ophthalmology
Matthew R. Sharpe, M.D.	MD00046132	Ophthalmology
Jerry R. Shields, M.D.	MD00039681	Ophthalmology

SharpeVision has been engaged in discussions with additional physicians who intend to provide services at SharpeVision if a CN is granted.

8. For existing facilities, provide names and professional license numbers for current credentialed staff. [WAC 246-310-230\(3\) and \(5\)](#).

N/A

9. Describe your methods for staff recruitment and retention. If any barriers to staff recruitment exist in the planning area, provide a detailed description of your plan to staff this project. [WAC 246-310-230\(1\)](#)

Timely patient care is provided by carefully anticipating the needs of SharpeVision on a daily, weekly, and monthly basis and utilizing agency staff when necessary.

SharpeVision managers will be also working managers and participate in patient care as necessary. SharpeVision will also delegate non-nursing tasks to appropriate personnel, utilizing our nursing staff for patient care to the extent possible.

10. For existing facilities, provide a listing of ancillary and support services already in place. [WAC 246-310-230\(2\)](#)

Please see Exhibit 19 for a copy of the executed Transfer Agreement between SharpeVision, PLLC and Overlake Hospital Medical Center.

11. For new facilities, provide a listing of ancillary and support services that will be established. [WAC 246-310-230\(2\)](#)

N/A, SharpeVision does not provide or require laboratory, pharmacy, or radiology services.

12. Identify whether any of the existing ancillary or support agreements are expected to change as a result of this project. [WAC 246-310-230\(2\)](#)

See answer to Question #11 above.



13. If the ASF is currently operating, provide a listing of healthcare facilities with which the ASF has working relationships. [WAC 246-310-230\(4\)](#)

N/A

14. Identify whether any of the existing working relationships with healthcare facilities listed above would change as a result of this project. [WAC 246-310-230\(4\)](#)

N/A

15. For a new facility, provide a listing of healthcare facilities with which the ASF would establish working relationships. [WAC 246-310-230\(4\)](#)

See answer to Questions #10 and #11 above.

16. Provide a copy of the existing or proposed transfer agreement with a local hospital. [WAC 246-310-230\(4\)](#)

Please see Exhibit 19 for a copy of the executed Transfer Agreement between SharpeVision, PLLC and Overlake Hospital Medical Center.

17. Provide an explanation of how the proposed project will promote continuity in the provision of health care services in the planning area, and not result in an unwarranted fragmentation of services. [WAC 246-310-230\(4\)](#)

The proposed ASF will improve access to affordable, high-quality ambulatory surgical services to the East King County secondary health services planning area residents. Approval of the proposed ASF will allow SharpeVision to offer a more convenient, lower-cost alternative to hospital-based outpatient ophthalmic surgical services. CN approval will also make SharpeVision available to all physicians in the community who are credentialed, privileged and in good standing and who perform ambulatory surgical services. Local physicians gaining access to SharpeVision will improve East King County secondary health services planning area residents' access to the procedures expected to be performed at the SharpeVision. Further, because freestanding ASFs are more efficient and cost-effective in comparison to hospital outpatient surgery departments, the contractual rates for purchasers in the East King County secondary health services planning area can be lower in a freestanding setting, which translates to cost savings to patients.

18. Provide an explanation of how the proposed project will have an appropriate relationship to the service area's existing health care system as required in [WAC 246-310-230\(4\)](#).

See answer to Question #17 above.

19. Identify whether any facility or practitioner associated with this application has a history of the actions listed below. If so, provide evidence that the proposed or existing facility can and will be operated in a manner that ensures safe and adequate care to the public and conforms to applicable federal and state requirements. [WAC 246-310-230\(3\) and \(5\)](#)

- a. A criminal conviction which is reasonably related to the applicant's competency to exercise responsibility for the ownership or operation of a health care facility; or
- b. A revocation of a license to operate a healthcare facility; or
- c. A revocation of a license to practice as a health profession; or
- d. Decertification as a provider of services in the Medicare or Medicaid program because of failure to comply with applicable federal conditions of participation.

No facility or practitioner associated with SharpeVision has any history with respect to criminal convictions related to the ownership or operation of a health care facility, license revocation, or other sanction described in WAC 246-310-230(3) or (5).

**D. Cost Containment ([WAC 246-310-240](#))**

Projects are evaluated based on the criteria in WAC 246-310-240 in order to identify the best available project for the planning area.

1. Identify all alternatives considered prior to submitting this project.

There is significant need for outpatient surgery ORs in the East King County secondary health services planning area. The proposed ASF will improve access, a key criterion for a CN. The proposed ASF will also provide a low cost, freestanding ASF in the health planning area to meet the needs of patients and help residents of the planning area avoid wait times for procedures and lower health care costs.

SharpeVision has a presence in the East King County secondary health services planning area, and the proposed ASF will build upon this presence and offer other patients convenient access to surgical services. SharpeVision is committed to providing high quality, affordable care in the East King County secondary health services planning area, and the proposed ASF will help accomplish this goal. The proposed project promotes continuity of care with SharpeVision's other services, and it offers cost containment as well. Making the proposed ASF available to qualified, credentialed and privileged physicians in good standing is significantly less costly than building a new ASF to address the need for surgical services.

SharpeVision is requesting a CN for the proposed ASF so that other qualified, credentialed and privileged physicians in good standing can use the facility. As part of its due diligence, SharpeVision examined alternatives to the proposed project and evaluated those alternatives. The alternatives are addressed below.

### *Alternative 1: “Do Nothing”*

SharpeVision rejected a “do nothing” alternative. The East King County secondary health services planning area currently has too few outpatient ORs. Planning area residents are underserved relative to the forecasted demand for surgical services and must travel or wait to obtain care. SharpeVision has a presence in the East King County secondary health services planning area and can add value to community health services by extending its continuum of care to additional residents of the community and other patients. A “do nothing” alternative strategy is detrimental to the community, in that such a strategy would do nothing to reduce the travel or wait times for surgical services, would further restrict needed health care services within the health planning area, and would not improve the cost effectiveness of care delivery. There is no advantage to the “do nothing” alternative, so it was not considered feasible.

### *Alternative 2: Request Approval for a Freestanding ASF, i.e., The Proposed Project*

In contrast to the “do nothing” approach, the advantages of a CN-approved ASF are clear. A CN-approved ASF would afford increased access and local choice for the health planning area residents and local, independent physicians. It would increase physicians’ and patients’ ease of access and improve their ability to deliver and receive high quality care. This alternative model reduces the overall cost of care and passes these relative cost and efficiency advantages of a freestanding ASF to patients and payers.

There are no disadvantages to granting SharpeVision’s request for CN approval. The data demonstrates there would not be a duplication of services, given a projected net demand of over 16.50 outpatient ORs in the health planning area.

A CN-approved ASF would better serve the interests of the planning area residents and achieve East King County secondary health services planning area’s desire to reduce wait times for outpatient surgical services.

The primary objective of the proposed project is to provide needed access to a high quality, low cost ASF in the planning area where there is clearly demonstrated need. Patients who need outpatient surgery will have the option to have their procedure in an ASF where they can obtain the same quality surgical experience, but at a lower cost. The proposed ASF will offer care that is both affordable and local. The proposed ASF will be available to SharpeVision’s physicians and their patients as well as to other qualified, credentialed, and privileged physicians in good standing and their patients.

2. Provide a comparison of the project with alternatives rejected by the applicant. Include the rationale for considering this project to be superior to the rejected alternatives. Factors to consider can include, but are not limited to: patient access to healthcare services, capital cost, legal restrictions, staffing impacts, quality of care, and cost or operation efficiency.

See answer to Question #1 above.

3. Identify any aspects of the facility's design that lead to operational efficiency. This could include but is not limited to: LEED building, water filtration, or the methods for construction, etc. [WAC 246-310-240\(2\) and \(3\)](#).

The costs, scope, and methods of construction and energy conservation are reasonable. The project is being designed to the Washington State Energy Code.

EXHIBIT 1

ORGANIZATIONAL CHART

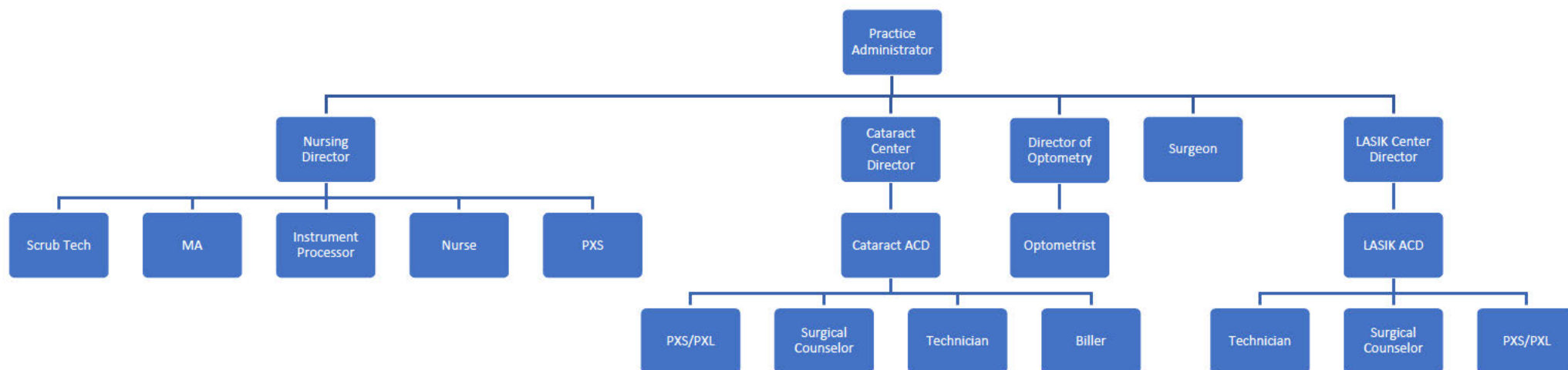


EXHIBIT 2

LETTER OF INTENT

July 21, 2022

Eric Hernandez, Manager  
Certificate of Need Program  
Department of Health  
111 Israel Road S.E.  
Tumwater, WA 98501

*Sent via email: fslcon@doh.wa.gov*

Re: Letter of Intent

Dear Mr. Hernandez:

In accordance with WAC 246-310-080, SharpeVision, PLLC (“SharpeVision”) hereby submits this Letter of Intent proposing to operate a certificate of need approved ambulatory surgery center (“ASC”) in the East King County secondary health services planning area.

SharpeVision submits the following information:

1. *Description of proposed services:* SharpeVision proposes to operate a three operating room ambulatory surgery center.
2. *Estimated cost of proposed project:* The estimated capital expenditure associated with the proposed project is \$7,458,426.
3. *Identification of service area:* The service area for the proposed project is the East King County secondary health services planning area.

Thank you for your assistance in this matter. If you have any questions, please contact our attorney, Emily R. Studebaker, at [estudebaker@studebakemault.com](mailto:estudebaker@studebakemault.com) or (425) 279-9929.

Sincerely,

Cory Salter, Esq.  
Chief Executive Officer

# SHARPEVISION



EXHIBIT 3

SINGLE LINE DRAWINGS





21054 SHARPE VISION CODE REVIEW SYNOPSIS PER NFPA 101 REQUIREMENTS

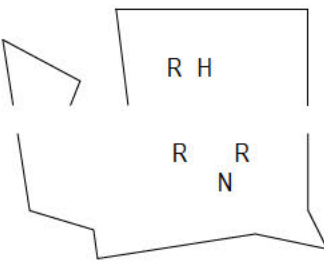
1. NFPA 101 COMPLIANCE IS REQUIRED PER DOH/CRS REVIEW FOR A LICENSED ASC.
2. CERTIFICATE OF NEED EXEMPT.
3. NFPA RISK CATEGORY 4.
4. FGI CLASS A
5. NO PATIENTS ARE INCAPABLE OF SELF-PRESERVATION AT ANY TIME DURING PROCEDURES
6. NFPA OCCUPANCY REQUIREMENTS ARE PER CHAPTERS 38/39 (BUSINESS) IN LIEU OF CHAPTERS 20/21 (AMBULATORY HEALTH CARE) PER ITEMS ABOVE

THE SIGNIFICANT DIFFERENCES BETWEEN NFPA AND IBC ARE:

1. IBC AND NFPA 101 OCCUPANCY LOAD FACTORS DIFFER. REVISIONS ARE COMPLETED FOR DOH SUBMITTAL. ALTERATIONS TO CONSTRUCTION ARE NOT REQUIRED.
2. IBC ALLOWS NON-SEPARATED FLOORS, CONTINGENT UPON SAME OCCUPANCY. NFPA REQUIRES PROTECTION OF VERTICAL OPENINGS PER SECTION 8.6. FLOOR SMOKE BARRIERS CONSTRUCTED PER SECTION 8.5 ARE REQUIRED PER 8.6.1 PER COMMENTARY FOR SECTION 8.6.8 (TWO-STORY OPENINGS WITH PARTIAL ENCLOSURE) A BARRIER AT ONE LEVEL AT A TWO-STORY STORY IS ALLOWABLE AS AN EXIT ACCESS STAIRWAY.
3. NFPA 7.7.2 - EXIT ACCESS FROM 2<sup>ND</sup> FLOOR CAN DISCHARGE THROUGH 1<sup>ST</sup> FLOOR LOBBY.

THE EXISTING EXIT ACCESS STAIRWAY DISCHARGING TO THE 1<sup>ST</sup> FLOOR LOBBY NEAR THE MAIN ENTRANCE IS NOT SEPARATED FROM ADJACENT SPACES ON EITHER FLOOR. THERE IS ALSO AN EXISTING OPENING IN THE 2<sup>ND</sup> FLOOR TO THE LOBBY. THE ELEVATOR HOISTWAY DOORS ALSO OPEN ON BOTH LEVELS AND DO NOT PROVIDE SMOKE BARRIERS. THE 1<sup>ST</sup> FLOOR CORRIDOR IS NOT CONFIRMED AS A SMOKE BARRIER TO ADJACENT SPACES. ADDITIONAL SMOKE BARRIER(S) WILL BE REQUIRED AT THE LOBBY TO COMPLY WITH THE CODE PER ABOVE.

1. PROVIDE/MODIFY/ADD SMOKE RATED DOORS FROM 1<sup>ST</sup> FLOOR TENANT SPACES TO THE LOBBY.
2. PROVIDE/ADD SMOKE RATED DOOR(S) AND SMOKE PARTITION BETWEEN 1<sup>ST</sup> FLOOR CORRIDOR AND LOBBY SPACE.


$$B^0$$

A                    A    Y P   A  
                         H    V   W

[illegible]

# A 2



0  
B

M  
H P A  
V W

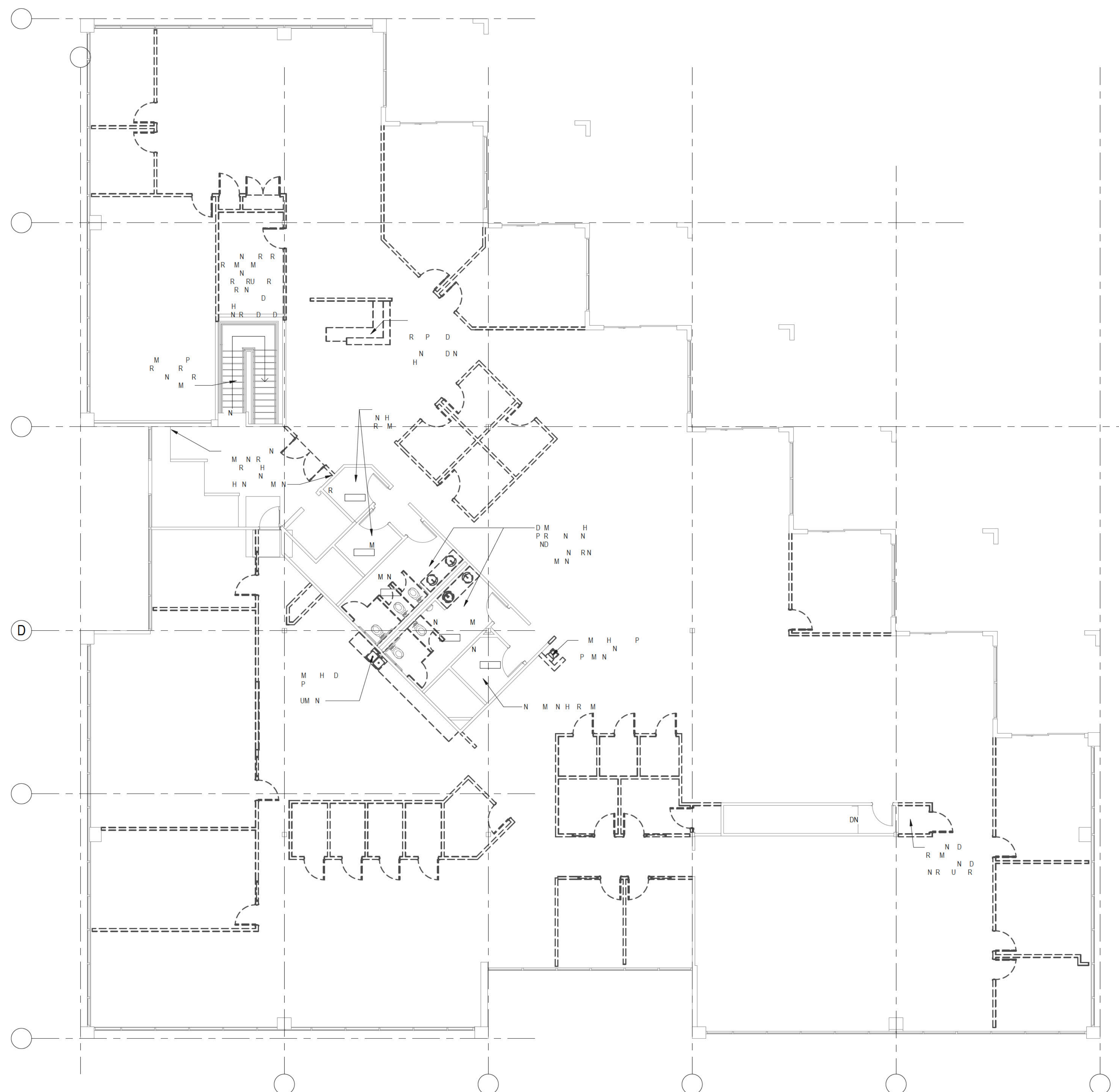
[illegible]

- \_\_\_\_\_  
- \_\_\_\_\_  
- \_\_\_\_\_ Y \_\_\_\_\_  
- \_\_\_\_\_

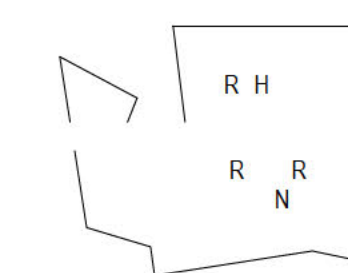
---

\$

A

[illegible]





HA P V  
& A

0  
B

H P A  
V W

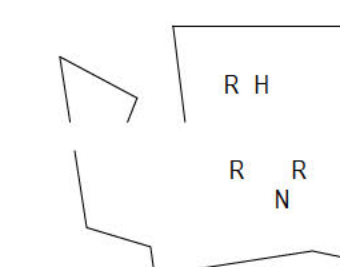
[illegible]

Y \_\_\_\_\_

**A2**





0  
B

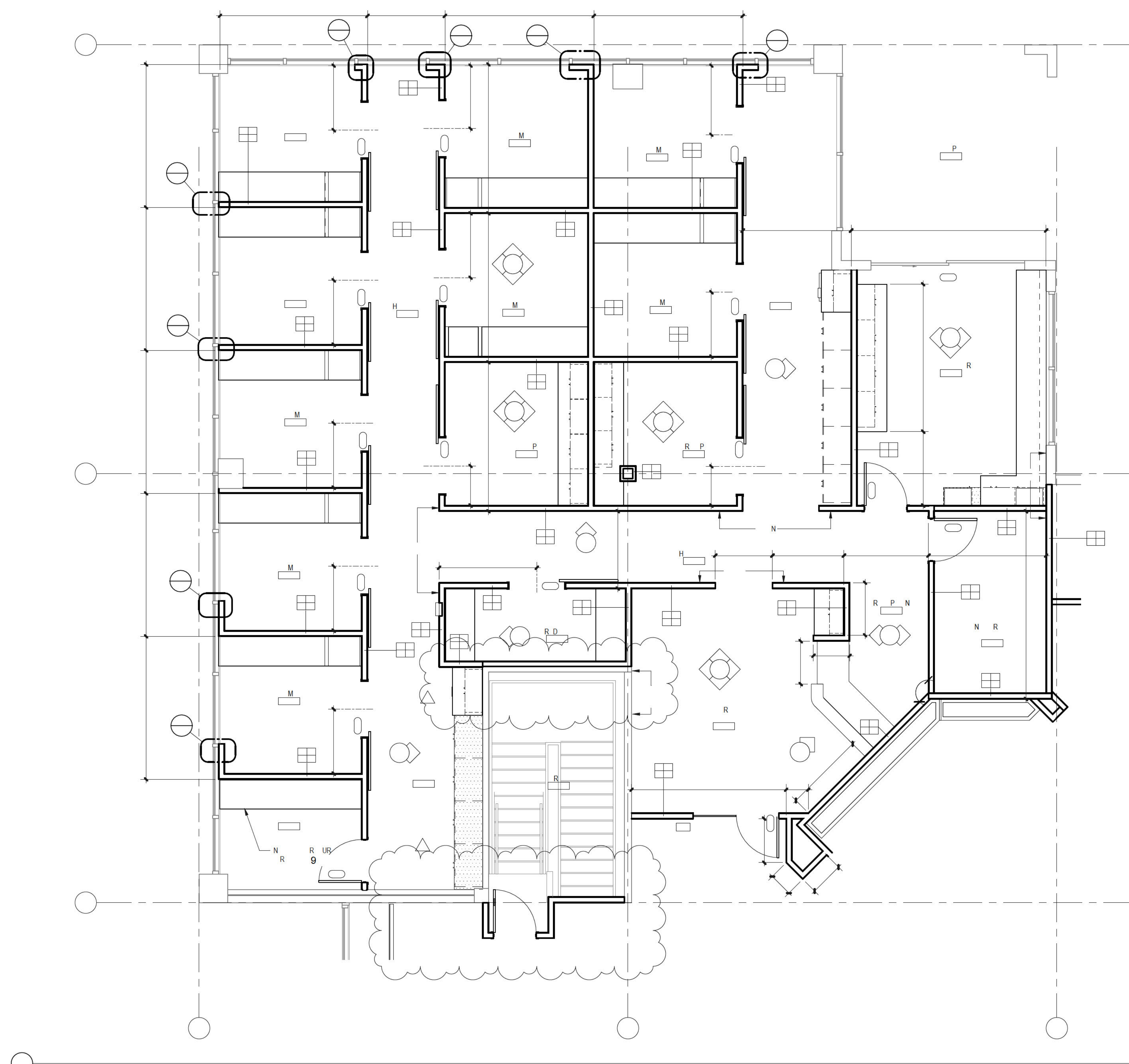
P A A A A

[illegible]

Y \_\_\_\_\_

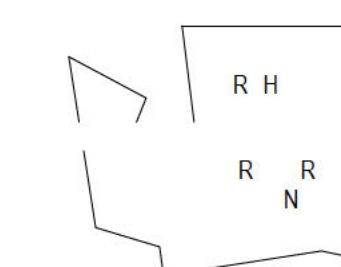
**A2 2**

N  
 N  
 N DN RM R R R N N R  
 R H R D D N H P PP DU U N R H N R  
 H P R R D D R P  
 H R U D  
 P N N N P N H N N  
 D H R M N R N N H D N D N N



0 0 S V S S S B S





This architectural floor plan shows the layout of the first floor. It includes a central staircase, a large open area on the left, and a smaller room on the right. A dashed line with an arrow labeled 'D R' indicates a path from the right side towards the left. A label 'M' is placed near the bottom center. The plan also shows various doors, windows, and structural elements like walls and columns.



P R P N

[illegible]

HA P V  
& A

1

A  
 P A A  
 H V W

1

## A2



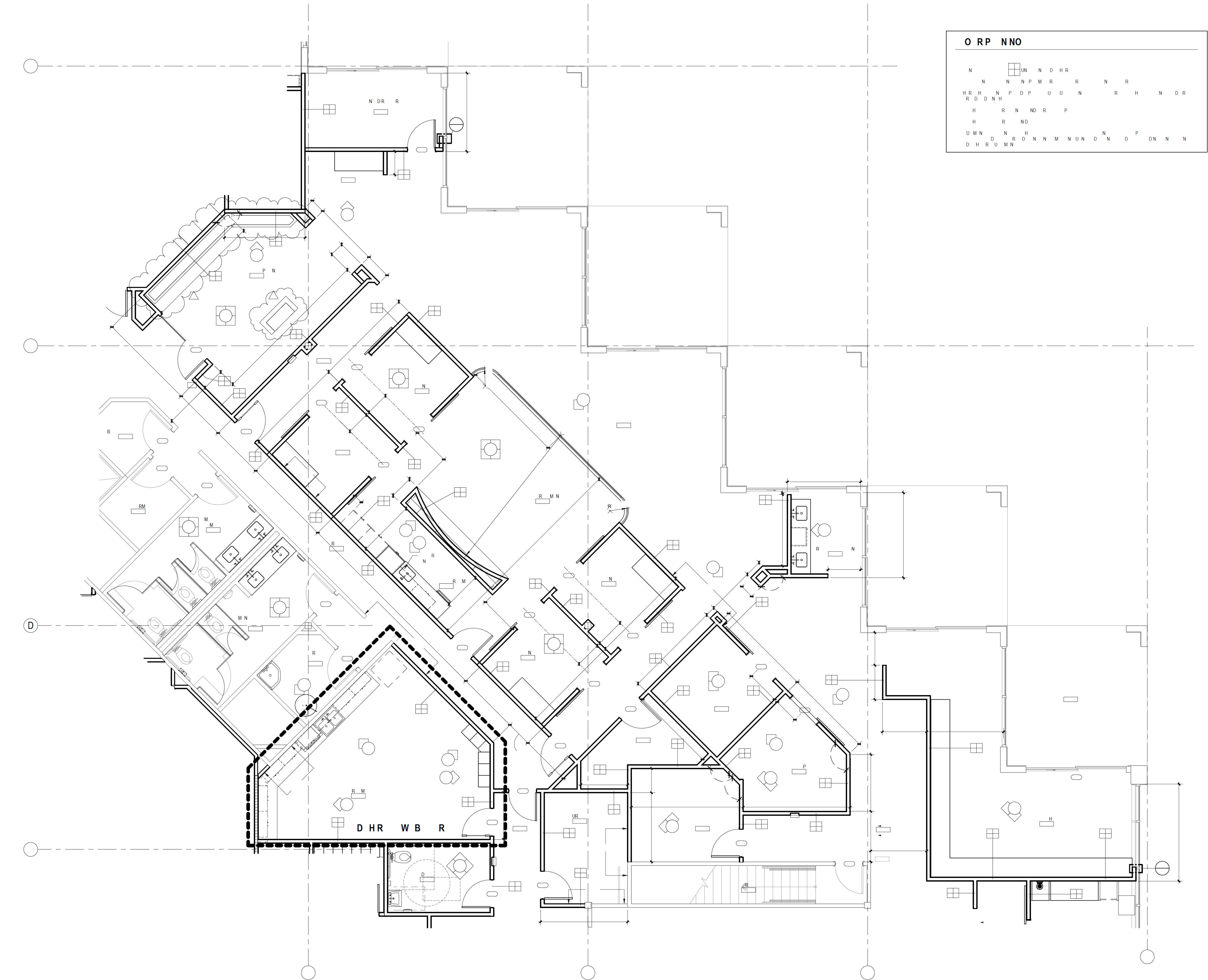


D

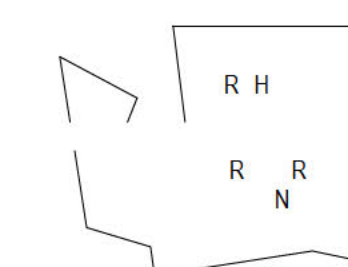
P      A  
       A      A  
       H      V    W

[illegible]

Y \_\_\_\_\_







HA P V  
& A

0  
B

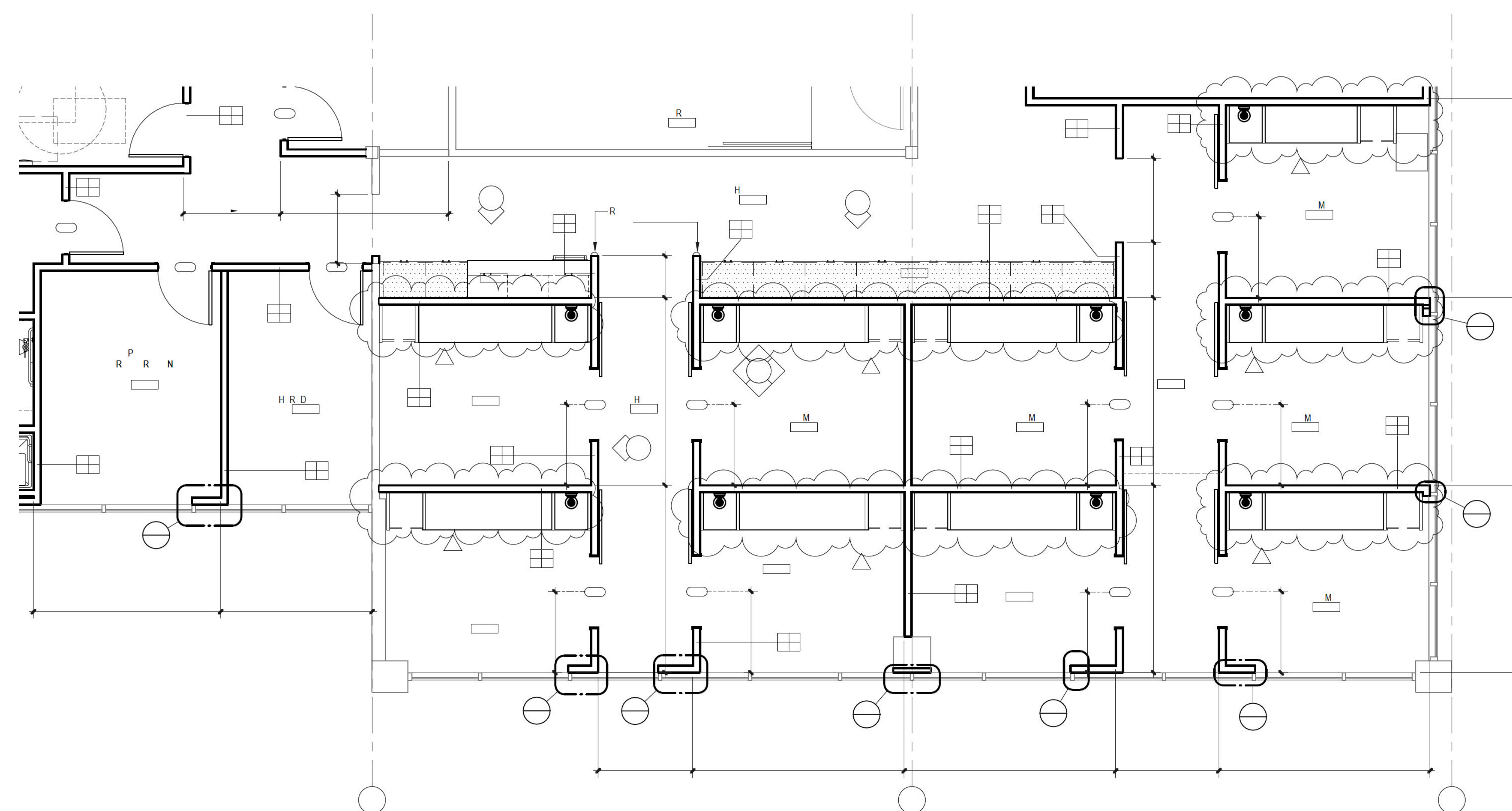
P A A XAM

[illegible]

Y \_\_\_\_\_

S

**A2**

[illegible]



0  
B

A  
P A  
A A A

[illegible]

Y \_\_\_\_\_





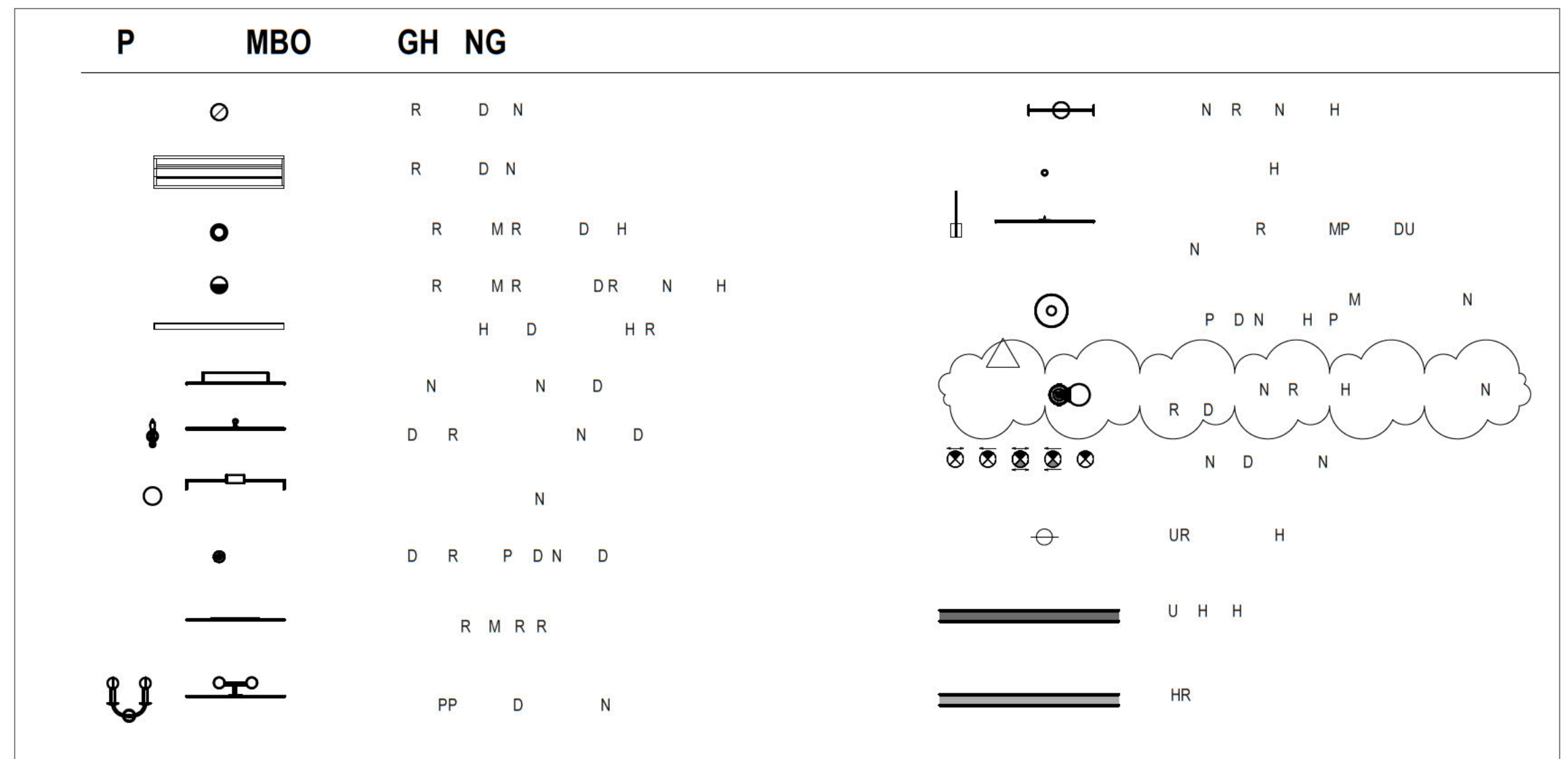
03

A

P	A	A
H	V	W

[illegible]

Y \_\_\_\_\_



GNO																
N	O	W	D	D												
H		RM	N	D	N	M	M	N	H	H						
DR	N	N	DN	N	PN	D	R	NR	NR	M	H	D	N	M	D	
	N	D	N	P	N	D	H	HR	M	H	N					
R	R	N	P	N	R	N	N	H								
	N	R	H	D	M	N	H	D	UR	N	R	N	N	N	N	P
	M	N	R	N	N	H	H	N	U	R	D	N	M	N	N	H
PR		N	R	R	U	M	N	N	N	R	U	D	R	M	N	D
		N	R	R	U	M	N	N	N	R	U	D	R	M	N	D
R	R		N	R		N	N	U	D	R	N	N				
R	U	D			N	R	H	N		P	N	D	N	U	R	D
N	D		D	N	N	P	N	N		P	N	D	N		N	ND
D	N	N	R		N	H	R	N	N	R	D		R			
N	D	R	H	M	N	N	R	M	P	N	N	D	R	P	M	D
D	U	R	H		R	D	N	N	N							





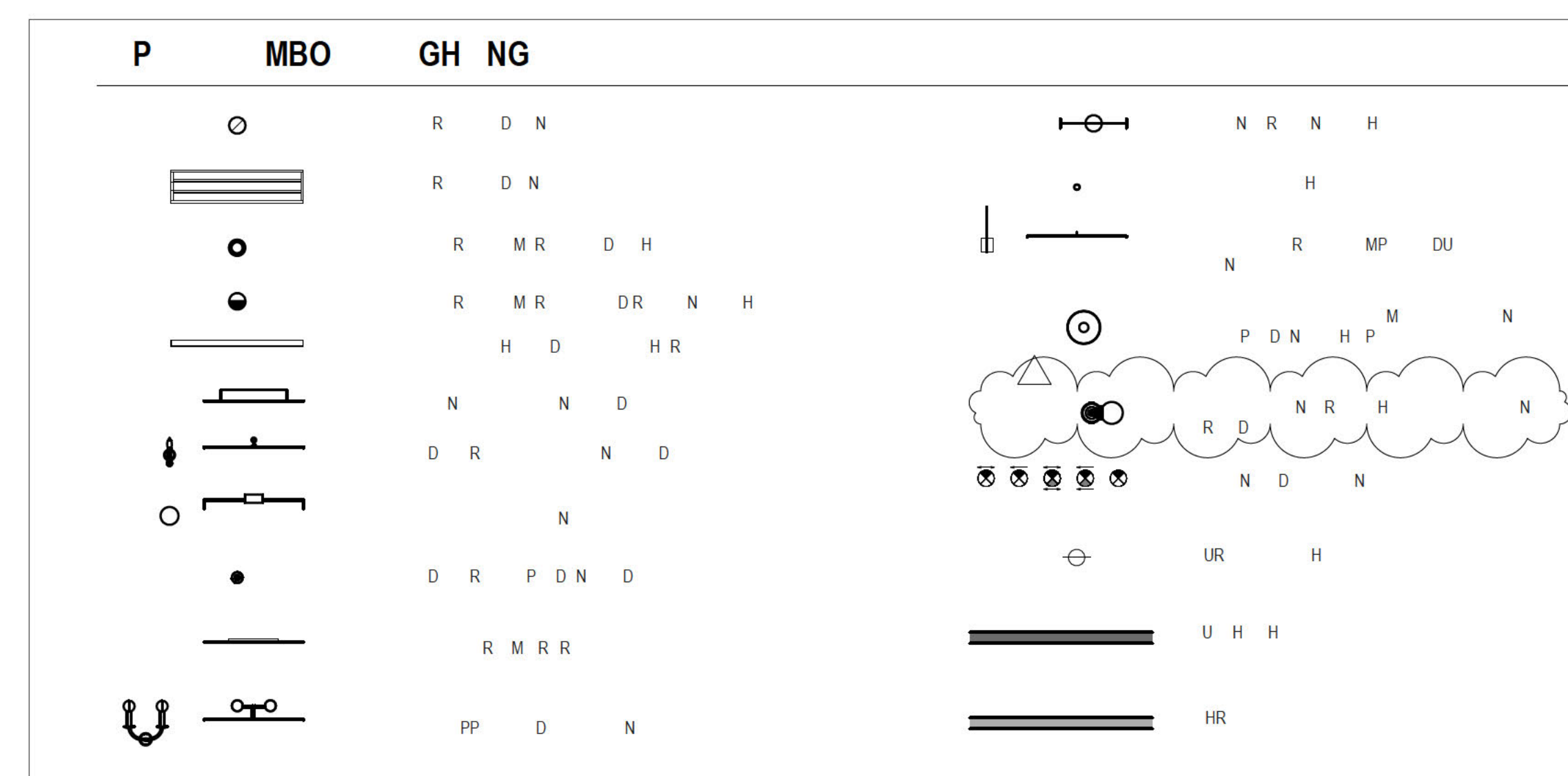
0  
B

A  
P A  
H  
V W

[illegible]

Y \_\_\_\_\_

**A2 24**



NG O

---

H N M N ND N M M N H H

M U D H P D U R R R N D R N H D N D M R

N R D N N N P D H N R M H N

R R N H N R N N H

M N H D M N H H N R U R N D R M H N H R R

R N

R D H H N N U R D M H N N P M N D N

P R H M

R R N R N N D D R N H N

N R D U R D P N R H N R D U M N D D P N N P M R D N N D D

N R D H D N N M N N

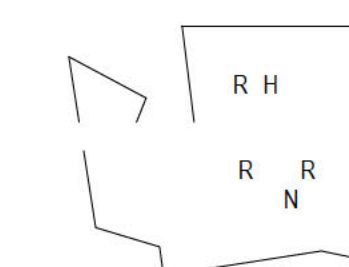
M N R H R N R N D U R

N H D N N R M U N N R R P U M D N

N D R

D U R H R R N N N



0  
B

A  
A P A  
XAM

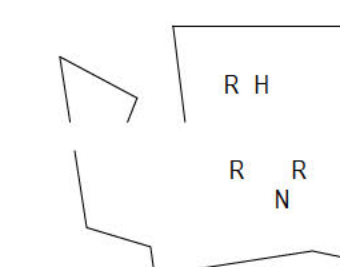
[illegible]

- \_\_\_\_\_  
- \_\_\_\_\_  
- \_\_\_\_\_ Y \_\_\_\_\_  
- \_\_\_\_\_

---

\$



0  
B

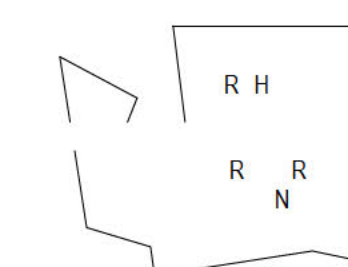
P A A A A &

[illegible]

- \_\_\_\_\_  
 - \_\_\_\_\_  
 - \_\_\_\_\_  
 y \_\_\_\_\_







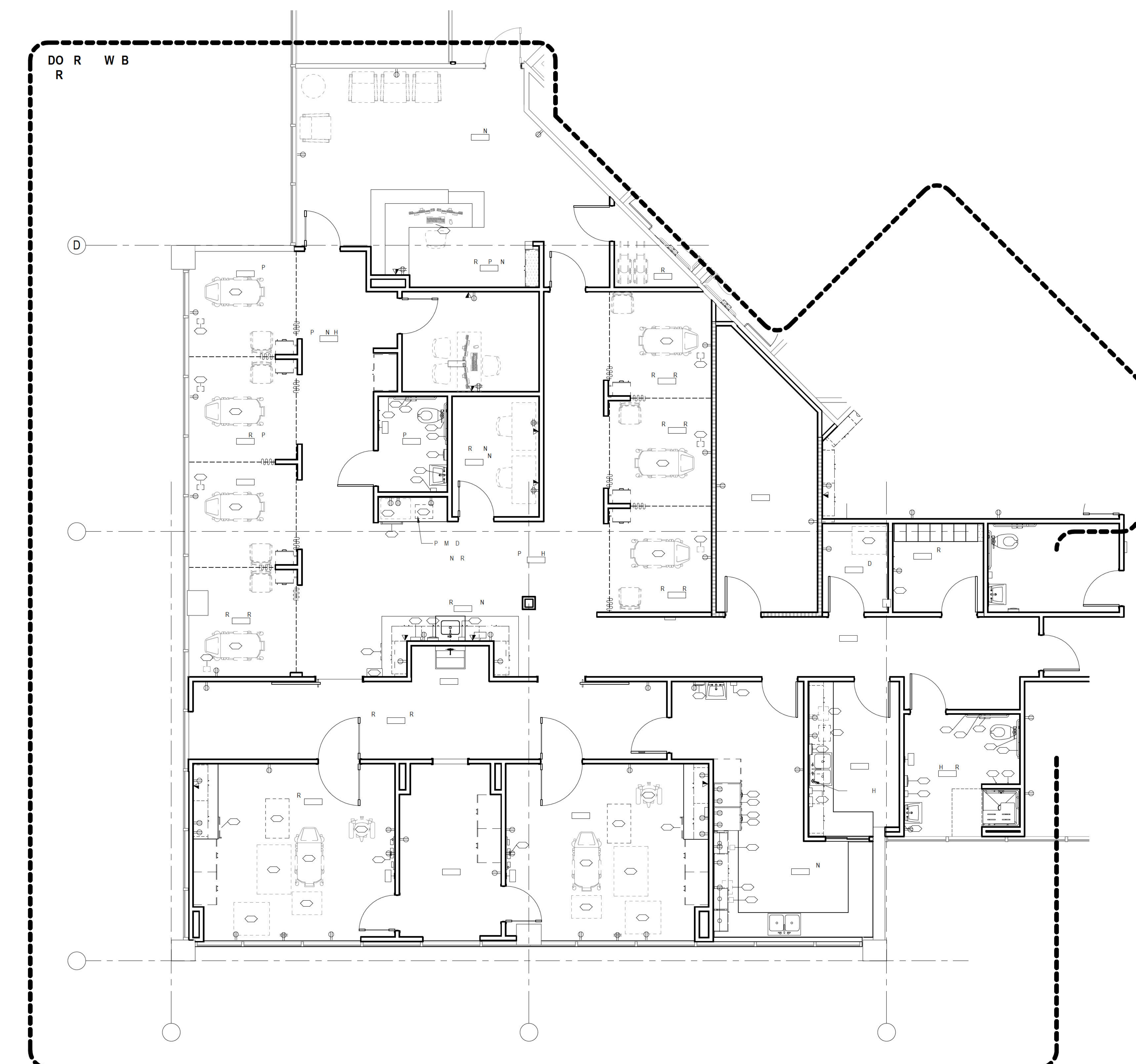
B

P A A &  
H V W

[illegible]

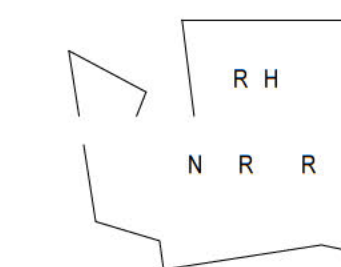
Y \_\_\_\_\_

**A2 4**



0 S V S S S B S





HA P V  
& A



P A D &  
P A A  
D H V W

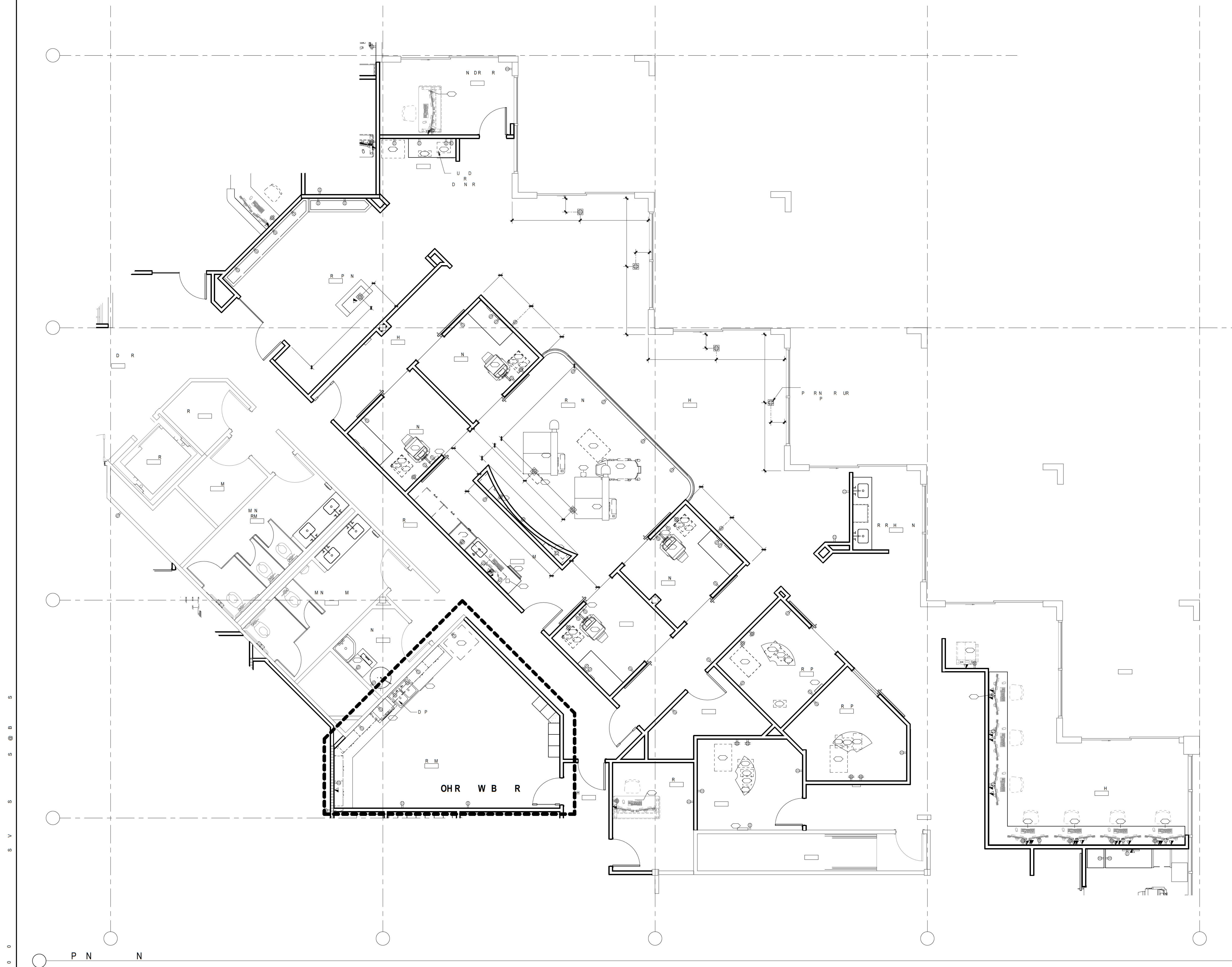
[illegible]

\_\_\_\_\_

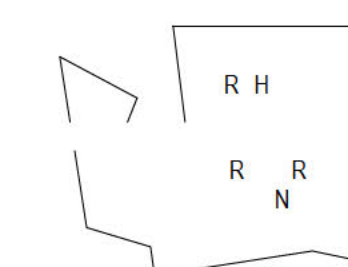
\_\_\_\_\_ **B** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ **Y** \_\_\_\_\_





0  
B

P A A & XAM  
H V W

[illegible]

- \_\_\_\_\_  
- \_\_\_\_\_  
- \_\_\_\_\_  
Y \_\_\_\_\_

---

\$





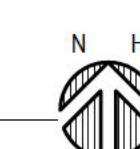
H P A  
H V W

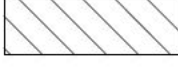











[illegible]

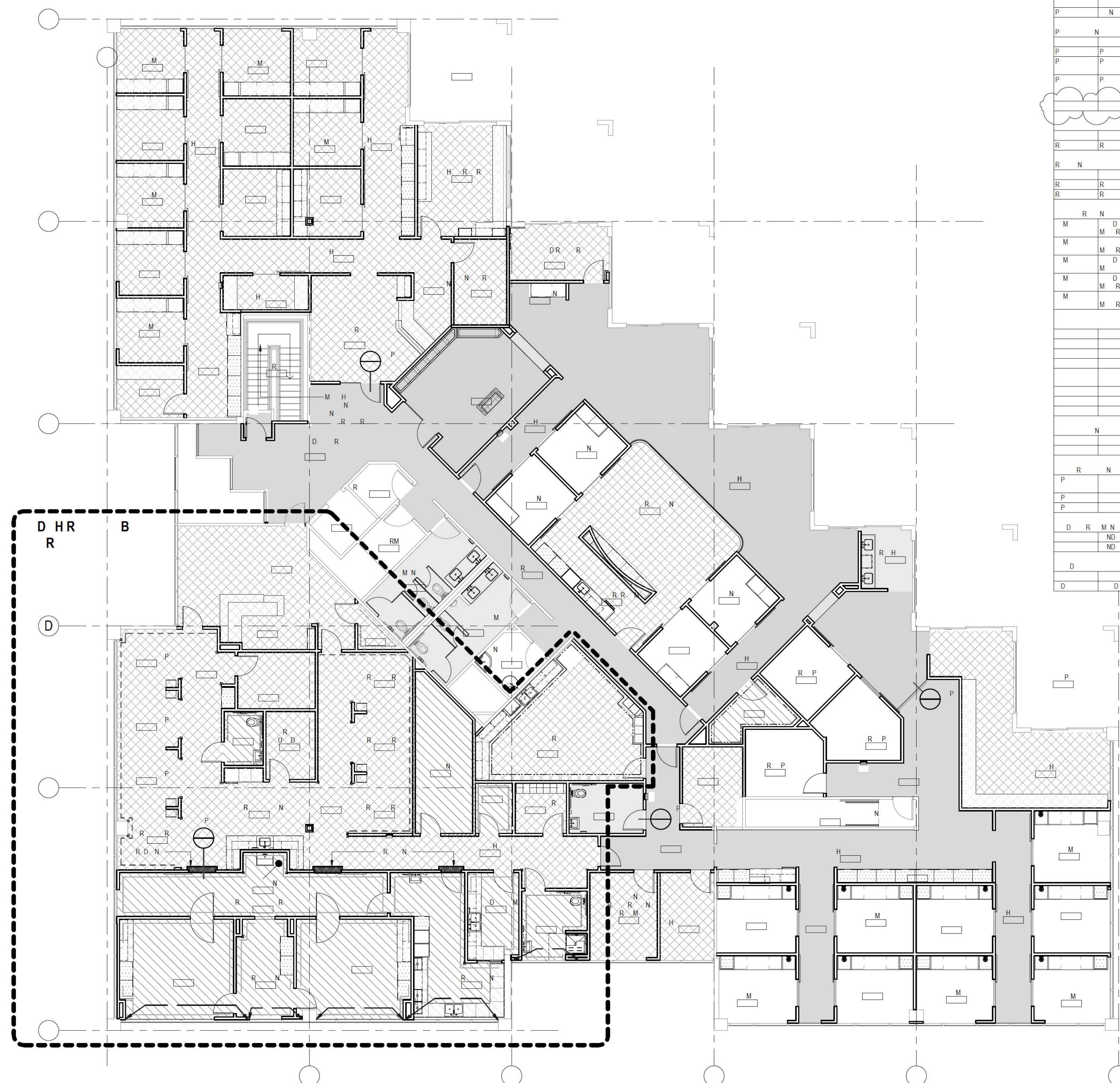
Y \_\_\_\_\_

S

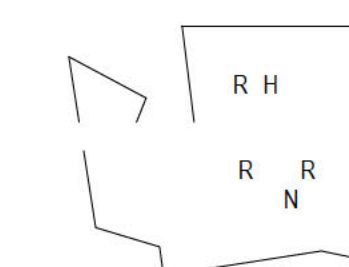
0 0 S V S S B S

[illegible][illegible]

OOOR	N	H	G	ND
	R			P
	R			P
	R			P
				
				
				
				
				
				







HA P V  
& A

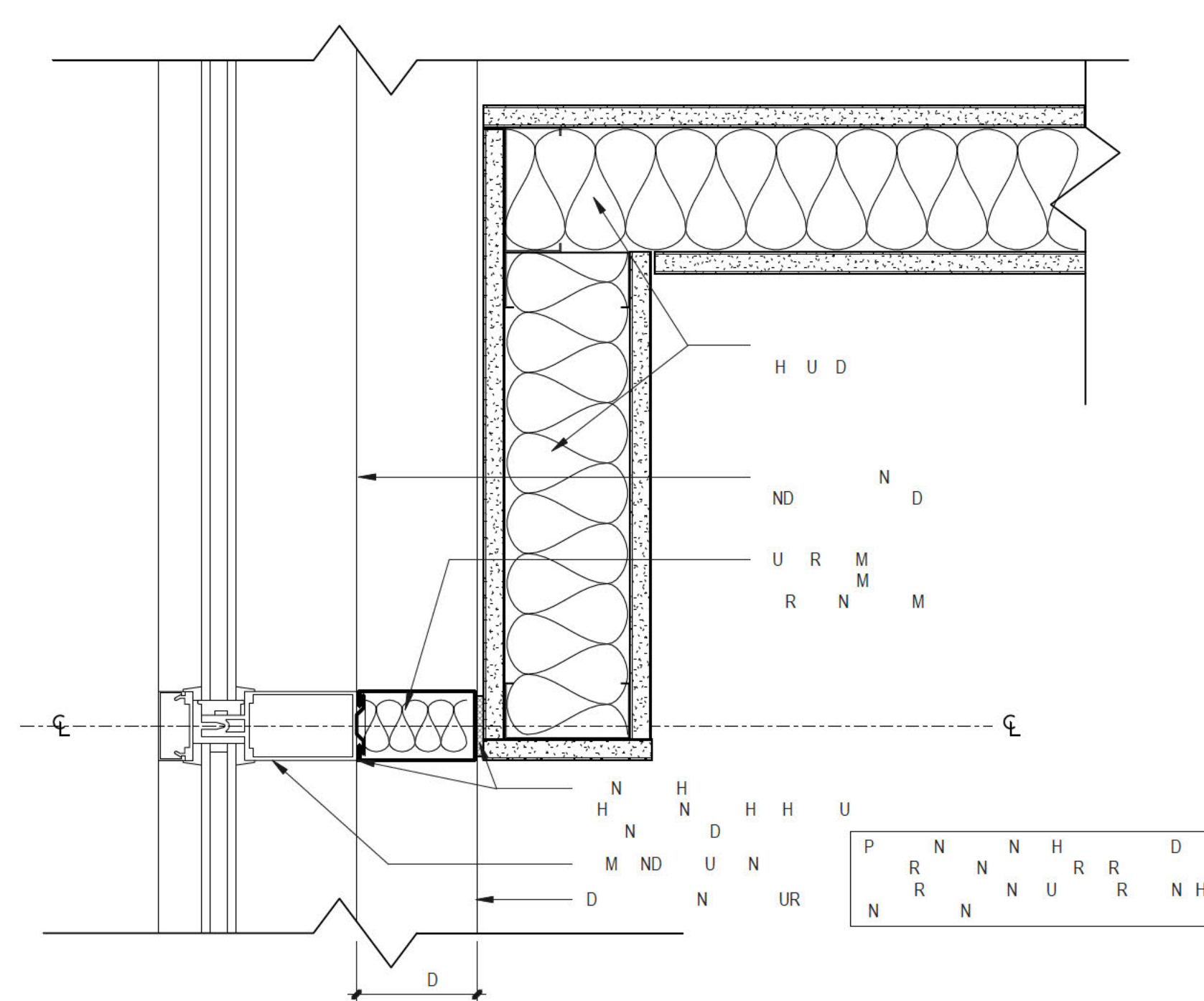
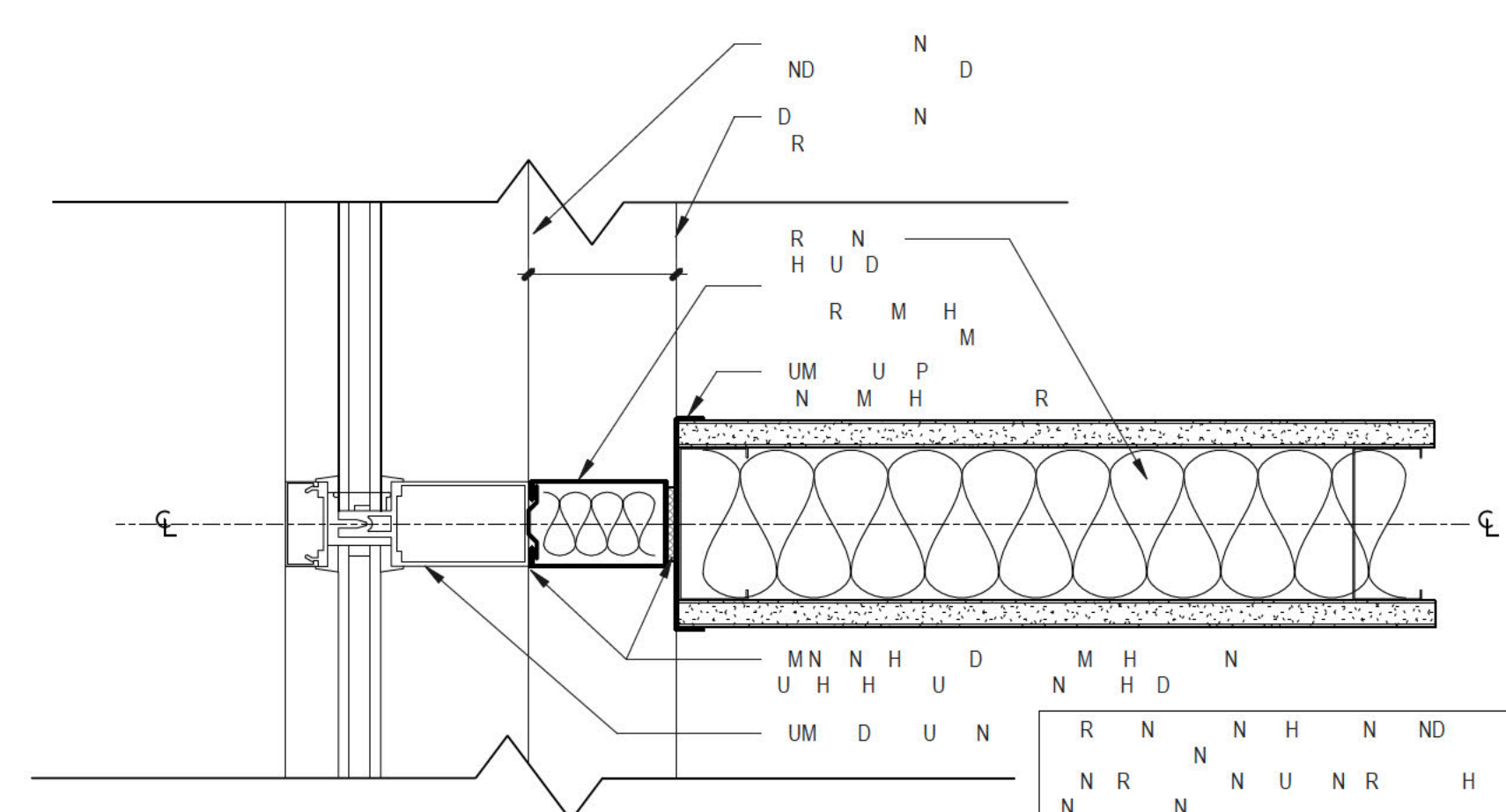
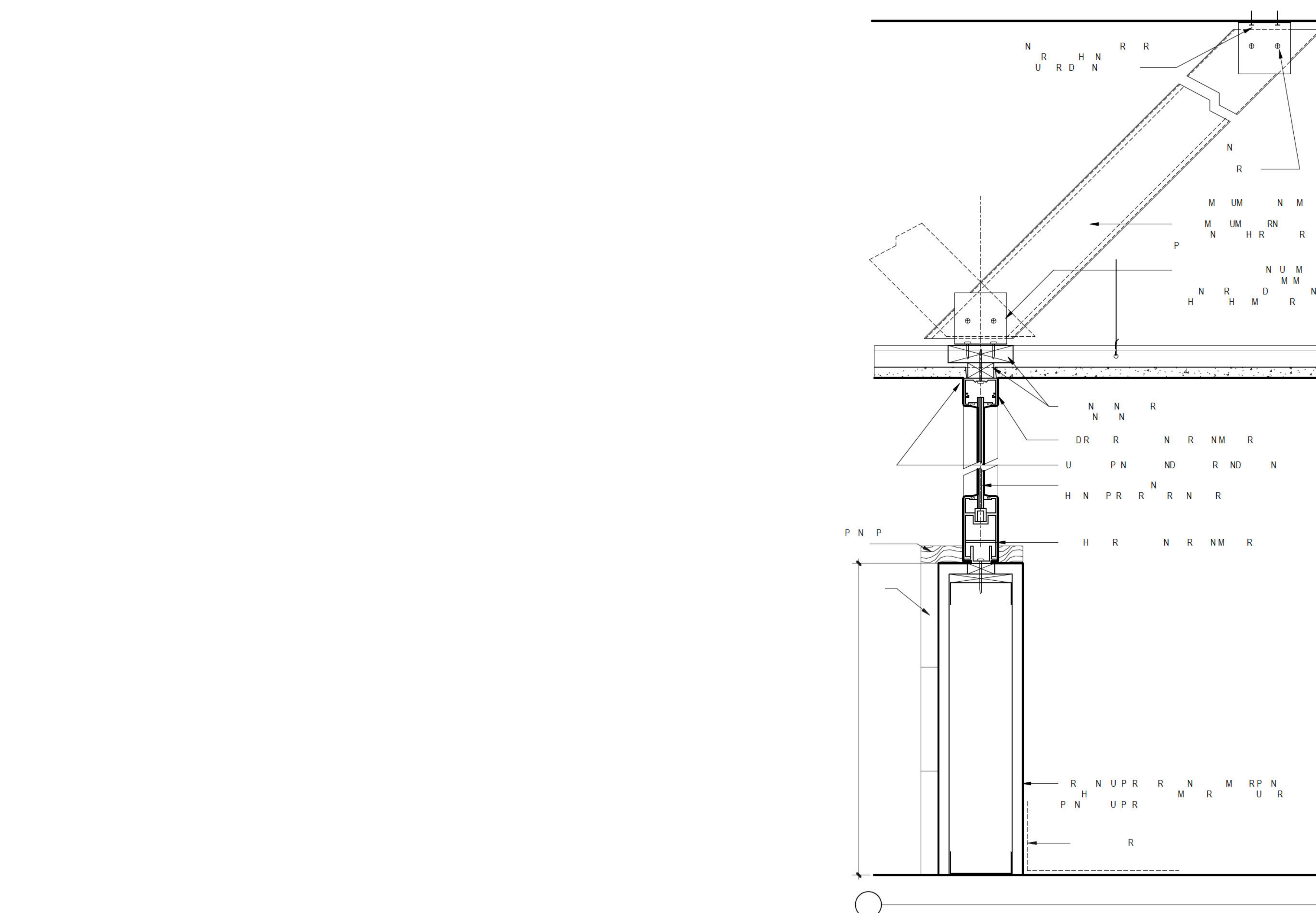
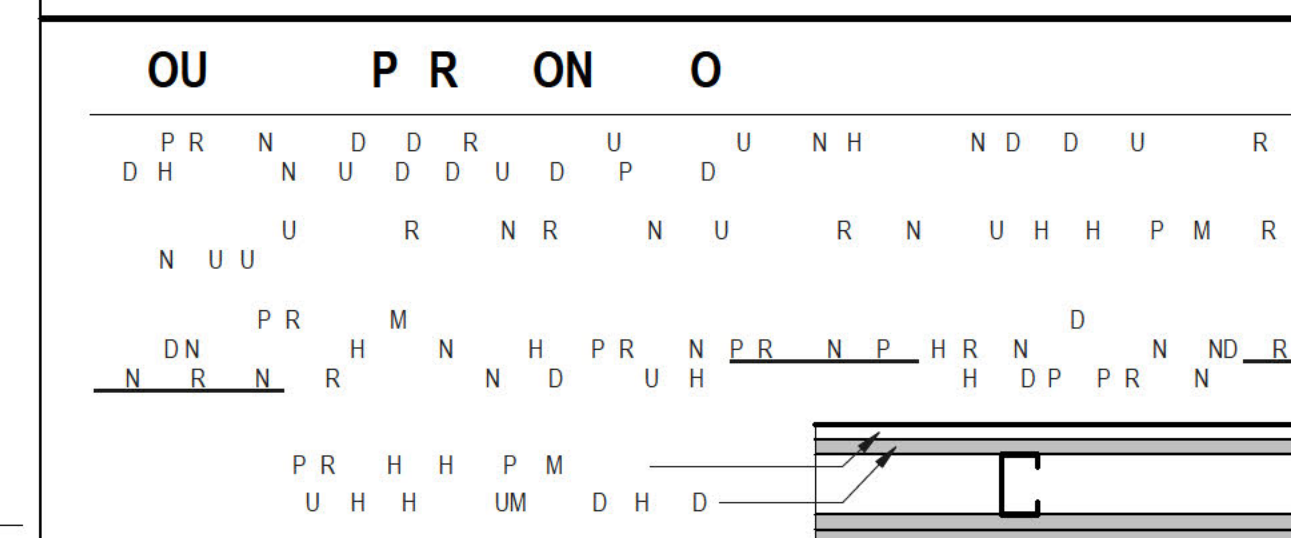
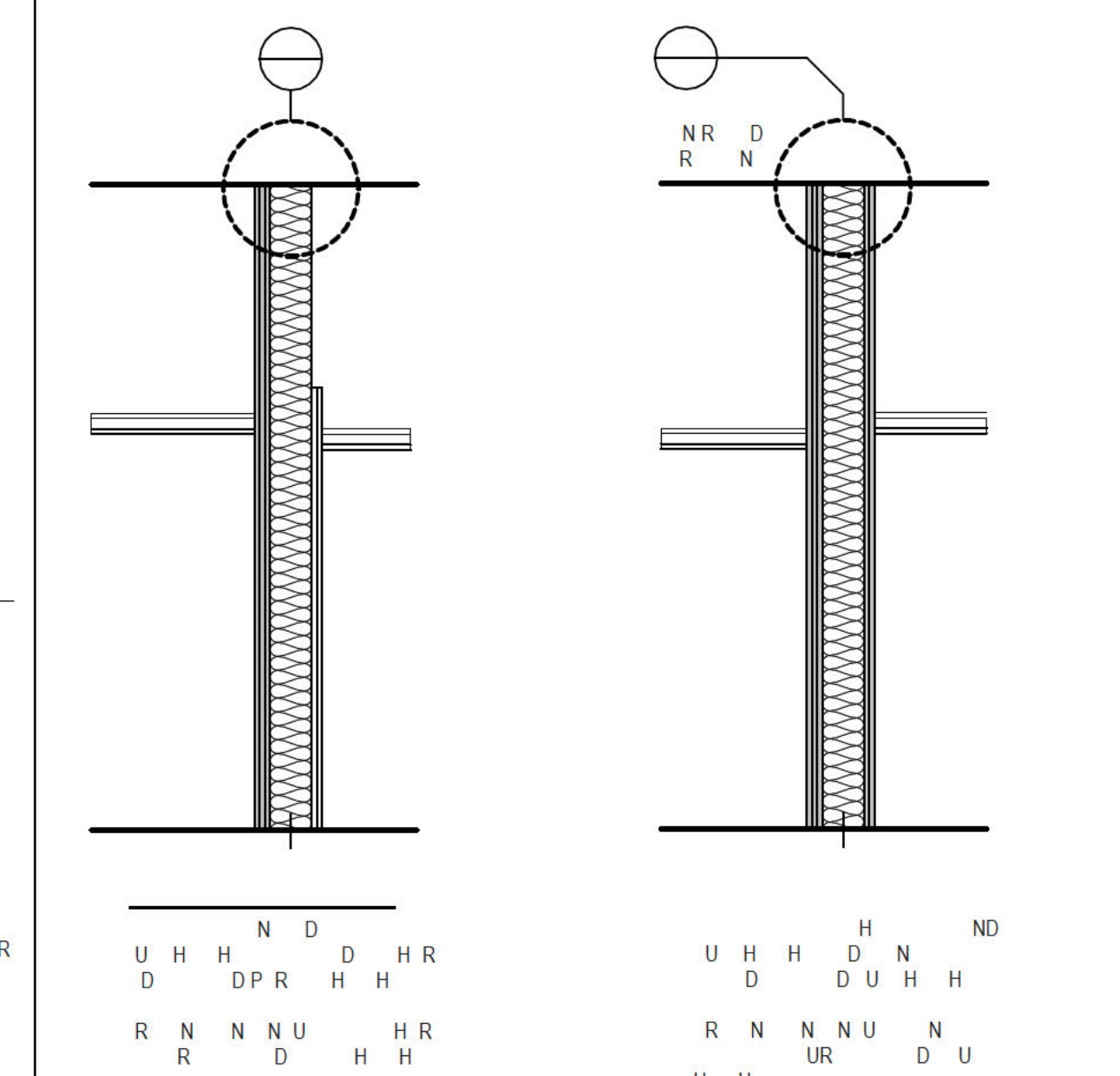
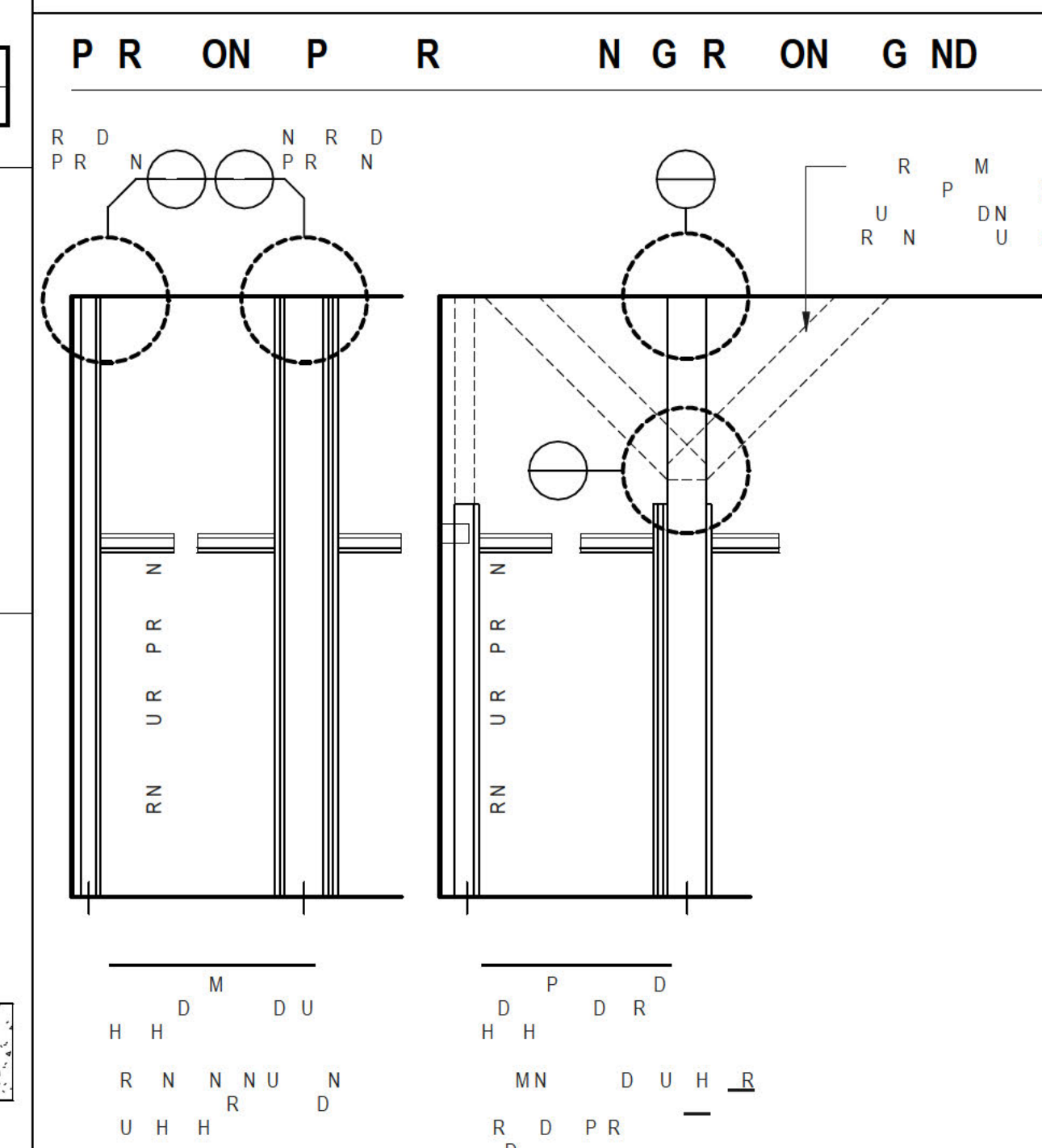
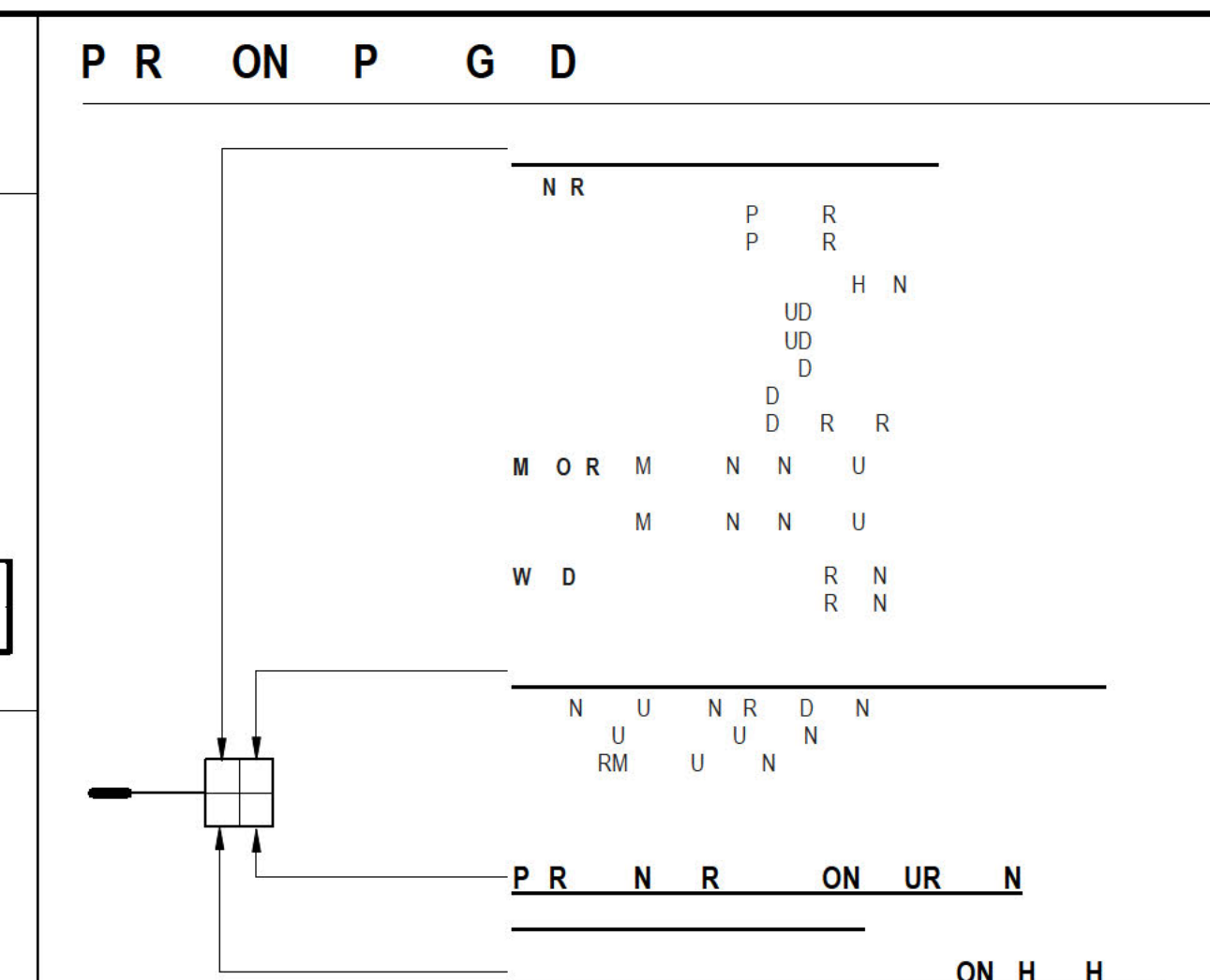
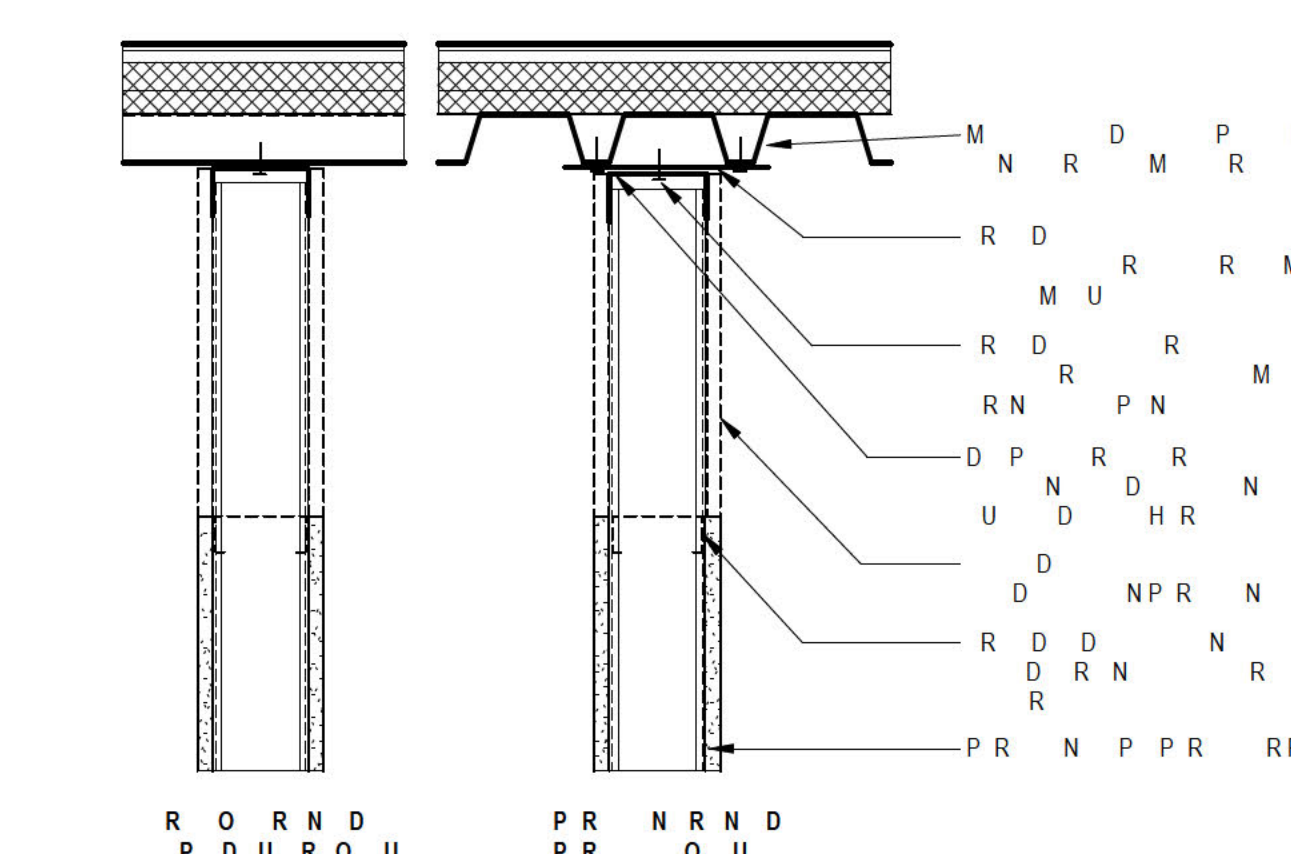
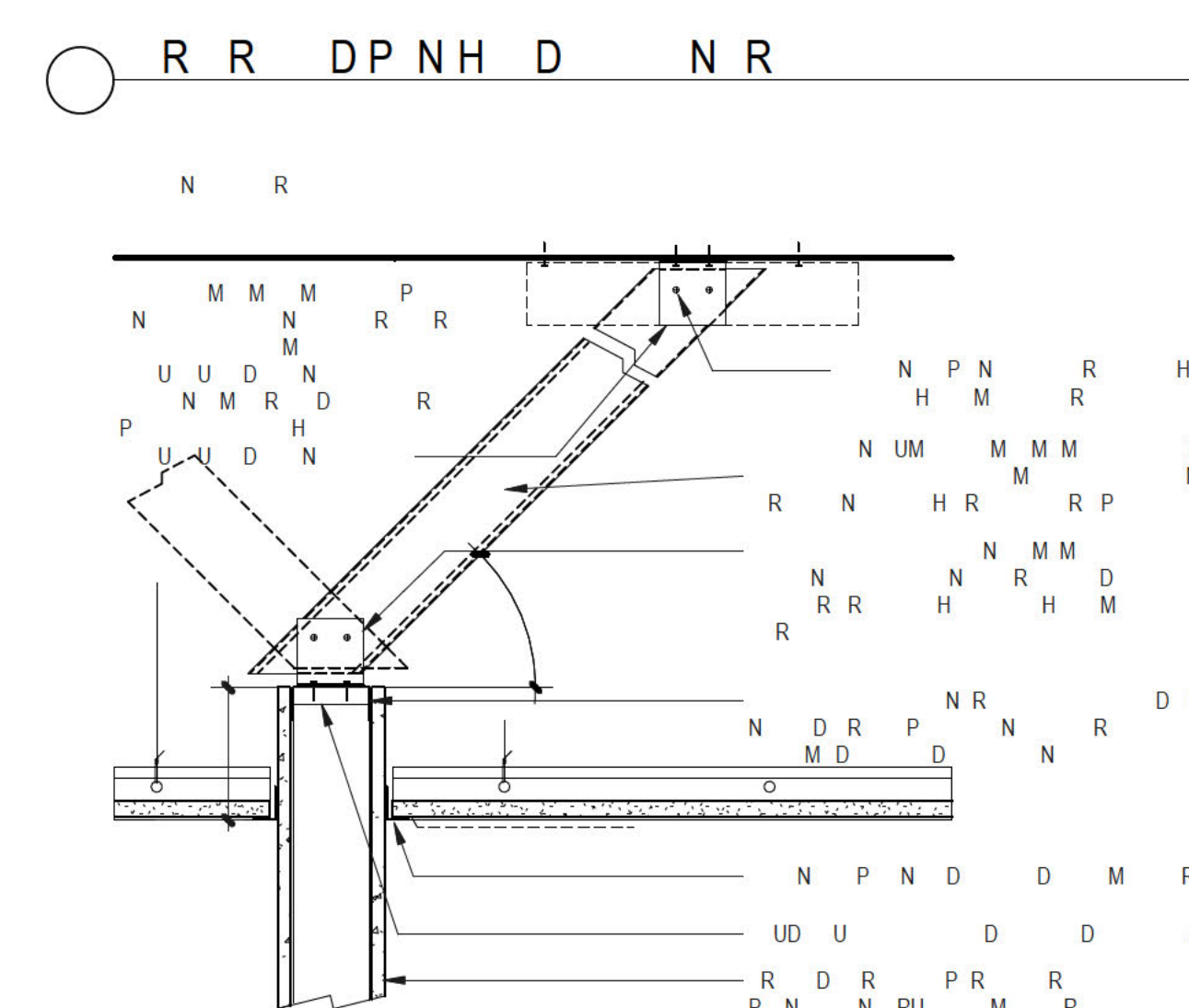
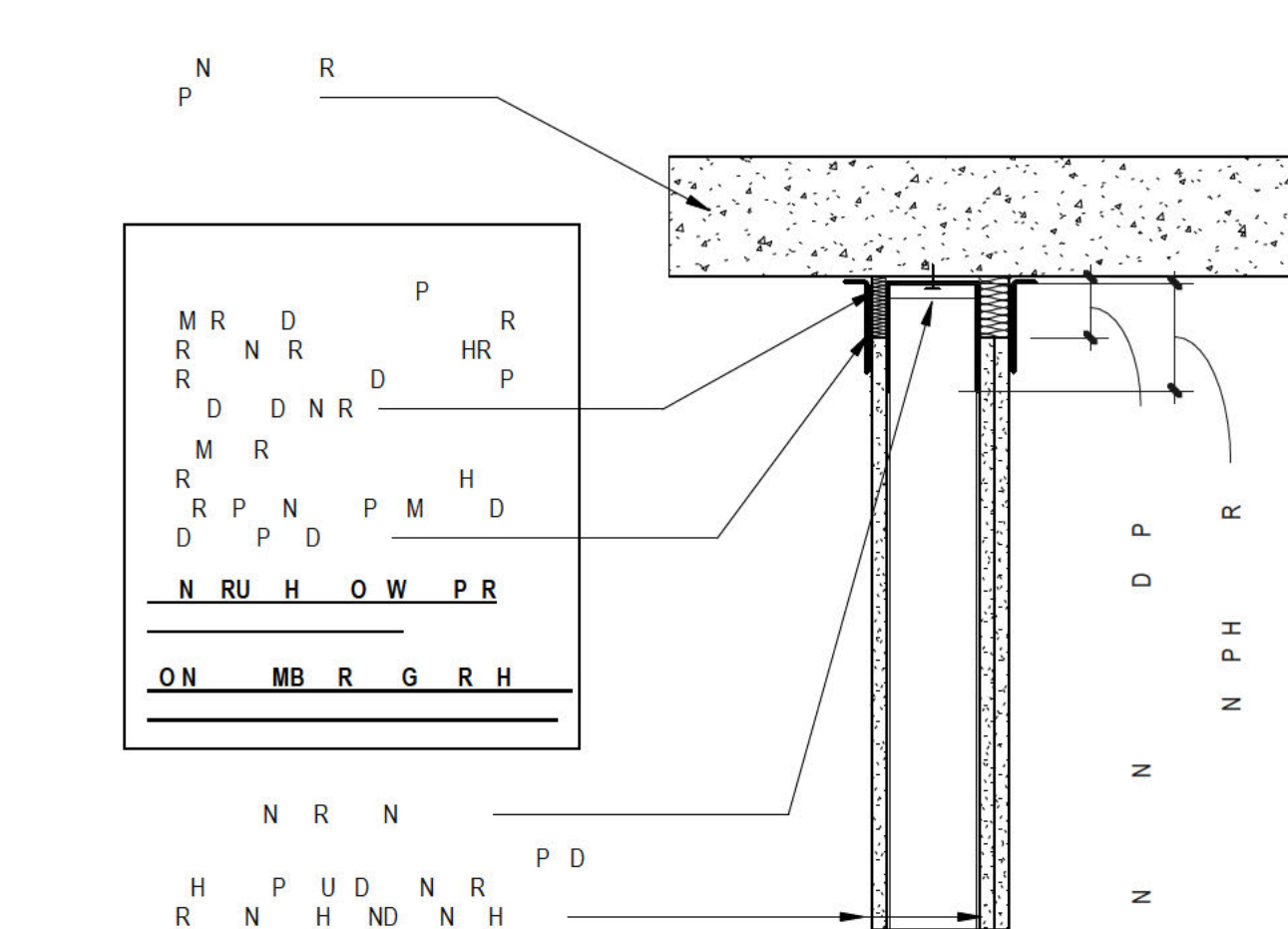
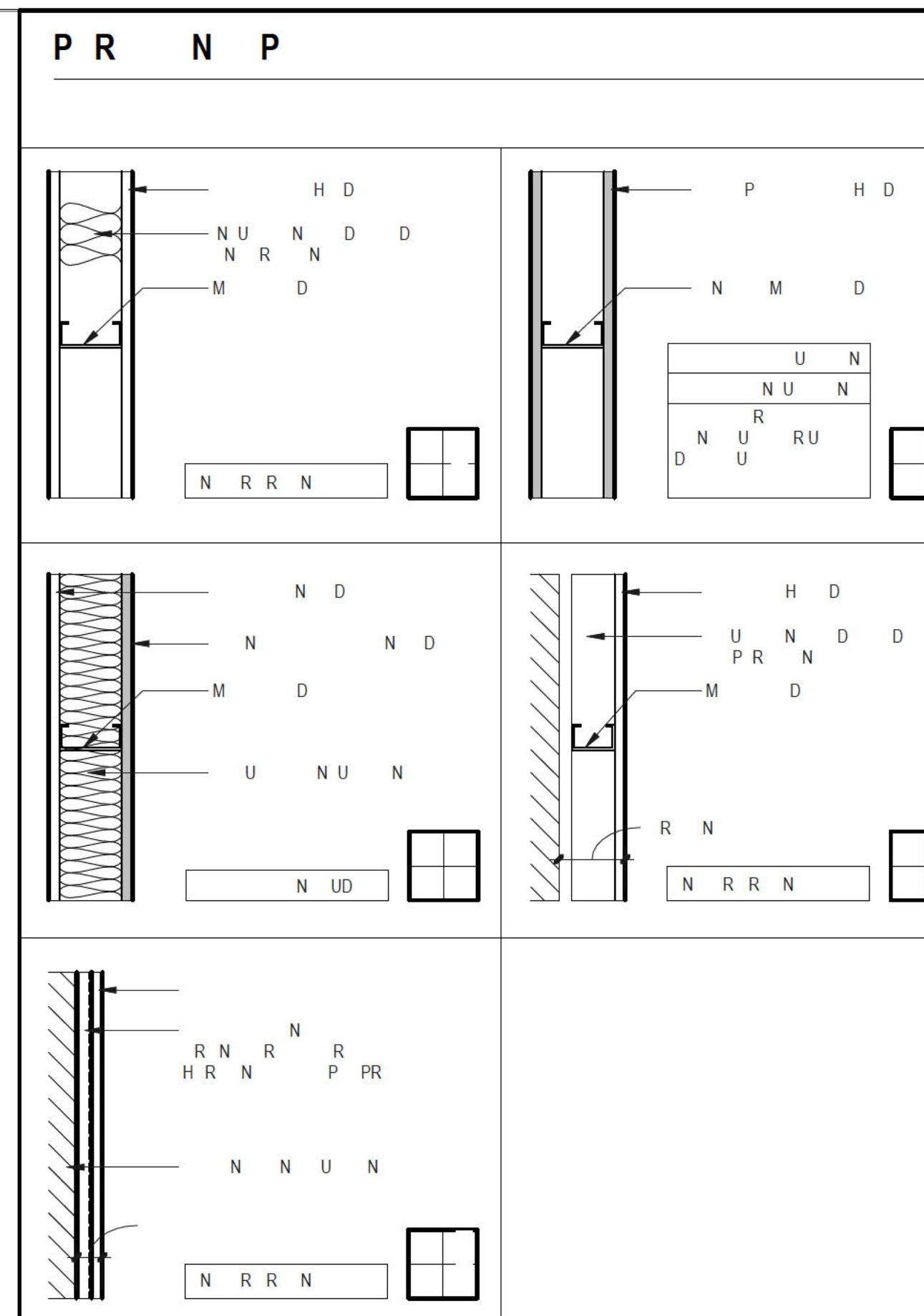
0  
B

PA H  
V W

[illegible]

— \_\_\_\_\_  
— \_\_\_\_\_  
— \_\_\_\_\_  
— \_\_\_\_\_ Y \_\_\_\_\_  
  
§

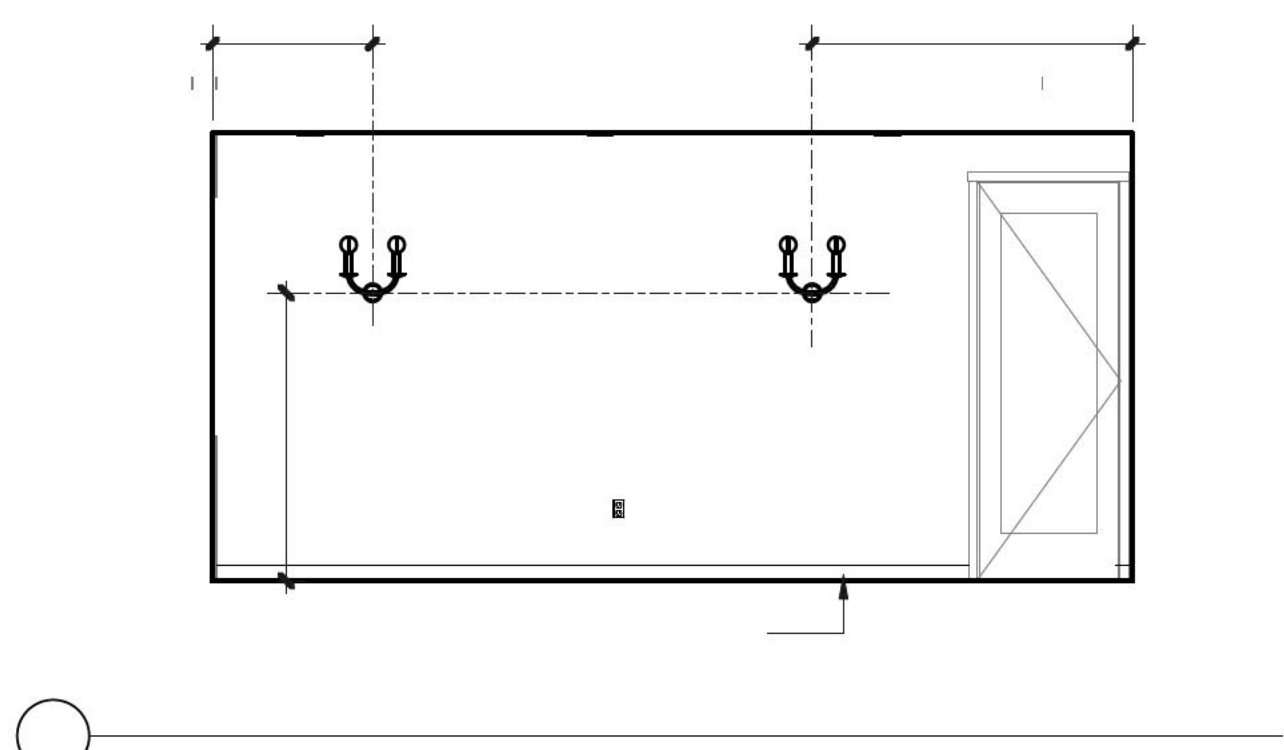
**A7**













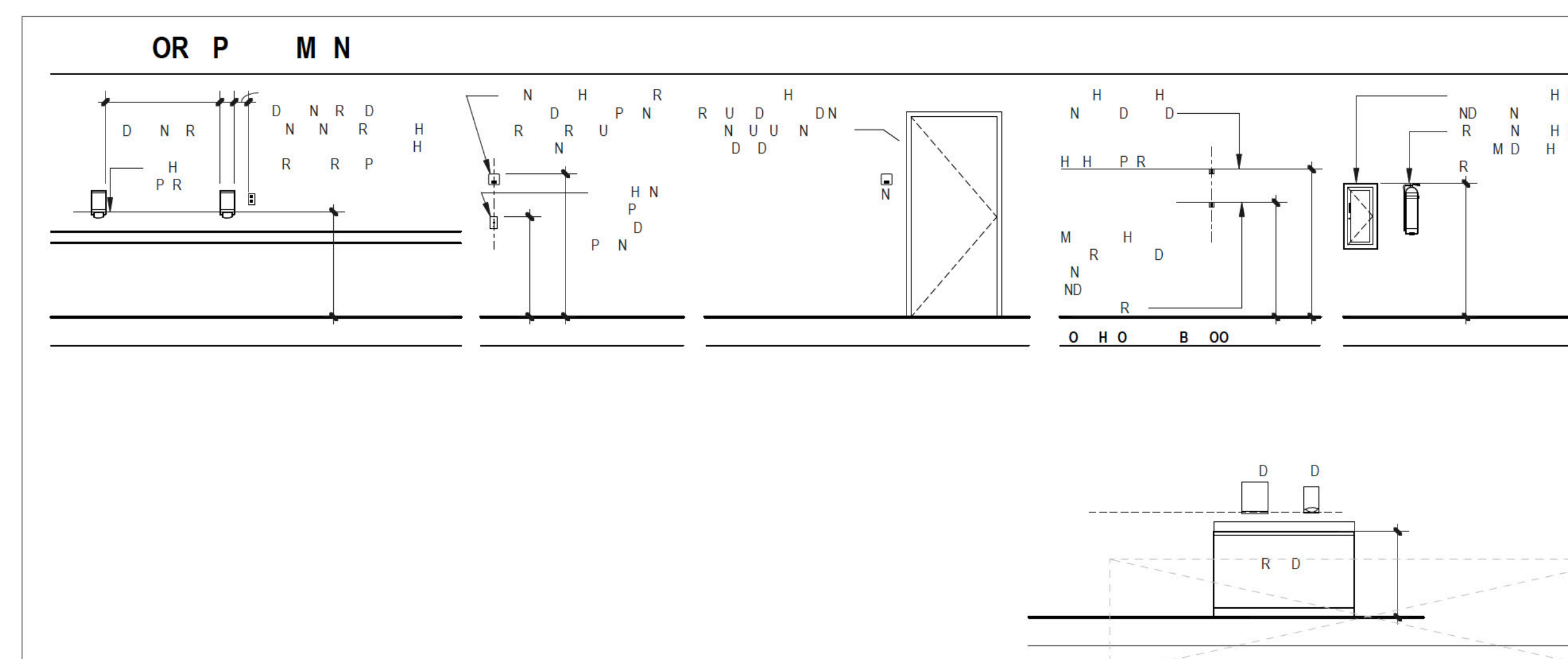
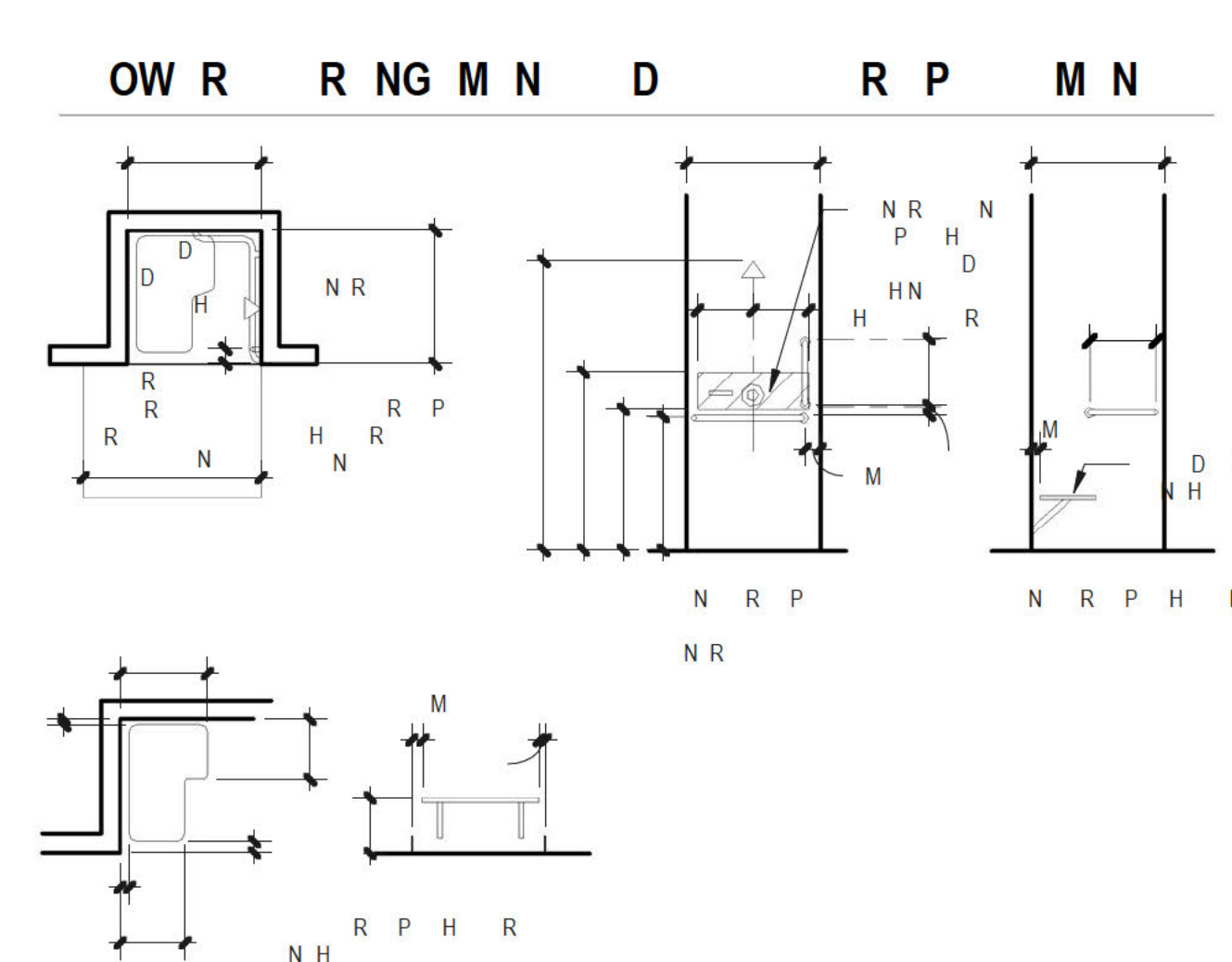
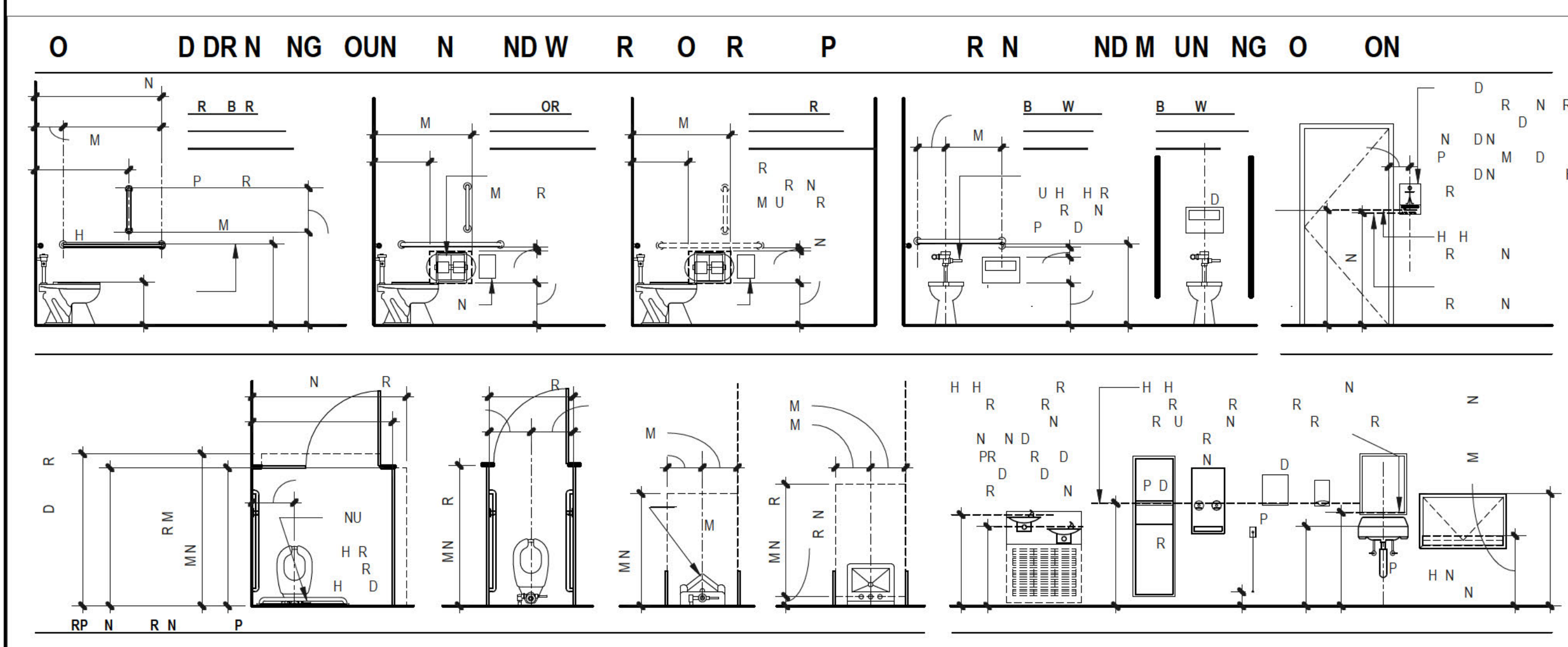
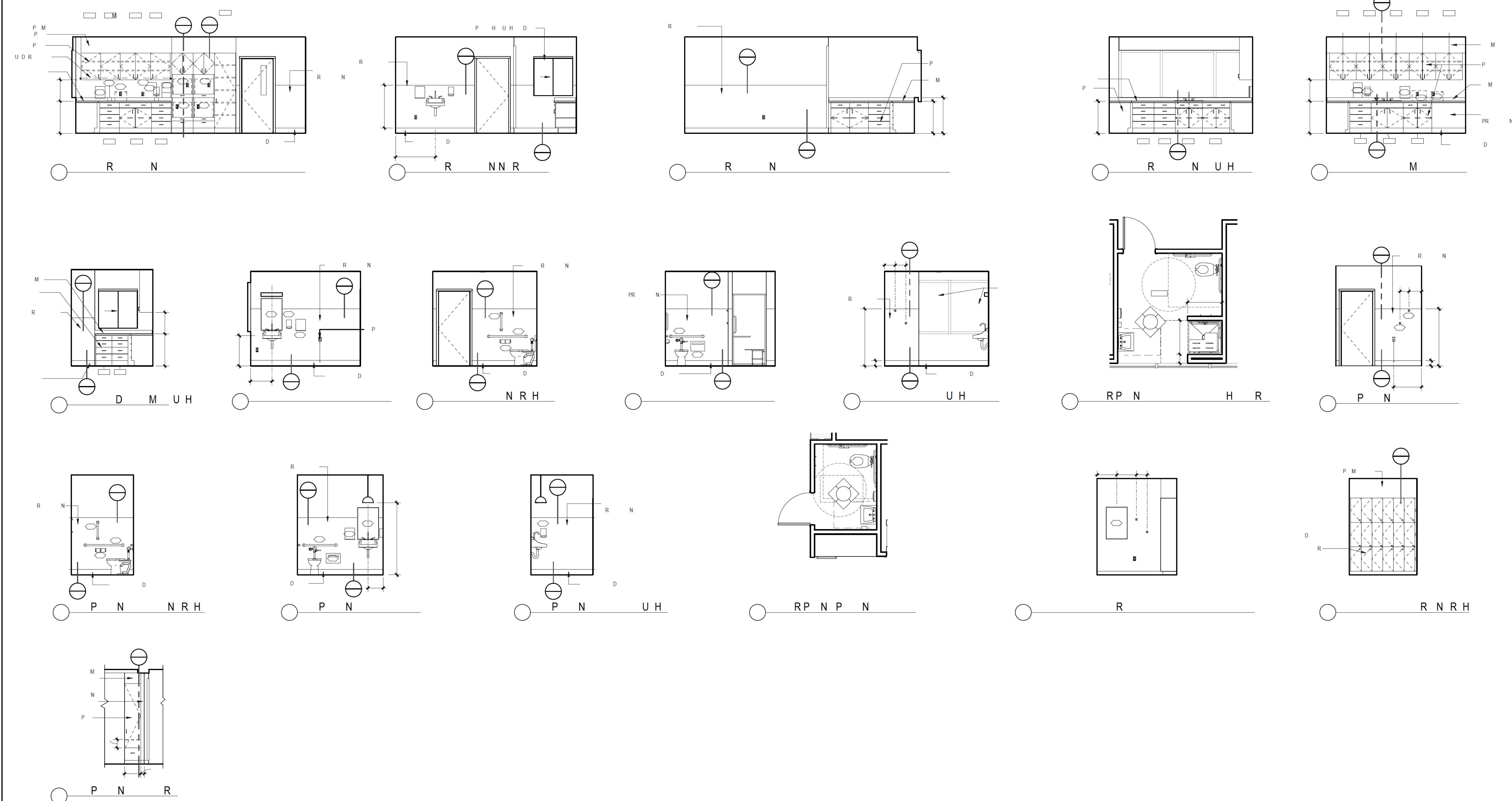
0  
B

VA                      A  
                             H      V    W

[illegible]

Y \_\_\_\_\_

**A**





0  
B

Y \_\_\_\_\_

2

**A**

 $H \quad N R H$

0  
B

MM    A    A

[illegible]

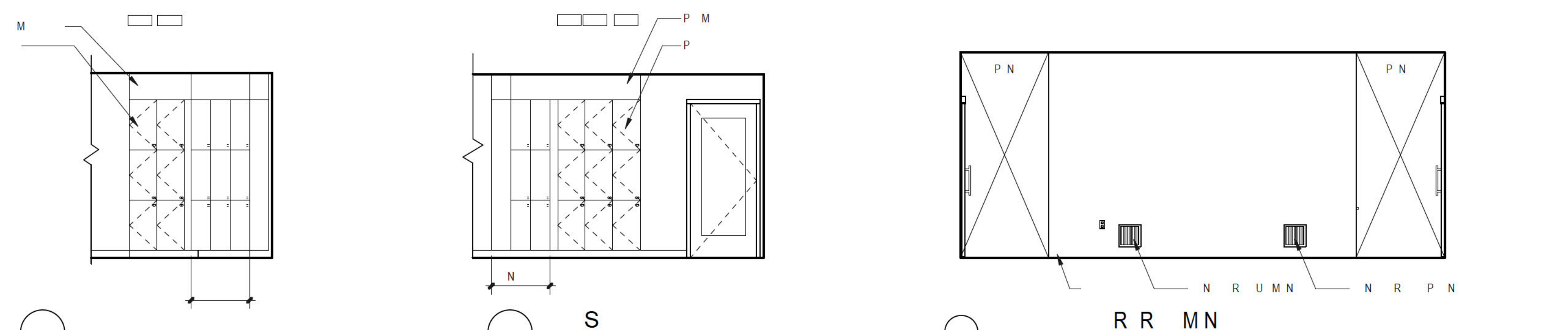
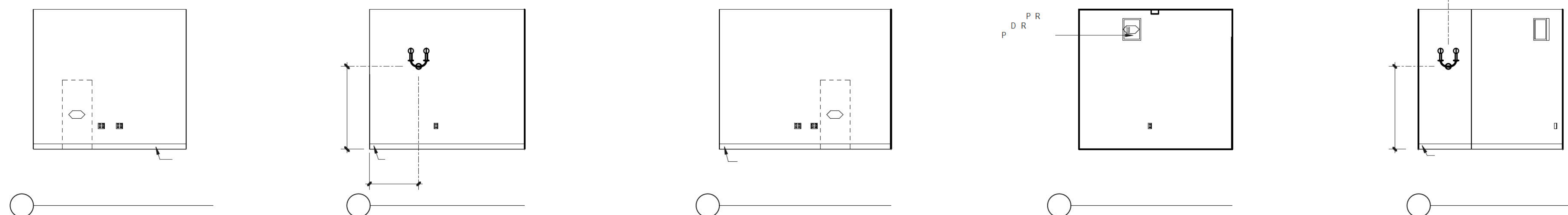
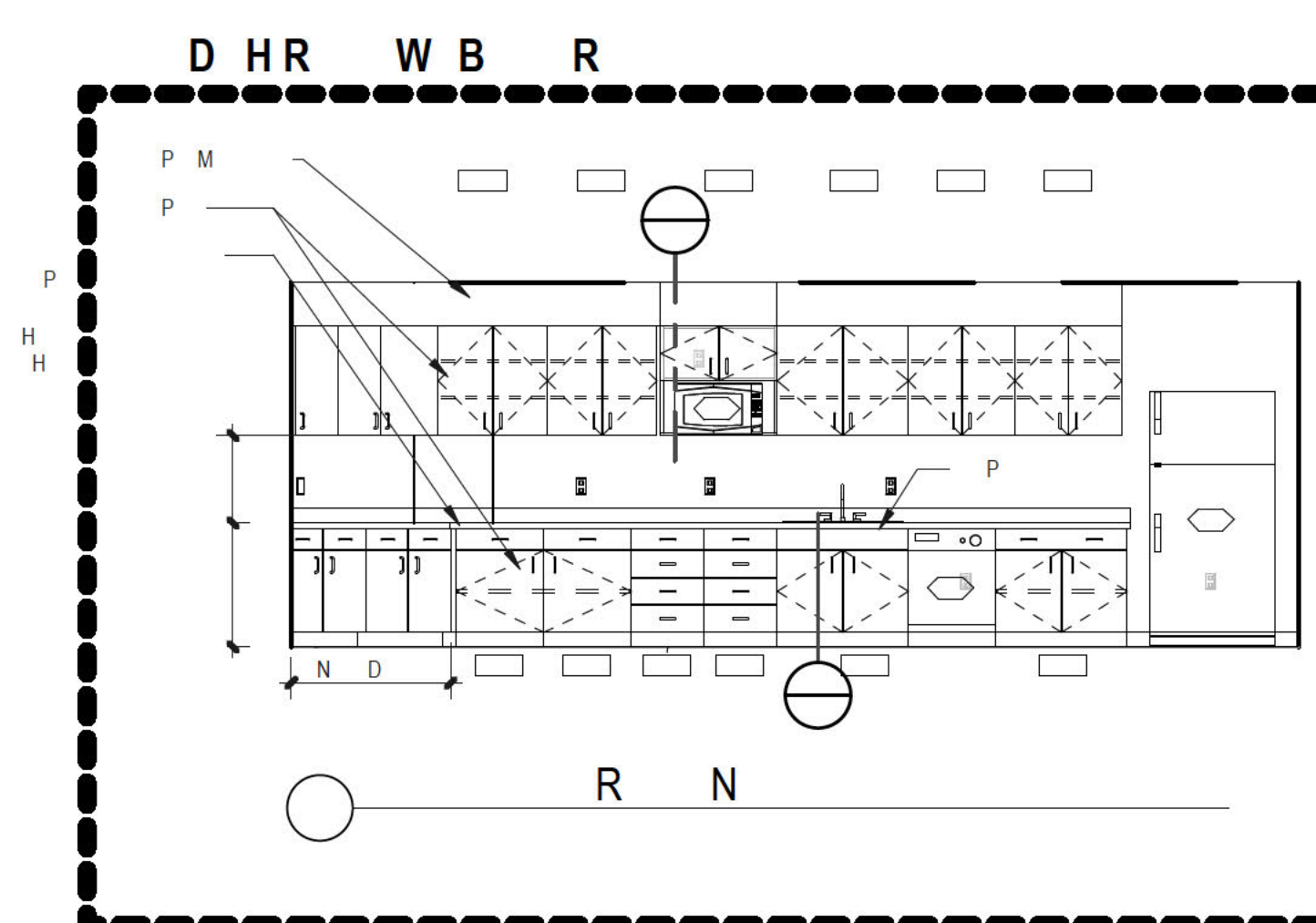
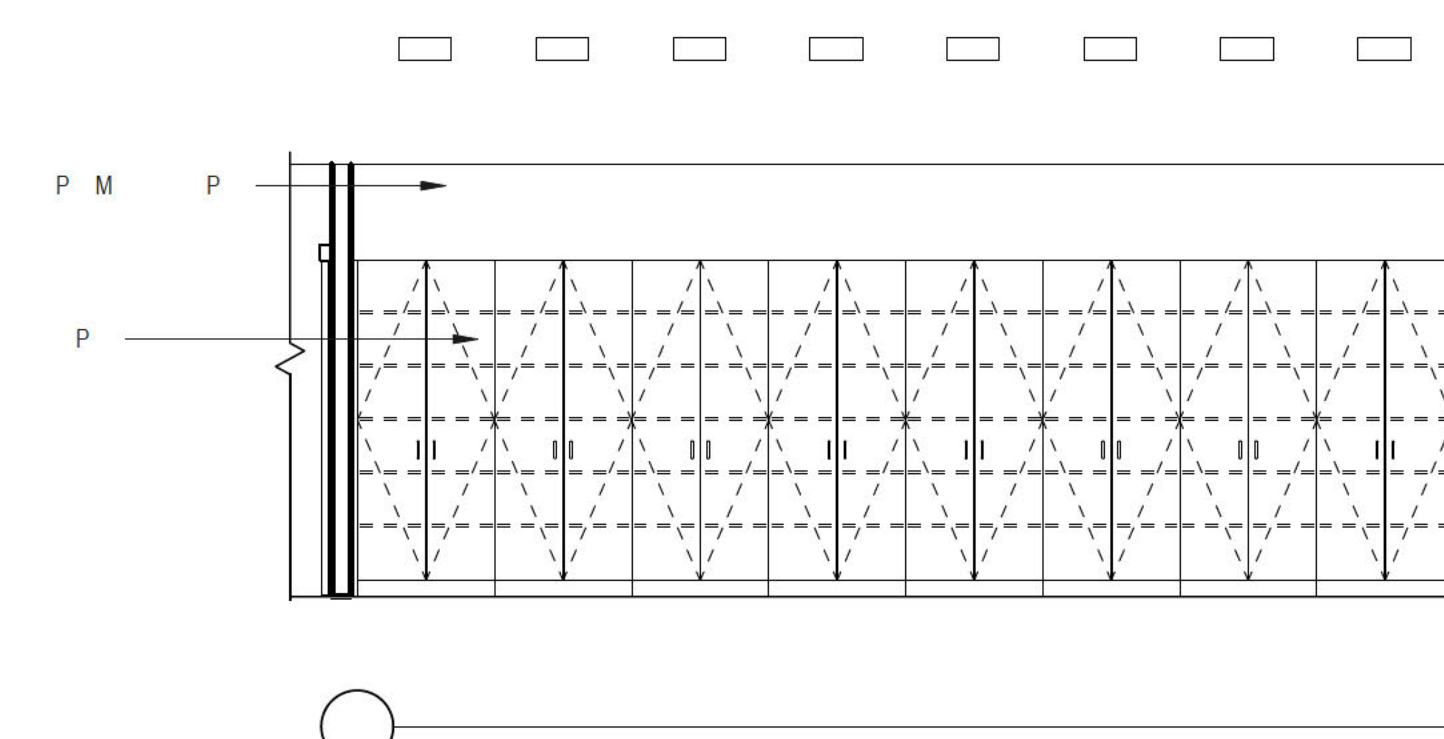
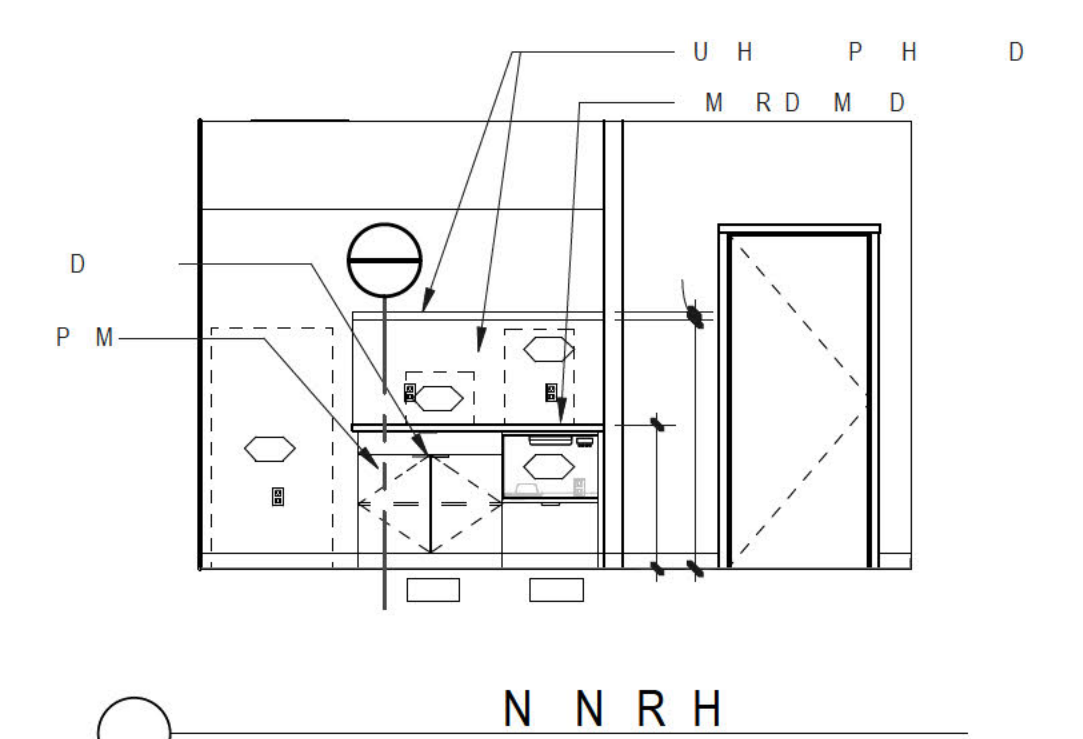
Y \_\_\_\_\_

S

**A**







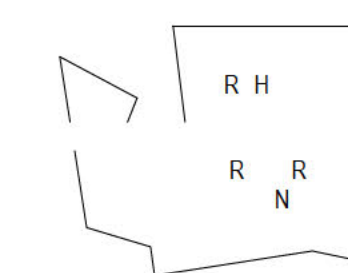


0  
B

1

Y \_\_\_\_\_





HA P V  
& A

0  
B

A  
H  
H V W

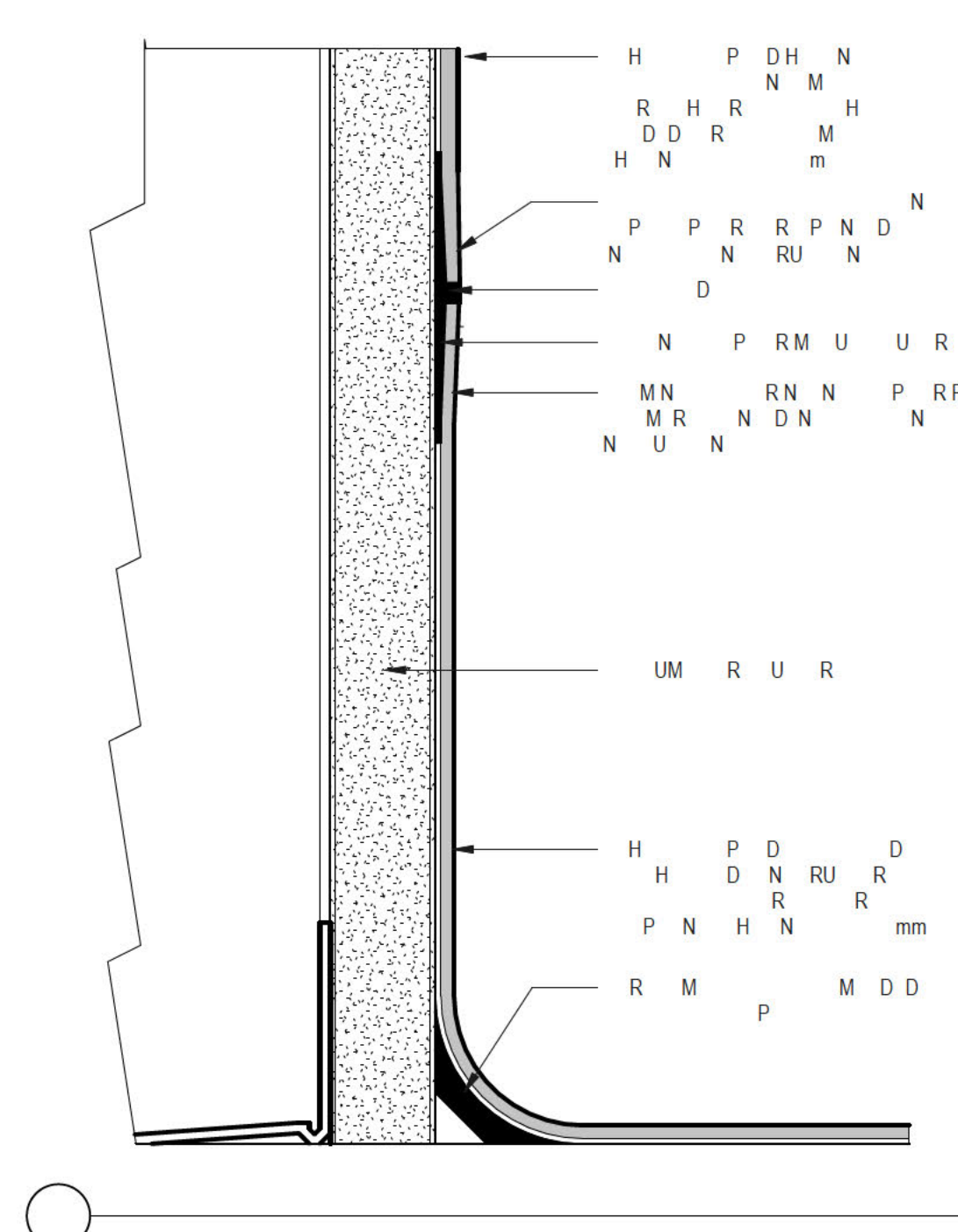
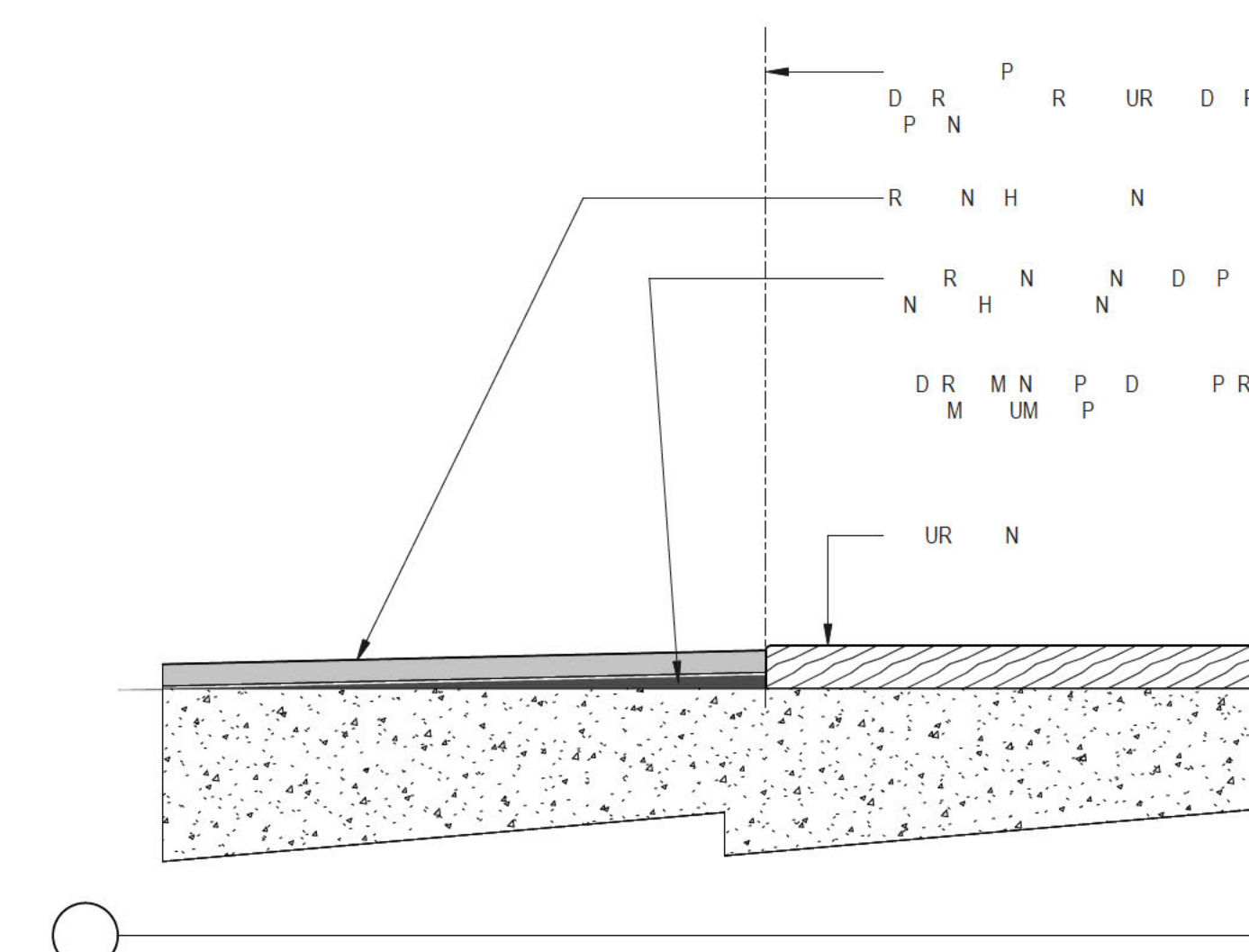
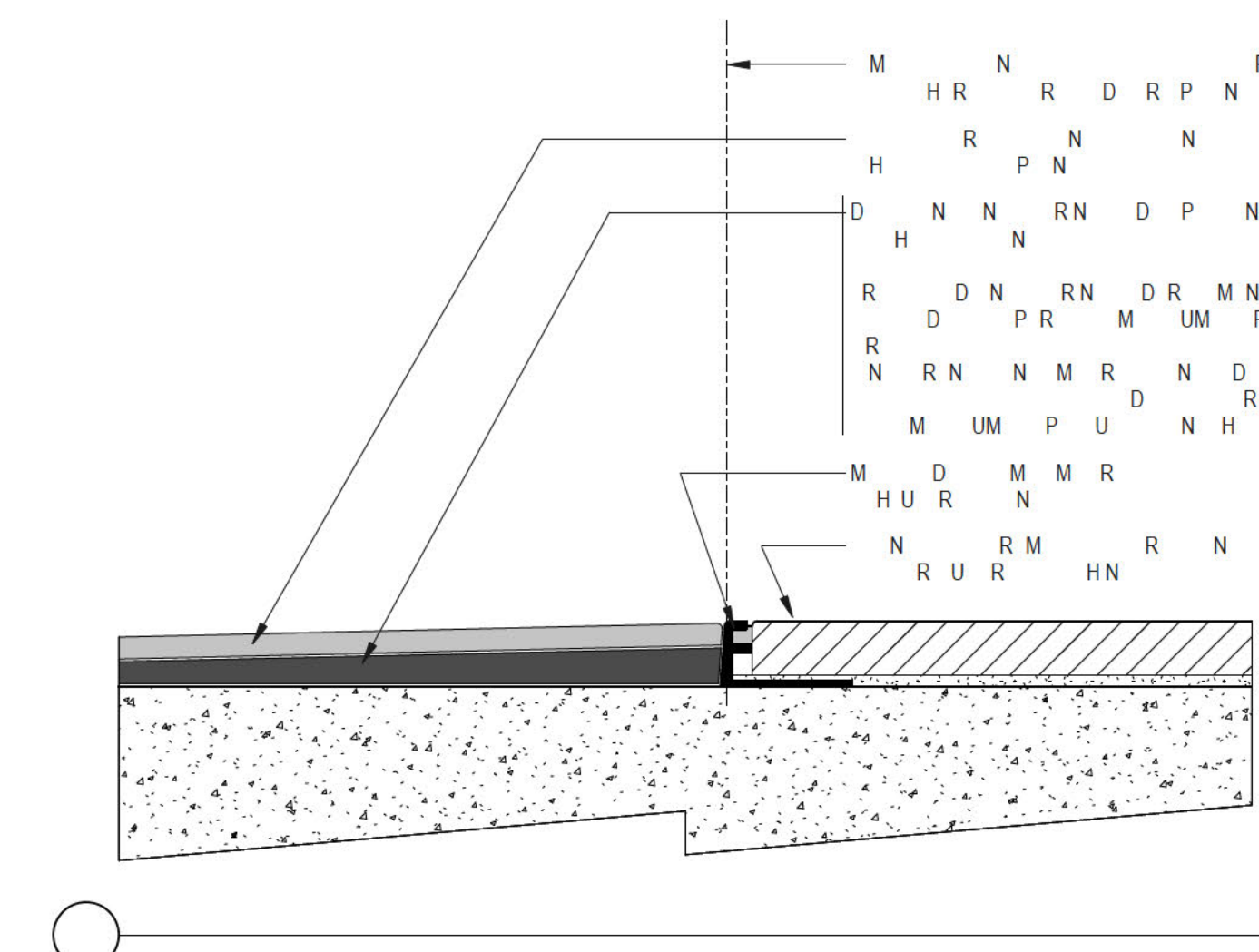
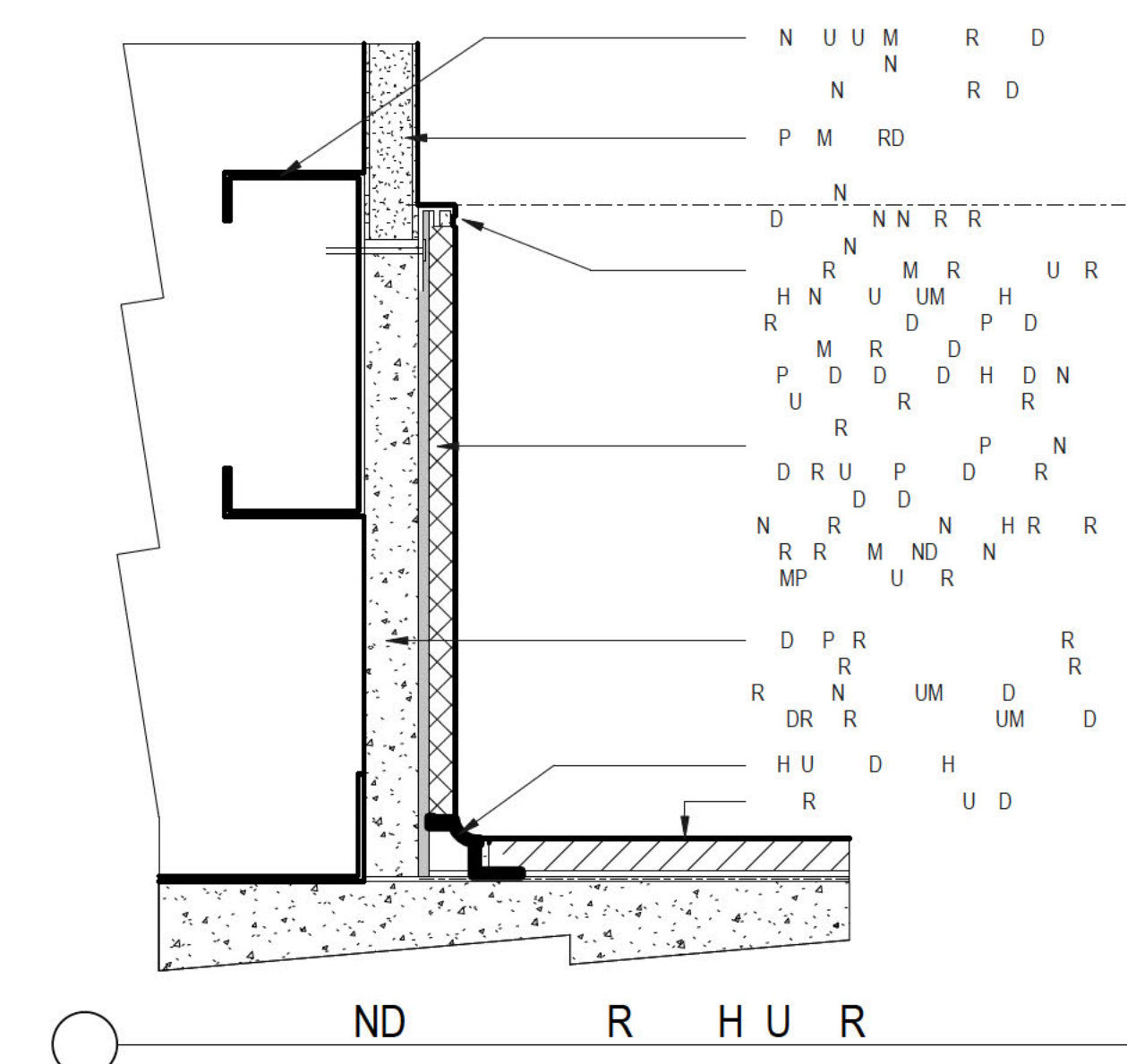
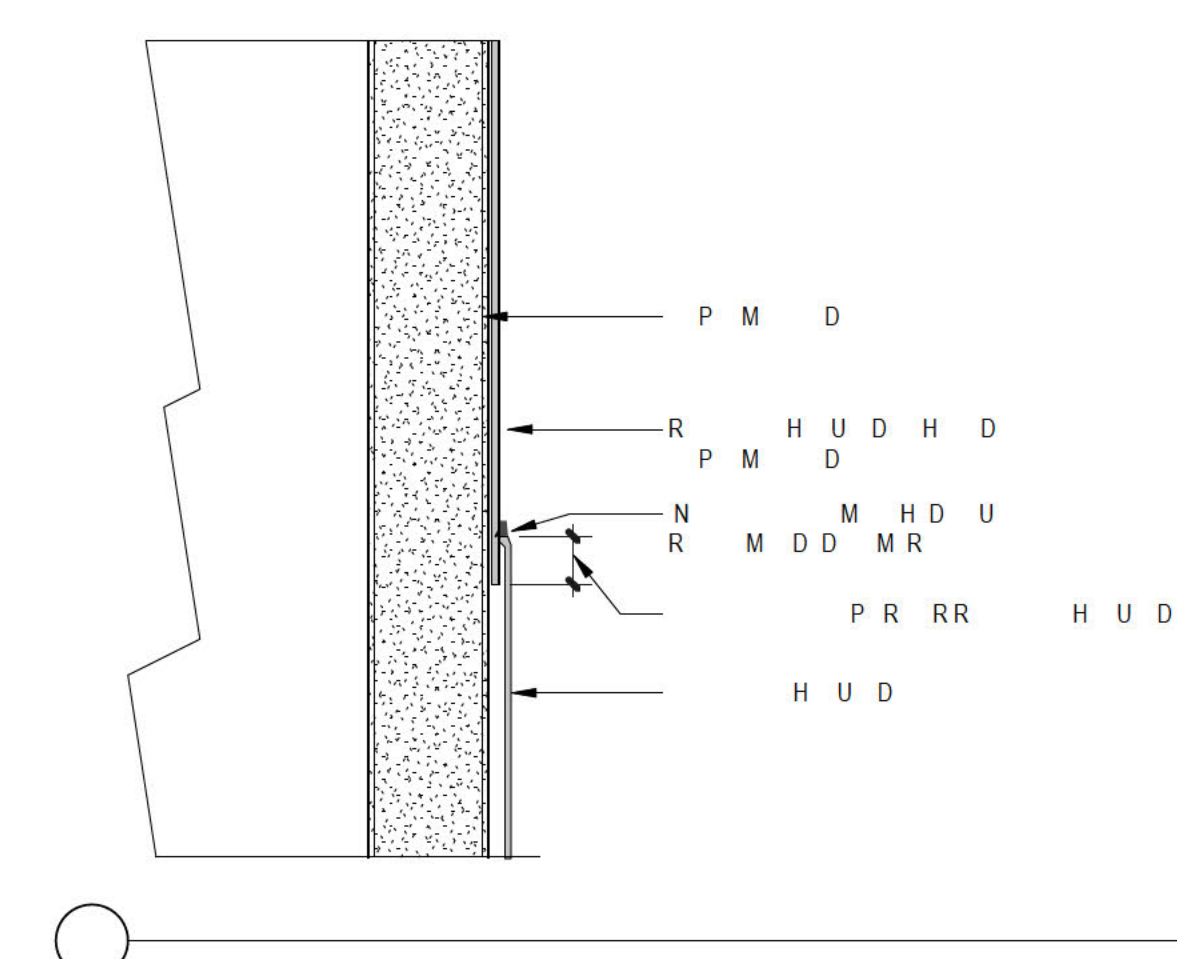
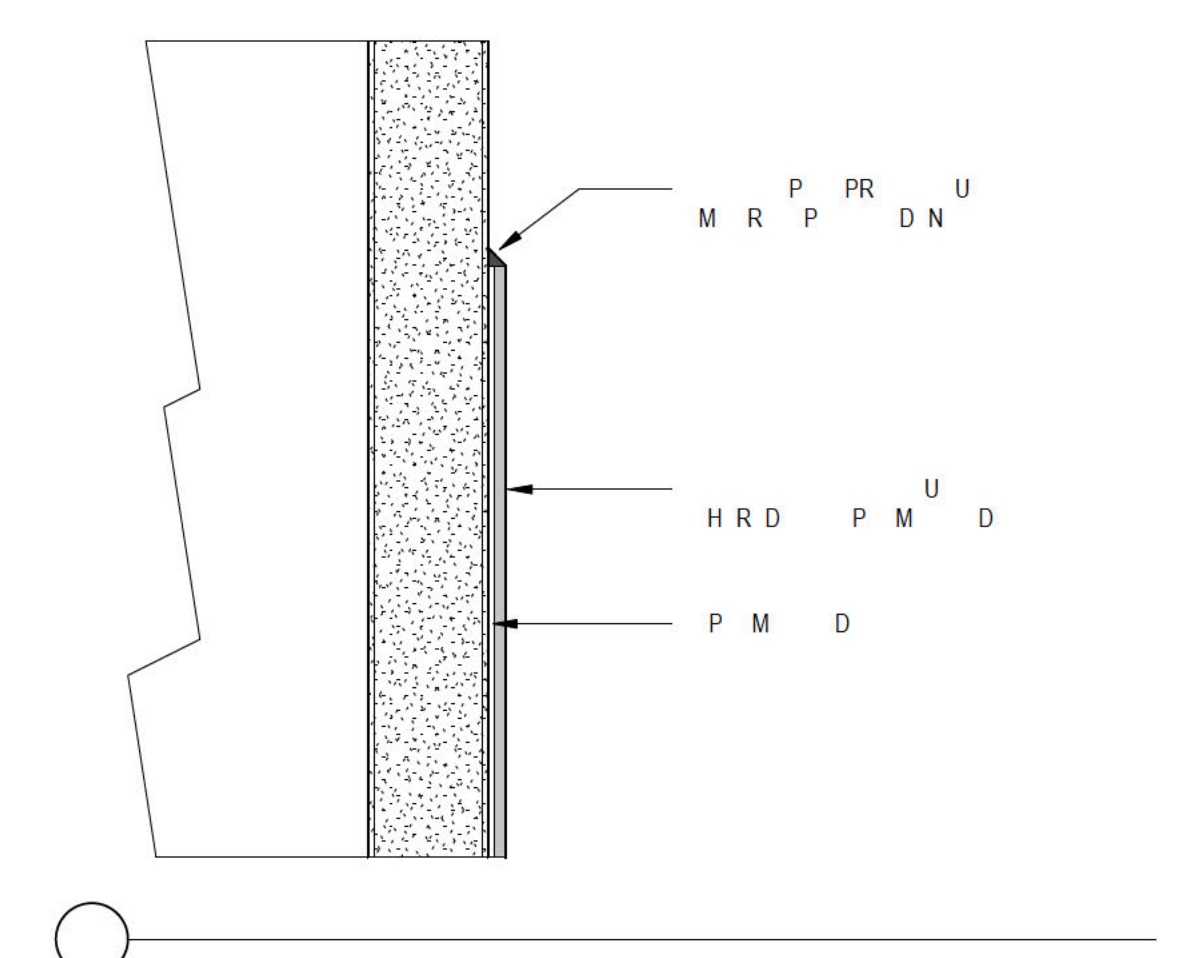
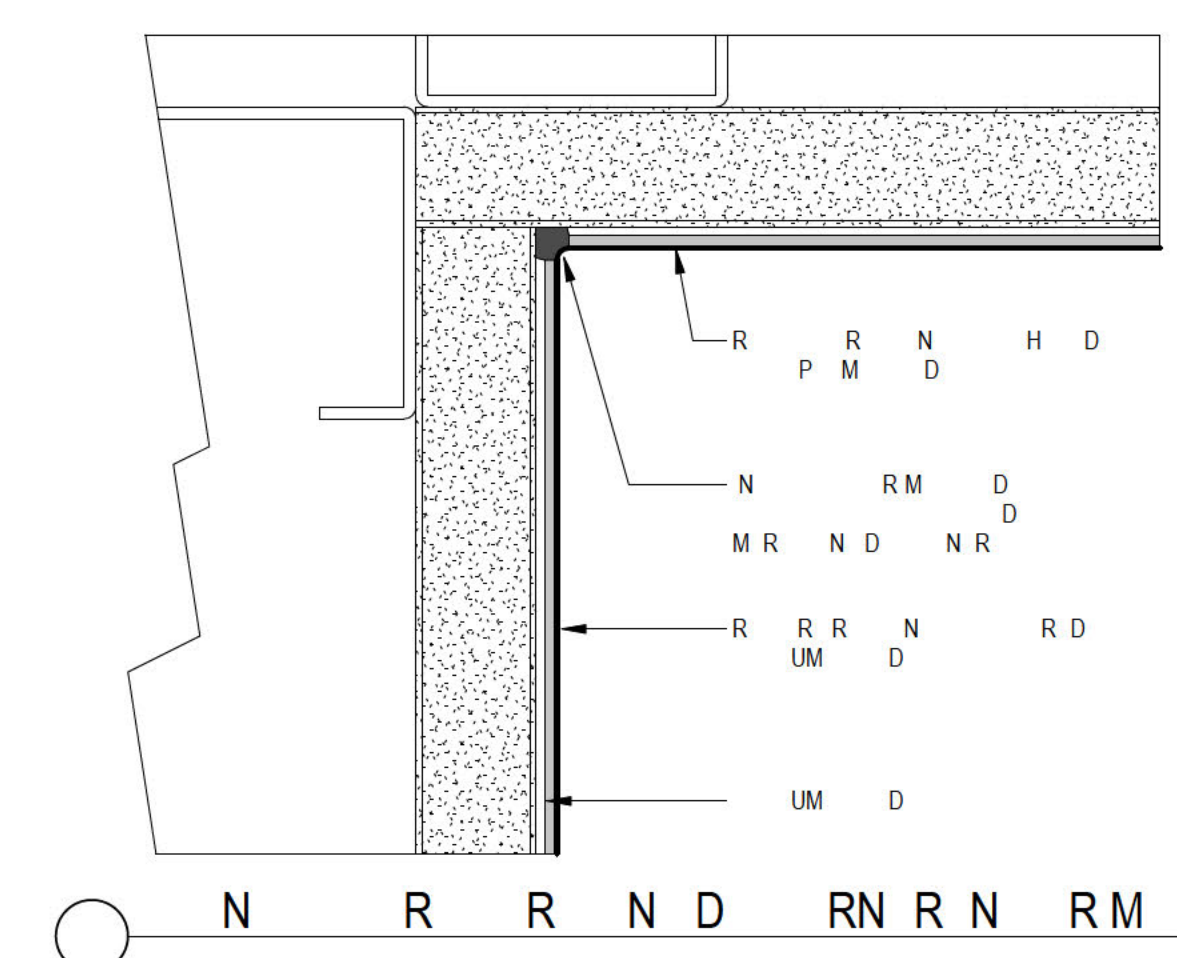
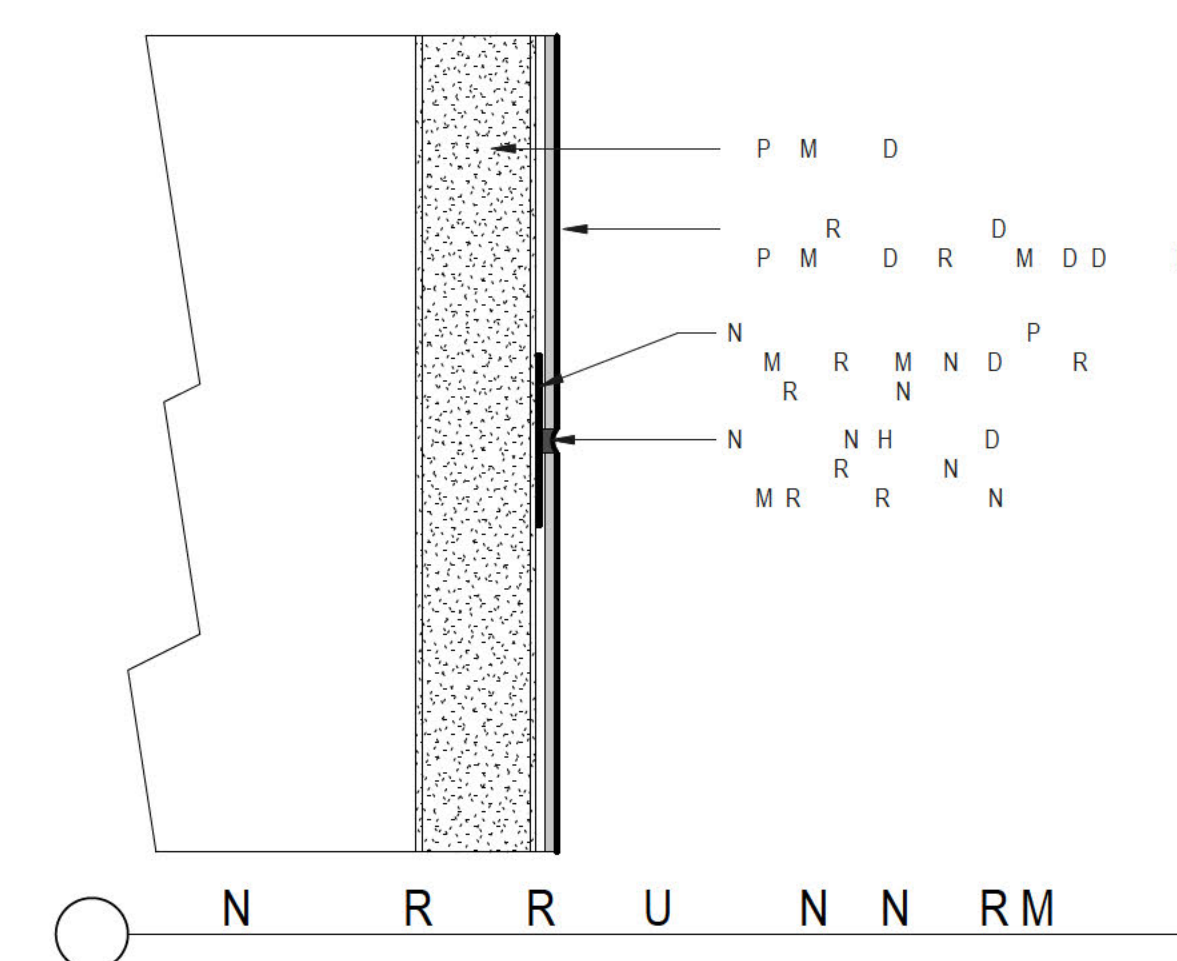
[illegible]

- \_\_\_\_\_  
- \_\_\_\_\_  
- \_\_\_\_\_  
Y \_\_\_\_\_

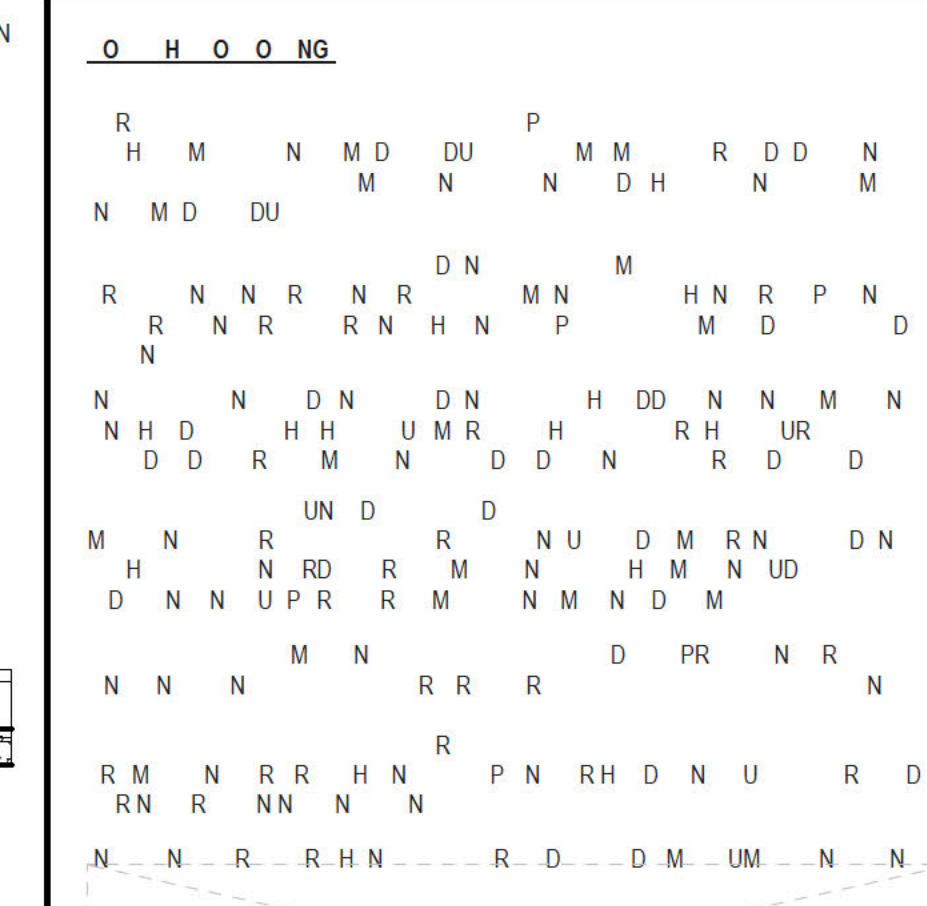
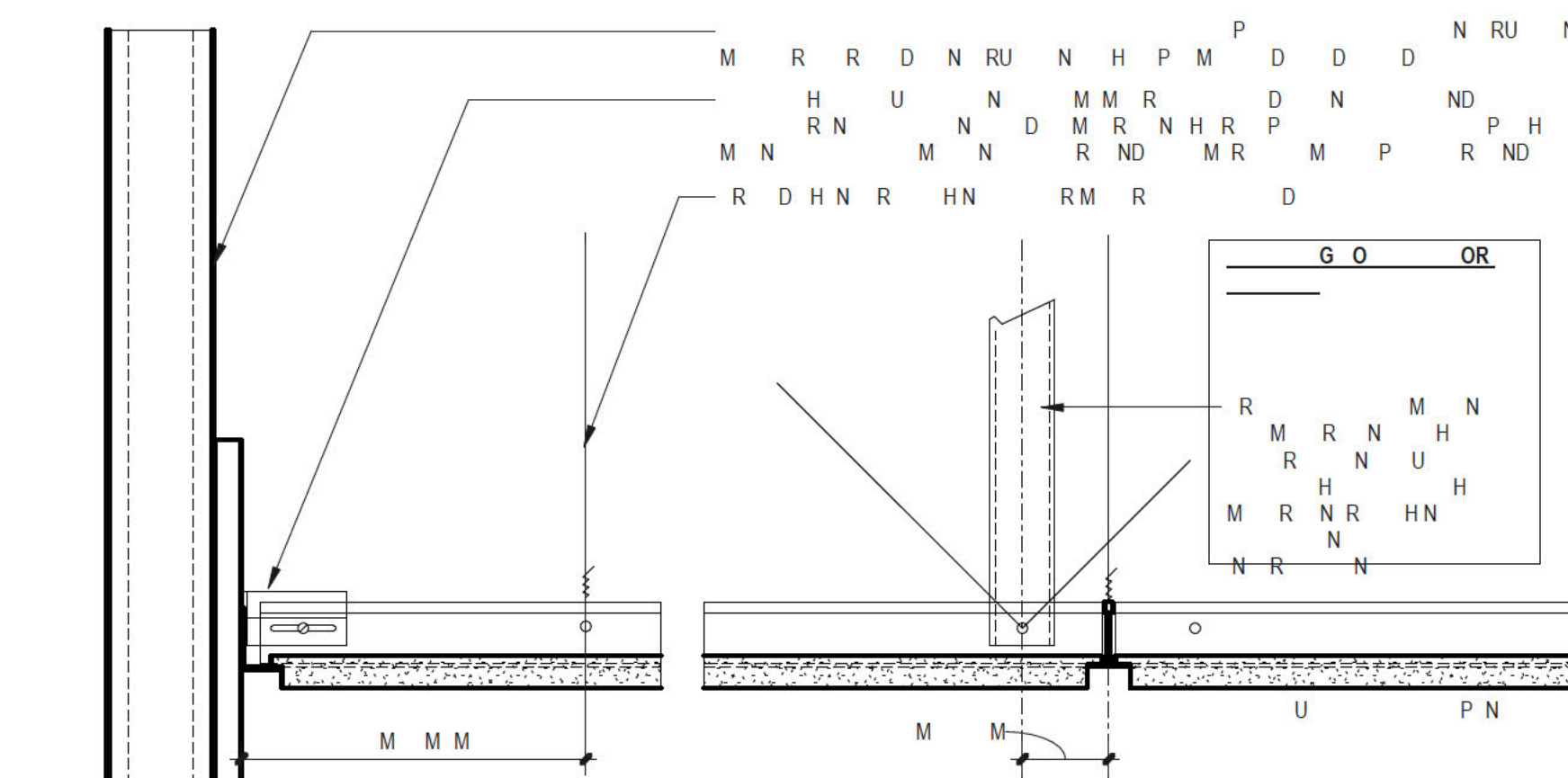
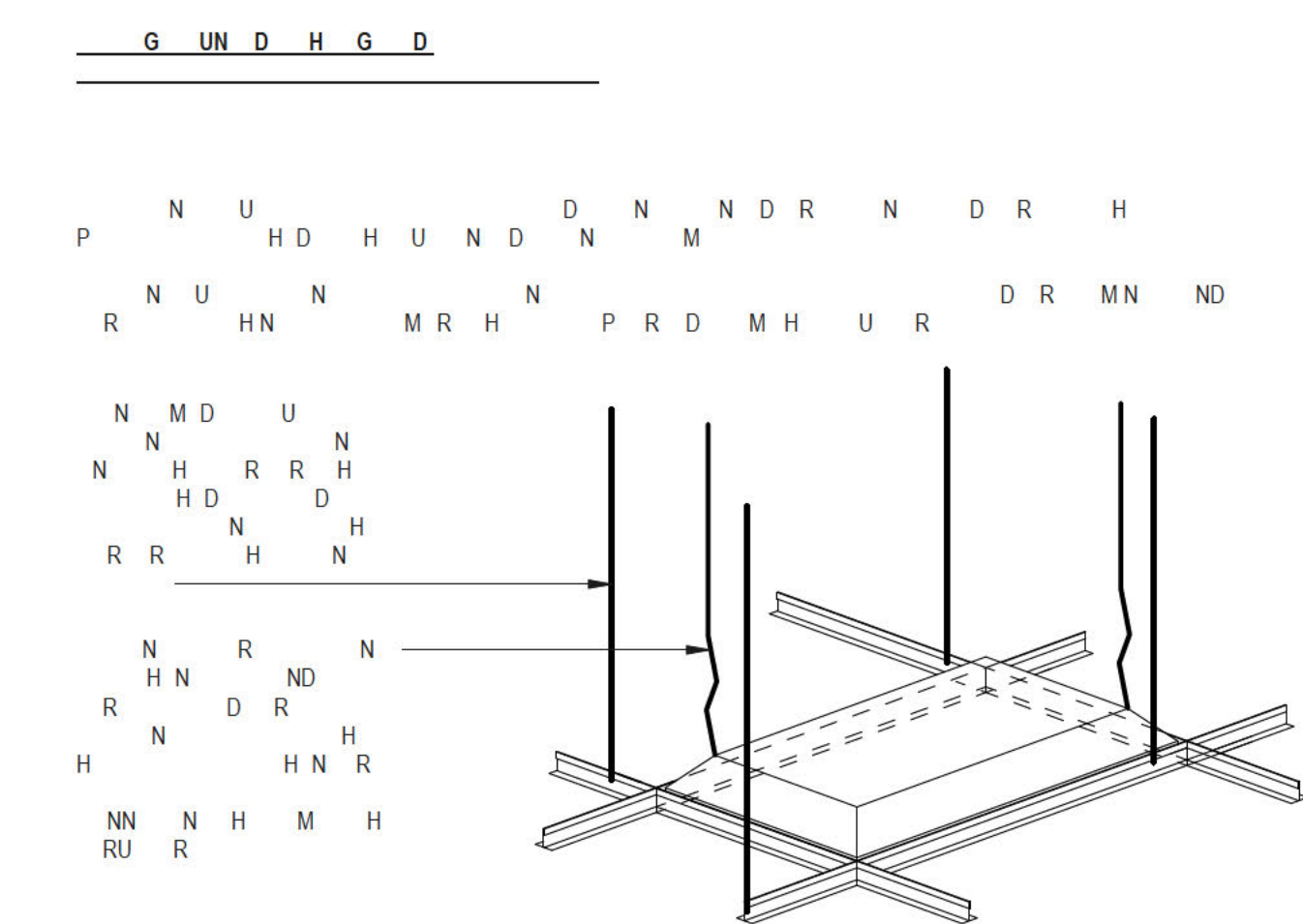
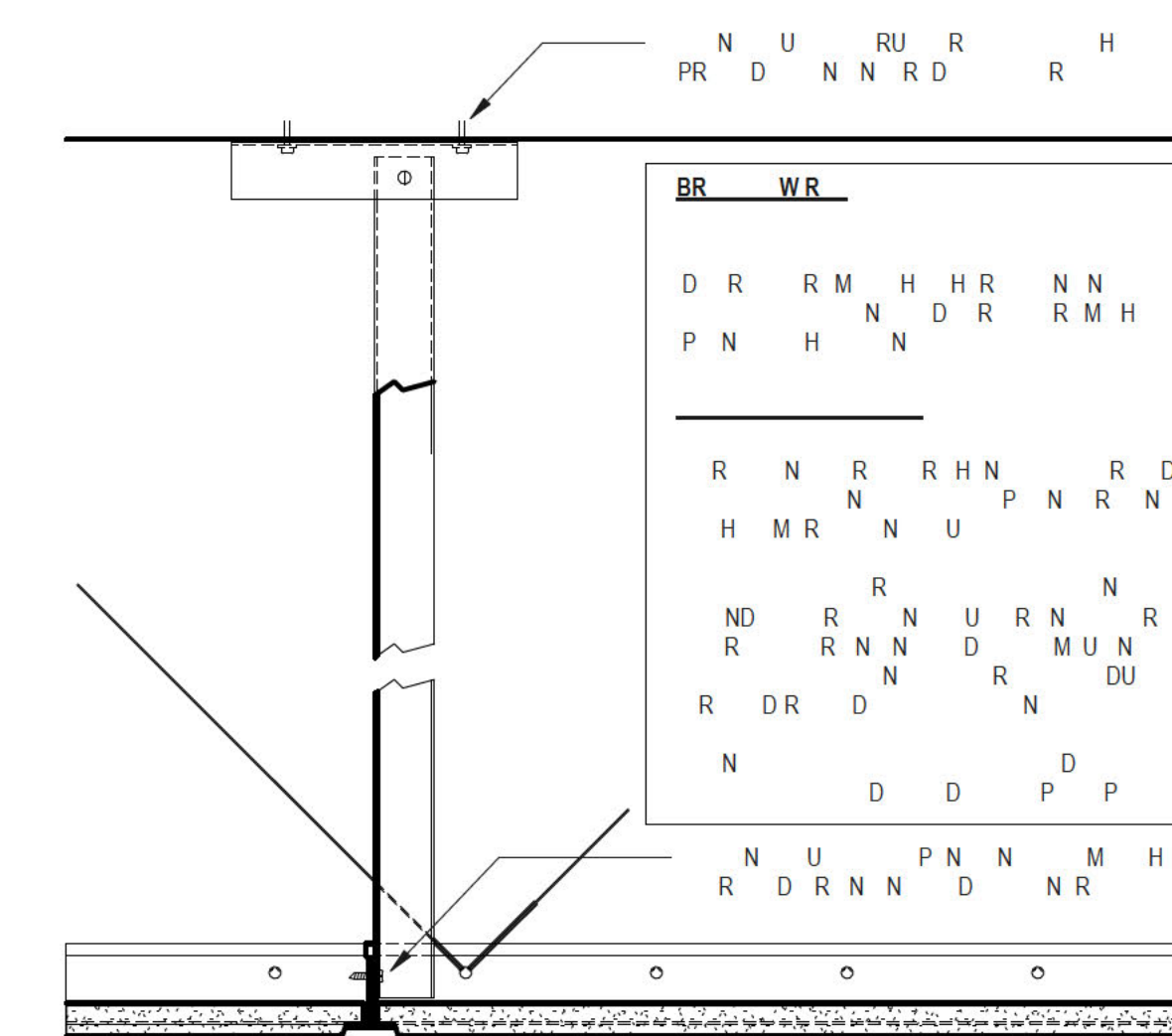
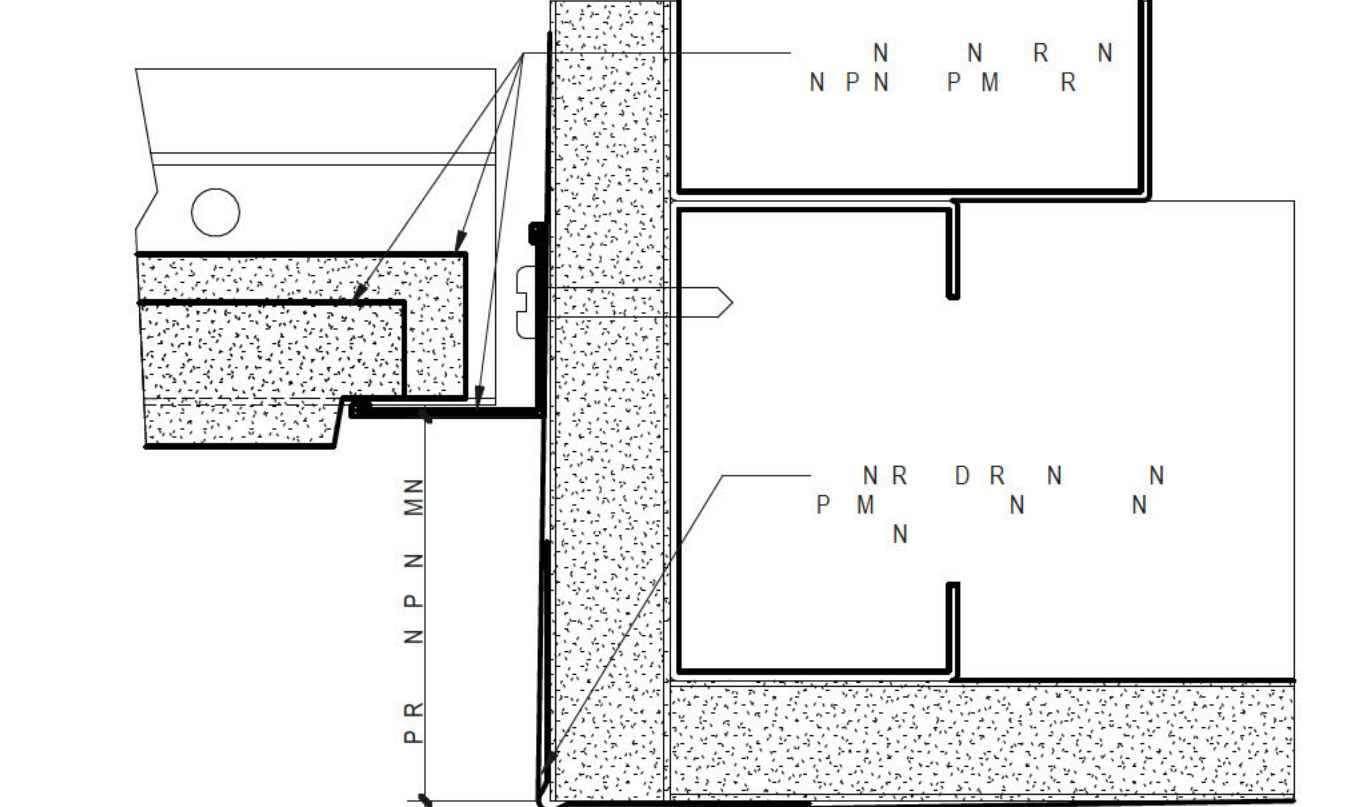
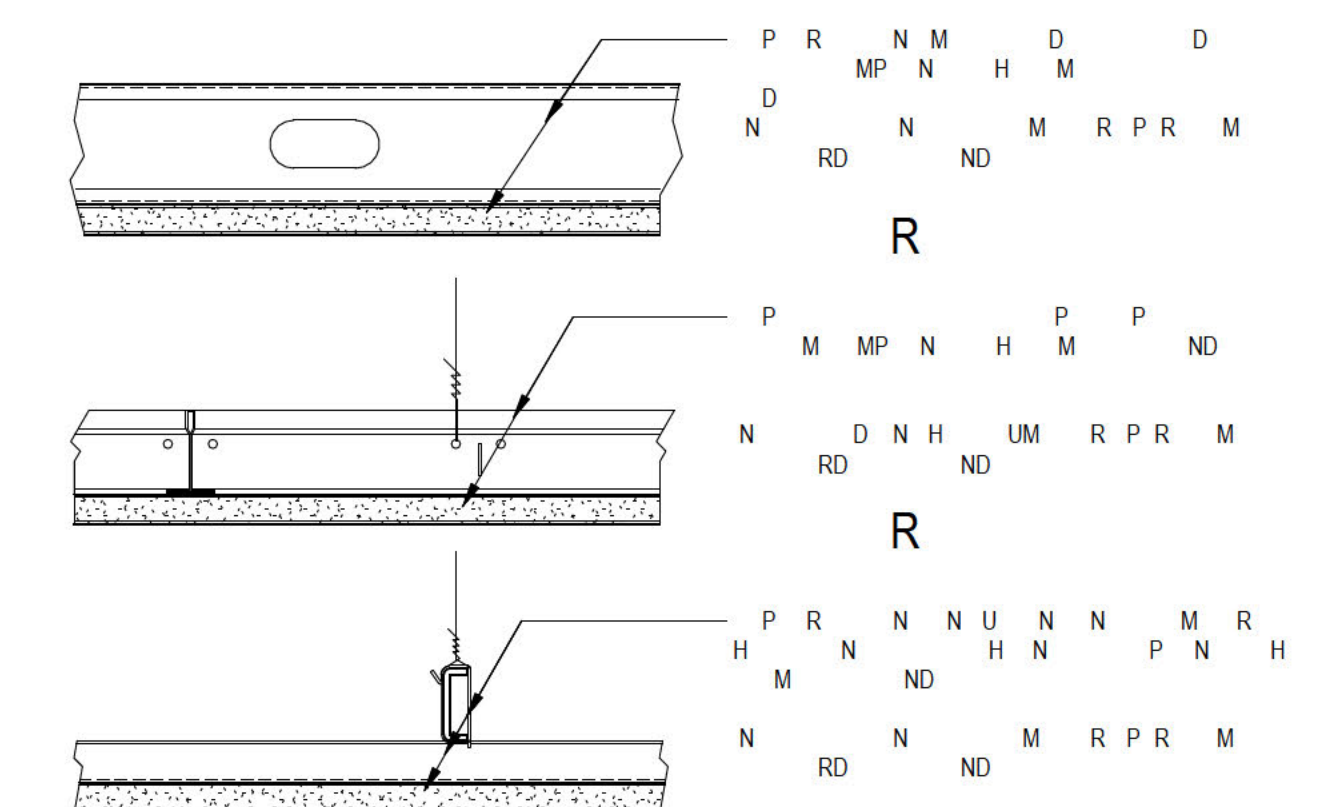
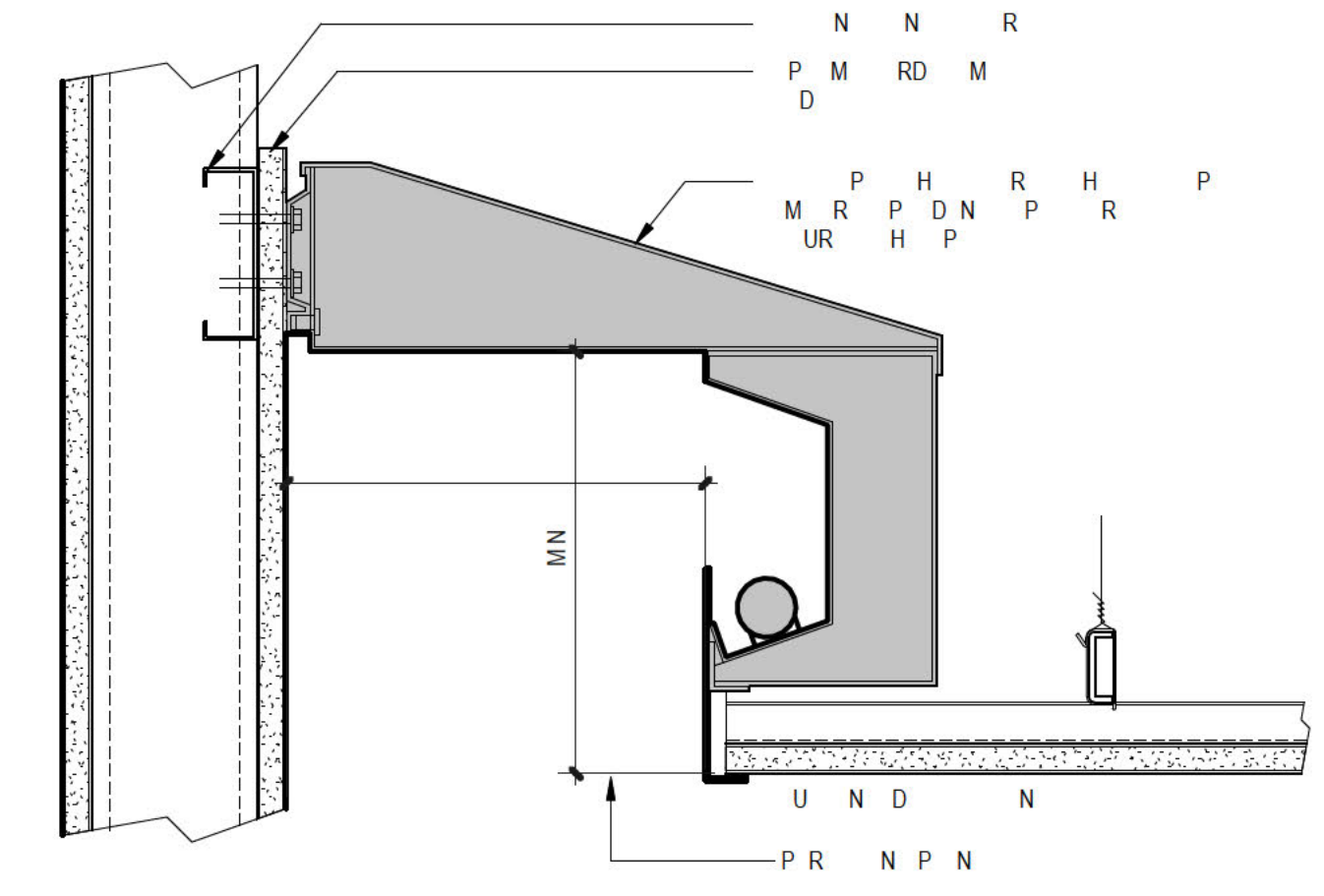
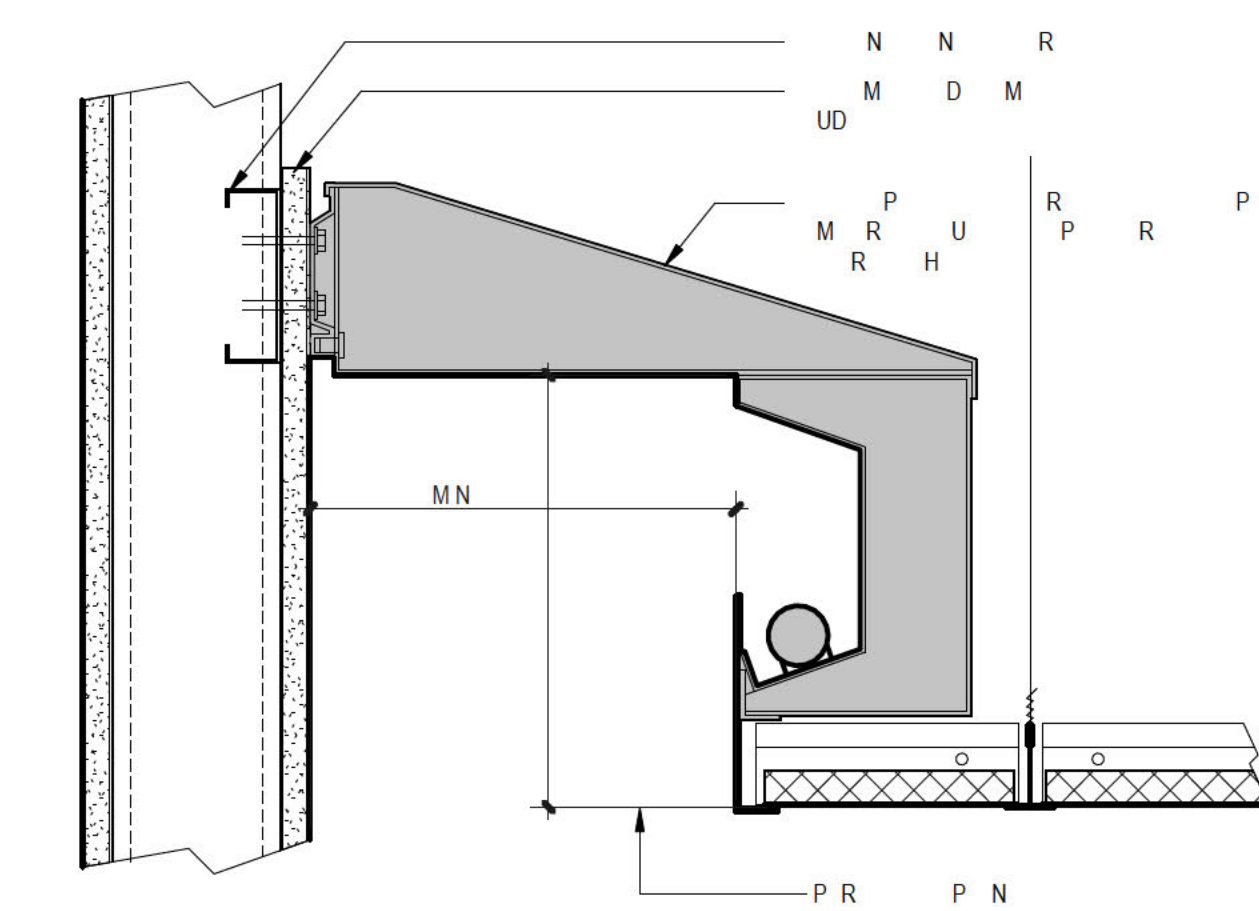
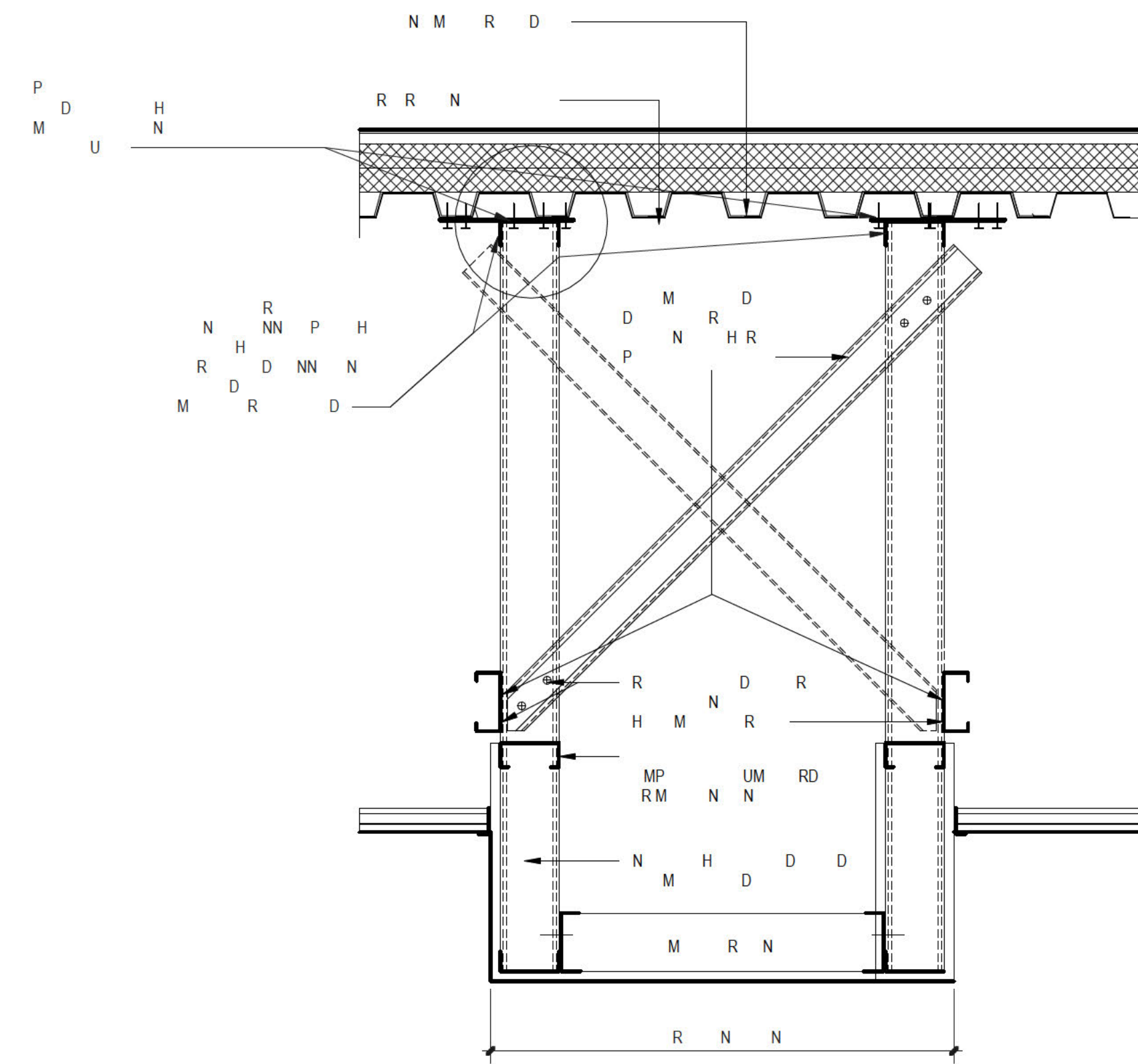
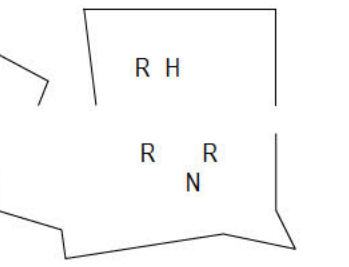
---

\$

**A9**







HA P V  
& A

A  
H V W

[illegible]

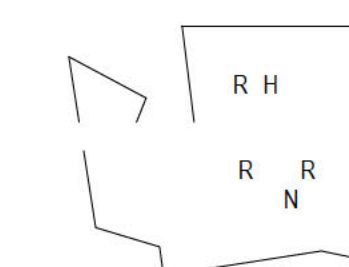
Y \_\_\_\_\_

A9









HA P V  
& A

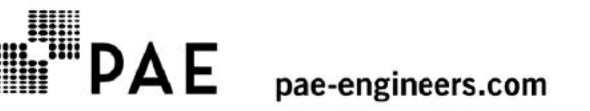
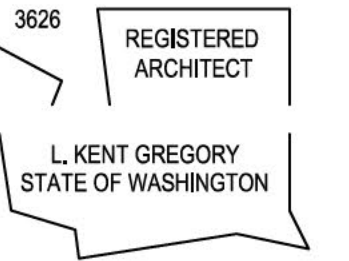
0  
B

A  
A W

[illegible]

Y \_\_\_\_\_



**SHARPE-VISION  
CLINIC & ASC**

3025 112th Ave. NE  
Bellevue, WA

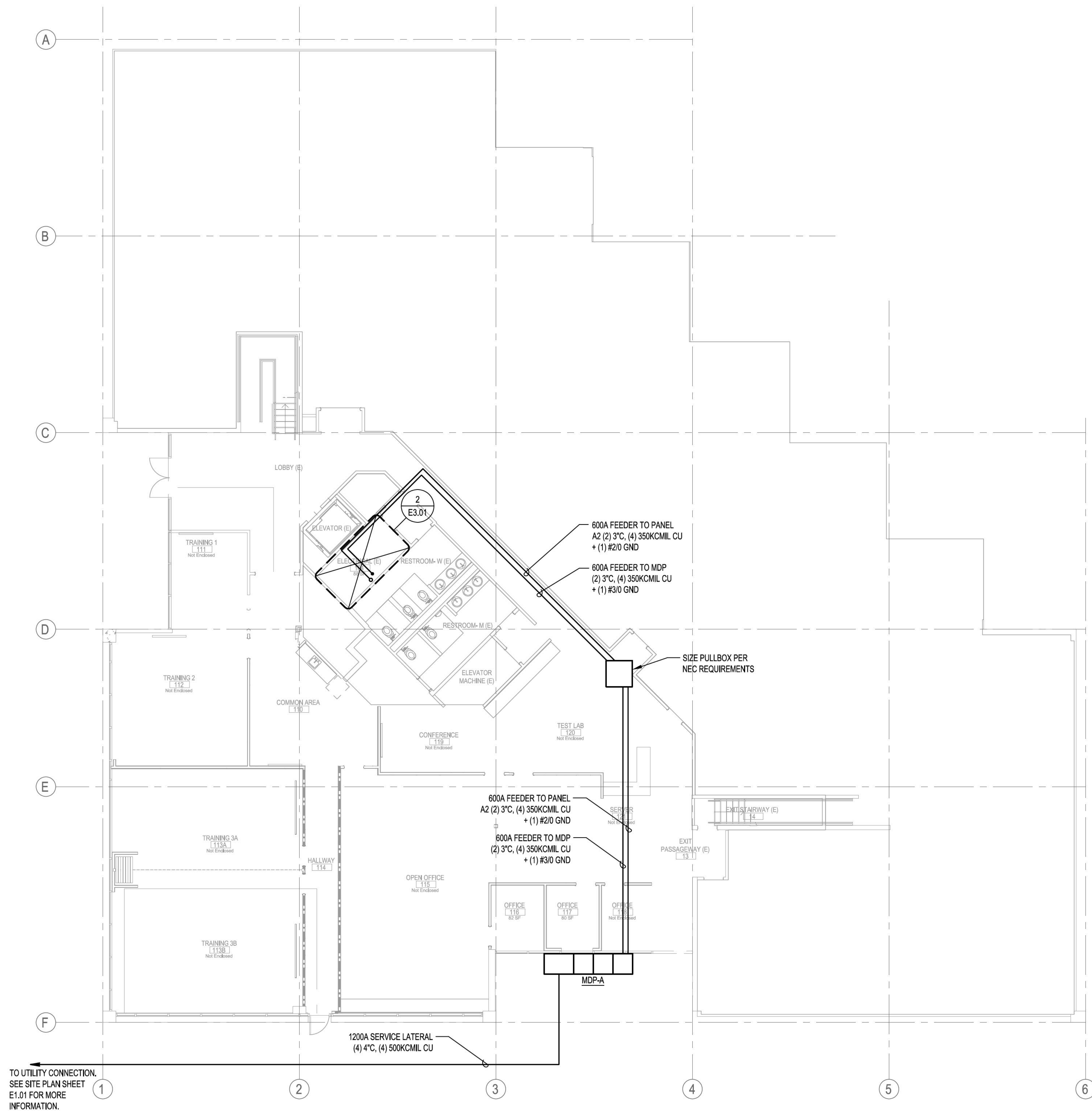
## LEVEL 1 POWER PLAN

[illegible]

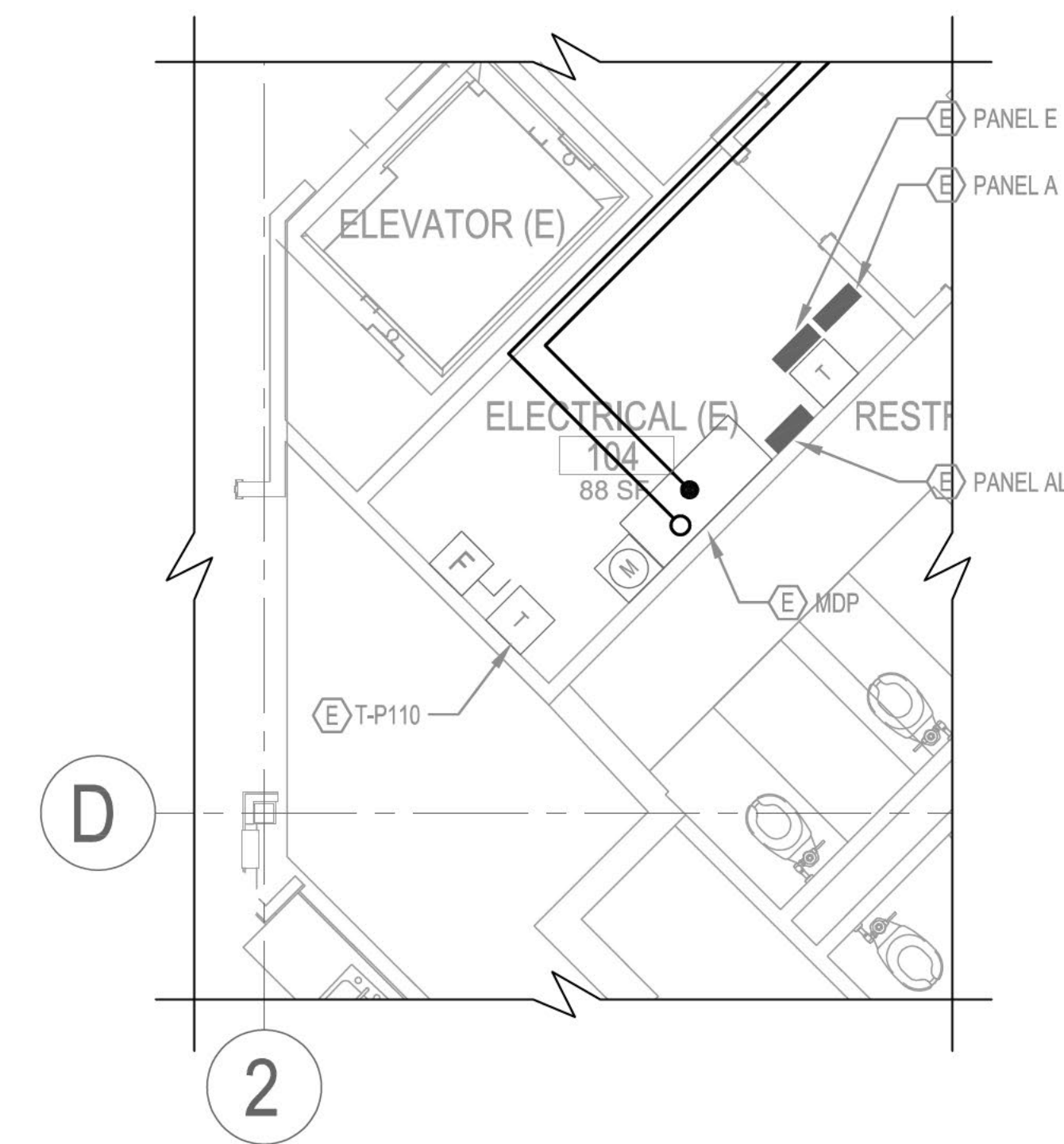
PROJECT INFORMATION	
PROJECT NUMBER:	21-2274
PROJECT LEAD:	
DRAWN BY:	

SHEET NO

### E3.01



# 1 E3.01 LEVEL 1 - POWER PLAN SCALE: 1/8" = 1'-0"



1 LEVEL 2 - ELECTRICAL ROOM  
E3.11 SCALE: 1/4" = 1'-0"





## EXHIBIT 4

### NUMERIC NEED METHODOLOGY ANALYSIS



Need Calculation

Row	Facility	License Number	CN Zip Code	Exempt Facility	Special Procedure Rooms	Dedicated Inpatient ORs	Dedicated Outpatient ORs	Mixed Use ORs	Mixed Use min/case	Inpatient Cases in Mixed Use ORs	Inpatient Mins. in Mixed Use ORs	Outpatient Min/Case	Outpatient Cases	Outpatient Mins.	Data Source
1	Aesthetic Facial Plastic Surgery	ASF.FS.60429354	98004	Yes	-	-	3	-	N/A	-	-	252.84	215	54,360	2018 survey/2017 data
2	Aesthetic Physicians dba Sono Bello	ASF.FS.60291172	98004	Yes	-	-	2	-	N/A	-	-	111.40	729	81,211	2020 survey/2019 data
3	Allure Laser Center and Medspa	ASF.FS.60574719	98033	Yes	-	-	2	-	N/A	-	-	60.51	822	48,740	2017 survey/2016 data
4	Anderson Sobel Cosmetic Surgery	ASF.FS.60278641	98004	Yes	-	-	1	-	N/A	-	-	125.44	114	14,300	2019 survey/2018 data
5	Athenix Body Sculpting Institute	ASF.FS.60329939	98005	Yes	-	-	2	-	N/A	-	-	120.00	648	77,760	2020 survey/2019 data
6	Bellevue Plastic Surgery Center (Newvue Plastic Surgery)	ASF.FS.60320007	98004	Yes	-	-	1	-	N/A	-	-	50.00	1,664	83 200	2018 ASF License (Department of Health Evaluation of Application #20
7	Bellevue Spine Specialist	ASF.FS.60100993	98005	Yes	-	-	-	-	N/A	-	-	N/A	-	-	Pain Management
8	Bellevue Surgery Center	ASF.FS.60287715	98004	Yes	1	-	1	-	N/A	-	-	102.00	29	2,958	2020 survey/2019 data
9	Bel-Red Ambulatory Surgery Center	ASF.FS.60102983	98004	No	-	-	2	-	N/A	-	-	180.00	359	64,620	2018 survey/2017 data
10	Cosmetic Surgery and Dermatology of Issaquah	ASF.FS.60100200	98027	Yes	-	-	2	-	N/A	-	-	60.00	672	40,320	2020 survey/2019 data
11	David Stephens Center for Plastic Surgery	ASF.FS.60134975	98004	Yes	-	-	1	-	N/A	-	-	235.70	177	41,719	2020 survey/2019 data
12	Eastside Endoscopy Center – Bellevue*	ASF.FS.60100024	98004	Yes	3	-	-	-	N/A	-	-	N/A	-	-	2020 survey/2019 data
13	Eastside Endoscopy Center – Issaquah*	ASF.FS.60262734	98027	Yes	2	-	-	-	N/A	-	-	N/A	-	-	2018 survey/2017 data
14	Eastside Surgery Center	ASF.FS.60477711	98027	No	-	-	2	-	N/A	-	-	17.61	5,674	99,929	2020 survey/2019 data
15	Egari Plastic Surgery Center	ASF.FS.60307710	98004	Yes	-	-	5	-	N/A	-	-	50.00	197	9 850	2019 survey/2018 data; procedures per survey minutes per stat assu
16	Evergreen Endoscopy Center	ASF.FS.60103003	98034	No	3	-	-	-	N/A	-	-	N/A	-	-	2020 survey/2019 data
17	Kaiser Permanente Bellevue Ambulatory Surgery Center	ASF.FS.60100954	98004	No	1	-	7	-	N/A	-	-	88.07	6,260	551,334	2020 survey/2019 data
18	Marina Park Plastics	ASF.FS.61104390	98033	Yes	-	-	1	-	N/A	-	-	50.00	250	12 500	Determination of Reviewability #21-20
19	Medical Center at PRO Sports Club	ASF.FS.60932741	98007	No	-	-	3	-	N/A	-	-	50.00	4 131	206 550	OR data from CN procedures and minutes per statutory assumptions
20	Naficy Plastic Surgery and Rejuvenation Center	ASF.FS.60101790	98004	Yes	-	-	2	-	N/A	-	-	79.65	565	45,000	2017 survey/2016 data
21	Northwest Center for Aesthetic Plastic Surgery	ASF.FS.60101127	98004	Yes	-	-	1	-	N/A	-	-	125.00	200	25,000	2020 survey/2019 data
22	Northwest Laser and Surgery Center	ASF.FS.60277121	98005	Yes	-	-	3	-	N/A	-	-	17.62	1,069	18,840	2020 survey/2019 data
23	Northwest Nasal Sinus Center	ASF.FS.60118035	98033	No	-	-	2	-	N/A	-	-	44.89	1,681	75,463	2017 survey/2016 data
24	Overlake Reproductive Health Inc.	ASF.FS.60350164	98004	Yes	-	-	1	-	N/A	-	-	50.00	364	18,200	2020 survey/2019 data
25	Overlake Surgery Center	ASF.FS.60101029	98004	No	3	-	7	-	N/A	-	-	39.85	2,959	117,930	2020 survey/2019 data
26	Pacific Cataract and Laser Institute	ASF.FS.60884516	98004	Yes	-	-	2	-	N/A	-	-	50.00	5,131	256 550	2020 survey/2019 data
27	Proliance Eastside Surgery Center	ASF.FS.60101042	98034	No	-	-	4	-	N/A	-	-	66.51	4,370	290,641	2020 survey/2019 data
28	Proliance Highlands Surgery Center	ASF.FS.60101051	98029	No	-	-	5	-	N/A	-	-	70.60	5,658	399,463	2020 survey/2019 data
29	The Retina Surgery Center	ASF.FS.61191721	98004	No	-	-	2	-	N/A	-	-	45.16	1,860	83,989	2020 survey/2019 data
30	Redmond Ambulatory Surgery Center LLC	ASF.FS.60826603	98052	No	1	-	2	-	N/A	-	-	65.00	3	195	2019 survey/2018 data
31	Remington Plastic Surgery Center	ASF.FS.60103007	98034	Yes	-	-	1	-	N/A	-	-	134.55	198	26,640	2018 survey/2017 data (Department of Health Evaluation of Applicati
32	Ridgway Face and Aesthetic Center	ASF.FS.61027806	98004	Yes	-	-	-	-	N/A	-	-	N/A	-	-	
33	Seattle Children's Bellevue ASC	Hospital License	98004	No	-	-	4	-	N/A	-	-	68.11	3,631	247 316	2021 Survey/2020 data
34	SoGab Surgery Center	ASF.FS.60107297	98033	Yes	-	-	1	-	N/A	-	-	50.00	120	6 000	Department of Health Evaluation of App ication #20-28
35	Stern Center for Aesthetic Surgery	ASF.FS.60099126	98004	Yes	-	-	1	-	N/A	-	-	120.00	70	8,400	2020 survey/2019 data
36	Virginia Mason Bellevue Ambulatory Surgery Center	ASF.FS.61079026	98004	No	2	-	3	-	N/A	-	-	50.00	4 131	206 550	Certificate of Need #17-46; procedures and minutes per statutory assi
37	Virginia Mason Issaquah Medical Center	ASF.FS.60101658	98027	Yes	1	-	-	-	N/A	-	-	N/A	-	-	Endoscopy
38	Washington Institute Orthopedic Center	ASF.FS.60101120	98034	Yes	-	-	3	-	N/A	-	-	50.00	664	33 200	2020 survey/2019 data
39	Washington Urology Associates-Bellevue	ASF.FS.60222057	98004	Yes	-	-	2	-	N/A	-	-	50.00	1,500	75 000	Department of Health Evaluation of Application #20-28
40	Yarrow Bay Plastic Surgery Center	ASF.FS.60312375	98033	Yes	-	-	1	-	N/A	-	-	191.59	114	21,841	2020 survey/2019 data
41	EvergreenHealth	HAC.FS.00000164	98034	No	6	9	9	-	N/A	-	-	66.41	8,271	549,300	2020 survey/2019 data
42	Overlake Hospital Medical Center	HAC.FS.00000131	98004	No	2	11	4	-	N/A	-	-	88.78	7,138	633,714	2020 survey/2019 data
43	Snoqualmie Valley Hospital	HAC.FS.00000195	98065	No	1	-	-	-	N/A	-	-	N/A	-	-	2020 survey/2019 data
44	Swedish Medical Center – Issaquah	HAC.FS.60256001	98029	No	7	-	-	12	84.36	7,073	596,696	N/A	-	-	2020 survey/2019 data
45	Total				33	20	95	12	84.36	7 073	596 696	63.23	71 638	4 529 583	

Survey Data Year (1st Year)

2016

Survey Data Year (2nd Year)

2017

Survey Data Year (3rd Year)

2018

Survey Data Year (4th Year)

2019

Survey Data Year (5th Year)

2020

Year 1 of Operation

2023

Year 3 of Operation

2025

Inpatient ORs	Procedure	Minutes
Evergreen	7,164	843,673
Overlake	4 582	748,584

Total Surgeries	78,711		Total Population	Age 15		60 minutes/hour
Area Population 2016 Estimated	483,565	Claritas data and annual estimates using Claritas growth rates	596,558	483,565	Selected Population Data:  Age 15+	44 hours/week
Area Population 2017 Estimated	492,474	Claritas data and annual estimates using Claritas growth rates	605,217	492,474		51 weeks/year
Area Population 2018 Estimated	501,547	Claritas data and annual estimates using Claritas growth rates	616,033	501,547		
Area Population 2019 Estimated	510,787	Claritas data and annual estimates using Claritas growth rates	626,008	510,787		
Area Population 2020 Estimated	520,197	Claritas data and annual estimates using Claritas growth rates	636,144	520,197		
Use Rate	159.8					16.50
Planning Area Projected Population Year: 2025	562,905	Claritas data and annual estimates using Claritas growth rates	683,109	562,905		0.7
						94248
% Outpatient of Total Surgeries	91.01%					
% Inpatient of Total Surgeries	8.99%					

[illegible]

EXHIBIT 5

HISTORICAL AND PROJECTED RESIDENT POPULATION  
STATISTICS

# Pop-Facts Demographic Trend

<b>Data Version:</b>	2022
<b>Include Map</b>	YES
<b>Include Chart</b>	NO
<b>Include Labels</b>	YES
<b>Analysis Area</b>	Area One
<b>Map Subtotal Method</b>	None
<b>Report Generation Method</b>	Single
<b>Color Scheme</b>	claritas-standard
<b>Completion Notification Email</b>	Do not send email
<b>Reporting Detail</b>	As Selected
<b>Pop-facts Demographic Trend sections</b>	Pop-Facts Demographic Trend   Population by Age and Sex Trend
<b>Output Type</b>	PDF and Excel



Pop-Facts Demographic Trend

Pop-Facts Premier 2022

Report Generated: 2022-07-18 16:50:32

Copyright © 2022 Claritas, LLC. All Rights Reserved.



# Pop-Facts Demographic

## Pop-Facts: Demographic Trend

Description	Area One					
	2000* / 2010**		2022		2027	
	Census	%	Estimate	%	Projection	%
<b>Population by Age**</b>	<b>541,749</b>		<b>656,912</b>		<b>701,152</b>	
Age 0 - 4	35,008	6.46%	38,942	5.93%	39,807	5.68%
Age 5 - 9	37,113	6.85%	39,539	6.02%	40,563	5.79%
Age 10 - 14	36,230	6.69%	38,891	5.92%	41,741	5.95%
Age 15 - 17	21,936	4.05%	23,466	3.57%	25,354	3.62%
Age 18 - 20	15,034	2.78%	21,577	3.28%	23,178	3.31%
Age 21 - 24	21,242	3.92%	28,843	4.39%	30,560	4.36%
Age 25 - 34	76,360	14.10%	107,598	16.38%	102,616	14.64%
Age 35 - 44	86,135	15.90%	89,425	13.61%	97,175	13.86%
Age 45 - 54	87,639	16.18%	87,633	13.34%	90,866	12.96%
Age 55 - 64	64,650	11.93%	82,138	12.50%	87,972	12.55%
Age 65 - 74	32,647	6.03%	59,081	8.99%	73,090	10.42%
Age 75 - 84	18,366	3.39%	28,444	4.33%	35,953	5.13%
Age 85 and over	9,389	1.73%	11,335	1.73%	12,277	1.75%
Age 16 and over	425,971	78.63%	531,839	80.96%	570,707	81.40%
Age 18 and over	411,462	75.95%	516,074	78.56%	553,687	78.97%
Age 21 and over	396,428	73.18%	494,497	75.28%	530,509	75.66%
Age 65 and over	60,402	11.15%	98,860	15.05%	121,320	17.30%
<b>Median Age</b>	<b>38.2</b>		<b>38.3</b>		<b>39.8</b>	
<b>Population by Sex**</b>	<b>541,749</b>		<b>656,912</b>		<b>701,152</b>	
Male	269,567	49.76%	329,480	50.16%	351,290	50.10%
Female	272,182	50.24%	327,432	49.84%	349,862	49.90%
<b>Pop. by Single-Classification Race by Hispanic/Latino**</b>						
<b>Hispanic or Latino</b>	<b>32,799</b>		<b>46,162</b>		<b>51,837</b>	

# Pop-Facts Demographic

## Pop-Facts: Demographic Trend

Description	Area One					
	2000* / 2010**		2022		2027	
	Census	%	Estimate	%	Projection	%
White Alone	17,874	54.50%	24,978	54.11%	28,001	54.02%
Black or African American Alone	353	1.08%	536	1.16%	620	1.20%
American Indian and Alaska Native Alone	450	1.37%	659	1.43%	747	1.44%
Asian Alone	347	1.06%	524	1.14%	601	1.16%
Native Hawaiian & Other Pacific Islander Alone	40	0.12%	62	0.13%	72	0.14%
Some Other Race Alone	10,688	32.59%	14,915	32.31%	16,722	32.26%
Two or More Races	3,047	9.29%	4,488	9.72%	5,074	9.79%
<b>Not Hispanic or Latino</b>	<b>508,950</b>		<b>610,750</b>		<b>649,315</b>	
White Alone	387,208	76.08%	392,436	64.25%	385,267	59.33%
Black or African American Alone	7,851	1.54%	11,304	1.85%	12,831	1.98%
American Indian and Alaska Native Alone	1,780	0.35%	1,983	0.32%	2,009	0.31%
Asian Alone	91,149	17.91%	173,920	28.48%	213,603	32.90%
Native Hawaiian & Other Pacific Islander Alone	875	0.17%	1,220	0.20%	1,353	0.21%
Some Other Race Alone	1,653	0.32%	2,097	0.34%	2,252	0.35%
Two or More Races	18,434	3.62%	27,790	4.55%	32,000	4.93%
<b>Households by Age of Householder**</b>	<b>213,405</b>		<b>256,881</b>		<b>273,369</b>	
Householder Under 25 Years	6,448	3.02%	6,936	2.70%	7,910	2.89%
Householder 25 to 34 Years	35,822	16.79%	45,469	17.70%	41,737	15.27%
Householder 35 to 44 Years	46,469	21.78%	48,980	19.07%	51,835	18.96%
Householder 45 to 54 Years	49,522	23.21%	49,466	19.26%	51,428	18.81%
Householder 55 to 64 Years	37,571	17.61%	46,543	18.12%	49,171	17.99%
Householder 65 to 74 Years	19,744	9.25%	34,726	13.52%	42,024	15.37%
Householder 75 to 84 Years	11,739	5.50%	17,567	6.84%	21,691	7.93%
Householder 85 Years and over	6,090	2.85%	7,194	2.80%	7,573	2.77%
<b>Median Age of Householder</b>	<b>48.6</b>		<b>50.5</b>		<b>51.8</b>	

# Pop-Facts Demographic

## Pop-Facts: Demographic Trend

Description	Area One					
	2000* / 2010**		2022		2027	
	Census	%	Estimate	%	Projection	%
<b>Households by Household Income*</b>	<b>183,155</b>		<b>256,881</b>		<b>273,369</b>	
Income Less than \$15,000	10,860	5.93%	9,307	3.62%	8,418	3.08%
Income \$15,000 - \$24,999	10,703	5.84%	6,279	2.44%	5,639	2.06%
Income \$25,000 - \$34,999	14,188	7.75%	7,004	2.73%	6,258	2.29%
Income \$35,000 - \$49,999	24,293	13.26%	11,326	4.41%	9,402	3.44%
Income \$50,000 - \$74,999	38,322	20.92%	21,636	8.42%	19,244	7.04%
Income \$75,000 - \$99,999	29,673	16.20%	22,661	8.82%	20,866	7.63%
Income \$100,000 - \$124,999	19,777	10.80%	22,773	8.87%	20,986	7.68%
Income \$125,000 - \$149,999	11,279	6.16%	22,657	8.82%	21,048	7.70%
Income \$150,000 - \$199,999	10,783	5.89%	35,253	13.72%	37,072	13.56%
Income \$200,000 - \$249,999	5,576	3.04%	24,935	9.71%	28,972	10.60%
Income \$250,000 - \$499,999	5,016	2.74%	35,753	13.92%	45,635	16.69%
Income \$500,000 or more	2,685	1.47%	37,297	14.52%	49,829	18.23%
<b>Average Household Income</b>	<b>\$92,611</b>		<b>\$214,067</b>		<b>\$240,750</b>	
<b>Median Household Income</b>	<b>\$70,571</b>		<b>\$156,804</b>		<b>\$183,480</b>	
<b>Median HH Inc. by Single-Classification Race*</b>						
White Alone	\$71,560		\$152,948		\$178,489	
Black or African American Alone	\$57,694		\$83,145		\$95,131	
American Indian and Alaska Native Alone	\$47,831		\$69,333		\$87,363	
Asian Alone	\$70,401		\$188,524		\$200,001	
Native Hawaiian & Other Pacific Islander Alone	\$66,554		\$75,750		\$94,575	
Some Other Race Alone	\$48,366		\$71,644		\$85,753	
Two or More Races	\$54,111		\$133,143		\$153,211	
Hispanic or Latino	\$52,376		\$107,738		\$125,446	



# Pop-Facts Demographic

## Pop-Facts: Demographic Trend

Description	Area One					
	2000* / 2010**		2022		2027	
	Census	%	Estimate	%	Projection	%
Not Hispanic or Latino	\$71,133		\$159,820		\$186,733	

# Pop-Facts Demographic Trend

## Population by Age and Sex Trend

Description	Area One					
	2010		2022		2027	
	Census	%	Estimate	%	Projection	%
<b>Total Population By Age</b>	<b>541,749</b>		<b>656,912</b>		<b>701,152</b>	
Age 0 - 4	35,008	6.46%	38,942	5.93%	39,807	5.68%
Age 5 - 9	37,113	6.85%	39,539	6.02%	40,563	5.79%
Age 10 - 14	36,230	6.69%	38,891	5.92%	41,741	5.95%
Age 15 - 17	21,936	4.05%	23,466	3.57%	25,354	3.62%
Age 18 - 20	15,034	2.78%	21,577	3.28%	23,178	3.31%
Age 21 - 24	21,242	3.92%	28,843	4.39%	30,560	4.36%
Age 25 - 34	76,360	14.10%	107,598	16.38%	102,616	14.64%
Age 35 - 44	86,135	15.90%	89,425	13.61%	97,175	13.86%
Age 45 - 54	87,639	16.18%	87,633	13.34%	90,866	12.96%
Age 55 - 64	64,650	11.93%	82,138	12.50%	87,972	12.55%
Age 65 - 74	32,647	6.03%	59,081	8.99%	73,090	10.42%
Age 75 - 84	18,366	3.39%	28,444	4.33%	35,953	5.13%
Age 85 and over	9,389	1.73%	11,335	1.73%	12,277	1.75%
Age 16 and over	425,971	78.63%	531,839	80.96%	570,707	81.40%
Age 18 and over	411,462	75.95%	516,074	78.56%	553,687	78.97%
Age 21 and over	396,428	73.18%	494,497	75.28%	530,509	75.66%
Age 65 and over	60,402	11.15%	98,860	15.05%	121,320	17.30%
<b>Median Age</b>	<b>38.2</b>		<b>38.3</b>		<b>39.8</b>	
<b>Male Population by Age</b>	<b>269,567</b>		<b>329,480</b>		<b>351,290</b>	
Age 0 - 4	17,929	6.65%	19,953	6.06%	20,366	5.80%
Age 5 - 9	19,043	7.06%	20,166	6.12%	20,762	5.91%
Age 10 - 14	18,804	6.98%	19,885	6.04%	21,295	6.06%
Age 15 - 17	11,308	4.19%	12,052	3.66%	12,882	3.67%
Age 18 - 20	8,173	3.03%	11,213	3.40%	11,926	3.39%
Age 21 - 24	11,055	4.10%	15,089	4.58%	15,670	4.46%
Age 25 - 34	39,328	14.59%	57,768	17.53%	56,402	16.06%
Age 35 - 44	43,262	16.05%	45,676	13.86%	49,463	14.08%
Age 45 - 54	43,069	15.98%	43,799	13.29%	45,305	12.90%
Age 55 - 64	31,235	11.59%	39,964	12.13%	42,928	12.22%
Age 65 - 74	15,327	5.69%	27,395	8.31%	34,365	9.78%



# Pop-Facts Demographic Trend

## Population by Age and Sex Trend

Description	Area One					
	2010		2022		2027	
	Census	%	Estimate	%	Projection	%
Age 75 - 84	7,838	2.91%	12,441	3.78%	15,507	4.41%
Age 85 and over	3,196	1.19%	4,079	1.24%	4,419	1.26%
Age 16 and over	210,013	77.91%	265,528	80.59%	284,637	81.03%
Age 18 and over	202,483	75.11%	257,424	78.13%	275,985	78.56%
Age 21 and over	194,310	72.08%	246,211	74.73%	264,059	75.17%
Age 65 and over	26,361	9.78%	43,915	13.33%	54,291	15.45%
<b>Median Age</b>	<b>37.1</b>		<b>36.9</b>		<b>38.3</b>	
<b>Female Population by Age</b>	<b>272,182</b>		<b>327,432</b>		<b>349,862</b>	
Age 0 - 4	17,079	6.27%	18,989	5.80%	19,441	5.56%
Age 5 - 9	18,070	6.64%	19,373	5.92%	19,801	5.66%
Age 10 - 14	17,426	6.40%	19,006	5.80%	20,446	5.84%
Age 15 - 17	10,628	3.90%	11,414	3.49%	12,472	3.56%
Age 18 - 20	6,861	2.52%	10,364	3.17%	11,252	3.22%
Age 21 - 24	10,187	3.74%	13,754	4.20%	14,890	4.26%
Age 25 - 34	37,032	13.61%	49,830	15.22%	46,214	13.21%
Age 35 - 44	42,873	15.75%	43,749	13.36%	47,712	13.64%
Age 45 - 54	44,570	16.38%	43,834	13.39%	45,561	13.02%
Age 55 - 64	33,415	12.28%	42,174	12.88%	45,044	12.87%
Age 65 - 74	17,320	6.36%	31,686	9.68%	38,725	11.07%
Age 75 - 84	10,528	3.87%	16,003	4.89%	20,446	5.84%
Age 85 and over	6,193	2.28%	7,256	2.22%	7,858	2.25%
Age 16 and over	215,958	79.34%	266,311	81.33%	286,070	81.77%
Age 18 and over	208,979	76.78%	258,650	78.99%	277,702	79.37%
Age 21 and over	202,118	74.26%	248,286	75.83%	266,450	76.16%
Age 65 and over	34,041	12.51%	54,945	16.78%	67,029	19.16%
<b>Median Age</b>	<b>39.4</b>		<b>39.8</b>		<b>41.4</b>	

## Pop-Facts Demographic Menu

Map



**Area Map**  
Area One



EXHIBIT 6

CHARITY CARE POLICY

## **SHARPEVISION**

### **CHARITY CARE POLICY**

#### **POLICY**

SharpeVision provides a charity care program to serve the needs of its community. As part of the program, patients who reside in the East King County secondary health services planning area and who meet eligibility requirements may receive a partial or full adjustment on medical service charges related to facility fees. SharpeVision will use reasonable efforts to provide charity care in an amount comparable to the average amount of charity care provided by local hospitals. Charity care qualification criteria will be reviewed annually.

Patients may be referred to this program by provider or employee recommendation, patient/family initiation, or individual request. SharpeVision does not discriminate based on age, color, creed, disability, national origin, race, religion, sex, or any other grounds unrelated to an individual's need for service.

#### **PURPOSE**

To provide for surgical services rendered at SharpeVision to persons whose family income is at or below 200% of the federal poverty level. Charity care is considered secondary to all other financial resources available to the patient.

#### **PROCEDURE**

##### *A. Eligibility Determination*

All patient accounts that are preparing to receive services at SharpeVision are eligible for charity care consideration. Patient eligibility will be identified prior to surgical services being provided. Patient eligibility approval will be for a one-time adjustment of facility fees at SharpeVision. Services eligible for charity care are defined as facility fees related to appropriate ASC-based surgical services.

A confidential financial statement application will be completed by the patient, including the following:

1. Most recent income tax return or Social Security award letter;
2. Most recent paystub;
3. Proof of all other income; and
4. Determination notice from the Department of Social and Health Services.

The application must be returned to SharpeVision for review. To be considered for the program, a patient's household income cannot exceed 200% of the federal poverty level income guidelines. A patient's household income and corresponding sliding discount schedule are shown on the next page. Please note, the discount percentage applies to the patient responsibility portion of the facility fees.



*B. Ineligible Services*

Medical service charges related to provider professional fees at SharpeVision.

*C. Review Process*

Applications and other information obtained by SharpeVision will be reviewed as received. SharpeVision will notify the applicant of the decision in writing within 30 business days after the complete application has been received.

PERSONS IN FAMILY/HOUSEHOLD	POVERTY GUIDELINE
For families/households with more than 8 persons, add \$4,420 for each additional person.	
1	\$12,490
2	\$16,910
3	\$21,330
4	\$25,750
5	\$30,170
6	\$34,590
7	\$39,010
8	\$43,430

Date Effective: 8/1/2022

Date Approved: 8/1/2022

Approved By:

EXHIBIT 7

NON-DISCRIMINATION POLICY



## **SHARPEVISION**

### **NON-DISCRIMINATION POLICY**

#### **PURPOSE**

To outline conformity with Washington state and federal laws regarding non-discrimination and assure that only relevant factors are considered in offering access to medical care and employment opportunities and that consistent and equitable standards of care, conduct and performance are applied.

#### **POLICY**

SharpeVision does not discriminate in offering access to medical care or employment opportunities on the basis of age, color, creed, disability, gender, gender identity, gender expression, national origin, race, religion, sexual orientation, or veteran's status.

#### **PROCESS**

In the event a concern regarding discrimination arises, the SharpeVision grievance process policy will be followed, dependent upon how the issue presents, and the concern will be thoroughly investigated.

Date Effective: 8/1/2022

Date Approved: 8/1/2022

Approved By:

## EXHIBIT 8

### ADMISSION AND PRE-PROCEDURAL RISK POLICY



## THANK YOU FOR TAKING THE TIME TO REVIEW THIS IMPORTANT INFORMATION ABOUT PHAKIC IMPLANT SURGERY.

You will be asked to sign this Informed Consent document on the day of your procedure. Before signing, please read this information carefully and ask any questions you may still have prior to your procedure.

Please contact SharpeVision with questions or concerns.

### SharpeVision

2285 116<sup>th</sup> Ave. NE Bellevue, WA 98004

425.451.2020 [www.sharpe-vision.com](http://www.sharpe-vision.com)

## INTRODUCTION

This information is being provided to you so that you can make an informed decision about having eye surgery to reduce or eliminate your astigmatism and/or nearsightedness. Only you and your ophthalmologist can determine if you should have phakic implant surgery based upon your own visual needs and medical considerations. Take as much time as you wish to make your decision before signing this consent form. You have the right and are encouraged to ask your doctor questions about any procedure before agreeing to have it.

Myopia, the clinical term for nearsightedness, is a condition that causes light rays to focus in front of the retina, causing distant objects to look blurry or distorted. It can be caused by an eyeball that is too long for its optical power or by curvature of the cornea or lens that is too steep for the actual length of the eyeball. Astigmatism occurs when the eyeball is oblong-shaped, like a football. As a result, light cannot be focused properly, blurring vision at all distances. Astigmatism is often present along with myopia. The amount of myopia and astigmatism is measured in "diopters," a technical term used to describe the power of a lens. The Visian™ phakic implantable collamer lens (ICL) and toric ICL have been approved by the Food and Drug Administration (FDA) for the treatment of patients with moderate to high myopia between the ranges of -5 diopters to -20 diopters, with up to -4 diopters of astigmatism.

Surgical implantation of a phakic intraocular lens (phakic implant surgery) is one of a number of alternatives for correcting nearsightedness. In phakic implant surgery, an artificial lens (such as the Visian™ ICL) is surgically placed inside your eye. The lens is made from material similar to the type used for intraocular lenses currently being implanted in the eye to correct vision after cataract surgery. The difference between phakic implant surgery and other intraocular lens implants is that your natural lens is not removed during phakic implant surgery. The phakic lens is inserted *in addition* to your natural lens.

Phakic implant surgery is an elective procedure: There is no emergency condition or other reason that requires or demands that you have it performed. You could continue wearing contact lenses or glasses and have adequate visual acuity. This procedure, like all surgery, presents some risks, many of which are listed below. You should also understand that there may be other risks not known to your doctor, which may become known later. Despite the best of care, complications and side effects may occur; should this happen in your case, the result might be affected even to the extent of making your vision worse.

## ALTERNATIVES TO PHAKIC IMPLANT SURGERY

You are under no obligation to have phakic implant surgery. If you decide not to have phakic implant surgery, there are other methods of correcting your nearsightedness:

### Non-Surgical Alternatives

Contact lenses or glasses are non-surgical, extremely accurate, permit easy changes in prescription, and also allow the eye to retain its focusing power for near vision.

1. *Spectacles (glasses)* Although there are essentially no risks to wearing glasses, the quality of vision with strong nearsighted glasses is not normal because of the smaller appearance of images ("minification") and slight decrease in peripheral vision caused by the thickness of the lenses.
2. *Contact Lens.* While contact lenses provide higher quality and more normal vision, they have a slight risk of complications, especially if they are worn overnight. The risks of contact lenses include infection, allergies, irritation, and discomfort.

### Surgical Alternatives, Including Laser

There are several other procedures for the correction of moderate to high myopia. PRK and LASIK do not require an incision

Initials \_\_\_\_\_

/1

into the inside of the eye as does phakic implant surgery.

1. *Photorefractive Keratectomy (PRK)* uses an excimer laser to reshape the cornea to refocus light rays on the cornea. PRK may be used to correct low to higher amounts of myopia (generally -1 D to -12 D).
2. *LASIK* is an operation which combines the creation of a flap and the removal of tissue with the excimer laser. During LASIK, a thin layer of cornea is created, the exposed surface of the cornea is reshaped with the laser, and the flap is returned to its original position. LASIK has been found to be quite successful and relatively safe for the correction of moderate and high myopia up to -12 D. Above 12 diopters, LASIK is known to have a high incidence of complications involving the quality of vision, especially at night, and has proven to be less accurate than it is with the treatment of lower levels of nearsightedness. For these reasons, many surgeons have stopped performing LASIK for extremely nearsighted eyes.
3. *Refractive Lens Exchange (RLE)* is an intraocular procedure in which the natural lens is removed and replaced with a synthetic lens of a more accurate power. Patients age 40 or over may request an "accommodating" lens that also helps improve near vision for reading. Because of the increased risk of retinal detachment, refractive lens exchange is most appropriate for patients who are extremely nearsighted (-10 D and above).
4. *Other Refractive Surgery Procedures* include keratomileusis, corneal inlays, and radial keratotomy (RK). These procedures are rarely performed, and RK is generally effective only for patients with low to moderate degrees of myopia.

## GENERAL DESCRIPTION OF TREATMENT WITH PHAKIC IMPLANT SURGERY

If you wear contact lenses, you will be required to leave them out of the eyes for a period of time prior to having your preoperative eye examination and before your surgery. This is done because the contact lens rests on the cornea, distorting its shape, and this distortion will have an effect on the accuracy of the doctor's measurements of the power of surgical correction needed. Discontinuing contact lens use allows the corneas to return to their natural shape. Soft contact lens wearers should leave lenses out of the eyes for at least one week. Rigid (including gas permeable and standard hard lenses) contact lens wearers should leave lenses out of the eyes for at least three weeks. Rigid contact lens wearers usually experience fluctuating vision once their lenses have been discontinued due to changes in the shape of the cornea. Although the cornea usually returns to its natural state within three weeks, this process may take longer, and you will need to remain contact lens free until stabilization is complete.

The surgeon will make two small holes in the colored portion of your eye (the iris) to help ensure that intraocular fluid does not build up behind the phakic lens; this procedure is called an iridotomy. It will take place before the placement of the phakic implant by using a laser (YAG-laser iridotomy).

Before phakic implant surgery begins, you will be given an anesthetic to minimize your pain during surgery. Your eye is made numb by your surgeon with either drops or an injection (local anesthesia). Your ophthalmologist or other qualified health care professional will explain the method of anesthesia that has been selected for you as well as the associated risks. You have the right and are encouraged to ask your doctor or health care professional any questions you have related to the anesthesia.

After your pupil has been dilated, and your eye has been anesthetized, the surgeon will make a small incision in your cornea to allow insertion of the lens. The Visian™ phakic ICL is inserted between your cornea and your iris. The incision required to perform this operation is at times self-sealing but it may require closure with very fine stitches (sutures) which will gradually dissolve over time or may require removal later in the office. A temporary shield may be placed over the eye to protect it during the immediate postoperative period. You will return to your ophthalmologist the next day for an examination. The shield will be removed and your eye will be observed under a slit lamp biomicroscope to make sure the lens is positioned correctly and that there are no complications. You will return for additional postoperative exams as instructed by your ophthalmologist. Although you may see some improvement in your vision as early as the first postoperative day, the visual effects of phakic implant surgery may take several weeks to stabilize. Patients are generally able to return to their normal activities within 2 or 3 days following phakic implant surgery.

## BENEFITS OF PHAKIC IMPLANT SURGERY

If you have moderate to high myopia, or myopic astigmatism, phakic implant surgery may improve your natural distance vision without the use of glasses or contacts.

## LIMITATIONS OF PHAKIC IMPLANT SURGERY

1. This procedure does not treat presbyopia, a condition common in patients age 40 or older in which the eye loses its ability to accommodate, or change power to allow focusing of both near and distant objects. Even with a successful surgery and an accurate intraocular lens calculation targeted to correct the eye's distance vision, close vision will usually remain



- blurred for presbyopic patients. Patients age 40 or older are likely to require bifocals or reading glasses to improve their near vision.
2. The toric lens corrects astigmatism up to -4 diopters. However, the results of this surgery cannot be guaranteed, and glasses may still be required for sharpest vision for distance, for night driving or other activities performed in low light, for reading or, for all of these activities.
  3. With increasing age, patients are likely to develop cataracts. If the cataracts are significant enough to cause visual problems, the phakic implant may need to be removed so that the eye can undergo cataract removal with or without implantation of a suitable artificial intraocular lens.

## PATIENT RESPONSIBILITY FOR COSTS

Health insurance generally does not pay for elective phakic implant surgery for the purpose of correcting natural vision. Therefore, the patient is responsible for the cost of the surgery, including the surgeon's fee, and the surgical center's or hospital's fee. In the event of a complication, it may be possible that other surgery, eye drops, or even hospitalization may be required. Some or even all of these costs may be covered by health insurance. The patient is responsible for the costs of any uncovered surgery-related injuries.

## PATIENT CONSENT

I give my ophthalmologist permission to perform either a YAG-laser iridotomy AND phakic implant surgery, and acknowledge that I understand the following: the foreseeable risks of phakic implant surgery are not fully known. I have received no guarantee as to the success of my particular case and I understand that I may still need glasses, contact lenses, or a laser procedure such as LASIK for further improvement of my vision. I understand that during the surgical procedure, the doctor may decide not to implant the lens even though I have given permission to do so. Furthermore, I understand that the following risks are associated with the procedure:

## COMPLICATIONS OF IRIDOTOMY

Potential complications of either a YAG-laser iridotomy are very rare but include damage to the natural lens; inflammation inside the eye; temporary increases in the pressure in the front part of the eye; cataract formation; bleeding (usually a small amount but can be a large amount); scar formation between the iris and lens of the eye (synechia) that prevents the pupil from moving correctly; corneal damage; and vision disturbances such as double vision (diplopia), glare, or halos.

## VISION-THREATENING COMPLICATIONS

1. In most cases, the surgery will be accomplished with numbing drops, but in some cases the eye surgeon may elect to use an injection around the eye for anesthesia. Very rare complications from injections include damage to the eye muscles, perforation of the eye, and damage to the retina or optic nerve leading to loss of vision.
2. I understand that mild or severe infection is possible. Mild infection can usually be treated with antibiotics and usually does not lead to permanent visual loss. Severe infection, even if treated with antibiotics, could lead to permanent scarring and loss of vision that may require corrective laser surgery or, if very severe, corneal transplantation, blindness, or even loss of the eye.
3. I understand that I could experience damage to the iris (the colored portion of the eye) or develop a rise in the pressure in the front of my eye (secondary glaucoma). I may require another iridotomy if this occurs or eye drops to control the pressure.
4. I understand that I could develop a retinal detachment, a separation of the retina from its adhesion at the back of the eye, which usually results from a tear in the retina and could lead to vision loss. Patients with moderate to high levels of nearsightedness have a higher risk of retinal detachment when compared to the general population. This risk level may be increased with implantation of the phakic IOL.
5. I understand that I may develop a cataract, or a clouding of the eye's natural lens, which impairs normal vision, and may require removal of the lens, the phakic implant, and insertion of an artificial lens. Patients with high levels of nearsightedness are at higher risk for cataract development, and that risk may be increased with implantation of the phakic IOL.
6. I understand that I may develop corneal swelling (edema) and/or ongoing loss of cells lining the inner surface of my cornea (endothelial cells). These cells play a role in keeping the cornea healthy and clear. Corneal edema and loss of endothelial cells may result in a hazy and opaque appearance of the cornea, which could reduce vision. It is not yet known how long the endothelial cell loss will continue and what effect the cell loss and phakic implant will have on the

- long-term health of the cornea. If too many cells are lost over time, I may need a corneal transplant.
7. I understand that I may develop glaucoma, which is an increase in the pressure of the eye caused by slowed fluid drainage. Glaucoma can lead to vision loss, and may require treatment with long-term medications or surgery. Patients with high levels of nearsightedness are at an increased risk for the development of glaucoma, and that risk may be increased by implantation of the lens. The effect of the Visian™ Phakic ICL on the future risk of glaucoma is not known.
  8. I understand that other complications could threaten my vision, including, but not limited to, iritis or inflammation of the iris (immediate and persistent), uveitis, bleeding, swelling in the retina (macular edema), and other visual complications. Though rare, certain complications may result in total loss of vision or even loss of the eye. Complications may develop days, weeks, months, or even years later.

## NON-VISION-THREATENING SIDE EFFECTS

1. I understand that I may be given sedation in conjunction with the procedure and that my eye may be patched afterward. I have been advised not to drive immediately after receiving sedation and for a period of eight hours thereafter. I understand that my life and health and the life of others will be at risk if I drive during this period. This is because I may be impaired by the sedative. I also understand that driving while impaired may violate traffic laws.
2. I understand that there may be increased sensitivity to light or night glare. I also understand that at night there may be a “starbursting” or halo effect around lights. The risk of this side effect may be related to the size of my pupil, and larger pupils may put me at increased risk.
3. I understand that an overcorrection or undercorrection could occur, causing me to become farsighted, remain nearsighted, or increase my astigmatism and that this could be either permanent or treatable with either glasses, contact lenses, or additional surgery.
4. I understand that the phakic lens may need to be repositioned, removed surgically, or exchanged for another lens implant. The lens may change position (decentration), or I may require a different size or power of lens than that of the implanted lens. In rare instances, lens power measurements may significantly vary, resulting in the need for corrective lenses or surgical replacement of the phakic lens. Potential complications of additional surgery include all of the complications possible from the original surgery.
5. I understand that there may be a difference in vision between my two eyes after the phakic implant surgery has been performed on one eye but not the other. This imbalance is called anisometropia. I understand this would cause eyestrain and make judging distance or depth perception more difficult. Because of the marked difference in the prescriptions, vision correction using glasses most likely would not be comfortable or provide good vision. In order to have balanced vision in both eyes, I may need to wear a contact lens in the eye without the phakic implant or consider another type of surgery for that eye.
6. I understand that, after phakic implant surgery, the eye may be more fragile to trauma from impact. Evidence has shown that, as with any scar, a corneal incision will not be as strong as the cornea originally was at that site. I understand that the treated eye, therefore, is somewhat more vulnerable to all varieties of injuries, at least for the first year following phakic implant surgery. I understand it would be advisable for me to wear protective eyewear when engaging in sports or other activities in which the possibility of a ball, projectile, elbow, fist, or other traumatizing object contacting the eye may be high.
7. I understand that there is a natural tendency of the eyelids to droop with age and that eye surgery may hasten this process.
8. I understand that there may be pain or a foreign body sensation, particularly during the first 48 hours after surgery.
9. I understand that the long-term effects of phakic implant surgery are unknown and that unforeseen complications or side effects could possibly occur.
10. I understand that the correction that I can expect to gain from phakic implant surgery may not be perfect. I understand that it is not realistic to expect that this procedure will result in perfect vision, at all times, under all circumstances, for the rest of my life. I understand I may need glasses to refine my vision for some purposes requiring fine detailed vision after some point in my life, and that this might occur soon after surgery or years later.
11. I understand that if I currently need reading glasses, I will still likely need reading glasses after this treatment. It is possible that dependence on reading glasses may increase or that reading glasses may be required at an earlier age if I have this surgery.

Initials \_\_\_\_\_

/4



12. I understand that, as with all types of surgery, there is a possibility of complications due to anesthesia, drug reactions, or other factors that may involve other parts of my body. I understand that, since it is impossible to state every complication that may occur as a result of any surgery, the list of complications in this form may not be complete.

**PATIENT'S STATEMENT OF ACCEPTANCE AND UNDERSTANDING**

The details of phakic implant surgery have been presented to me in detail in this document and have been explained to me by my ophthalmologist. Although it is impossible for the doctor to inform me of every possible complication that may occur, my ophthalmologist has answered all my questions to my satisfaction. In signing this informed consent for YAG-laser iridotomy, AND phakic implant surgery, I am stating that I have read this informed consent, I fully understand the possible risks, complications, and benefits that can result from the surgery and the alternatives available to me, and I hereby give my consent to have phakic implant surgery performed on my:

Left EyeRight Eye

My personal reason(s) for choosing to have phakic implant surgery are as follows:

I give permission for my ophthalmologist to record on video or photographic equipment my procedure, for purposes of education, research, or training of other health care professionals. I also give my permission for my ophthalmologist to use data about my procedure and subsequent treatment to further understand phakic implant surgery. I understand that my name will remain confidential, unless I give subsequent written permission for it to be disclosed outside my ophthalmologist's office or the center where my phakic implant surgery will be performed.

Patient Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

Witness Signature \_\_\_\_\_ Date \_\_\_\_\_

Surgeon \_\_\_\_\_ Date \_\_\_\_\_

I have been offered a copy of this consent form (please initial) \_\_\_\_\_

## THANK YOU FOR TAKING THE TIME TO REVIEW THIS IMPORTANT INFORMATION ABOUT LASER VISION CORRECTION.

You will be asked to sign this Informed Consent document on the day of your procedure. Before signing, please read this information carefully and ask any questions you may still have prior to your procedure.

Please contact SharpeVision with questions or concerns.

### SharpeVision

2285 116<sup>th</sup> Ave. NE Bellevue, WA 98004 425.451.2020

[www.sharpe-vision.com](http://www.sharpe-vision.com)

## INFORMED CONSENT

This information is to help you make an informed decision about having LASIK or PRK to treat your nearsightedness, farsightedness, and/or astigmatism. Take as much time as you need to make a decision about signing this form. You are encouraged to ask any questions and have them answered to your satisfaction before you give permission for surgery. Every surgery has risks as well as benefits, and you should evaluate this risk/benefit ratio for yourself after consideration of the information presented by our staff, the information in the video, and written information that follows.

## ABOUT THE PROCESS

The cornea and the lens of the eye focus light like a camera lens to form an image on the retina. Light first enters the cornea, which provides a majority of the eye's focusing power. The lens inside the eye provides the remainder. Natural degrees of variation in the shape of the eye affect how well we see. Laser vision correction can be used to treat three of the most common focusing problems: myopia (nearsightedness), hyperopia (farsightedness), and astigmatism.

In performing laser vision correction procedures, the surgeon controls a computer-guided excimer laser that emits cool pulses of ultraviolet light to remove a small amount of tissue at the front of the eye. The procedures are designed to reshape the corneal curvature, which allows light to focus on the retina and improve your vision. Excimer laser energy is absorbed superficially, so the other eye structures such as the iris, lens, and retina remain undisturbed.

## DEFINITIONS

**Myopia**, or nearsightedness, results when the eyeball is too long or the cornea is too steep. Light will focus in front of the retina, causing blurred vision in the distance.

**Hyperopia**, or farsightedness, occurs when the eyeball is too short or the corneal curvature is too flat, causing light to focus behind the retina. Hyperopia, which causes blurred near and far vision, can be confused with presbyopia, an age-related change in vision causing the need for reading glasses.

**Astigmatism** occurs when the eyeball is oblong-shaped, like a football. As a result, light cannot be focused properly, blurring vision at all distances. Astigmatism is often present along with myopia and hyperopia.

**Presbyopia** occurs in our mid-40s as the natural lens loses its flexibility to change the eye's focus from distance to near. Laser vision correction does not change this process. Whether it is glasses with bifocals, contacts with reading glasses, or laser vision correction with reading glasses, the loss of flexibility is the problem, and you will need some help with this even after LASIK or PRK.

**Monovision** is enjoyed by millions of people and is an option that will be thoroughly discussed and demonstrated at your exam. With monovision, the focus of one eye, usually your dominant eye, is treated for perfect distance vision, while your other eye is treated for near vision. It is not an option for everyone and can sometimes be reversed after a



period of adaptation should you decide that it is not working for you.

**Refractive surgery** describes various procedures that modify the refractive error of the eye. Most of these procedures involve altering the corneal shape.

## The Most Common Laser Vision Correction Procedures are LASIK and PRK

Laser Assisted in Situ Keratomileusis (**LASIK**) uses a femtosecond laser, or a microkeratome, to create a corneal flap on the surface of the eye. After opening the flap to expose the tissue below the cornea's surface, the excimer laser is used to remove thin layers from the cornea to reshape it. The flap is then returned to its original position.

Photorefractive Keratectomy (**PRK**) uses the same excimer laser, which produces a beam of light to remove thin layers from the cornea to reshape it after the surface layer (corneal epithelium) has been removed. The surface layer typically grows back over 4-5 days. Healing time is significantly longer than LASIK.

Laser vision correction permanently removes tissue from your cornea. And while LASIK and PRK are permanent operations to the cornea, additional laser treatments are usually possible to correct small residual prescriptions that occur in a small percentage of patients.

There are a number of contraindications or relative contraindications for laser vision correction. These include patients with unstable refractions, certain abnormalities of the cornea, abnormal corneal topography, insufficient corneal thickness, irregular astigmatism, a visually significant cataract, uncontrolled glaucoma, uncontrolled external disease, uncontrolled connective tissue or autoimmune disease, unrealistic expectations, certain ocular anatomical issues, functional monocularly, overly steep or flat corneas, dry eye syndrome, pregnancy or lactation, poorly controlled diabetes, prior incisional or lamellar keratorefractive surgery, and significant occupational or recreational risk, among other factors. If you have one or any of these conditions, LASIK or PRK will probably not be recommended.

You should understand that LASIK or PRK will not prevent you from developing naturally occurring, age-related eye-health problems such as glaucoma, cataracts, retinal degeneration or detachment.

These procedures are elective and involve complex surgery to the eye. Not everyone is a good candidate for laser vision correction. The ideal candidate is over 18 years old, has had stable vision for at least six months, has a healthy cornea, has refractive errors within the treatable range, does not have a disease or condition that could impair the procedure or healing process, understands that the goal of the procedure is to improve vision and reduce dependency on glasses and contact lenses, and has been fully educated about the procedure and its risks and benefits. Please let your doctor or a SharpeVision team member know if you still have questions that have not been answered.

Prior to moving forward with the decision to have surgery, it is important that you fully understand the risks of these treatments and have the information you need to fully assess these risks and any alternative treatments you may want to consider. Through the information we make available to you – our brochures and videos, website, and discussion with your doctor and the SharpeVision team – it is our hope and expectation that you feel educated and informed about the safety and efficacy of the procedure. We realize this is an important decision for you, and we want you to feel comfortable and informed in making it.

By signing, you agree and acknowledge that you have watched the informational video, you have had an opportunity to have all your questions answered, and that you specifically understand that:

**Loss of vision.** LASIK and PRK surgery can possibly cause loss of vision or loss of best-corrected vision. This can be due to infection, irregular scarring, or other causes and unless successfully controlled by antibiotics, steroids, or other necessary treatment could even result in loss of the eye involved. Vision loss can also be due to the cornea healing irregularly, which could add astigmatism and make wearing contacts lenses necessary. Useful vision or night vision could be lost. It is also possible that you may not be able to successfully wear contacts after LASIK or PRK.

**Benefits and outcome cannot be guaranteed.** Refractive surgery is not right for you if you want a guarantee of a perfect outcome. Although our goal is to reduce or even eliminate myopia or hyperopia, with or without astigmatism, your

outcome cannot be guaranteed. If you were nearsighted, overcorrection could result in farsightedness. If you are farsighted, overcorrection could result in nearsightedness. Overcorrections often diminish over time but could be permanent. It is possible that your initial favorable results could regress over time. Due to the normal healing process, small overcorrections and undercorrections occur nearly 100% of the time. If after the procedure you are overcorrected or undercorrected, it may be possible or necessary to have an additional surgery to fine-tune or enhance the initial result. However, small overcorrections or undercorrections are usually tolerated well by patients and do not require additional treatment.

**LASIK4LIFE.** If an enhancement procedure is needed within the first year, it will be provided at no additional cost. Beyond one year, LASIK4LIFE can be purchased to cover you for any period of time after the initial year according to the plan's provisions. Please ask a member of our team for information about this plan.

**Night glare or increased light sensitivity may result.** You may experience a "starburst" or "halo effect" around lights at nighttime. If you have high myopia, high astigmatism, or dry eyes, you may be more likely to have night-glare issues. Your overall vision at night may not be as sharp as during the day, and you may experience increased sensitivity to light or glare.

**You may experience haze or corneal cloudiness,** which could become evident in the weeks or months following surgery. PRK has a small risk of haze, which is difficult to treat and may result in loss of best-corrected visual acuity and permanent loss of visual sharpness or clarity. Measures will be taken and medications employed to minimize this risk.

**Dry eyes occur in most people,** but varies widely in duration and intensity. You may experience dry eyes following the procedure, causing mild to severe irritation, discomfort, and blurring of vision. If this occurs, you may need to use certain over-the-counter or prescription medication for an indefinite period of time. This condition may be permanent. Post-menopausal women or patients taking certain medications may be at a higher risk of developing dry eyes.

**Reading glasses may be required.** LASIK and PRK do not correct presbyopia, which occurs to most people around the age of 40 and may require them to wear reading glasses for close-up work. People over 40 that have their nearsightedness corrected will find that they need reading glasses for clear, up-close vision. The exception to this may be if monovision is attempted; however, monovision is not a guarantee that near vision will be clear without glasses or contact lenses. If you are over 40 years of age and decide to have laser vision correction to correct both eyes for distance vision, you may need reading glasses to see objects at approximately three feet or closer. If you are over 40 years, be sure you understand monovision, which corrects one eye for near vision and one eye for distance.

**Monovision.** As part of the normal aging process, the lens of our eye becomes less flexible, which is the reason why reading glasses, bifocals, or removing distance glasses become necessary to see up close in our mid-40s and beyond. Monovision is one treatment for presbyopia. While laser vision correction cannot currently cure presbyopia, it can make it possible for these patients to see close without reading glasses. Monovision is a process of providing both distance and near vision by focusing one eye on distant objects and one eye on near objects. It can be more difficult to see at night with monovision. You understand that adapting to monovision can take 12 weeks or more and that it may never occur to your total satisfaction. Monovision can sometimes be reversed if you decide that it doesn't work for you.

**Cataracts.** Nearly everyone develops cataracts with age. This is still true after laser vision correction. Some patients may have mild cataracts at the time of laser vision correction that are not yet visually significant. If this is true for you, laser vision correction will not prevent this condition from worsening as your cataracts advance. If the cataracts advance to the point laser vision correction cannot help correct your vision, you will need standard cataract management practices.

**Corneal weakening may occur.** You may develop a rare corneal condition called corneal ectasia, in which the cornea progressively thins and blurs vision. This condition can be difficult to diagnose in its early stages, and laser vision correction may accelerate this degeneration. LASIK patients are at higher risk for developing ectasia than patients who have PRK.



**Keratoconus.** You understand that you could develop keratoconus. Keratoconus is a degenerative corneal disease affecting vision that occurs in approximately 1/2000 people in the general population. While there are several tests that suggest which patients might be at risk, this condition can develop in patients who have normal preoperative topography (a map of the cornea obtained before surgery) and pachymetry (a corneal thickness measurement). Since keratoconus may occur on its own, there is no absolute test that will ensure a patient will not develop keratoconus following LASIK or PRK. Severe keratoconus may need to be treated with a corneal transplant while mild keratoconus can be corrected by contact lenses or glasses.

**Complications of the surgery itself may occur.** You may develop a corneal flap complication that could require your procedure be postponed either temporarily or indefinitely. If you develop certain complications with your corneal flap following surgery – including, but not limited to, striae (wrinkles), epithelial ingrowth, or inflammation – your flap may need to be re-lifted, which can cause additional complications. The equipment used in the procedure may also malfunction. Depending on the circumstances, these complications could cause loss of vision.

**Other complications.** As with all surgery, there is a possibility you may experience other complications, including, but not limited to, those due to drug reactions, among others. Failure to provide the staff of health care professionals with your complete medical history may increase your risk of developing complications. Therefore, you should tell your doctor about any drug allergies and pre-existing medical and eye conditions and medications that you are taking. While disclosing all medications is important, of particular importance are: hormone replacement therapy, diabetes medicine, steroids (such as Prednisone), Plaquenil, Accutane, or Antihistamines as they may influence healing.

**Pregnancy.** During pregnancy, your vision measurements can fluctuate and could influence your results. If you know you are pregnant, or are attempting to become pregnant within the next three months, it is important you advise your doctor right away.

**Off label surgery.** With the recommendation of your doctor, the laser can be used to perform laser vision correction outside of the FDA guidelines, including when treatment may otherwise be contraindicated. If you are choosing to have laser vision correction and have a prescription outside of the approved ranges or have contraindications, you understand and accept the risks of doing so. In addition, following PRK laser vision correction an anti-cancer medication known as Mitomycin-C (MMC) is applied to the cornea as an off-label use to reduce the potential for corneal haze.

**Contraindications.** You understand that there are situations in which treatment may be contraindicated, including, but not limited to: unstable refraction, abnormalities of the cornea, uncontrolled disease, history of severe or active eye infection, glaucoma, certain systemic medications, poorly controlled diabetes, pregnancy or lactation, and prior incisional or lamellar keratorefractive surgery. Therefore, it is important that you provide your complete medical history.

**Future Complications.** You should also be aware that there are other complications that could occur that have not yet been reported before the creation of this consent form as LASIK and PRK surgeries have been performed only since the 1990's and longer-term results may reveal additional risks and complications.

**Alternatives to LASIK and PRK.** You are aware of the alternatives to laser vision correction, which include eyeglasses, contact lenses, and other types of refractive surgery or refractive lens implants. When tolerated well, glasses and contacts are a good alternative to LASIK or PRK. In addition, refractive surgery is continually evolving and other refractive procedures may be available as an alternative to LASIK or PRK. You should also be aware that having any refractive procedure could potentially disqualify you from some professions, including the military, certain law enforcement agencies, and aviation occupations, among others. We strongly encourage you to check with any profession of interest for specific regulations.

**Postoperative Instructions.** After the procedure you should avoid rubbing your eyes. Your eyes may be more susceptible to traumatic injury after LASIK or PRK and protective eyewear for all contact and racquet sports or in any other situation where a direct blow to the eye could occur. Additionally, you will be given medications and instructions to help prevent infection and regulate healing. It is imperative that you follow ALL instructions exactly as they are given to you. It is also imperative that all follow-up visits be kept as directed.

**Bilateral simultaneous LASIK or PRK.** If you elect to have surgery performed on both eyes at the same time, you should understand both the advantages and possible disadvantages of your decision:

The possible **ADVANTAGES** of having LASIK or PRK performed on each eye at separate times are:

- (1) Safety:** you will not experience the risk of developing an infection in both eyes at the same time, which although extremely rare, could lead to significant loss of vision in both eyes. Since the pressure in the eye is increased significantly for a short period of time during the LASIK procedure, there is a very remote possibility of internal bleeding or damage to the retina that could lead to significant loss of vision or even blindness. Having the procedure done one eye at a time would avoid the possibility of this occurring to both eyes. It is also possible to develop a delayed cloudiness in the cornea or even scarring which is not visible immediately after the procedure. Although this is uncommon and generally clears with time, it can result in significant loss of vision for a prolonged period of time. Should this occur in both eyes at the same time, carrying out normal activities could be difficult;
- (2) Accuracy:** The doctor can monitor the healing process and visual recovery in the first eye and be able to make appropriate modifications to the treatment plan for the second eye, which could increase the likelihood of a better outcome in the second eye;
- (3) Visual Recovery:** although most LASIK patients experience very fast recovery in their vision the recovery can, at times be delayed. With PRK patients, healing time is much longer. Therefore, if the eyes are treated separately, you can function with the other while the first eye fully recovers. This is especially true if you are able to wear a contact lens in the eye that has not been treated; and
- (4) Satisfaction:** you will be given the opportunity to determine whether LASIK or PRK has produced satisfactory visual results without loss of vision or other uncommon and undesirable side effects such as glare, ghost images, or increased light sensitivity. If you are over the age of 40, you will have the opportunity to experience the change in your vision, which results from the correction of your nearsightedness. This could influence your decision on whether or not you would like to have monovision.

The possible **DISADVANTAGES** of having LASIK or PRK performed on each eye at separate times are:

- (1) Convenience:** It may be inconvenient for you to have to have each eye treated at separate visits. This will necessitate two periods of recovery from the laser surgery and may require additional time away from work and additional appointments at our office for follow-up care;
- (2) Visual Recovery:** There will be a potential period of imbalance in vision between your two eyes. This is especially important if you are unable to wear a contact lens in the non-treated eye. It is generally not possible to leave the treated eye without a corrective lens while using a strong corrective lens in the non-treated eye because it tends to produce a strong sense of imbalance, dizziness, and a form of double vision. Treating both eyes at the same time will usually restore balance between the two eyes more rapidly; and
- (3) Cost:** Professional and facility fees may be greater if the eyes are operated on different days and the additional time off work can be costly.

In signing this form, you are stating that you have read this informed consent thoroughly, and although it contains medical terms that you may not completely understand, you have had the opportunity to ask questions and have them answered to your satisfaction. In addition, you are stating you have watched the informational video, have received a notice of privacy practices, and have had ample opportunity to discuss these terms and have all your questions answered.



## PATIENT'S STATEMENT OF ACCEPTANCE AND UNDERSTANDING

The details of the recommended procedure have been explained to me by my doctor and SharpeVision's staff. All of my questions have been answered to my satisfaction. I, therefore, consent to:

\_\_\_\_\_ LASIK \_\_\_\_\_ PRK \_\_\_\_\_ LASIK Enhancement \_\_\_\_\_ PRK Enhancement \_\_\_\_\_ Lift + Clean

On my:

\_\_\_\_\_ Right eye \_\_\_\_\_ Left eye \_\_\_\_\_ Both eyes

The reason(s) I wish to have LASIK/PRK on both eyes at the same time:

\_\_\_\_\_ ☐ Convenience

## PRESBYOPIA + MONOVISION

I understand that monovision is only one treatment among many for the condition of presbyopia. While laser vision correction cannot currently cure presbyopia, it can make it possible for me to see up close without reading glasses. I have read all the information above, had all my questions answered to my satisfaction, fully understand the risks and benefits, and decided that:

\_\_\_\_\_ I **WANT** monovision.

Right Eye: \_\_\_\_\_ Distance \_\_\_\_\_ Near

Left Eye: \_\_\_\_\_ Distance \_\_\_\_\_ Near

\_\_\_\_\_ I **DO NOT** want monovision.

## LASIK4LIFE

While unlikely, I understand that it may be necessary to have additional surgery(s) to fine-tune or enhance my initial result. I have received a copy of this plan, had all my questions answered to my satisfaction, fully understand LASIK4LIFE's provisions and:

\_\_\_\_\_ I **ACCEPT** coverage under LASIK4LIFE.

\_\_\_\_\_ I **DECLINE** coverage under LASIK4LIFE.

## PATIENT'S PRIVACY DURING PROCEDURE

\_\_\_\_\_ I would like the blinds **OPEN** during my procedure.

\_\_\_\_\_ I would like the blinds **CLOSED** during my procedure.

You have read this informed consent thoroughly, have watched the informational video, and have had ample opportunity to discuss these terms and have all your questions answered.

\_\_\_\_\_ The above statement is true and I am making an informed decision to have LASIK/PRK.

Patient Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

Witness Signature \_\_\_\_\_ Date \_\_\_\_\_

Surgeon \_\_\_\_\_ Date \_\_\_\_\_

## EXHIBIT 9

### PATIENT RIGHTS AND RESPONSIBILITIES POLICY



## NOTICE OF PRIVACY PRACTICES

Effective March 26, 2013 the HIPAA/HITECH Final Omnibus Rule adopted modifications, which require certain additional statements in this document regarding uses and disclosures that require authorization. This notice describes how health information about you may be used and disclosed and how you can get access to this information. Please review carefully. The privacy of your health information is important to us.

### OUR LEGAL DUTY

We are required by law to maintain the privacy of your health information. We are also required to give you this Notice about our privacy practices, our legal duties, and your rights concerning your health information. We must follow the privacy practices that are described in this Notice while it is in effect. This Notice takes effect April 1, 2013 and will remain in effect until we replace it. We may change our privacy practices and the terms of this Notice at any time, provided such changes are permitted by applicable law. We may make the changes in our privacy practices and the new terms of our Notice effective for all health information that we maintain, including health information we created or received before we made the changes. We will post a copy of our notice in our office and on our website: [www.sharpe-vision.com](http://www.sharpe-vision.com). The effective date of the Notice is provided above.

You may request a copy of our Notice at any time. For more information about our privacy practices, or for additional copies of this Notice, please contact the Privacy Officer whose contact information is provided at the end of this Notice.

### USES AND DISCLOSURES OF HEALTH INFORMATION

We may use and disclose health information about you for treatment, payment, and healthcare operations. For example:

**Treatment:** We may use or disclose your health information to another healthcare provider providing treatment to you, or if we refer you to another healthcare provider.

**Payment:** We may use and disclose your health information to obtain payment for services we provide to you. We may need to share part of your health information with our billing department, your insurance company, collection agencies or attorneys assisting us with collections, and others who are responsible for your bills, such as your spouse, as necessary for us to collect payment. For example, we may give information about a procedure that you had to your insurance company so it will pay us or reimburse you for your procedure.

**Healthcare Operations:** We may use and disclose your health information in connection with our healthcare operations. Healthcare operations include quality assessment and improvement activities, reviewing the competence or qualifications of healthcare professionals, evaluating practitioner and provider performance, conducting training programs, accreditation, certification, and licensing or credentialing activities.

**Individuals Involved in Your Care or Payment of Your Care:** We may share with a family member, friend or other person identified by you, your health information that is directly related to that person's involvement in your care or payment for your care, or to notify such individuals of your location or general condition, but only if you agree that we may do so, or, based on our professional judgment, we determine that you would not object to the disclosure. We will also use our professional judgment and our experience in allowing a person to pick up health information on your behalf.

**Business Associates:** There are some services provided in our organization through contracts with business associates. When these services are contracted, we may disclose your PHI to our business associate so that they can perform the job we've asked them to do. To protect your PHI, however, we require all business associates to appropriately safeguard your information.

**Use and Disclosure of Health Information Required by Law:** We may use and disclose your health information when required by federal or state law; when required in court or administrative proceedings; for public health activities; to health oversight agencies; to coroners, medical examiners, and funeral directors; to the military; to federal officials for lawful intelligence and national security activities; to correctional institutions regarding inmates; to law enforcement officials; to report abuse, neglect, or domestic violence; to avert a serious threat to your health or safety or the health and safety of others; and as authorized by state worker's compensation laws.

**Marketing Health-Related Services:** We will not use your health information for marketing communications without your written authorization.

**Contacting You:** We may use and disclose your health information to contact you about appointments and other matters, and to send you electronic billing statements. We may contact you by telephone, email, or mail. We may leave you messages at the telephone number you give us.

**Health-Related Services:** We may use and disclose your health information to send you information by mail or email about our health-related products and services available to you, general health news and information, and offers available only to our patients. We will tell you how to cancel these communications, however.

**Your Authorization:** As explained in this Notice, we may use and disclose your health information for treatment, payment, or health care operations; in certain situations if you agree or object; as required by law; to contact you; and to send you health-related information, but we cannot use or disclose your health information for any other reason without your written authorization. You may give us written authorization to use your health information or to disclose it to anyone for any purpose. If you give us an authorization, you may revoke it in writing at any time. Your revocation will not affect any uses or disclosures already made with your authorization while it was in effect.

## PATIENT RIGHTS

**Right to See and Copy Your Health Information:** You have the right to see or get copies of your health information, with limited exceptions. If we deny your request due to one of these exceptions, we will respond to you in writing with the reason we cannot grant your request, and describe any rights you may have to request a review of our denial. You must make a written request us to access your health information. Your written request must be signed and dated. We may charge you a fee for expenses such as copies, staff time, and postage. Instead of providing you with a copy of your health information, we may prepare a summary or an explanation of your health information for a fee, if you agree in advance to the form and fee of the summary or explanation.

**Right to Accounting of Disclosures of Your Health Information:** You have the right to receive a list of instances in which we or our business associates disclosed your health information for purposes other than treatment, payment, and healthcare operations, and certain other activities for the last 6 years, but not before April 1, 2014. If you request this accounting more than once in a 12-month period, we may charge you a fee for responding to these additional requests. You must submit a written request that is signed and dated. Your request must be submitted to the Privacy Officer whose contact information is at the end of this notice.

**Right to Request Restriction:** You have the right to request that we place additional restrictions on our use or disclosure of your health information, including uses or disclosures for treatment, payment, and health care operations, and to family members, friends, or others involved in your care or payment for your care. You must submit a written request that is signed and dated to the Privacy Officer whose contact information is at the end of this notice. We are not required to agree to these additional restrictions, but if we do we will abide by our agreement (except in certain situations, such as to provide you with emergency treatment).

**Right to Request Alternative Communication:** You have the right to request that we communicate with you about your health information by alternative means or at alternative locations. For example, you can ask that we only contact you at work, or only by mail. You must make your request in writing and your request must be signed and dated. Your request must specify the ways in which you wish to be contacted. You do not need to tell us the reason for your request. Your request must be submitted to the Privacy Officer whose contact information is at the end of this notice.

**Right to Request Amendment:** You have the right to request that we amend your health information. You must submit a written request that is signed and dated. Your request must explain why your health information should be amended. Your request must be submitted to the Privacy Officer whose information is at the end of this notice. If we deny your request, we will respond to you in writing with the reason we cannot grant your request and explain your options.

**Right to Written Notice:** If you receive this Notice on our website or by email, you are entitled to receive this Notice in written form.

## QUESTIONS AND COMPLAINTS

If you want more information about our privacy practices or have questions or concerns, please contact us. Or, if you are concerned that we may have violated your privacy rights, you may complain to us using the contact information listed at the end of this Notice. You also may submit a written complaint to the U.S. Department of Health and Human Services. We support your right to the privacy of your health information. We will not retaliate in any way if you choose to file a complaint with us or with the U.S. Department of Health and Human Services.

## PRIVACY OFFICER

Should you wish to contact the Privacy Officer, you may do so at the address and telephone number below.

Privacy Officer  
11005 Burnet Rd. Suite 120  
Austin, TX 78758  
Telephone: (512) 596-2020

## PATIENT ACKNOWLEDGMENT

Thank you very much for reviewing how we are carefully using your health information. If you have any questions, please feel free to ask us. If you don't have any further questions, we would really appreciate it if you would acknowledge that you have received a copy of our policy by signing this form and returning it to us. We look forward to seeing you soon.

Printed Name: \_\_\_\_\_

Patient Signature: \_\_\_\_\_ Date \_\_\_\_\_



EXHIBIT 10

PRO FORMA REVENUE AND EXPENSE PROJECTIONS  
AND ASSUMPTION

Facility Name: **SHARPE-VISION, PLLC**  
 Project Description: **SVMC ASC**  
 CER Number: **Pro -Forma Assumptions**

**INPUT SHEET (ENTER DOLLARS IN THOUSANDS)**

**Base Assumptions**

Time Horizon in Years (Default = 1000)	5
Gain/(loss) on Equipment Disposal, if any	0
CapEx after Year 10 (as a % of revenue)	0.0%
Capitated Revenue (as a % of Managed Care Revenue)	0.0%
Tax Rate	0.0%
SVMC Weighted Average Cost of Capital	6.0%
Lease Discount Rate	6.0%

**Working Capital Assumptions (Days Outstanding)**

<b>Accounts Receivable</b>	
Medicare	30
HMO / MCare Plus	60
HMO / Managed Care	60
Other	50
Payroll	14
A/P and other	30

	Asset Life	Initial Outlay	Year 1	Year 2	Year 3	Year 4	Year 5
Land (or other non-depreciable investment)	0	0	0	0	0	0	0
Building - New	40	0	0	0	0	0	0
Leasehold Improvements	15	6,229	0	0	0	0	0
Equipment - Major	10	0	0	0	0	0	0
Diagnostic/Surgical Equipment - 7 years	7	930	0	0	0	0	0
Diagnostic/Surgical Equipment - 5 years	5	412	0	0	0	0	0
Computer / Software Equipment	3	24	0	0	0	0	0
Goodwill (deductible)	15	0					
Goodwill (non deductible)	40	0					
Other Intangibles	7	0					
Working Capital		0					
(Proceeds)/Costs from Replaced Equipment Sale		0					
<b>Total Project Cost:</b>		<b>7,595</b>					

**(Stats do not drive analysis)**

Beds	0	0	0	0	0	0
Average Daily Census	0	0	0	0	0	0
Cataract / RLE Eye Procedures	0	2,000	2,500	3,125	6,125	7,000
LASIK / ICL Eye Procedures	0	4,500	4,500	5,000	5,350	5,750
Total Eyes Treated	0	6,500	7,000	8,125	11,475	12,750

ASC Surgical - MEDICARE	\$0	\$2,568	\$3,306	\$4,246	\$8,582	\$10,116
ASC Surgical - HMO / MCARE PLUS	0	321	413	531	1,073	1,265
ASC Surgical - HMO / MNGD CARE	0	722	931	1,195	2,417	2,848
ASC Surgical - OTHER	0	1,739	2,237	2,896	5,830	6,846
<b>Total Surgical Gross Revenue</b>	<b>0</b>	<b>5,350</b>	<b>6,888</b>	<b>8,867</b>	<b>17,902</b>	<b>21,075</b>
<b>Total Gross ASC Revenue</b>	<b>0</b>	<b>5,350</b>	<b>6,888</b>	<b>8,867</b>	<b>17,902</b>	<b>21,075</b>

LASIK Procedure - MEDICARE	\$0	\$0	\$0	\$0	\$0	\$0
LASIK Procedure - HMO / MCARE PLUS	0	0	0	0	0	0
LASIK Procedure - HMO / MNGD CARE	0	0	0	0	0	0
LASIK Procedure - OTHER	0	10,408	10,720	12,872	14,186	15,704
<b>Total LASIK Gross Revenue</b>	<b>0</b>	<b>10,408</b>	<b>10,720</b>	<b>12,872</b>	<b>14,186</b>	<b>15,704</b>
<b>Total Gross Patient Revenue</b>	<b>0</b>	<b>15,758</b>	<b>17,608</b>	<b>21,739</b>	<b>32,088</b>	<b>36,779</b>



Facility Name: SHARPE-VISION, PLLC  
Project Description: SVMC ASC  
CER Number: Pro -Forma Assumptions

INPUT SHEET (ENTER DOLLARS IN THOUSANDS)

**Base Assumptions**

Time Horizon in Years (Default = 1000)	5
Gain/(loss) on Equipment Disposal, if any	0
CapEx after Year 10 (as a % of revenue)	0.0%
Capitated Revenue (as a % of Managed Care Revenue)	0.0%
Tax Rate	0.0%
SVMC Weighted Average Cost of Capital	6.0%
Lease Discount Rate	6.0%

**Working Capital Assumptions (Days Outstanding)**

**Accounts Receivable**

Medicare	30
HMO / MCare Plus	60
HMO / Managed Care	60
Other	50
Payroll	14
A/P and other	30

**(Enter as negative numbers)**

Contractuals - MEDICARE	\$0	-\$1,277	-\$1,644	-\$2,111	-\$4,267	-\$5,030
Contractuals - HMO / MCARE PLUS	0	-\$160	-\$205	-\$264	-\$533	-\$629
Contractuals - HMO / MNGD CARE	0	-\$359	-\$463	-\$594	-\$1,202	-\$1,416
Contractuals - OTHER	0	-\$87	-\$112	-\$145	-\$292	-\$342
<b>Total Deductions</b>	0	-1,882	-2,424	-3,114	-6,294	-7,417
<b>Total Net Patient Revenue</b>	0	13,875	15,184	18,625	25,795	29,363
Other Operating Revenue	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Net Operating Revenue</b>	0	13,875	15,184	18,625	25,795	29,363

**(Enter as negative numbers)**

Wages and Benefits	\$0	-1,720	-1,949	-2,097	-2,252	-2,331
Supplies	\$0	-2,335	-2,712	-3,283	-4,069	-6,128
Rent/Lease - Main Lease	0	-336	-346	-356	-366	-376
Rent/Lease - Maint Provision	0	-40	-42	-44	-46	-48
Provision for Doubtful Accounts	0	-537	-558	-673	-768	-853
Other Controllable Costs	0	-1,100	-1,133	-1,167	-1,201	-1,238
Property Taxes	0	-74	-74	-74	-74	-74
Surgeon Fees	0	-1,041	-1,072	-1,287	-1,419	-1,570
Other Non-Controllable Expenses	0	0	0	0	0	0
Misc Expense	0	0	0	0	0	0
Misc Expense	0	0	0	0	0	0
<b>EBITDA</b>	0	6,692	7,297	9,645	15,599	16,744

Depreciation	\$0	-\$691	-\$691	-\$691	-\$684	-\$684
Goodwill Amortization (deductible)	0	0	0	0	0	0
Goodwill Amortization (non deductible)	0	0	0	0	0	0
Amortization of Other Intangibles	0	0	0	0	0	0
<b>EBIT (before synergies)</b>	0	6,001	6,606	8,954	14,915	16,060

Internal Synergies	0	0	0	0	0
External Synergies	0	0	0	0	0

<b>EBITDA (after synergies)</b>	6,692	7,297	9,645	15,599	16,744
<b>EBIT (after synergies)</b>	6,001	6,606	8,954	14,915	16,060

SHARPE-VISION, PLLC  
Sharpe-Vision Surgery Center - ASC  
Pro-Forma Assumptions

1 Estimated Patient Volume - YEARS 1 - 5

YEAR	SURG DAYS, WEEK	WEEKS	PROC / DAY	TOTAL PROC
1	2.0	50	20	2,000
2	2.0	50	25	2,500
3	2.5	50	25	3,125
4	3.5	50	35	6,125
5	4.0	50	35	7,000

2 Charges Per Patient, Per Eye

	MONOFOCAL	ASTIGMATISM	PREMIUM IOL	RLE
Facility Charge	\$ 2,675	\$ 2,675	\$ 2,675	\$ 2,675
Upgrade Fee <sup>(1)</sup>	-	2,675	2,675	2,675
Lense Charge <sup>(2)</sup>	-	450	950	950
Anesthesia <sup>(3)</sup>	-	-	-	-
Ziemer Z-8 Laser	-	225	225	225
<b>Total</b>	<b>\$ 2,675</b>	<b>\$ 6,025</b>	<b>\$ 6,525</b>	<b>\$ 6,525</b>

(1) - Custom laser cataract removal with elective upgrades.

(2) - Monofocal lense included in facility charge; Premium and RLE lenses additional

(3) - Anesthesiology to be billed direct to patient by service provider

PROCEDURAL MIX

	A	B	C	D	$\Sigma A \times D$	$\Sigma B \times D$	$\Sigma C \times D$
	% Monofocal	% Panoptix	% RLE	Weight	Monofocal	Premium IOL	RLE
Overlake patient	20%	75%	5%	0.50	10.0%	37.5%	2.5%
Evergreen patient	100%			0.50	50.0%		
Lense Charge, Unweighted					\$120	\$950	\$950
Weighted Lense Charge					\$10	\$360	\$20
Combined Weights						\$390	
<b>APPROX MIX -</b>	<b>YEARS 1 - 5</b>	<b>60% CATARACT (MONOFOCAL), 40% UPGRADED LENSE (80% PREMIUM, 20% ASTIGMATISM)</b>					

3 Payor Mix of Patients

	YEAR				
PAYOR <sup>(1)</sup>	1	2	3	4	5
Medicare	48%	48%	48%	48%	48%
HMO / MCare Plus	6%	6%	6%	6%	6%
HMO / Managed Care	14%	14%	13%	14%	14%
Other	33%	32%	33%	33%	32%

(1) - Based on historical experience and future estimated mix

4 Calculation of Charges and Net Revenues (FACILITY CHARGES ONLY)

YEAR 1						
PtClass	Coverage Type	Cases	Clinical Charges	Contractuals	Net Pat Revenue	NPR %
Outpt	MEDICARE	0	0	0	0	0%
Outpt	HMO / MCARE PLUS	0	0	0	0	0%
Outpt	HMO / MNGD CARE	0	0	0	0	0%
Outpt	OTHER	0	0	0	0	0%
		0	0	0	0	0%
PtClass	Coverage Type	Cases	Facility Charges	Contractuals	Net Pat Revenue	NPR %
Outpt	MEDICARE	960	2,568,000	1,276,800	1,291,200	50%
Outpt	HMO / MCARE PLUS	120	321,000	159,600	161,400	50%
Outpt	HMO / MNGD CARE	270	722,250	359,100	363,150	50%
Outpt	OTHER	650	1,738,750	86,938	1,651,813	95%
		2,000	5,350,000	1,882,438	3,467,563	65%



SHARPE-VISION, PLLC  
Sharpe-Vision Surgery Center - ASC  
Pro -Forma Assumptions

YEAR 2						
<u>PtClass</u>	<u>Coverage Type</u>	<u>Cases</u>	<u>Clinical Charges</u>	<u>Contractuals</u>	<u>Net Pat Revenue</u>	<u>NPR %</u>
Outpt	MEDICARE	0	0	0	0	0%
Outpt	HMO / MCARE PLUS	0	0	0	0	0%
Outpt	HMO / MNGD CARE	0	0	0	0	0%
Outpt	OTHER	0	0	0	0	0%
		0	0	0	0	0%
<u>PtClass</u>	<u>Coverage Type</u>	<u>Cases</u>	<u>Facility Charges</u>	<u>Contractuals</u>	<u>Net Pat Revenue</u>	<u>NPR %</u>
Outpt	MEDICARE	1,200	3,306,300	1,643,880	1,662,420	50%
Outpt	HMO / MCARE PLUS	150	413,288	205,485	207,803	50%
Outpt	HMO / MNGD CARE	338	931,275	463,026	468,248	50%
Outpt	OTHER	812	2,237,263	111,863	2,125,400	95%
		2,500	6,888,125	2,424,254	4,463,871	65%
YEAR 3						
<u>PtClass</u>	<u>Coverage Type</u>	<u>Cases</u>	<u>Clinical Charges</u>	<u>Contractuals</u>	<u>Net Pat Revenue</u>	<u>NPR %</u>
Outpt	MEDICARE	0	0	0	0	0%
Outpt	HMO / MCARE PLUS	0	0	0	0	0%
Outpt	HMO / MNGD CARE	0	0	0	0	0%
Outpt	OTHER	0	0	0	0	0%
		0	0	0	0	0%
<u>PtClass</u>	<u>Coverage Type</u>	<u>Cases</u>	<u>Facility Charges</u>	<u>Contractuals</u>	<u>Net Pat Revenue</u>	<u>NPR %</u>
Outpt	MEDICARE	1,496	4,245,510	2,110,852	2,134,658	50%
Outpt	HMO / MCARE PLUS	187	530,689	263,856	266,832	50%
Outpt	HMO / MNGD CARE	421	1,194,759	594,030	600,729	50%
Outpt	OTHER	1,021	2,896,085	144,804	2,751,280	95%
		3,125	8,867,042	3,113,542	5,753,500	65%
YEAR 4						
<u>PtClass</u>	<u>Coverage Type</u>	<u>Cases</u>	<u>Clinical Charges</u>	<u>Contractuals</u>	<u>Net Pat Revenue</u>	<u>NPR %</u>
Outpt	MEDICARE	0	0	0	0	0%
Outpt	HMO / MCARE PLUS	0	0	0	0	0%
Outpt	HMO / MNGD CARE	0	0	0	0	0%
Outpt	OTHER	0	0	0	0	0%
		0	0	0	0	0%
<u>PtClass</u>	<u>Coverage Type</u>	<u>Cases</u>	<u>Facility Charges</u>	<u>Contractuals</u>	<u>Net Pat Revenue</u>	<u>NPR %</u>
Outpt	MEDICARE	2,936	8,582,059	4,266,968	4,315,092	50%
Outpt	HMO / MCARE PLUS	367	1,072,757	533,371	539,386	50%
Outpt	HMO / MNGD CARE	827	2,417,358	1,201,901	1,215,457	50%
Outpt	OTHER	1,995	5,830,013	291,501	5,538,512	95%
		6,125	17,902,187	6,293,741	11,608,447	65%

SHARPE-VISION, PLLC  
Sharpe-Vision Surgery Center - ASC  
Pro-Forma Assumptions

YEAR 5						
PtClass	Coverage Type	Cases	Clinical Charges	Contractuals	Net Pat Revenue	NPR %
Outpt	MEDICARE	0	0	0	0	0%
Outpt	HMO / MCARE PLUS	0	0	0	0	0%
Outpt	HMO / MNGD CARE	0	0	0	0	0%
Outpt	OTHER	0	0	0	0	0%
		0	0	0	0	0%

PtClass	Coverage Type	Cases	Facility Charges	Contractuals	Net Pat Revenue	NPR %
Outpt	MEDICARE	3,360	10,116,073	5,029,674	5,086,399	50%
Outpt	HMO / MCARE PLUS	420	1,264,509	628,709	635,800	50%
Outpt	HMO / MNGD CARE	946	2,848,156	1,416,093	1,432,064	50%
Outpt	OTHER	2,274	6,846,414	342,321	6,504,093	95%
		7,000	21,075,152	7,416,796	13,658,356	65%

5 Costs of Labor and Needed Staffing

	FTE	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Wages &amp; Benefits<sup>(1)</sup></b>						
Registered Nurse <sup>(2)</sup>	2.00	91,000	187,500	194,100	200,900	207,900
Nursing Director	1.00	200,000	207,000	214,200	221,700	229,500
Surgical Tech	3.00	85,800	88,800	137,900	190,300	197,000
Ophthalmic Technician	1.00	0	75,300	77,900	80,600	83,400
Instrument Tech	1.00	62,400	64,600	100,300	138,400	143,200
PXS / PXL	1.00	57,200	59,200	61,300	63,400	65,600
Center Director	0.00	0	0	0	0	0
Practice Admin <sup>(4)</sup>	0.25	33,200	34,400	35,600	36,800	38,100
Patient Billing <sup>(3)</sup>	0.50	26,000	26,900	27,800	28,800	29,800
<b>Total Wages &amp; Benefits<sup>(5)</sup></b>	<b>9.75</b>	<b>555,600</b>	<b>743,700</b>	<b>849,100</b>	<b>960,900</b>	<b>994,500</b>

(1) - Wages for each year are shown "fully loaded", and include estimation of taxes and benefits of 25% of annual wages.

(2) - Nurse FTE will initiate with 2.0 FTE's; may increase as patient load begins to grow

(3) - Position shared on a 50/50 equal share with the clinic

(4) - Practice Administrator role will be split .25/ASC, .25/Clinic, and .50/LASIK.

6 Operating and Non-Operating Expenditures

	Year 1 <sup>(1)</sup>	Year 2 <sup>(1)</sup>	Year 3 <sup>(1)</sup>	Year 4 <sup>(1)</sup>	Year 5 <sup>(1)</sup>
<b>Other Operating Expenditures</b>					
Med and Surg Supplies <sup>(2)</sup>	1,322,000	1,669,000	2,089,000	2,754,000	4,672,000
Surgeon Fees <sup>(3)</sup>	0	0	0	0	0
Office / Building Lease <sup>(4)</sup>	168,000	173,000	178,000	183,000	188,000
Common Area Maintenance <sup>(5)</sup>	20,000	21,000	22,000	23,000	24,000
Other Oper Expenses <sup>(6)</sup>	200,000	206,000	212,000	218,000	225,000
Property Taxes <sup>(7)</sup>	53,000	53,000	53,000	53,000	53,000
<b>Other Oper Exp</b>	<b>1,763,000</b>	<b>2,122,000</b>	<b>2,554,000</b>	<b>3,231,000</b>	<b>5,162,000</b>
<b>Non-Operating Expenditures</b>					
Depreciation <sup>(8)</sup>	479,000	479,000	479,000	473,000	473,000
Interest <sup>(9)</sup>	149,000	147,000	144,000	141,000	137,000
<b>Total Non-Oper Exp</b>	<b>628,000</b>	<b>626,000</b>	<b>623,000</b>	<b>614,000</b>	<b>610,000</b>
<b>Total Operating Expenditures</b>	<b>2,391,000</b>	<b>2,748,000</b>	<b>3,177,000</b>	<b>3,845,000</b>	<b>5,772,000</b>

(1) - Year 1 expenditures at current cost, with estimated annual cost increases of 3.0%.

(2) - Medical and surgical supplies vary with changes in patient volume, along with annual cost increase of 3.0%

(3) - Surgeon fees assigned to clinical pro forma

(4) - As per executed lease agreement with J&J CCE, LLC

(5) - Estimated, per language lease agreement

(6) - Estimated based on historical experience, with annual cost increase estimate.

(7) - Estimated based on King County property tax rate of .0093/capital cost dollar. No additional assessments added.

(8) - Straight-line depreciation method for 3 year, 5 year, year, 7 year, and 15 year asset additions.

(9) - Estimated interest based on 6.00% APR on 25-year SBA amortization.



**SHARPE-VISION, PLLC**  
**Sharpe-Vision Surgery Center - ASC**  
**Pro -Forma Assumptions**

**7 Provision for doubtful accounts - Based on net revenues collectible, standard percentage**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
MEDICARE	6,000	8,000	11,000	22,000	25,000
HMO / MCARE PLUS	1,000	1,000	1,000	3,000	3,000
HMO / MNGD CARE	2,000	2,000	3,000	6,000	7,000
OTHER	8,000	11,000	14,000	28,000	33,000
Prov for bad debt	17,000	22,000	29,000	59,000	68,000
Percentage Net Pt Revenue	0.49%	0.49%	0.50%	0.51%	0.50%

**8 Capital Expenditure**

Leasehold Improvements	6,228,914
Equipment	1,366,464
Transfer Basis of asset traded in	0
Basis of new asset	7,595,378

**SHARPE-VISION, PLLC**  
**Sharpe-Vision Surgery Center - ASC**  
**Pro -Forma Assumptions**

YEAR	SURG DAYS, WEEK	WEEKS	PROC / DAY	TOTAL PROC	INTERNAL	EXTERNAL
1	2.0	50	20	2,000	1,000	1,000
2	2.0	50	25	2,500	1,250	1,250
3	2.5	50	25	3,125	1,563	1,563
4	3.5	50	35	6,125	3,063	3,063
5	4.0	50	35	7,000	3,500	3,500

	MONOFOCAL	PREMIUM	RLE
Facility Charge	\$ 2,675	\$ 2,675	\$ 2,675
Procedural / Upgrade Fee <sup>(1)</sup>	1,500	2,675	2,675
Lense Charge <sup>(2)</sup>	-	950	950
Anesthesia	-	-	-
Ziemer Laser Z-8	-	225	225
<b>Total</b>	<b>\$ 4,175</b>	<b>\$ 6,525</b>	<b>\$ 6,525</b>

(1) - Custom laser cataract removal with elective upgrades.

(2) - Monofocal consistent with Overlake; Premium and RLE lenses additional

**YEARS 1 - 2**

	A % Monofocal	B % Panoptix	C % RLE	D Weight	$\Sigma A \times D$ Monofocal	$\Sigma B \times D$ Premium IOL	$\Sigma C \times D$ RLE
Overlake patient	20%	75%	5%	0.50	10.0%	37.5%	2.5%
Evergreen patient	100%			0.50	50.0%		
Lense Charge, Unweighted					\$120	\$950	\$950
Weighted Lense Charge					\$10	\$360	\$20
Combined Weights						\$390	

**YEARS 3 - 5**

	A % Monofocal	B % Panoptix	C % RLE	D Weight	$\Sigma A \times D$ Monofocal	$\Sigma B \times D$ Premium IOL	$\Sigma C \times D$ RLE
Overlake patient	20%	75%	5%	0.50	10.0%	37.5%	2.5%
Evergreen patient	100%			0.50	50.0%		
Lense Charge, Unweighted					\$120	\$950	\$950
Weighted Lense Charge					\$10	\$360	\$20
Combined Weights						\$390	

**APPROX MIX -** YEARS 1 -5 60% CATARACT (MONOFOCAL), 40% UPGRADED LENSE (80% PREMIUM, 20% ASTIGMA)

YEAR 1	MONOFOCAL	PREMIUM IOL	RLE	PREM / RLE %
Overlake Patients	200	750	50	
Evergreen Patients	1,000	0	0	
Totals	1,200	750	50	40%



**SHARPE-VISION, PLLC**  
**Sharpe-Vision Surgery Center - ASC**  
**Pro -Forma Assumptions**

<b>YEAR 2</b>	<b>MONOFOCAL</b>	<b>PREMIUM IOL</b>	<b>RLE</b>	
Overlake Patients	250	940	60	
Evergreen Patients	1,250	0	0	
Totals	1,500	940	60	40%

<b>YEAR 3</b>	<b>MONOFOCAL</b>	<b>PREMIUM IOL</b>	<b>RLE</b>	
Overlake Patients	310	1,170	85	
Evergreen Patients	1,560	0	0	
Totals	1,870	1,170	85	40%

<b>YEAR 4</b>	<b>MONOFOCAL</b>	<b>PREMIUM IOL</b>	<b>RLE</b>	
Overlake Patients	610	2,300	155	
Evergreen Patients	3,060	0	0	
Totals	3,670	2,300	155	40%

<b>YEAR 4</b>	<b>MONOFOCAL</b>	<b>PREMIUM IOL</b>	<b>RLE</b>	
Overlake Patients	700	2,630	170	
Evergreen Patients	3,500	0	0	
Totals	4,200	2,630	170	40%

**GROSS CHARGES, PER YEAR**

<b>YEAR 1</b>	<b>MONOFOCAL</b>	<b>PREMIUM IOL</b>	<b>RLE</b>	<b>TOTAL</b>
Facility Charge	\$ 3,210,000	\$ 2,006,250	\$ 133,750	\$ 5,350,000
Procedural / Upgrade Fee	1,800,000	1,003,125	66,875	2,870,000
Lense Charge	-	356,250	23,750	380,000
Anesthesia	-	-	-	-
Ziemer Laser Z-8	-	84,375	5,625	90,000
	<u>\$ 5,010,000</u>	<u>\$ 3,450,000</u>	<u>\$ 230,000</u>	<u>\$ 8,690,000</u>

<b>YEAR 2</b>	<b>MONOFOCAL</b>	<b>PREMIUM IOL</b>	<b>RLE</b>	<b>TOTAL</b>
Facility Charge	\$ 4,132,875	\$ 2,589,935	\$ 165,315	\$ 6,888,125
Procedural / Upgrade Fee	2,317,500	1,294,968	82,658	3,695,125
Lense Charge	-	459,895	29,355	489,250
Anesthesia	-	-	-	-
Ziemer Laser Z-8	-	108,923	6,953	115,875
	<u>\$ 6,450,375</u>	<u>\$ 4,453,720</u>	<u>\$ 284,280</u>	<u>\$ 11,188,375</u>

**SHARPE-VISION, PLLC**  
**Sharpe-Vision Surgery Center - ASC**  
**Pro -Forma Assumptions**

**YEAR 3**

	<b>MONOFOCAL</b>	<b>PREMIUM IOL</b>	<b>RLE</b>	<b>TOTAL</b>
Facility Charge	\$ 5,306,887	\$ 3,320,352	\$ 239,803	\$ 8,867,042
Procedural / Upgrade Fee	2,975,825	1,660,176	119,902	4,755,902
Lense Charge	-	589,595	42,582	632,177
Anesthesia	-	-	-	-
Ziemer Laser Z-8	-	139,641	10,085	149,726
	<u>\$ 8,282,712</u>	<u>\$ 5,709,764</u>	<u>\$ 412,372</u>	<u>\$ 14,404,847</u>

**YEAR 4**

	<b>MONOFOCAL</b>	<b>PREMIUM IOL</b>	<b>RLE</b>	<b>TOTAL</b>
Facility Charge	\$ 10,727,574	\$ 6,723,003	\$ 451,610	\$ 17,902,187
Procedural / Upgrade Fee	6,015,462	3,361,501	225,805	9,602,769
Lense Charge	-	1,193,804	80,193	1,273,997
Anesthesia	-	-	-	-
Ziemer Laser Z-8	-	282,743	18,993	301,736
	<u>\$ 16,743,036</u>	<u>\$ 11,561,052</u>	<u>\$ 776,601</u>	<u>\$ 29,080,689</u>

**YEAR 5**

	<b>MONOFOCAL</b>	<b>PREMIUM IOL</b>	<b>RLE</b>	<b>TOTAL</b>
Facility Charge	\$ 12,645,091	\$ 7,918,236	\$ 511,825	\$ 21,075,152
Procedural / Upgrade Fee	7,090,706	3,959,118	255,913	11,305,736
Lense Charge	-	1,406,042	90,885	1,496,927
Anesthesia	-	-	-	-
Ziemer Laser Z-8	-	333,010	21,525	354,535
	<u>\$ 19,735,797</u>	<u>\$ 13,616,406</u>	<u>\$ 880,148</u>	<u>\$ 34,232,350</u>

**PATIENT MIX, ALL YEARS**

	<b>MONOFOCAL</b>	<b>PREMIUM IOL</b>	<b>RLE</b>
MEDICARE	80%	0%	0%
HMO / MCARE PLUS	10%	0%	0%
HMO / MNGD CARE	10%	20%	0%
OTHER	0%	80%	100%

**GROSS CHARGES BY PAYOR, YEAR 1**

	<b>MONOFOCAL</b>	<b>PREMIUM IOL</b>	<b>RLE</b>	<b>TOTAL</b>
MEDICARE	\$ 4,008,000	\$ -	\$ -	\$ 4,008,000
HMO / MCARE PLUS	501,000	-	-	\$ 501,000
HMO / MNGD CARE	501,000	690,000	-	\$ 1,191,000
OTHER	-	2,760,000	230,000	\$ 2,990,000
	<u>\$ 5,010,000</u>	<u>\$ 3,450,000</u>	<u>\$ 230,000</u>	<u>\$ 8,690,000</u>



**SHARPE-VISION, PLLC**  
**Sharpe-Vision Surgery Center - ASC**  
**Pro -Forma Assumptions**

**GROSS CHARGES BY PAYOR, YEAR 2**

	<b>MONOFOCAL</b>	<b>PREMIUM IOL</b>	<b>RLE</b>	<b>TOTAL</b>
MEDICARE	\$ 5,160,300	\$ -	\$ -	\$ 5,160,300
HMO / MCARE PLUS	645,038	-	-	\$ 645,038
HMO / MNGD CARE	645,038	890,744	-	\$ 1,535,782
OTHER	-	3,562,976	284,280	\$ 3,847,256
	<u>\$ 6,450,375</u>	<u>\$ 4,453,720</u>	<u>\$ 284,280</u>	<u>\$ 11,188,375</u>

**GROSS CHARGES BY PAYOR, YEAR 3**

	<b>MONOFOCAL</b>	<b>PREMIUM IOL</b>	<b>RLE</b>	<b>TOTAL</b>
MEDICARE	\$ 6,626,169	\$ -	\$ -	\$ 6,626,169
HMO / MCARE PLUS	828,271	-	-	\$ 828,271
HMO / MNGD CARE	828,271	1,141,953	-	\$ 1,970,224
OTHER	-	4,567,811	412,372	\$ 4,980,183
	<u>\$ 8,282,712</u>	<u>\$ 5,709,764</u>	<u>\$ 412,372</u>	<u>\$ 14,404,847</u>

**GROSS CHARGES BY PAYOR, YEAR 4**

	<b>MONOFOCAL</b>	<b>PREMIUM IOL</b>	<b>RLE</b>	<b>TOTAL</b>
MEDICARE	\$ 13,394,429	\$ -	\$ -	\$ 13,394,429
HMO / MCARE PLUS	1,674,304	-	-	\$ 1,674,304
HMO / MNGD CARE	1,674,304	2,312,210	-	\$ 3,986,514
OTHER	-	9,248,841	776,601	\$ 10,025,442
	<u>\$ 16,743,036</u>	<u>\$ 11,561,052</u>	<u>\$ 776,601</u>	<u>\$ 29,080,689</u>

**GROSS CHARGES BY PAYOR, YEAR 5**

	<b>MONOFOCAL</b>	<b>PREMIUM IOL</b>	<b>RLE</b>	<b>TOTAL</b>
MEDICARE	\$ 15,788,638	\$ -	\$ -	\$ 15,788,638
HMO / MCARE PLUS	1,973,580	-	-	\$ 1,973,580
HMO / MNGD CARE	1,973,580	2,723,281	-	\$ 4,696,861
OTHER	-	10,893,124	880,148	\$ 11,773,272
	<u>\$ 19,735,797</u>	<u>\$ 13,616,406</u>	<u>\$ 880,148</u>	<u>\$ 34,232,350</u>

**SHARPE-VISION, PLLC**  
**Sharpe-Vision Surgery Center - ASC**  
**Pro -Forma Assumptions**

**FACILITY CHARGES BY PAYOR, ALL YEARS**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
MEDICARE	\$ 2,568,000	\$ 3,306,300	\$ 4,245,510	\$ 8,582,059	\$ 10,116,073
HMO / MCARE PLUS	321,000	413,288	530,689	1,072,757	1,264,509
HMO / MNGD CARE	722,250	931,275	1,194,759	2,417,358	2,848,156
OTHER	1,738,750	2,237,263	2,896,085	5,830,013	6,846,414
	\$ 5,350,000	\$ 6,888,125	\$ 8,867,042	\$ 17,902,187	\$ 21,075,152
	2,000	2,500	3,125	6,125	7,000

**OTHER CHARGES BY PAYOR, ALL YEARS**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
MEDICARE	\$ 1,440,000	\$ 1,854,000	\$ 2,380,660	\$ 4,812,370	\$ 5,672,564
HMO / MCARE PLUS	180,000	231,750	297,582	601,546	709,071
HMO / MNGD CARE	468,750	604,507	775,465	1,569,156	1,848,704
OTHER	1,251,250	1,609,993	2,084,098	4,195,430	4,926,859
	\$ 3,340,000	\$ 4,300,250	\$ 5,537,805	\$ 11,178,502	\$ 13,157,198

**NET PATIENT REVENUES, FACILITY CHARGES BY PAYOR, ALL YEARS**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
MEDICARE	\$ 1,291,200	\$ 1,662,420	\$ 2,134,658	\$ 4,315,092	\$ 5,086,399
HMO / MCARE PLUS	161,400	207,803	266,832	539,386	635,800
HMO / MNGD CARE	363,150	468,248	600,729	1,215,457	1,432,064
OTHER	1,651,813	2,125,400	2,751,280	5,538,512	6,504,093
	\$ 3,467,563	\$ 4,463,871	\$ 5,753,500	\$ 11,608,447	\$ 13,658,356

**NET PATIENT REVENUES, OTHER CHARGES BY PAYOR, ALL YEARS**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
MEDICARE	\$ 576,000	\$ 741,600	\$ 952,264	\$ 1,924,948	\$ 2,269,026
HMO / MCARE PLUS	61,800	79,568	102,170	206,531	243,448
HMO / MNGD CARE	141,375	159,805	233,822	472,960	557,324
OTHER	1,188,688	1,529,493	1,979,893	3,985,658	4,680,516
	\$ 1,967,863	\$ 2,510,465	\$ 3,268,150	\$ 6,590,097	\$ 7,750,313



**SHARPE-VISION, PLLC**  
**Sharpe-Vision Surgery Center - LASIK Suite**  
**Pro -Forma Assumption**

**1 Estimated Patient Volume - YEARS 1 - 5**

YEAR	PROC DAYS, WEEK	WEEKS	PROC / DAY	TOTAL PROC
1	2.0	50	45	4,500
2	2.0	50	45	4,500
3	2.0	50	50	5,000
4	2.5	50	43	5,350
5	2.5	50	46	5,750

**2 Charges Per Patient, Per Eye**

	LASIK	ICL
Facility Charge	\$ -	\$ -
Procedural Charge <sup>(1)</sup>	\$ 2,199	\$ 3,575
Lense Charge	\$ -	\$ 900
Anesthesia	\$ -	\$ -
Additional Charges	\$ -	\$ -
<b>Total</b>	<b>\$ 2,199</b>	<b>\$ 4,475</b>

**APPOXIMATE MIX OF CHARGES -** YEARS 1 -2 95% LASIK, 5% ICL  
YEARS 3 -5 90% LASIK, 10% ICL

(1) - Pre and post procedural care administered by Clinic, with \$675 in procedural charges allocated.

**3 Payor Mix of Patients:**

	YEAR				
PAYOR <sup>(1)</sup>	1	2	3	4	5
Medicare	0%	0%	0%	0%	0%
HMO / MCare Plus	0%	0%	0%	0%	0%
HMO / Managed Care	0%	0%	0%	0%	0%
Other	100%	100%	100%	100%	100%

(1) - Elective surgery - typically no coverage and out-of-pocket for patient

**4 Calculation of Charges and Net Revenues:**

YEAR 1						
PtClass	Coverage Type	Cases	Pre-Proc Care			
			Charges	Contractuals	Net Pat Revenue	NPR %
Outpt	MEDICARE	0	0	0	0	0%
Outpt	HMO / MCARE PLUS	0	0	0	0	0%
Outpt	HMO / MNGD CARE	0	0	0	0	0%
Outpt	OTHER	0	0	0	0	0%
		0	0	0	0	0%
PtClass	Coverage Type	Cases	Procedural			
			Charges	Contractuals	Net Pat Revenue	NPR %
Outpt	MEDICARE	0	0	0	0	0%
Outpt	HMO / MCARE PLUS	0	0	0	0	0%
Outpt	HMO / MNGD CARE	0	0	0	0	0%
Outpt	OTHER	4,500	10,407,600	0	10,407,600	100%
		4,500	10,407,600	0	10,407,600	100%

SHARPE-VISION, PLLC  
 Sharpe-Vision Surgery Center - LASIK Suite  
 Pro -Forma Assumption

YEAR 2						
PtClass	Coverage Type	Cases	Pre-Proc Care		Net Pat Revenue	NPR %
			Charges	Contractuals		
Outpt	MEDICARE	0	0	0	0	0%
Outpt	HMO / MCARE PLUS	0	0	0	0	0%
Outpt	HMO / MNGD CARE	0	0	0	0	0%
Outpt	OTHER	0	0	0	0	0%
		0	0	0	0	0%
PtClass	Coverage Type	Cases	Procedural		Net Pat Revenue	NPR %
			Charges	Contractuals		
Outpt	MEDICARE	-	0	0	0	0%
Outpt	HMO / MCARE PLUS	-	0	0	0	0%
Outpt	HMO / MNGD CARE	-	0	0	0	0%
Outpt	OTHER	4,500	10,719,800	0	10,719,800	100%
		4,500	10,719,800	0	10,719,800	100%
YEAR 3						
PtClass	Coverage Type	Cases	Pre-Proc Care		Net Pat Revenue	NPR %
			Charges	Contractuals		
Outpt	MEDICARE	0	0	0	0	0%
Outpt	HMO / MCARE PLUS	0	0	0	0	0%
Outpt	HMO / MNGD CARE	0	0	0	0	0%
Outpt	OTHER	0	0	0	0	0%
		0	0	0	0	0%
PtClass	Coverage Type	Cases	Procedural		Net Pat Revenue	NPR %
			Charges	Contractuals		
Outpt	MEDICARE	0	0	0	0	0%
Outpt	HMO / MCARE PLUS	0	0	0	0	0%
Outpt	HMO / MNGD CARE	0	0	0	0	0%
Outpt	OTHER	5,000	12,871,900	0	12,871,900	100%
		5,000	12,871,900	0	12,871,900	100%
YEAR 4						
PtClass	Coverage Type	Cases	Pre-Proc Care		Net Pat Revenue	NPR %
			Charges	Contractuals		
Outpt	MEDICARE	0	0	0	0	0%
Outpt	HMO / MCARE PLUS	0	0	0	0	0%
Outpt	HMO / MNGD CARE	0	0	0	0	0%
Outpt	OTHER	0	0	0	0	0%
		0	0	0	0	0%
PtClass	Coverage Type	Cases	Procedural		Net Pat Revenue	NPR %
			Charges	Contractuals		
Outpt	MEDICARE	0	0	0	0	0%
Outpt	HMO / MCARE PLUS	0	0	0	0	0%
Outpt	HMO / MNGD CARE	0	0	0	0	0%
Outpt	OTHER	5,350	14,186,100	0	14,186,100	100%
		5,350	14,186,100	0	14,186,100	100%



**SHARPE-VISION, PLLC**  
**Sharpe-Vision Surgery Center - LASIK Suite**  
**Pro -Forma Assumption**

YEAR 5						
PtClass	Coverage Type	Cases	Pre-Proc Care		Net Pat Revenue	NPR %
			Charges	Contractuals		
Outpt	MEDICARE	0	0	0	0	0%
Outpt	HMO / MCARE PLUS	0	0	0	0	0%
Outpt	HMO / MNGD CARE	0	0	0	0	0%
Outpt	OTHER	0	0	0	0	0%
		0	0	0	0	0%
PtClass	Coverage Type	Cases	OP Charges		Net Pat Revenue	NPR %
			Contractuals			
Outpt	MEDICARE	0	0	0	0	0%
Outpt	HMO / MCARE PLUS	0	0	0	0	0%
Outpt	HMO / MNGD CARE	0	0	0	0	0%
Outpt	OTHER	5,750	15,704,200	0	15,704,200	100%
		0	15,704,200	0	15,704,200	100%

**5 Required Additional Labor Costs:**

	FTE	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Current Wages &amp; Benefits<sup>(1)</sup>:</b>						
Ophthalmologist	1.00	312,000	322,900	334,200	345,900	358,000
Optometrist	1.00	169,000	174,900	181,000	187,300	193,900
Center Director	1.00	130,000	134,600	139,300	144,200	149,200
Assistant Center Director	1.00	75,400	78,000	80,700	83,500	86,400
Ophthalmic Technicians	5.00	299,000	309,500	320,300	331,500	343,100
Surgical Counselor	1.00	65,000	67,300	69,700	72,100	74,600
Patient Experience - Lead	1.00	59,800	61,900	64,100	66,300	68,600
Patient Experience Specialist	1.00	54,600	56,500	58,500	60,500	62,600
<b>Total Current Wages &amp; Benefits</b>	<b>12.00</b>	<b>1,164,800</b>	<b>1,205,600</b>	<b>1,247,800</b>	<b>1,291,300</b>	<b>1,336,400</b>
<b>Total Wages &amp; Benefits</b>	<b>12.00</b>	<b>1,164,800</b>	<b>1,205,600</b>	<b>1,247,800</b>	<b>1,291,300</b>	<b>1,336,400</b>

(1) - Wages for each year are shown "fully loaded", and include estimation of taxes and benefits of 25% of annual wages.

**6 Operating and Non-Operating Expenditures:**

	Year 1 <sup>(1)</sup>	Year 2 <sup>(1)</sup>	Year 3 <sup>(1)</sup>	Year 4 <sup>(1)</sup>	Year 5 <sup>(1)</sup>
<b>Other Operating Expenditures:</b>					
Med and Surg Supplies <sup>(2)</sup>	1,012,500	1,042,900	1,193,500	1,315,400	1,456,100
Surgeon Fees <sup>(3)</sup>	1,040,800	1,072,000	1,287,200	1,418,600	1,570,400
Office / Building Lease <sup>(4)</sup>	168,000	173,000	178,000	183,000	188,000
Common Area Maintenance <sup>(5)</sup>	20,000	21,000	22,000	23,000	24,000
Other Oper Expenses <sup>(6)</sup>	900,000	927,000	954,800	983,400	1,012,900
Property Taxes <sup>(7)</sup>	21,000	21,000	21,000	21,000	21,000
<b>Other Oper Exp</b>	<b>3,162,300</b>	<b>3,256,900</b>	<b>3,656,500</b>	<b>3,944,400</b>	<b>4,272,400</b>
<b>Non-Operating Expenditures:</b>					
Depreciation <sup>(8)</sup>	212,000	212,000	212,000	211,000	211,000
Interest <sup>(9)</sup>	75,000	74,000	72,000	71,000	69,000
<b>Total Non-Oper Exp</b>	<b>287,000</b>	<b>286,000</b>	<b>284,000</b>	<b>282,000</b>	<b>280,000</b>
<b>Total Operating Expenditures</b>	<b>3,449,300</b>	<b>3,542,900</b>	<b>3,940,500</b>	<b>4,226,400</b>	<b>4,552,400</b>

(1) - Year 1 expenditures at current cost, with estimated annual cost increases of 3.0%.

(2) - Medical and surgical supplies vary with changes in patient volume, along with annual cost increase of 3.0%

(3) - Estimated at 10% of patient gross charges

(4) - As per FacWorksheet ASC - not entered here

(5) - As per FacWorksheet ASC - not entered here

(6) - Estimated based on historical experience, with annual cost increase estimate.

(7) - Estimated based on King County property tax rate of .0093/capital cost dollar. No additional assessments added.

(8) - Straight-line depreciation method as currently depreciated

(9) - No current or estimated outstanding debt during pro forma window

**SHARPE-VISION, PLLC**  
**Sharpe-Vision Surgery Center - LASIK Suite**  
**Pro -Forma Assumption**

**7 Provision for doubtful accounts - Based on net revenues collectible, standard percentage:**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3<sup>(2)</sup></u>	<u>Year 4<sup>(3)</sup></u>	<u>Year 5<sup>(3)</sup></u>
MEDICARE	0	0	0	0	0
HMO / MCARE PLUS	0	0	0	0	0
HMO / MNGD CARE	0	0	0	0	0
OTHER	520,000	536,000	644,000	709,000	785,000
Provision for Uncollectible Accounts	520,000	536,000	644,000	709,000	785,000
Percentage Net Pt Revenue	5.00%	5.00%	5.00%	5.00%	5.00%



EXHIBIT 11

MEDICAL DIRECTOR JOB DESCRIPTION

# SHARPEvision

**Position:** Medical Director

**Reports To:** N/A

**FLSA Status:** Exempt

**Location:** Bellevue, WA

**Schedule:** Full-Time

**Travel:** N/A

## **Job Summary**

Responsible for the accurate and efficient operation of all billing and collection functions of the Bellevue Center and ASC.

**Essential Duties and Responsibilities** include the following (other duties may be assigned):

- Develop and maintain policies and procedures for surgery
- Provide initial and ongoing training for all staff MDs and ODs.
- Oversee all emergency situations
- Provide pre-operative and post-operative care for LASIK, PRK, ICL, Cataract, and RLE surgeries
- Perform LASIK, PRK, ICL, Cataract, and RLE surgeries

## **Qualifications:**

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

## **Education and Experience:**

Medical Degree in Ophthalmology is required. At least 10 years of experience in refractive and lens surgeries required. At least 5 years of relevant business experience is required. Candidates will complete some on-the-job training, but should already have the required skills, knowledge and work-related experience.

## **Language Ability:**

Fluency of the English language. Excellent oral and written comprehension and expression. Speech clarity and recognition. Active learning and listening. Ability to respond to common inquiries and provide information to patients and colleagues. Good interpersonal skills.



# SHARPEvision

**Math Ability:**

Ability to use mathematical methods or formulas for related medical and scientific measurements and calculations. Ability to calculate percentages. Ability to compile, tabulate, or verify information or data.

**Reasoning Ability:**

Ability to collect data and establish facts. Ability to interpret technical instructions in mathematical or diagram form. Ability to use logic. Ability to identify information by categorizing and recognizing differences or similarities.

**Computer Skills:**

Accounting Applications, Charting Software, Document Management Software, Microsoft Office Suite, Email, Calendar and Scheduling Software, Medical Software, Internet, Data Entry, Inventory Management Applications

**Certificates and Licenses:**

Medical Degree, and board certification in Ophthalmology

Unrestricted medical license to practice medicine

Registered to dispense controlled substances by the applicable Federal and state agencies

Certified to participate under Medicare, Medicaid and any other governmental and private third party payor programs

**Supervisory Responsibilities:**

All staff MDs and ODs report directly to the medical director for anything medically-related.

**Work Environment:**

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. The noise level in the work environment is usually moderate. The work environment is indoors and environmentally controlled. Work environment is structured. May have exposure to disease or infections.

**Physical Demands:**

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable

# SHARPEVISION

accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this Job, the employee is regularly required to sit; use hands and arms to handle, grasp, position, move and control objects and tools; reach with hands and arms; talk and hear; and maintain a stationary position. Specific vision abilities required by this job include near vision, distance vision, depth perception and ability to adjust focus. The employee is required to make repetitive motion and demonstrate steadiness and control precision. The employee is required to operate in close quarters and have contact with patients.

**The above job description is not intended to be an all-inclusive list of duties and standards of the position. Incumbents will follow any other instructions, and perform any other related duties, as assigned by their supervisor.**

**SVML is an Equal Opportunity Employer. All qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, or protected veteran status and will not be discriminated against on the basis of disability.**

Signature \_\_\_\_\_ Date: \_\_\_\_\_

EXHIBIT 12

PROFESSIONAL LIMITED LIABILITY COMPANY  
AGREEMENT



**PROFESSIONAL LIMITED LIABILITY COMPANY AGREEMENT  
OF  
SHARPEVISION, PLLC**

Pursuant to the Washington Limited Liability Company Act, RCW 25.15, et seq., the undersigned does hereby adopts this Professional Limited Liability Company Agreement for the purpose of forming a professional limited liability company ("Company").

**ARTICLE I  
NAME**

The name of the Company is as follows:

SHARPEVISION, PLLC

**ARTICLE II  
PURPOSE**

The purpose of the Company is to conduct any and all lawful affairs for which a professional limited liability company may be organized under RCW 25.15, et seq.

**ARTICLE III  
STREET ADDRESS/REGISTERED AGENT**

The street address and the mailing address of the limited liability company's initial business office is as follows:

SharpeVision, PLLC  
2285 116<sup>th</sup> Avenue N.E.  
Bellevue, WA 98004

The name and address of the Company's registered agent is as follows:

Daniel M. Hendrickson  
10900 N.E. 4<sup>th</sup> Street, Suite 1850  
Bellevue, WA 98004

#### **ARTICLE IV MANAGEMENT**

The Company shall be managed by its Manager who shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business. The initial Manager of the Company shall be Matthew R. Sharpe, M.D.

#### **ARTICLE V DURATION**

The existence of the Company shall be perpetual. The Company may be dissolved at any time by the written consent of the Member.

#### **ARTICLE VI AMENDMENTS**

This Agreement may be amended only by the consent of the Member and only in writing pursuant to a document specifically designating it as an amendment to this Agreement.

EFFECTIVE as of March 15, 2012.

MEMBER:

*Matthew R. Sharpe, MD 5/10/12*

Matthew R. Sharpe, M.D.

EXHIBIT 13

LEASE AGREEMENT



**OFFICE LEASE**  
**CORPORATE CAMPUS EAST**  
**3025 112<sup>th</sup> Avenue NE,**  
**Bellevue, Washington 98004**

**J & J CCE, LLC,**  
**as Landlord,**  
**and**  
**SHARPEVISION PLLC,**  
**as Tenant**

CORPORATE CAMPUS EAST

SUMMARY OF BASIC LEASE INFORMATION

This Summary of Basic Lease Information (the "Summary") is hereby incorporated by reference into and made a part of the attached Office Lease. Each reference in the Office Lease to any term of this Summary shall have the meaning as set forth in this Summary for such term. In the event of a conflict between the terms of this Summary and the Office Lease, the terms of the Office Lease shall prevail. Any initially capitalized terms used herein and not otherwise defined herein shall have the meaning as set forth in the Office Lease.

**TERMS OF LEASE**

(References are to  
the Office Lease)

DESCRIPTION

1. Dated as of: November \_\_, 2021
2. Landlord: J & J CCE, LLC, a Washington limited liability company
3. Address of Landlord (Section 24.14):  
For Notices:  
  
J & J CCE, LLC  
405 114<sup>th</sup> Ave SE, Suite 300  
Bellevue, WA 98004  
Attention: Jordan Lott, Manager  
  
with a copy to:  
  
J & J CCE, LLC  
405 114<sup>th</sup> Ave SE, Suite 300  
Bellevue, WA 98004  
Attention: Legal  
  
For Payment of Rent:  
  
J & J CCE, LLC  
405 114<sup>th</sup> Ave SE, Suite 300  
Bellevue, WA 98004  
Attention: Accounting  
(206) 770-4652
4. Tenant: SharpeVision PLLC,  
a Washington professional limited liability company
5. Address of Tenant (Section 24.14): 2285 116<sup>th</sup> Ave NE  
Bellevue, WA 98004  
Attn: Cory Salter, Esq.  
E-Mail: cory@sharpe-vision.com  
  
(Prior to Lease Commencement Date)  
  
and  
  
SharpeVision PLLC  
3025 112<sup>th</sup> Avenue NE  
Bellevue, Washington 98004  
Attn: Cory Salter, Esq.  
E-Mail: cory@sharpe-vision.com  
  
(After Lease Commencement Date)

6. Premises (Article 1):

- 6.1 Premises: Approximately 15,052 rentable square feet of space located on the second (2<sup>nd</sup>) floor of the Building (as defined below), as depicted on Exhibit A-2 attached hereto, known as Suite 200, and located on the real property legally described in Exhibit A-1 attached hereto.
- 6.2 Building: The Premises are located in the two (2) story "Building" whose address is 3025 112<sup>th</sup> Avenue NE, Bellevue, Washington 98004.

7. Term (Article 2):

- 7.1 Lease Term: One Hundred and Eighty-Four (184) calendar months, plus, any initial partial month if the Lease Commencement Date is other than the first (1<sup>st</sup>) day of a calendar month
- 7.2 Lease Commencement Date (or "LCD"): The earlier to occur of (i) the date of Substantial Completion of the Tenant Improvements (as such terms are defined in the attached Exhibit D), and (ii) June 1, 2022 (such date being subject to extension as set forth below in Section 2.2).
- 7.3 Lease Expiration Date: The last date of the One Hundred Eighty-Fourth (184<sup>th</sup>) full calendar month following the Lease Commencement Date.
- 7.4 Extension Option: One (1) option to renew for an additional term of Five (5) years, as set forth in the attached Exhibit F.

8. Base Rent (Article 3): (month refers to full calendar months)

Time Period	Annual Base Rent per RSF	Monthly Installment of Base Rent
LCD – Month 12*	\$33.50	\$42,020.17
Month 13 – Month 24	\$34.50	\$43,274.50
Month 25 – Month 36	\$35.50	\$44,528.83
Month 37 – Month 48	\$36.50	\$45,783.17
Month 49 – Month 60	\$37.50	\$47,037.50
Month 61 – Month 72	\$38.50	\$48,291.83
Month 73 – Month 84	\$39.50	\$49,546.17
Month 85 – Month 96	\$40.50	\$50,800.50
Month 97 – Month 108	\$41.50	\$52,054.83
Month 109 – Month 120	\$42.50	\$53,309.17
Month 121 – Month 132	\$43.50	\$54,563.50
Month 133 – Month 144	\$44.50	\$55,817.83
Month 145 – Month 156	\$45.50	\$57,072.17
Month 157 – Month 168	\$46.50	\$58,326.50
Month 168 – Month 184	\$47.50	\$59,580.83

\*The monthly installment of Base Rent only is subject to abatement pursuant to Section 3.2 of the Office Lease.

9. Tenant's Share of Operating Expenses and Tax Expenses (Article 4): 48.45% (15,052 rentable square feet within the Premises / 31,066 rentable square feet within the Building) (See Section 4.2.4 of the Office Lease).
10. Security Deposit (Article 20): \$75,272.54
11. Number of Parking Passes (Article 23): Fifty-Seven (57) unreserved, uncovered parking passes in the Parking Facilities, plus three (3) reserved, uncovered parking passes adjacent to the Building ADA entrance but in a mutually agreeable location.



12. Brokers (Section 24.19): Scott Davis and Jeff Jochums of CBRE, representing Landlord, and Gary Guenther of Kidder Mathews, representing Tenant.
13. Guarantor (Guaranty): Matthew Sharpe, M.D. and Amanda Sharpe, in their personal and marital capacity

## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 PROJECT, BUILDING AND PREMISES .....	1
ARTICLE 2 LEASE TERM .....	1
ARTICLE 3 BASE RENT .....	2
ARTICLE 4 ADDITIONAL RENT .....	2
ARTICLE 5 USE OF PREMISES .....	6
ARTICLE 6 SERVICES AND UTILITIES .....	7
ARTICLE 7 REPAIRS .....	9
ARTICLE 8 ADDITIONS AND ALTERATIONS .....	9
ARTICLE 9 COVENANT AGAINST LIENS .....	10
ARTICLE 10 INSURANCE .....	10
ARTICLE 11 DAMAGE AND DESTRUCTION .....	12
ARTICLE 12 CONDEMNATION .....	13
ARTICLE 13 COVENANT OF QUIET ENJOYMENT .....	13
ARTICLE 14 ASSIGNMENT AND SUBLETTING .....	14
ARTICLE 15 SURRENDER OF PREMISES; REMOVAL OF PERSONAL PROPERTY .....	15
ARTICLE 16 HOLDING OVER .....	16
ARTICLE 17 ESTOPPEL CERTIFICATES .....	16
ARTICLE 18 SUBORDINATION AND ATTORNMEN T .....	17
ARTICLE 19 DEFAULTS; REMEDIES .....	18
ARTICLE 20 SECURITY DEPOSIT .....	20
ARTICLE 21 COMPLIANCE WITH LAW .....	20
ARTICLE 22 ENTRY BY LANDLORD .....	21
ARTICLE 23 TENANT PARKING .....	21
ARTICLE 24 MISCELLANEOUS PROVISIONS .....	22
EXHIBITS:	
A-1 LEGAL DESCRIPTION	
A-2 FLOOR PLAN OF PREMISES	
B RULES AND REGULATIONS	
C AMENDMENT TO OFFICE LEASE	
D TENANT WORK LETTER	
E ESTOPPEL CERTIFICATE	
F EXTENSION OPTION	
G GUARANTY	
H DECK RULES AND REGULATIONS	

## CORPORATE CAMPUS EAST

### OFFICE LEASE

This Office Lease, which includes the preceding Summary attached hereto and incorporated herein by this reference (the Office Lease and Summary to be known sometimes collectively hereafter as the "Lease"), dated as of the date set forth in Section 1 of the Summary, is made by and between J & J CCE, LLC, a Washington limited liability company ("Landlord"), and SharpeVision PLLC, a Washington professional limited liability company ("Tenant").

### ARTICLE I

#### PROJECT, BUILDING AND PREMISES

1.1 Project, Building and Premises. Upon and subject to the terms set forth in this Lease, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises described in Section 6.1 of the Summary (the "Premises"), which Premises are located in the Building (as defined in Section 6.2 of the Summary). The Premises shall not include any storage area in the Building, which shall be leased, if at all, pursuant to a separate agreement. The floor plan of the Premises is attached hereto as Exhibit A-2. The Building is part of an office project commonly known as "Corporate Campus East", which contains two (2) additional two (2) story office buildings located adjacent to the Building (the "Additional Buildings"). The term "Project," as used in this Lease, shall mean (i) the Building, (ii) the Additional Buildings, (iii) the surface parking areas serving the Building and the Additional Buildings (the "Parking Facilities"), (iv) any outside plaza areas, land and other improvements surrounding the Building and the Additional Buildings, and (v) the land upon which all of the foregoing are situated. Tenant acknowledges that Landlord has made no representation or warranty regarding the condition of the Project except as specifically set forth in this Lease or the Tenant Work Letter attached hereto as Exhibit D. Tenant shall have the right to the nonexclusive use of the common corridors and hallways, stairwells, elevators, restrooms and other public or common areas located in the Building and/or on the Project; provided, however, that the use thereof shall be subject to the rules and regulations attached hereto as Exhibit B (the "Rules and Regulations"), as the same may be reasonably modified by Landlord from time to time. Landlord reserves the right to make alterations or additions to or to change the location of elements of the Project and the common areas thereof.

1.2 Condition of Premises. Except as expressly set forth in this Lease and in the Tenant Work Letter, Landlord shall not be obligated to provide or pay for any improvements, work or services related to the improvement, remodeling or refurbishment of the Premises, and Landlord shall tender possession of the Premises to Tenant, and Tenant shall accept possession of the Premises from Landlord, in its "AS IS" condition. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises, the Building or the Project (except as specifically set forth in this Lease) or regarding the suitability of the Premises for the conduct of Tenant's permitted use set forth in Section 5.1 below or for any other purpose.

1.3 Rentable Square Feet. The parties hereby confirm and stipulate that the Premises contain the rentable square feet set forth in Section 6.1 of the Summary. The rentable square footage contained in the Premises, Building and/or Project is subject to remeasurement by Landlord but only following the initial Term of this Lease.

1.4 Decks. During the Term of this Lease, Tenant shall have the exclusive right to use the exterior decks that are attached to and accessible only from the Premises ("Decks") and for purposes of this Lease the Decks shall be considered a part of the Premises (including, without limitation, for purposes of Tenant's insurance and indemnity obligations under this Lease, but not for purposes of determining the rentable square footage of the Premises). The Decks are depicted on the attached Exhibit A-2. Tenant shall be responsible for maintaining and repairing the Decks and, to the extent that Landlord performs any such services to the Decks, Tenant shall reimburse Landlord for costs incurred in performing such services within thirty (30) days of receipt of invoice. Landlord agrees to perform the following work to the Decks (collectively, the "Deck Work"): clean the Decks; ensure that that Decks drain properly; and install a composite decking material reasonably selected by Landlord over the top of the existing floor of the Decks. Tenant acknowledges and agrees that (i) Landlord may perform the Deck Work during the Early Possession Period and/or following the Commencement Date and during the Term of the Lease (provided that Landlord agrees to use reasonable efforts to complete the Deck Work prior to the Commencement Date), and that such work may be performed during normal business hours; (ii) Landlord's performance of the Deck Work shall not constitute any interference with Tenant's right to use or enjoy the Premises, and without limitation shall not entitle Tenant to any abatement of Rent; and (iii) Tenant will cooperate with Landlord and its contractor(s) in order to facilitate the prompt and efficient performance of the Deck Work, which without limitation may include Tenant being required at its cost to move its personnel, property and equipment as needed for the performance of the Deck Work.



## ARTICLE 2

### LEASE TERM AND EXTENSION OPTION

2.1 Lease Term. The terms and provisions of this Lease shall be effective as of the date of execution of this Lease. The term of this Lease (the "Lease Term") shall be as set forth in Section 7.1 of the Summary and shall commence on the date (the "Lease Commencement Date" or "LCD") set forth in Section 7.2 of the Summary, and shall terminate on the date (the "Lease Expiration Date") set forth in Section 7.3 of the Summary, unless this Lease is sooner terminated as hereinafter provided or extended pursuant to the terms of the attached Exhibit F. Following the Lease Commencement Date, Landlord shall deliver to Tenant an amendment to lease in the form attached hereto as Exhibit C, setting forth the Lease Commencement Date and the Lease Expiration Date, and Tenant shall execute and return such amendment to Landlord within five (5) business days after Tenant's receipt thereof. However, Landlord's failure to provide such amendment shall not affect the validity of this Lease.

2.2 Delivery of Possession; Early Access. Tenant acknowledges that as of the date of the mutual execution and delivery of this Lease, the Premises is subject to a lease agreement ("Current Lease") pursuant to which the Premises is leased to another tenant ("Current Tenant"). Following the expiration of the Current Lease and vacation of the Premises by the Current Tenant, Landlord will tender possession of the Premises to Tenant in its as-is condition. The date of Landlord's tendering of possession of the Premises to Tenant (as evidenced by notice from Landlord to Tenant) is the "Possession Date". Landlord currently estimates (but does not warrant or guaranty) that the Possession Date will occur on or about approximately January 1, 2022. If for any reason, Landlord is delayed in tendering possession of the Premises to Tenant by any particular date, Landlord shall not be subject to any liability for such failure, and the validity of this Lease shall not be impaired; provided, however, that the June 1, 2022 date set forth in Section 7.2 Summary shall automatically be revised to the date which is five (5) months from the Possession Date so long as any delay Landlord's tendering possession of the Premises is not caused by the negligence, intentional misconduct or breach of this Lease by Tenant. During the period of time commencing on the Possession Date and ending the day prior to the Commencement Date ("Early Access Period"), Tenant shall be entitled to access and occupy the Premises solely in order to commence performance of the Tenant Improvements (pursuant to the terms and conditions of the attached Exhibit D) and to install Tenant's furniture, fixtures and equipment, provided that (i) Tenant shall not interfere with Landlord's or its contractor's performance of any work in the Premises or to the decks of the Premises; (ii) Tenant shall coordinate its activities with Landlord's activities and comply with Landlord's reasonable directives; and (iii) all provisions of the Lease other than those relating to payment of Rent shall apply to any such pre-commencement occupancy (including specifically without limitation all provisions relating to insurance, indemnity and freedom from liens). Tenant shall provide Landlord with copies of certificates of insurance, complying in all respects with the terms of this Lease, for all insurance required to be provided hereunder prior to Tenant or its contractor entering the Premises. Tenant hereby releases and discharges Landlord, its contractors, agents, employees and manager from and against any and all claims of loss, damage or injury to persons or property, including without limitation any product inventory, which is alleged to have occurred during the Early Access Period. Landlord makes no representation or warranty about the safety of the Premises during the Early Access Period, as construction and other activities may be ongoing.

2.3 Extension Option. Tenant shall have the option to extend the Lease Term beyond the initial Lease Term pursuant to the terms and conditions of the attached Exhibit F.

## ARTICLE 3

### BASE RENT

3.1 Tenant shall pay, without notice or demand, to Landlord at the address set forth in Section 3 of the Summary, or such other place as Landlord may from time to time designate in writing, in currency or a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("Base Rent") as set forth in Section 8 of the Summary, payable in equal monthly installments as set forth in Section 8 of the Summary in advance on or before the first (1<sup>st</sup>) day of each and every calendar month during the Lease Term, without any setoff or deduction whatsoever. At Landlord's option, all Rent shall be paid to Landlord electronically via wire transfer or other direct deposit method and copies of all such electronic payments shall be provided to the Landlord on a monthly basis. The Rent for the first (1<sup>st</sup>) full-paying calendar month of the Lease Term shall be paid at the time of Tenant's execution of this Lease. If any rental payment date (including the Lease Commencement Date) falls on a day of a calendar month other than the first (1<sup>st</sup>) day of such calendar month or if any Rent payment is for a period which is shorter than one calendar month (such as during the last month of the Lease Term), the Rent for any fractional calendar month shall be the proportionate amount of a full calendar month's rental based on the proportion that the number of days in such fractional month bears to the number of days in the calendar month during which such fractional month occurs. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

3.2 Abatement of Base Rent. Notwithstanding anything to the contrary contained herein and provided that Tenant faithfully performs all of the terms and conditions of this Lease and is not in default hereunder, Landlord hereby agrees to abate Tenant's obligation to pay the monthly installments of Base Rent otherwise payable by Tenant for the Premises (collectively, the "Abated Rent") during the initial Four (4) months of the initial Lease Term (collectively, the "Abatement Period") (for a total abatement of Base Rent equal to \$168,080.68). During the Abatement Period, Tenant shall remain responsible for the payment of all of its other monetary obligations under this Lease, including without limitation all Additional Rent. In the event of a default by Tenant under the terms of this Lease that results in the early termination of this Lease pursuant to the provisions of Article 19 below, then as a part of the recovery set forth in Article 19 below, Landlord shall be entitled to recover the unamortized amount of the Abated Rent, which amount shall be determined by multiplying the total amount of Abated Rent by a fraction, the numerator of which is the number of months remaining in the Term of this Lease at the time of such termination, and the denominator of which is the number of months during the Term of this Lease that Tenant is obligated to pay monthly Base Rent.

## ARTICLE 4

### ADDITIONAL RENT

4.1 Additional Rent. In addition to paying the Base Rent specified in Article 3 above, Tenant shall pay as additional rent the sum of the following: (i) Tenant's Share of the annual Operating Expenses allocated to the Building (pursuant to Section 4.3.4 below); plus (ii) Tenant's Share of the annual Tax Expenses (as defined below) allocated to the Building (pursuant to Section 4.3.4 below). Such additional rent, together with any and all other amounts payable by Tenant to Landlord hereunder pursuant to the terms of this Lease (other than the Base Rent), shall be deemed additional rent, and hereinafter collectively referred to as the "Additional Rent." The Base Rent and Additional Rent are herein collectively referred to as the "Rent." All amounts due under this Article 4 as Additional Rent shall be payable in the same manner, time and place as the Base Rent, except as otherwise expressly set forth in this Article 4. Without limitation on other obligations of Tenant which shall survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term.

4.2 Definitions. As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 "Expense Year" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires.

4.2.2 "Operating Expenses" shall mean all expenses, costs and amounts of every kind and nature which Landlord shall pay or incur because of or in connection with the ownership, management, maintenance, repair, restoration or operation of the Project, including, without limitation, any amounts paid or incurred for: (i) the cost of supplying all utilities (including, without limitation, any telephone risers or intra building network cabling), the cost of janitorial service, alarm and security service, window cleaning, and trash removal, the cost of operating, maintaining, repairing, replacing, renovating and managing the utility systems, mechanical systems, sanitary and storm drainage systems, and escalator and elevator systems, and the cost of supplies, tools, and equipment and maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections and the cost of contesting the validity or applicability of any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with the implementation and operation of a transportation system management program or similar program; (iii) the cost of insurance carried by Landlord in connection with the Project, in such amounts as Landlord may reasonably determine, or as may be required by any mortgagees of any mortgage, or the lessor of any ground lease affecting the Project; (iv) the cost of landscaping, relamping, supplies, tools, equipment (including equipment rental agreements) and materials, and all commercially reasonable fees, charges and other costs, including commercially reasonable management fees (or amounts in lieu thereof), consulting fees, legal fees and accounting fees, incurred in connection with the management, operation, administration, maintenance and repair of the Project; (v) the cost of parking area repair, restoration and maintenance, including, but not limited to, resurfacing, repainting, restriping, and cleaning; (vi) commercially reasonable wages, salaries and other compensation and benefits of all persons engaged in the operation, management, maintenance or security of the Project, and employer's Social Security taxes, unemployment taxes or insurance, and any other taxes which may be levied on such wages, salaries, compensation and benefits; (vii) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Project; (viii) amortization (including interest on the unamortized cost at a rate equal to twelve percent (12%) per annum (the "Interest Rate")) of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project; (ix) the cost (including rent) of Landlord's property management office for the Project and all utilities, supplies and materials used in connection therewith; (x) the cost of any capital alterations, capital additions, or capital improvements made to the Project or any portion thereof (A) which are deemed reasonably necessary by Landlord to maintain the quality, integrity

and/or character of the Project and all systems, equipment and/or facilities which serve the Project (including replacement of wall and floor coverings, ceiling tiles and fixtures in lobbies, corridors, restrooms and other common or public areas or facilities, maintenance and replacement of curbs, walkways and parking areas), (B) which are intended as a labor-saving device or to effect other economies in the operation or maintenance of the Project, or any portion thereof, or (C) that are required under any governmental law or regulation that is then being enforced by a federal, state or local governmental agency; provided, however, that each such capital expenditure shall be amortized (including interest on the unamortized cost at the Interest Rate in effect at the time such expenditure is placed in service) over the useful economic life of such alteration, addition or improvement as determined by Landlord pursuant to commercially reasonable accounting practices, and only the current amortized portion of each such expenditure shall be included in Operating Expenses for each applicable Expense Year; and (xi) the funding of any reserves maintained by Landlord to pay for any Operating Expenses.

If Landlord is not furnishing any particular work or service (the cost of which, if performed or provided by Landlord, would be included in Operating Expenses) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such work or service to such tenant. If the Building, Additional Building and/or any other office buildings located in the Project are less than 100% occupied during all or a portion of any Expense Year (including, without limitation, if any portion of the Building, such Additional Building and/or such other office buildings [if any] are unleased or are leased, but are not then being used by a tenant in the ordinary course of its business), Landlord shall make an appropriate adjustment to the variable components of Operating Expenses for such Expense Year as reasonably determined by Landlord employing sound accounting and management principles, to determine the amount of Operating Expenses that would have been paid had the Building, the Additional Building and/or any other office buildings located in the Project been 100% occupied, and the amount so determined shall be deemed to have been the amount of Operating Expenses for such Expense Year. For purposes hereof, cost savings in components of Operating Expenses arising by reason of the cessation of use by tenants at the Building, such Additional Building and/or such other office buildings [if any] located in the Project due to Casualty (as that term is defined in Section 11.1 below), Force Majeure (as that term is defined in Section 24.13 below), or other extraordinary circumstances are considered variable Operating Expenses that may be grossed up in Operating Expenses.

Landlord shall have the right, from time to time, to equitably allocate and prorate some or all of the Operating Expenses among different tenants and/or buildings of the Project (the "Cost Pools"). Such Cost Pools may include, without limitation, the office space tenants and retail space tenants, if any, of the Project, and allocation of those Operating Expenses attributable solely to a specific building in the Project to that building. Landlord may also elect to allocate specific elements of Operating Expenses to individual tenants, including Tenant, if such specific element is attributable solely to such individual tenant.

Notwithstanding the foregoing, for purposes of this Lease, Operating Expenses shall not include: (1) except as otherwise set forth above in this Section 4.2.2, interest, points and fees on debt and amortization on mortgages; (2) ground lease payments; (3) costs of leasing commissions, attorneys' fees, advertising expenses and other costs and expenses incurred in connection with negotiations or disputes with present or prospective tenants or other occupants of the Project, or in connection with selling or conveying any of Landlord's interest in the Building or any buildings in the Project or the land associated therewith; (4) the cost of providing any service directly to and paid directly by any tenant; (5) any costs expressly excluded from Operating Expenses elsewhere in this Lease; (6) costs of any items to the extent Landlord receives reimbursement from insurance proceeds (such proceeds to be excluded from Operating Expenses in the year in which received, except that any deductible amount under any insurance policy shall be included within Operating Expenses) or from a third party; (7) costs, including permit, license and inspection costs, incurred in renovating or otherwise improving, decorating, or redecorating rentable space (including vacant rentable space) for tenants or other occupants in the Project; (8) tax penalties incurred as a result of Landlord's negligence, inability or unwillingness to make payments or file returns when due; (9) costs arising from Landlord's charitable or political contributions; (10) costs incurred due to the violation by Landlord of the terms and conditions of any lease of space in the Project; (11) costs of additions, alterations, repairs or improvements which under commercially reasonable real estate management and accounting practices and principles, consistently applied, are properly classified as capital expenditures, except those costs set forth in clauses (viii) and (x) hereinabove; (12) intentionally deleted; (13) advertising and promotional expenditures; (14) brokerage commissions, space planning costs, finders' fees and attorneys' fees incurred by Landlord in connection with leasing or attempting to lease space within the Project; (15) intentionally deleted; (16) intentionally deleted; (17) the wages and benefits of any employee who does not devote substantially all of their employed time to the operation and management of the Building or Project unless such wages and benefits are prorated to reflect time spent on operating and managing the Building and Project vis-à-vis time spent on matters unrelated to operating and managing the Building and the Project; (18) intentionally deleted; (19) Landlord's general corporate overhead and administrative expenses, except for the property management fee set forth in (iv) hereinabove, and except as they relate to the specific management of the Property (20) intentionally deleted; (21) any costs for which



Landlord has been reimbursed or is entitled to reimbursement (other than through operating expenses pass-through provisions of other tenants' leases); (22) intentionally deleted; (23) costs of acquisition of sculptures, painting and other objects of art; (24) costs of any items (including, but not limited to, costs incurred by Landlord with respect to goods, services and utilities sold and/or supplied to tenants and occupants of the Project, and/or for the repair of damage to the Building for items which are reimbursable under any contractor, manufacturer or supplier warranty) to the extent Landlord receives reimbursement from insurance or condemnation proceeds, or from a contractor manufacturer, supplier or any other third party pursuant to any warranty or otherwise (other than reimbursement by tenants pursuant to Operating Expense pass-through provisions of their leases); such proceeds shall be credited to Operating Expenses in the year in which received; (25) costs, including permit, license and inspection costs, incurred with respect to the installation of tenant improvements made for any tenants in the Project or incurred in renovating or otherwise improving preparing, decorating, painting or redecorating vacant space for tenants or other occupants of the Project; (26) depreciation and amortization, except as expressly provided above in this Section 4.2.2, and except on materials, tools, supplies and vendor-type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party, and when depreciation and amortization is permitted or required, the item shall be amortized over its useful life in the manner described in this Section 4.2.2 above, together with interest on the unamortized costs at the Interest Rate; and (27) intentionally deleted.

4.2.3 "Tax Expenses" shall mean all federal, state, county, or local governmental or municipal taxes, fees, assessments, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary (including, without limitation, real estate taxes, general and special assessments, transit assessment fees and taxes, business or license taxes or fees, annual or periodic license or use fees, open space charges, housing fund assessments, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project), which Landlord shall pay or incur because of or in connection with the ownership, leasing and operation of the Project or Landlord's interest therein. For purposes of this Lease, Tax Expenses shall be calculated as if the tenant improvements in the Building and the Additional Building were fully constructed and the Building and the Additional Building and all tenant improvements in the Building and the Additional Building were fully assessed for real estate tax purposes.

4.2.3.1 Tax Expenses shall include, without limitation:

(i) any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, including any governmental or private assessments or the Project's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies. It is the intention of Tenant and Landlord that all such new and increased assessments, taxes, fees, levies, and charges and all similar assessments, taxes, fees, levies and charges be included within the definition of Tax Expenses for purposes of this Lease;

(ii) any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any gross receipts with respect to the receipt of such Rent, and/or any tax upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof;

(iii) any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises; and

(iv) any expenses incurred by Landlord in attempting to protest, reduce or minimize Tax Expenses.

4.2.3.2 Notwithstanding anything to the contrary contained in this Section 4.2.3, there shall be excluded from Tax Expenses (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) any fines or penalties resulting from Landlord's failure to timely pay any taxes or assessments when due, and (iii) any items paid by Tenant under Section 4.4 below.

4.2.4 "Tenant's Share" shall mean the percentage set forth in Section 9 of the Summary. Tenant's Share was calculated by dividing the number of rentable square feet of the Premises by the total rentable square feet in the Building. Landlord shall have the right from time to time to redetermine the rentable square feet of the Premises, Building and/or Project, and Tenant's Share shall be appropriately

adjusted to reflect any such determination; provided Landlord agrees that such adjustment may only occur following the initial Term. If Tenant's Share is adjusted pursuant to the foregoing, then, as to the Expense Year in which such adjustment occurs, Tenant's Share for such year shall be determined on the basis of the number of days during such Expense Year that each such Tenant's Share was in effect.

#### 4.3 Calculation and Payment of Additional Rent.

4.3.1 Payment of Operating Expenses and Tax Expenses. During each Expense Year ending or commencing within the Lease Term, Tenant shall pay to Landlord as additional Rent, Tenant's Share of Operating Expenses and Tax Expenses for the portion of such Expense Year occurring during the Lease Term, in the manner set forth in Section 4.3.2 below.

4.3.2 Statement of Actual Operating Expenses and Tax Expenses and Payment by Tenant. Landlord shall endeavor to give to Tenant on or before the first (1<sup>st</sup>) day of June following the end of each Expense Year, a statement (the "Statement") which shall state the Operating Expenses and Tax Expenses incurred or accrued for such preceding Expense Year. Within thirty (30) days after Tenant's receipt of the Statement for each Expense Year during the Lease Term, Tenant shall pay to Landlord the full amount of the Tenant's Share of Operating Expenses and Tax Expenses for such Expense Year, less the amounts, if any, paid during such Expense Year as the Estimated Expenses as defined in and pursuant to Section 4.3.3 below. If any Statement reflects that Tenant has overpaid Tenant's Share of Operating Expenses and/or Tenant's Share of Tax Expenses for such Expense Year, then Landlord shall, at Landlord's option, either (i) remit such overpayment to Tenant within thirty (30) days after such applicable Statement is delivered to Tenant, or (ii) credit such overpayment toward the additional Rent next due and payable to Tenant under this Lease. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord from enforcing its rights under this Article 4. Even though the Lease Term has expired and Tenant has vacated the Premises, if the Statement for the Expense Year in which this Lease terminates reflects that Tenant has overpaid and/or underpaid Tenant's Share of Operating Expenses and/or Tenant's Share of Tax Expenses for such Expense Year, then within thirty (30) days after Landlord's delivery of such Statement to Tenant, Landlord shall refund to Tenant any such overpayment, or Tenant shall pay to Landlord any such underpayment, as the case may be. The provisions of this Section 4.3.2 shall survive the expiration or earlier termination of the Lease Term.

4.3.3 Statement of Estimated Operating Expenses and Tax Expenses. Landlord shall endeavor to give Tenant a yearly expense estimate statement (the "Estimate Statement") which shall set forth Landlord's reasonable estimate (the "Estimate") of the total amount of Tenant's Share of the Operating Expenses and Tax Expenses for the then-current Expense Year (the "Estimated Expenses"). The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Estimated Expenses under this Article 4. Following Landlord's delivery of the Estimate Statement for the then-current Expense Year, Tenant shall pay, with its next installment of Base Rent due, a fraction of the Estimated Expenses for the then-current Expense Year (reduced by any amounts paid pursuant to the last sentence of this Section 4.3.3). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year to the month of such payment, both months inclusive, and shall have twelve (12) as its denominator. Until a new Estimate Statement is furnished, Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Expenses set forth in the previous Estimate Statement delivered by Landlord to Tenant.

4.3.4 Allocation of Operating Expenses and Tax Expenses to Building. The parties acknowledge that the Building is part of a multi-building project, and that the costs and expenses incurred in connection with the Project (i.e., the Operating Expenses and Tax Expenses) are determined annually for the Project as a whole but then allocated by Landlord among (i) the tenants of the Building, (ii) the tenants of the Additional Building and (iii) if and when other buildings are constructed on the Project and are in operation, the tenants of such other buildings, for purposes of determining such tenants' shares of Operating Expenses and Tax Expenses. In making such allocation of Operating Expenses and Tax Expenses for purposes of determining Tenant's Share of Operating Expenses and Tax Expenses, Operating Expenses and Tax Expenses shall be allocated as follows: the portion of Operating Expenses and Tax Expenses allocated to the tenants of the Building shall consist of (A) all Operating Expenses and Tax Expenses attributable solely to the Building and (B) an equitable portion, as reasonably determined by Landlord, of the Operating Expenses and Tax Expenses attributable to the Project as a whole and not attributable solely to the Building, the Additional Building or to any other buildings of the Project.

4.4 Taxes and Other Charges for Which Tenant Is Directly Responsible. Tenant shall reimburse Landlord, as Additional Rent, within ten (10) days after demand, for all taxes and assessments required to be paid by Landlord (except to the extent included in Tax Expenses by Landlord), excluding state, local and federal personal or corporate income taxes measured by the net income of Landlord from all sources and estate and inheritance taxes, whether or not now customary or within the contemplation of the parties hereto, when:

4.4.1 said taxes are measured by or reasonably attributable to the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or by the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, to the extent the cost or value of such leasehold improvements exceeds the cost or value of a building standard build-out as determined by Landlord regardless of whether title to such improvements shall be vested in Tenant or Landlord;

4.4.2 said taxes are assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Project; or

4.4.3 said taxes are assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

4.5 Late Charges. If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee by the due date therefor, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the amount due plus any attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder, at law and/or in equity and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid by the date that they are due shall thereafter bear interest until paid at a rate equal to the lesser of (i) the Interest Rate, or (ii) the highest rate permitted by applicable law.

4.6 Tenant may once each calendar year during the Term, within ninety (90) days after receiving the Statement, give Landlord notice (the "Review Notice") that Tenant intends to have Landlord's records of the Operating Expenses and Tax Expenses for the calendar year covered by the Statement reviewed (the "Review") for the sole purpose of determining whether the Statement is accurate; provided that as a condition to Tenant's exercise of its right of Review set forth in this Section 4.6, Tenant shall not be permitted to withhold payment of, and Tenant shall timely pay to Landlord, the full amount as required by the provisions of this Section 4 in accordance with such Statement. However, such payment may be made under protest pending the outcome of the Review.

4.6.1 If Tenant retains an agent to review Landlord's records, the agent shall be with a CPA firm licensed to do business in the State of Washington (working on a non-contingency fee basis) and its fees shall not be contingent in whole or in part, upon the outcome of the review ("Tenant's Accountant").

4.6.2 Within a reasonable time after receipt of the Review Notice, Landlord shall make available to Tenant's Accountant during Landlord's normal business hours all pertinent records with respect to the Statement for the calendar year that is the subject of the Review Notice and that are reasonably necessary for Tenant's Accountant to conduct the Review. If any records are maintained at a location other than the office of the Building, Tenant's Accountant may either inspect the records at such other location or Tenant may pay for the reasonable cost of copying and shipping the records. Except as otherwise expressly hereinafter provided, Tenant shall be solely responsible for all costs, expenses and fees incurred for the Review. Within sixty (60) days after the records are made available to Tenant's Accountant (the "Objection Period"), Tenant shall have the right to give Landlord notice (an "Objection Notice") stating in reasonable detail any objection to Landlord's Statement for that year. If Tenant fails to provide Landlord with a Review Notice with respect to the Statement for any calendar year within the ninety (90) day period described above, or fails to give Landlord an Objection Notice within the sixty (60) day period described above, Tenant shall be deemed to have approved the Statement and shall be barred from raising any claims regarding the Statement for that year.

4.6.3 If Landlord agrees with Tenant's Objection Notice, then Landlord shall credit the amount of any overpayment by Tenant in respect of Operating Expenses and Tax Expenses against the Rent next payable under this Lease; provided, that if the Term shall have expired, then any overpayment for which Tenant may otherwise have received a credit shall be refunded to Tenant within thirty (30) days after receipt of said certification at Tenant's last known address after deducting the amount of Rent and any other payments due. If Landlord disagrees with Tenant's Objection Notice, then Landlord shall give to Tenant notice thereof within thirty (30) days after Landlord's receipt of Tenant's Objection Notice, which notice shall set forth in reasonable detail the reasons for such disagreement, and Landlord and Tenant shall attempt to resolve the disagreement.

4.6.4 If Landlord and Tenant cannot mutually agree on the resolution of the disagreement within thirty (30) days after Tenant's receipt of Landlord's notice of disagreement, then Landlord and Tenant shall jointly choose an independent certified public accountant located in Seattle, Washington who has not represented either Landlord, Tenant, or their respective affiliates, in the preceding five (5) years to resolve the disagreement, whose determination shall be binding on the parties hereto. If



the parties are unable to agree upon such independent certified public accountant, then either Landlord or Tenant shall have the right to petition for the appointment of the independent accountant by the Presiding Judge of the Superior Court of King County, Washington and the decision of such Judge (and the determination of the accountant appointed by such Judge) shall be final and binding upon the parties, and not subject to appeal of any kind. If the final determination shall disclose that the Statement for the calendar year in question were overstated by more than the greater of (x) five percent (5%), and (y) five thousand dollars (\$5,000.00), then Landlord shall reimburse Tenant, within thirty (30) days after Landlord receives notice of such final determination, for the reasonable costs of the independent certification or reimburse Tenant (as applicable) the cost of Tenant's accountant's review, up to a maximum of Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) per review (but each party shall pay the cost of its respective attorney's fees); otherwise, the cost of the audit and arbitration shall be paid by Tenant.

4.6.5 If Operating Expenses and/or Tax Expenses for the calendar year are less than reported, Landlord shall provide Tenant with a credit against the payment of Rent next due in the amount of the overpayment by Tenant; provided, however, if the Term shall have expired, then any overpayment for which Tenant may otherwise have received a credit shall be refunded to Tenant within thirty (30) days after receipt of said certification at Tenant's last known address after deducting the amount of Rent and any other payments due. Likewise, if Landlord and Tenant determine that Operating Expenses and/or Tax Expenses for the calendar year are greater than reported, Tenant shall pay Landlord the amount of any underpayment in Tenant's Pro Rata Share thereof within thirty (30) days.

4.6.6 Tenant acknowledges and agrees that any records reviewed under this provision constitute confidential information of Landlord that shall not be disclosed to anyone other than Tenant's Accountant and the principals of Tenant who receive the results of such Review. Before making any records available for review, Landlord may require Tenant and Tenant's Accountant to execute a reasonable confidentiality agreement, in which event Tenant shall cause the same to be executed and delivered to Landlord within twenty (20) days after receiving it from Landlord, and if Tenant fails to do so, the Objection Period shall be reduced by one (1) day for each day by which such execution and delivery follows the expiration of such twenty (20)-day period.

## **ARTICLE 5**

### **USE OF PREMISES**

5.1 Use. Tenant shall use the Premises solely for purposes of the operation of an ophthalmology practice, including the provision of ophthalmic surgeries and procedures on an out-patient basis, and for associated executive and administrative office purposes, all consistent with the character of the Project as a first-class office building project, and Tenant shall not use or permit the Premises to be used for any other purpose or purposes whatsoever. Tenant shall, at its sole cost and expense, obtain all governmental licenses and permits required to allow Tenant to conduct Tenant's permitted use. The population density within the Premises as a whole shall at no time exceed one person for each 250 rentable square feet in the Premises. Tenant shall not use, or permit any of Tenant's employees, agents, representatives, contractors, invitees or licensees to use, the Premises or any part thereof for any use or purpose: (i) contrary to the Rules and Regulations; or (ii) in violation of any applicable laws, including, without limitation, those with respect to Hazardous Materials; or (iii) which would adversely affect or render more expensive (unless Tenant directly pays to Landlord the additional premium therefor) any fire or other insurance maintained by Landlord for the Project or any of its contents; or (iv) which would impair or interfere with any of the Building systems and equipment or the janitorial, security and building maintenance services; or (v) which would impair or materially and adversely interfere with the structural portions of the Building including, without limitation, the foundation, floor/ceiling slabs, roof, curtain wall, exterior glass and mullions, columns, beams, shafts (including elevator shafts), stairs, Parking Facilities, stairwells, elevator cabs, plazas, washrooms, mechanical, electrical and telephone closets. Tenant shall comply with all recorded covenants, conditions, and restrictions, and the provisions of all ground leases, now or hereafter affecting the Project and shall not at any time use or occupy or allow any person to use or occupy the Premises or the Project or do or permit anything to be done or kept in the Premises or the Project in any manner which: (A) violates any certificate of occupancy in force for the Premises, the Building or the Project; (B) causes or is likely to cause damage to the Premises or the Project or any equipment, facilities or other systems therein; (C) results in repeated demonstrations, bomb threats or other events which require evacuation of the Building or Project or otherwise disrupt the use, occupancy or quiet enjoyment of the Building or Project by other tenants and occupants; or (D) interferes with the transmission or reception of microwave, television, radio or other communications signals by antennae located on the roof of the Building or elsewhere in the Building or Project. Landlord shall not be responsible to Tenant for the nonperformance of any of Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Project; provided, however, that Landlord shall not enforce the Rules and Regulations in a discriminatory manner against Tenant.

5.2 Hazardous Materials. Tenant shall not use or allow another person or entity to use any part of the Premises and Tenant shall not use any part of the Building or Project for the storage, use, treatment,

manufacture or sale of Hazardous Materials. Landlord acknowledges, however, that Tenant will maintain ordinary office products in the Premises which are incidental to the operation of its offices, such as photocopy supplies, secretarial supplies and limited janitorial supplies, which products may contain chemicals which are categorized as Hazardous Materials. Landlord agrees that the use of such products in the Premises in compliance with all applicable laws and in the manner in which such products are designed to be used shall not be a violation by Tenant of this Section 5.2. Tenant shall immediately notify Landlord of any inquiry, test, investigation or enforcement proceeding by or against Tenant or the Premises concerning the presence of any Hazardous Material. Tenant shall promptly take all actions, at its sole cost and expense, as are necessary to return the Premises, the Building and the Project to the condition existing prior to the introduction of any Hazardous Materials by Tenant or the contractors, agents, employees, licensees or invitees of Tenant, provided Landlord's approval of such actions shall first be obtained. If Tenant shall fail to comply with the provisions of this Section 5.2 within five (5) days after written notice by Landlord, or such shorter period of time as shall be required by applicable laws in order to minimize any hazard to persons or property, Landlord may (but shall not be obligated to) arrange for such compliance directly or as Tenant's agent through contractors or other parties selected by Landlord, at Tenant's expense (without limiting Landlord's other remedies under this Lease or applicable laws). In addition, Tenant shall indemnify, defend, protect and hold harmless the Landlord Parties (as defined below) from and against any and all Claims (as defined below) incurred in connection with or arising from violation of this Section 5.2 by Tenant, or any person claiming by, through or under Tenant, or of the contractors, agents, employees, licensees or invitees of Tenant. The provisions of this Section 5.2 shall survive the expiration or sooner termination of this Lease with respect to any Claims in violation of this Section 5.2 occurring prior to such expiration or termination. As used herein, the term "Hazardous Materials" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States Government, including, without limitation, any material or substance which is (i) defined or listed as a "hazardous waste," "extremely hazardous waste," "restricted hazardous waste," "hazardous substance" or "hazardous material" under any applicable federal, state or local law or administrative code promulgated thereunder, (ii) petroleum, or (iii) asbestos.

5.2 Decks. Tenant's use of the Decks shall at all times comply with the terms and conditions of this Lease, and in addition Tenant shall comply with the Deck rules and regulations attached hereto as Exhibit H.

## ARTICLE 6

### SERVICES AND UTILITIES

6.1 Standard Tenant Services. Landlord shall provide the following services on all days during the Lease Term, unless otherwise stated below.

6.1.1 Subject to all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide heating, ventilation and air conditioning ("HVAC") when necessary for normal comfort for normal office use in the Premises, from Monday through Friday during the period from 7:00 a.m. to 6:00 p.m. and on Saturday during the period from 9:00 a.m. to 1:00 p.m. (collectively, the "Building Hours"), except for the date of observation of New Years Day, Martin Luther King Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day and any other nationally and/or locally recognized holidays as designated by Landlord (collectively, the "Holidays"). Notwithstanding the foregoing, if during the Lease Term Landlord permits Tenant to install one (1) or more independent HVAC units (collectively, the "HVAC Units") in the Premises pursuant to Article 8 below for Tenant's exclusive use within the Premises, then the electrical usage for the HVAC Units shall be separately metered, at Tenant's sole cost and expense, and Tenant shall, within thirty (30) days after Tenant's receipt of invoice therefor from Landlord, pay to Landlord or reimburse Landlord for the actual electrical costs charged by the entity providing electricity to the HVAC Units. Tenant shall be responsible for repair and maintenance of the HVAC Units at Tenant's expense and, accordingly, Tenant shall, throughout the Lease Term, maintain a service and/or maintenance contract for the HVAC Units, with a service provider reasonably approved by Landlord, which service provider shall perform all maintenance and repair on the HVAC Units. Tenant shall provide to Landlord a copy of periodic service reports for the HVAC Units, as such reports are received by Tenant.

6.1.2 Landlord shall provide adequate electrical wiring and facilities and power for normal general office use as determined by Landlord. As part of Operating Expenses, Landlord shall replace lamps, starters and ballasts for Building standard lighting fixtures within the Premises. Tenant shall bear the cost of replacement of lamps, starters and ballasts for non-Building standard lighting fixtures within the Premises.

6.1.3 Landlord shall provide city water from the regular Building outlets for drinking, lavatory and toilet purposes.

6.1.4 Landlord shall provide janitorial services five (5) days per week, except the date of observation of the Holidays, in and about the Premises.

6.1.5 Landlord shall provide nonexclusive automatic passenger elevator service at all times.

6.2 Overstandard Tenant Use. Tenant shall not, without Landlord's prior written consent, use heat-generating machines, machines other than normal fractional horsepower office machines, or equipment or lighting other than building standard lights in the Premises, which may affect the temperature otherwise maintained by the air conditioning system or increase the need for water normally furnished for the Premises by Landlord pursuant to the terms of Section 6.1 above. If Tenant uses water or HVAC in excess of that supplied by Landlord pursuant to Section 6.1 above, or if Tenant's consumption of electricity shall exceed an average of three (3) watts per usable square foot of the Premises, connected load, calculated on a monthly basis during the Building Hours set forth in Section 6.1.1 above, then Tenant shall pay to Landlord, within ten (10) days after billing, the cost of such excess consumption, the cost of the installation, operation, and maintenance of equipment which is installed in order to supply such excess consumption, and the cost of the increased wear and tear on existing equipment caused by such excess consumption; and Landlord may install devices to separately meter any increased use and in such event Tenant shall pay the increased cost directly to Landlord, within ten (10) days after demand, including the cost of such additional metering devices. If Tenant desires to use HVAC from other than the HVAC Units (if applicable) during hours other than the Building Hours, (i) Tenant shall give Landlord such prior notice, as Landlord shall from time to time establish as appropriate, of Tenant's desired use, (ii) Landlord shall supply such after-hours HVAC to Tenant at such hourly cost to Tenant as Landlord shall from time to time establish, and (iii) Tenant shall pay such cost to Landlord within ten (10) days after billing as Additional Rent hereunder.

6.3 Interruption of Use. Except as provided in Section 6.6 below, Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building or Project after reasonable effort to do so, by any accident or Casualty whatsoever, by act or default of Tenant or other parties, or by any other cause whatsoever; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent (except as provided in Section 6.6 below), or performing any of its obligations under this Lease. It is understood that any such condition may require the temporary evacuation or closure of all or a portion of the Building and Project. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6. Further, in the event any governmental authority or public utility promulgates or revises any law, ordinance, rule or regulation, or issues mandatory controls or voluntary controls relating to the use or conservation of energy, water, gas, light or electricity, the reduction of automobile or other emissions, or the provision of any other utility or service, Landlord may take any reasonably appropriate action to comply with such law, ordinance, rule, regulation, mandatory control or voluntary guideline and Tenant's obligations hereunder shall not be affected by any such action of Landlord. The parties acknowledge that safety and security devices, services and programs provided by Landlord, if any, while intended to deter crime and ensure safety, may not in given instances prevent theft or other criminal acts, or ensure safety of persons or property. The risk that any safety or security device, service or program may not be effective, or may malfunction, or be circumvented by a criminal, is assumed by Tenant with respect to Tenant's property and interests, and Tenant shall obtain insurance coverage to the extent Tenant desires protection against such criminal acts and other losses, as further described in this Lease. Tenant agrees to cooperate in any reasonable safety or security program developed by Landlord or required by law.

6.4 Additional Services. Landlord shall also have the exclusive right, but not the obligation, to provide any additional services which may be required by Tenant, including, without limitation, locksmithing, additional janitorial service, and additional repairs and maintenance, provided that Tenant shall pay to Landlord, within ten (10) days after billing, and as Additional Rent hereunder, the sum of all costs to Landlord of such additional services plus a ten percent (10%) administration fee.

6.5 Access to Building and Parking Facilities. Subject to the other provisions of this Lease (including, without limitation, the Rules and Regulations and any modifications thereof adopted by Landlord from time to time), Tenant shall be granted access to the Building, the Premises, and the Parking Facilities twenty-four (24) hours per day, seven (7) days per week, every day of the year.

6.6 Abatement Event. If (i) Landlord fails to provide services required of Landlord under Sections 6.1 and/or 6.5 above, and (ii) such failure causes all or a material portion of the Premises to be untenable by Tenant and Tenant actually ceases to use all or a material portion of the Premises, (iii) such failure is not the result of a Force Majeure event and is reasonably within Landlord's ability to cure, and



(iv) such failure is not the result of the acts and/or omissions of Tenant and/or its agents, contractors, employees, licensees or invitees, then in order to be entitled to receive the benefits of this Section 6.6, Tenant must give Landlord notice (the "Initial Notice"), specifying such failure to perform by Landlord (the "Abatement Event"). If Landlord has not commenced to cure such Abatement Event within five (5) business days after the receipt of the Initial Notice and is not otherwise excused from such performance by this Lease, then prior to any abatement, Tenant must deliver an additional written notice to Landlord (the "Additional Notice"), specifying such Abatement Event and Tenant's intention to abate the payment of Rent under this Lease. If Landlord does not commence to cure such Abatement Event within five (5) business days of receipt of the Additional Notice and thereafter diligently pursue the cure to completion, Tenant may, upon written notice to Landlord, immediately abate Base Rent and Tenant's Share of Operating Expenses and Tax Expenses payable under this Lease for that portion of the Premises rendered untenantable and not actually used by Tenant, for the period beginning on the date five (5) business days after the Initial Notice to the earlier of the date Landlord cures such Abatement Event or the date Tenant recommences the use of such portion of the Premises. If Tenant fails to immediately provide the Additional Notice and commence applying any abatement of Base Rent and Tenant's Share of Operating Expenses and Tax Expenses payable under this Lease for that portion of the Premises rendered untenantable and not actually used by Tenant, then Tenant's right to abate Base Rent and Tenant's Share of Operating Expenses and Tax Expenses shall be of no further force or effect with respect to the applicable Abatement Event. Except as provided in this Section 6.6, nothing contained herein shall be interpreted to mean that Tenant is excused from paying Rent due hereunder.

## ARTICLE 7

### REPAIRS

7.1 Tenant's Repairs. Subject to Landlord's repair obligations in Sections 7.2 and 11.1 below, Tenant shall, at Tenant's own expense, keep the Premises, including without limitation all improvements, fixtures and furnishings therein, in good order, repair and condition at all times during the Lease Term, which repair obligations shall include, without limitation, the obligation to promptly and adequately repair all damage to the Premises and replace or repair all damaged or broken fixtures and appurtenances; provided however, that, at Landlord's option, or if Tenant fails to make such repairs, Landlord may, but need not, after ten (10) days written notice to Tenant (unless Landlord determines that the emergency nature of a repair is such that ten (10) days written notice cannot be provided), make such repairs and replacements, and Tenant shall pay Landlord (within thirty (30) days of receipt of invoice) for all costs incurred by Landlord to perform such repair or replacement, plus an administrative fee equal to 10% of all such costs.

7.2 Landlord's Repairs. Anything contained in Section 7.1 above to the contrary notwithstanding, and subject to Articles 11 and 12 below, Landlord shall repair and maintain the structural portions of the Building, including, without limitation, the exterior walls, foundation and roof/roof systems of the Building, the plumbing, HVAC, mechanical, electrical and life safety systems serving the Building and not located in the Premises, and the common areas of the Building and Project; provided, however, to the extent such maintenance and repairs are caused by the act, neglect, fault of or omission of any duty by Tenant, its agents, contractors, employees, licensees or invitees, Tenant shall pay to Landlord, as Additional Rent, the reasonable cost of such maintenance and repairs. Landlord shall not be liable to Tenant for any failure to make any such repairs, or to perform any maintenance hereunder. There shall be no abatement of Rent, except as provided in Section 6.6 above, and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of or failure to make any repairs, alterations or improvements in or to any portion of the Premises or Project or in or to fixtures, appurtenances and equipment therein. Tenant hereby waives and releases its right to make repairs at Landlord's expense under any applicable laws.

## ARTICLE 8

### ADDITIONS AND ALTERATIONS

8.1 Landlord's Consent to Alterations. Tenant may not make any improvements, alterations, additions or changes to the Premises (collectively, the "Alterations") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than thirty (30) days prior to the commencement thereof, and which consent shall not be unreasonably withheld by Landlord; provided, however, Landlord may withhold its consent in its sole and absolute discretion with respect to any Alterations which (i) may affect the structural components of the Building, or the Building's mechanical, electrical, HVAC, or life safety systems, or (ii) are visible from or affect any area located outside the Premises. Tenant shall pay for all overhead, general conditions, fees and other costs of the Alterations, and shall pay to Landlord a Landlord supervision fee of ten percent (10%) of the cost of the Alterations. The construction of the initial improvements to the Premises shall be governed by the terms of the Tenant Work Letter and not the terms of this Article 8.

8.2 Manner of Construction. Landlord may impose, as a condition of its consent to any and all Alterations or repairs of the Premises, such requirements as Landlord in its reasonable discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and materialmen approved by Landlord; provided, however, Landlord may impose such requirements as Landlord may determine, in its sole and absolute discretion, with respect to any work affecting the structural components of the Building, the roof of the Building and/or the Building's systems and equipment (including designating specific contractors to perform such work). Tenant shall construct such Alterations and perform such repairs in compliance with all applicable laws and pursuant to a valid building permit, issued by the city or municipality governing the Building, and in conformance with Landlord's construction rules and regulations. All work with respect to any Alterations must be done in a good and workmanlike manner and diligently prosecuted to completion to the end that the Premises shall at all times be a complete unit except during the period of work. Tenant shall cause all Alterations to be performed in such manner as not to obstruct access by any person to the Building or Project or the common areas, and as not to obstruct the business of Landlord or other tenants in the Project, or interfere with the labor force working at the Building or Project. If Tenant makes any Alterations, Tenant agrees to carry, and/or require its contractors to carry, "Builder's All Risk" insurance in a form and an amount approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 below immediately upon completion thereof. Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of such Alterations and naming Landlord as a co-obligee. Upon completion of any Alterations, Tenant shall (i) cause a timely Notice of Completion to be recorded in the office of the Recorder of the County in which the Project is located, (ii) deliver to the Building management office a reproducible copy of the "as built" drawings of the Alterations, and (iii) deliver to Landlord evidence of payment, contractors' affidavits and full and final waivers of all liens for labor, services or materials.

8.3 Landlord's Property. All Alterations, improvements and fixtures which may be installed or placed in or about the Premises shall be at the sole cost of Tenant and shall be and become the property of Landlord. Notwithstanding the foregoing, Landlord may, by written notice to Tenant prior to the end of the Lease Term (unless Landlord in its sole discretion has notified Tenant in writing that any particular improvement or Alteration does not have to be removed), require Tenant at Tenant's expense to remove any improvements or Alterations from the Premises, repair any damage to the Premises and Building caused by such removal and restore the Premises and Building to its prior condition. If Tenant fails to complete such removal and/or repair by the end of the Lease Term, (i) Landlord may elect to consider such failure a holding over by Tenant; and (ii) Landlord may perform such removal and/or repair work and charge the cost thereof to Tenant, plus a ten percent (10%) administrative fee, which costs shall be paid by Tenant within ten (10) days. Tenant's obligations under this paragraph shall survive the expiration or termination of the Term of this Lease.

Notwithstanding the foregoing, with respect solely to the initial Tenant Improvements, Landlord and Tenant agree that Tenant shall make a payment (the "TI Restoration Payment") in lieu of restoration in the amount of the lesser of (i) Seventy Thousand and no/100 Dollars (\$70,000.00) and (ii) Landlord's estimate of the cost to remove the initial Tenant Improvements based on a ROM bid for such restoration work, and Landlord agrees to be responsible for all costs to restore the initial Tenant Improvements in excess of the amount of the TI Restoration Payment. Landlord shall invoice Tenant for the TI Restoration Payment during the last six (6) months of the Lease Term, and Tenant shall pay the TI Restoration Payment within thirty (30) days of such invoice.

## ARTICLE 9

### COVENANT AGAINST LIENS

Tenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Tenant, operation of law or otherwise, to attach to or be placed upon the Project or any portion thereof, and any and all liens and encumbrances created by Tenant shall attach to Tenant's interest only, and no work performed by, through, under or for Tenant pursuant to this Lease shall be deemed to be for the immediate use or benefit of Landlord to the end that no mechanic's or other liens shall be allowed against the estate of Landlord by reason of any consent given by Landlord to Tenant to improve the Premises. Landlord shall have the right at all times to post and keep posted on the Premises any notice which it deems necessary for protection from such liens. Tenant shall not cause or permit any lien of mechanics or materialmen or others to be placed against the Project or any portion thereof, with respect to work or services claimed to have been performed for or materials claimed to have been furnished to Tenant or the Premises, and, in case of any such lien attaching or notice of any lien, Tenant shall cause it to be immediately released and removed of record. If such lien is not released and removed within five (5) business days after notice of such lien is delivered by Landlord to Tenant, then Landlord may, at its option, take all action necessary to release and remove such lien, without any duty to investigate the validity thereof, and all sums, costs and expenses, including reasonable attorneys' fees, incurred by Landlord in connection

with such lien shall be deemed Additional Rent under this Lease and shall immediately be due and payable by Tenant.

## ARTICLE 10

### INSURANCE

#### 10.1 Indemnification and Waiver.

10.1.1 Indemnification and Waiver. Tenant hereby assumes all risk of damage to property and injury to persons in, on or about the Premises from any cause whatsoever (including Casualty), and agrees that Landlord, its members, partners, submembers and subpartners, and their respective officers, directors, shareholders, agents, property managers, employees and independent contractors and Landlord's mortgagees (collectively, the "Landlord Parties") shall not be liable for, and are hereby released from any responsibility for, any damage or injury either to person or property or resulting from the loss of use thereof, which damage or injury is sustained by Tenant or by other persons claiming through Tenant. Tenant shall indemnify, defend, protect and hold harmless the Landlord Parties from and against any and all loss, cost, damage, expense, claims and liability, including without limitation court costs and reasonable attorneys' fees (collectively "Claims") incurred in connection with or arising from any cause in, on or about the Premises, and/or any acts, omissions or negligence of Tenant or of any person claiming by, through or under Tenant, or of the contractors, agents, employees, licensees or invitees of Tenant or any such person in, on or about the Project, provided, however, that the terms of the foregoing indemnity shall not apply to: (i) any Claims to the extent resulting from the gross negligence or willful misconduct of Landlord or the Landlord Parties and not insured (or required to be insured) by Tenant under this Lease; or (ii) any loss of or damage to Landlord's property to the extent Landlord has waived such loss or damage pursuant to Section 10.4 below. Tenant's agreement to indemnify Landlord pursuant to this Section 10.1 is not intended and shall not relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to this Lease. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any Claims occurring prior to such expiration or termination.

Landlord shall indemnify, defend, protect and hold harmless Tenant from and against any and all loss, cost, damage, expense, claims and liability, including without limitation court costs and reasonable attorneys' fees, incurred in connection with or arising from the gross negligence or intentional misconduct of Landlord in, on or about the Premises.

10.1.2 Waiver of Worker's Compensation Immunity. To the extent permitted by law, Landlord and Tenant hereby waive their immunity with respect to the parties indemnified in this Article 10 under The Industrial Insurance Act (RCW title 51) and/or any equivalent acts and expressly agrees to assume potential liability for actions brought against an indemnified party by the other party's employees. This waiver has been specifically negotiated by the parties to this Lease and each party has had the opportunity to, and has been encouraged to, consult with independent counsel regarding this waiver. This waiver is solely for the benefit of Landlord and Tenant and not for the benefit of any third party or employee.

10.1.3 Limitation of Indemnities. If and only to the extent RCW 4.24.115 is deemed to apply to all or any part of this Lease then the indemnities set forth in this Lease, including, without limitation, in Exhibit D attached hereto, shall be limited such that: (i) neither party is indemnifying the other party for damages arising out of bodily injury to persons or damage to property caused by, or resulting from, the sole negligence of the other party or its agents or employees; and (ii) any indemnity against liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from, the concurrent negligence of (A) Landlord or its agents or employees, and (B) Tenant or its agents or employees, is valid and enforceable only to the extent permitted under RCW 4.24.115. The parties hereby acknowledge that the foregoing waiver was mutually negotiated by the parties.

10.2 Tenant's Compliance with Landlord's Fire and Casualty Insurance. Landlord shall carry commercially reasonable commercial general liability insurance and commercial property damage insurance with respect to the Building and the Project (except, at Landlord's option, with respect to the items required to be insured by Tenant pursuant to Section 10.3.2 below) during the Lease Term. Tenant shall, at Tenant's expense, comply as to the Premises with all insurance company requirements pertaining to the use of the Premises and disclosed to Tenant. If Tenant's conduct or use of the Premises causes any increase in the premium for any insurance policies carried by Landlord, 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.

10.3 Tenant's Insurance. Tenant shall maintain the following coverages in the following amounts at all times following the date (the "Insurance Start Date") which is the earlier of (i) Tenant's entry into the Premises to perform any work therein, or (ii) the Lease Commencement Date, and continuing thereafter throughout the Lease Term:



10.3.1 Commercial General Liability Insurance covering the insured against claims of bodily injury, personal injury and property damage arising out of Tenant's operations, assumed liabilities or use of the Premises, including a Commercial General Liability endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements set forth in Section 10.1 above (and with owned and non-owned automobile liability coverage, and liquor liability coverage if alcoholic beverages are served on the Premises), for limits of liability not less than: (i) Bodily Injury and Property Damage Liability - \$5,000,000 each occurrence and \$5,000,000 annual aggregate, and (ii) Personal Injury Liability - \$5,000,000 each occurrence and \$5,000,000 annual aggregate. Tenant may satisfy the insurance limit requirements under this paragraph with a combination of a primary and umbrella policy.

10.3.2 Physical Damage Insurance covering (i) all office furniture, trade fixtures, office equipment, merchandise and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant, and (ii) all tenant improvements, Alterations and other improvements and additions in and to the Premises, including any improvements, alterations or additions installed above the ceiling of the Premises or below the floor of the Premises. Such insurance shall be written on an "all-risks" physical loss or damage basis, for the full replacement cost value new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include a vandalism and malicious mischief endorsement, sprinkler leakage coverage and earthquake sprinkler leakage coverage.

10.3.3 At all times during the Lease Term, Tenant shall procure and maintain Workers' Compensation Insurance in accordance with the laws of the State of Washington, and Employer's Liability insurance with a limit not less than One Million Dollars (\$1,000,000) Bodily Injury Each Accident; One Million Dollars (\$1,000,000) Bodily Injury By Disease - Each Person; and One Million Dollars (\$1,000,000) Bodily Injury to Disease - Policy Limit.

10.3.4 Business interruption, loss-of-income and extra-expense insurance in such amounts as will reimburse Tenant for direct and indirect loss of earnings attributable to all perils commonly insured against by prudent tenants or attributable to prevention of access to the Premises or to the Building as a result of such perils.

10.3.5 Form of Policies. The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall: (i) name Landlord, and any other party it so specifies, as loss payees or additional insureds, as their respective interests may appear (for the insurance to be provided under Sections 10.3.1 and 10.3.2(ii) above, only); (ii) specifically cover the liability assumed by Tenant under this Lease, including, but not limited to, Tenant's obligations under Section 10.1 above; (iii) be issued by an insurance company having a rating of not less than A-VIII in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in Washington; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of Tenant; (v) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee of Landlord; (vi) contain a cross-liability endorsement or severability of interest clause reasonably acceptable to Landlord; and (vii) except with respect to property damage insurance (which shall be governed by the provisions of Section 10.4 below), contain a waiver of subrogation in favor of Landlord and any other parties designated by Landlord from time to time as additional insured pursuant to clause (i) hereinabove. Tenant shall deliver such policies or certificates thereof to Landlord on or before the Insurance Start Date and at least thirty (30) days before the expiration dates thereof. If Tenant shall fail to procure such insurance, or to deliver such policies or certificate, within such time periods, Landlord may, at its option, in addition to all of its other rights and remedies under this Lease, and without regard to any notice and cure periods set forth in Section 19.1 below, procure such policies for the account of Tenant, and the cost thereof shall be paid by Tenant to Landlord as Additional Rent within ten (10) days after delivery of bills therefor. At Tenant's option, Tenant may provide the coverages required under this Article 10 through blanket policies of insurance covering Tenant's other properties so long as the coverage required under this Lease with respect to the Premises and Project is not reduced or impaired as a result thereof (including as a result of any claims made or aggregate limits with respect to such other properties).

10.4 Subrogation. Landlord and Tenant agree to have their respective insurance companies issuing property damage insurance waive any rights of subrogation that such companies may have against Landlord or Tenant, as the case may be. Landlord and Tenant hereby waive any right that either may have against the other on account of any loss or damage to their respective property to the extent such loss or damage is insured under property damage insurance policies carried by the waiving party under this Lease (or would have been covered had the waiving party maintained such insurance as so required under this Lease). If either party fails to carry the amounts and types of insurance required to be carried by it pursuant to this Article 10, in addition to any remedies the other party may have under this Lease, such failure shall be deemed to be a covenant and agreement by such party to self-insure with respect to the type and amount of insurance which such party so failed to carry, with full waiver of subrogation with respect thereto.

10.5 Additional Insurance Obligations. Tenant shall carry and maintain during the entire Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10, and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord, but in no event shall such increased amounts of insurance or such other reasonable types of insurance be in excess of that required by landlords of first-class office buildings in the suburban Bellevue office market ("Comparable Buildings").

## ARTICLE 11

### DAMAGE AND DESTRUCTION

11.1 Repair of Damage to Premises by Landlord. Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty ("Casualty") or any condition existing in the Premises as a result of a Casualty that would give rise to the terms of this Article 11. If the Premises or any common areas of the Building or Project serving or providing access to the Premises shall be damaged by Casualty or be subject to a condition existing as a result of Casualty, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, restore the base, shell, and core of the Premises and such common areas to substantially the same condition as existed immediately prior to the Casualty, except for modifications required by applicable laws and/or by the holder of a mortgage on the Project (or any portion thereof), or any other modifications to the common areas deemed desirable by Landlord provided that access to the Premises and any common restrooms serving the Premises shall not be materially impaired. Upon the occurrence of any damage to the Premises, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.3.2(ii) above, and Landlord shall repair any damage to the tenant improvements and Alterations installed in the Premises and shall return such tenant improvements and Alterations to their original condition; provided that if the costs of such repair of such tenant improvements and Alterations by Landlord exceeds the amount of insurance proceeds received by Landlord therefor from Tenant's insurance carrier, as assigned by Tenant, the excess costs of such repairs shall be paid by Tenant to Landlord prior to Landlord's repair of the damage. In connection with such repairs and replacements of any such tenant improvements and Alterations, Tenant shall, prior to Landlord's commencement of such improvement work, submit to Landlord, for Landlord's review and approval, all plans, specifications and working drawings relating thereto, and Landlord shall select the contractors to perform such improvement work. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such Casualty shall have damaged the Premises or common areas necessary to Tenant's occupancy, and if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees or invitees, Landlord shall allow Tenant a proportionate abatement of Base Rent, and Tenant's Share of Operating Expenses and Tax Expenses during the time and to the extent the Premises are unfit for occupancy for the purposes permitted under this Lease, and not occupied by Tenant as a result thereof. Notwithstanding any contrary provision of this Article 11, the parties hereby agree as follows: (i) the closure of the Project, the Building, the common areas, or any part thereof to protect public health shall not constitute a Casualty for purposes of this Lease; (ii) Casualty covered by this Article 11 shall require that the physical or structural integrity of the Premises, the Project, the Building, or the common areas is degraded as a direct result of such occurrence; and (iii) a Casualty under this Article 11 shall not be deemed to occur merely because Tenant is unable to productively use the Premises in the event that the physical and structural integrity of the Premises is undamaged.

11.2 Landlord's Option to Repair. Notwithstanding Section 11.1 above to the contrary, Landlord may elect not to rebuild and/or restore the Premises, the Building and/or any other portion of the Project and instead terminate this Lease by notifying Tenant in writing of such termination within sixty (60) days after the date Landlord becomes aware of such damage, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, but Landlord may so elect only if the Building shall be damaged by Casualty or be subject to a condition existing as a result of such Casualty, whether or not the Premises are affected, and one or more of the following conditions is present: (i) repairs cannot reasonably be substantially completed within one hundred eighty (180) days after the date of such damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Project or ground lessor with respect to the Project shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be; or (iii) the damage or condition arising as a result of such damage is not fully covered, except for deductible amounts, by Landlord's insurance policies. In addition, if the Premises, the Building or any portion of the Project is destroyed or damaged to any substantial extent during the last two (2) years of the Lease Term, then notwithstanding anything contained in this Article 11, Landlord shall have the option to terminate this Lease by giving written notice to Tenant of the exercise of such option within thirty (30) days after such damage, in which event this Lease shall cease and terminate as of the date of such notice. Upon such termination of this Lease pursuant to this Section 11.2, Tenant shall pay the Base Rent and Additional Rent, properly apportioned up to such date of damage (subject to any abatement as provided in Section 11.1



above), and both parties hereto shall thereafter be discharged of all further obligations under this Lease, except for those obligations which expressly survive the expiration or earlier termination of this Lease.

11.3 Waiver of Statutory Provisions. The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Project, and any statute or regulation of the State of Washington, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Project.

## ARTICLE 12

### CONDEMNATION

If ten percent (10%) or more of the Premises, Building or Project shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the option to terminate this Lease upon ninety (90) days' notice to Tenant, provided such notice is given no later than one hundred eighty (180) days after the date of such taking, condemnation, deed or other instrument. If more than twenty-five percent (25%) of the rentable square feet of the Premises is taken, or if access to the Premises is substantially impaired as a result of any taking of all or any portion of the Project, Tenant shall have the option to terminate this Lease upon ninety (90) days' notice to Landlord, provided such notice is given no later than one hundred eighty (180) days after the date of such taking. Landlord shall be entitled to receive the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, and for moving expenses, so long as such claim does not diminish the award available to Landlord, or its ground lessor or mortgagee with respect to the Project, and such claim is payable separately to Tenant. All Rent shall be apportioned as of the date of such termination, or the date of such taking, whichever shall first occur. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Base Rent and Tenant's Share of Operating Expenses and Tax Expenses shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to applicable laws. Notwithstanding any contrary provision of this Lease, the following governmental actions shall not constitute a taking or condemnation, either permanent or temporary: (i) an action that requires Tenant's business or the Building or Project to close during the Lease Term, and (ii) an action taken for the purpose of protecting public safety (e.g., to protect against acts of war, the spread of communicable diseases, or an infestation), and no such governmental actions shall entitle Tenant to any compensation from Landlord or any authority, or Rent abatement or any other remedy under this Lease.

## ARTICLE 13

### COVENANT OF QUIET ENJOYMENT

Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

## ARTICLE 14

### ASSIGNMENT AND SUBLETTING

14.1 Transfers Tenant shall not, without the prior written consent of Landlord, assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment or other such foregoing transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or permit the use of the Premises by any persons other than Tenant and its employees (all of the foregoing are hereinafter sometimes referred to collectively as "Transfers" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "Transferee"). If Tenant shall desire Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "Transfer Notice") shall include (i) the proposed effective date of the Transfer, which shall not be less than thirty (30) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "Subject Space"), (iii) all of the terms of the proposed Transfer and the consideration therefor, including a calculation of the Transfer Premium (as defined below), in connection with such Transfer, the name and address of the proposed Transferee, and a copy of all existing and/or proposed documentation pertaining to the proposed Transfer, (iv) current financial statements of the



proposed Transferee certified by an officer, partner or owner thereof, and (v) such other information as Landlord may reasonably require. Any Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under Section 19.1.2 below. Whether or not Landlord consents to any proposed Transfer, within thirty (30) days after written request by Landlord, as Additional Rent hereunder, Tenant shall pay to Landlord (A) Two Thousand Dollars (\$2,000.00) for Landlord's review and processing fees, and (B) any reasonable legal fees incurred by Landlord in connection with Tenant's proposed Transfer.

**14.2 Landlord's Consent.** Subject to Landlord's rights in Section 14.4 below, and so long as Tenant is not in default under this Lease, Landlord shall not unreasonably withhold its consent to any proposed Transfer on the terms specified in the Transfer Notice. The parties hereby agree that it shall be deemed to be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply, without limitation as to other reasonable grounds for withholding consent:

- (i) the Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Project;
- (ii) the Transferee's intended use of the Subject Space is not permitted under this Lease;
- (iii) the Transferee is a governmental entity or agency;
- (iv) the Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities involved under the Lease on the date consent is requested;
- (v) the proposed Transfer would cause Landlord to be in violation of another lease or agreement to which Landlord is a party, or would give an occupant of the Project a right to cancel its lease; or
- (vi) either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (A) occupies space in the Project at the time of the request for consent, (B) is negotiating with Landlord to lease space in the Project at such time, or (C) has negotiated with Landlord during the six (6)-month period immediately preceding the Transfer Notice.

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 below), Tenant may within six (6) months after Landlord's consent, enter into such Transfer of the Premises or portion thereof, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 above, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice (1) such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, or (2) which would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in Tenant's original Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14.

**14.3 Transfer Premium.** If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord the Transfer Premium received by Tenant from such Transferee. "Transfer Premium" shall mean all rent, additional rent or other consideration payable by such Transferee in connection with the Transfer which is in excess of the Rent payable by Tenant under this Lease during the term of the Transfer, on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses incurred by Tenant for (i) any reasonable changes, alterations and improvements to the Premises in connection with the Transfer (but only to the extent approved by Landlord), and (ii) any brokerage commissions in connection with the Transfer. Transfer Premium shall also include, but not be limited to, key money and bonus money paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to Transferee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to Transferee in connection with such Transfer.

**14.4 Landlord's Option as to Subject Space.** Notwithstanding anything to the contrary contained in this Article 14, Landlord shall have the option, by giving written notice to Tenant within thirty (30) days after receipt of any Transfer Notice, to recapture the Subject Space. Such recapture notice shall terminate this Lease with respect to the Subject Space as of the date stated in the Transfer Notice as the effective date of the proposed Transfer until the last day of the term of the Transfer as set forth in the Transfer Notice. If this Lease is terminated with respect to less than the entire Premises, the Rent reserved herein shall be prorated on the basis of the rentable square feet retained by Tenant in proportion to the rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord

declines, or fails to elect in a timely manner to recapture the Subject Space under this Section 14.4, then, provided Landlord has consented to the proposed Transfer, Tenant shall be entitled to proceed to transfer the Subject Space to the proposed Transferee, subject to provisions of the last paragraph of Section 14.2 above. Notwithstanding the foregoing, if Landlord notifies Tenant pursuant to this paragraph that Landlord elects to recapture a Subject Space, Tenant may notify Landlord in writing within five (5) days following Tenant's receipt of Landlord's recapture notice that Tenant retracts its request to Transfer the Subject Space, in which case this Lease shall continue in full force and effect as if such Transfer had not been requested by Tenant.

14.5 Effect of Transfer. If Landlord consents to a Transfer: (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified; (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee; (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord; and (iv) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from liability under this Lease. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If the Transfer Premium with respect to any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency and Landlord's costs of such audit.

14.6 Additional Transfers. For purposes of this Lease, the term "Transfer" shall also include: (i) if Tenant is a partnership or limited liability company, the withdrawal or change, voluntary, involuntary or by operation of law, of more than fifty percent (50%) of the partners or members, or transfer of more than fifty percent (50%) of the partnership or membership interests, within a twelve (12)-month period, or the dissolution of the partnership without immediate reconstitution thereof; and (ii) if Tenant is a closely held corporation (i.e., whose stock is not publicly held and not traded through an exchange or over the counter), (A) the dissolution, merger, consolidation or other reorganization of Tenant, or (B) the sale or other transfer of more than an aggregate of fifty percent (50%) of the voting shares of Tenant (other than to immediate family members by reason of gift or death), within a twelve (12)-month period, or (C) the sale, mortgage, hypothecation or pledge of more than an aggregate of fifty percent (50%) of the value of the unencumbered assets of Tenant within a twelve (12) month period.

## ARTICLE 15

### SURRENDER OF PREMISES; REMOVAL OF PERSONAL PROPERTY

15.1 Surrender of Premises. No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in a writing signed by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises.

15.2 Removal of Tenant Property by Tenant. All articles of personal property and all business and trade fixtures, machinery and equipment, furniture and movable partitions owned by Tenant or installed by Tenant at its expense in the Premises, which items are not a part of the tenant improvements or Alterations installed in the Premises, shall remain the property of Tenant, and may be removed by Tenant at any time during the Lease Term as long as Tenant repairs, at its expense, all damage resulting from such removal. If Tenant fails to remove any articles of personal property or any business/trade fixtures, machinery or equipment as of the expiration or termination of the Term of this Lease, Landlord may consider the same to be abandoned and Landlord may remove and dispose of such abandoned items or property as Landlord may elect. Tenant shall reimburse Landlord for all costs incurred by Landlord in removing and disposing of such abandoned items or property, plus a ten percent (10%) administrative fee, within ten (10) days of receipt of invoice. Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all Lines (as defined below) installed or caused to be installed by Tenant (including any Lines installed above the ceiling of the Premises or below the floor of the Premises), all debris and rubbish, and such items of furniture, equipment, free-standing cabinet work, and other articles of personal property owned by Tenant or installed



or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal. Tenant's obligations under this paragraph shall survive the expiration or termination of the Term of this Lease.

#### **ARTICLE 16**

##### **HOLDING OVER**

If Tenant holds over after the expiration of the Lease Term, with or without the express or implied consent of Landlord, such tenancy shall be a tenancy at sufferance, and shall not constitute a renewal hereof or an extension for any further term, and in such case Base Rent shall be payable at a monthly rate equal to one hundred seventy-five percent (175%) of the Base Rent applicable during the last rental period of the Lease Term under this Lease. Such tenancy shall be subject to every other applicable term, covenant and agreement contained herein. Nothing contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant holds over without Landlord's consent, such holding over may compromise or otherwise affect Landlord's ability to enter into new leases with prospective tenants regarding the Premises and to timely deliver the Premises to the subsequent tenant(s). Therefore, if Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from and against all Claims resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender, and any losses suffered by Landlord, including lost profits, resulting from such failure to surrender.

#### **ARTICLE 17**

##### **ESTOPPEL CERTIFICATES; FINANCIAL STATEMENTS**

Within ten (10) business days following a request in writing by Landlord, or any Mortgagee (as defined below), Tenant shall execute and deliver to Landlord an estoppel certificate which, as submitted by Landlord, shall be substantially in the form of Exhibit E, attached hereto (or such other form as may be required by any prospective mortgagee or purchaser of the Project or any portion thereof), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's Mortgagee or Landlord's prospective mortgagees or purchasers. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. If Tenant fails to execute and deliver such estoppel certificate (or other instruments) within ten (10) business days, it shall be deemed conclusively to have acknowledged the accuracy of the matter set forth in Landlord's estoppel certificate (or such other instruments). Failure of Tenant to timely execute and deliver such estoppel certificate or other instruments shall constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the estoppel certificate are true and correct, without exception. At any time during the Lease Term, but not more often than two (2) times during any consecutive twelve (12) month period (unless in connection with a sale or refinancing of all or any portion of the Building or Project), Landlord may require Tenant to provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year. Such statements shall be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. If such statement is not audited by an independent certified public accountant, then the statement will be certified by Tenant's Chief Financial Officer (or a similarly qualified executive) to be true and correct.

#### **ARTICLE 18**

##### **SUBORDINATION AND ATTORNMEN**

18.1 Subordination. This Lease is and shall be subject and subordinate to each ground lease of the Project and to the lien of each mortgage or trust deed of trust now or hereafter in force against the Project (herein, a "Mortgage"), and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of each such Mortgage, unless the holder of any such Mortgage (each, a "Mortgagee"), or the lessors under any such ground lease requires in writing that this Lease be superior thereto. Such subordination shall be effective automatically and without the need for further documentation, but, if requested by the Landlord and/or the Mortgagee of any such Mortgage or the lessor under any such ground lease, Tenant shall, within ten (10) business days after Tenant's receipt of such request, execute such further instruments or assurances as such Mortgagee or ground lessor shall reasonably require. If a Mortgagee of a Mortgage made prior to the execution of this Lease shall request that this Lease have priority over such Mortgage, this Lease shall have



priority over such Mortgage and all renewals, modifications, replacements, consolidations and extensions thereof and all advances made thereunder and the interest thereon, and Tenant shall, within ten (10) business days after Tenant's receipt of same, execute, acknowledge and deliver to such Mortgagee any and all documents and instruments required by such mortgagee to confirm the priority of 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 Tenant hereunder in the event of any foreclosure proceeding or sale.

**18.2 Attornment.** In the event of (i) the termination of any ground lease of the Project or (ii) the purchase of the Premises or Landlord's interest therein in a foreclosure sale or by deed in lieu of foreclosure under any Mortgage or pursuant to a power of sale contained in any Mortgage, then in any of such events Tenant shall, at the request of such transferee or purchaser of Landlord's interest, attorn to and recognize the transferee or purchaser of Landlord's interest or ground lease, as the case may be, as "Landlord" under this Lease for the balance then remaining of the Term, and thereafter this Lease shall continue as a direct Lease between such party, as "Landlord", and Tenant, as "Tenant", subject, however, to the provisions of Section 18.3 below. Tenant shall send to each Mortgagee (after notification of the identity of such Mortgagee and the mailing address thereof) copies of all notices that Tenant sends to Landlord pursuant to this Lease; such notices to such Mortgagee shall be sent concurrently with the sending of the notices to Landlord and in the same manner as notices are required to be sent pursuant to Section 24.14 below. Tenant will accept performance of any provision of this Lease by such Mortgagee as performance by, and with the same force and effect as though performed by, Landlord. If any act or omission of Landlord would give Tenant the right, immediately or after lapse of a period of time, to cancel or terminate this Lease, or to claim a partial or total eviction, Tenant shall not exercise such right until (A) Tenant gives notice of such act or omission to Landlord and to each such Mortgagee, and (B) a reasonable period of time for remedying such act or omission elapses following the time when such Mortgagee becomes entitled under such Mortgage to remedy same (which reasonable period shall in no event be less than the period to which Landlord is entitled under this Lease or otherwise, after similar notice, to effect such remedy and which reasonable period shall take into account such time as shall be required to institute and complete any foreclosure proceedings).

**18.3 Lender Protections.** Notwithstanding anything to the contrary in this Lease, any party that becomes owner of the Building and/or Project ("Successor Landlord") as a result of (i) foreclosure under any Mortgage, (ii) any other exercise by Mortgagee of rights and remedies (whether under any Mortgage or under applicable law, including bankruptcy law) as holder of a Mortgage, or (iii) delivery by Landlord to a Mortgagee (or its designee or nominee) of a deed or other conveyance of Landlord's interest in the Building and/or Project in lieu of any of the foregoing, shall not be liable for or bound by any of the following matters:

(A) any right of Tenant to any offset, defense, claim, counterclaim, reduction, deduction, or abatement against Tenant's payment of rent or performance of Tenant's other obligations under this Lease, arising (whether under this Lease or under applicable law) from Landlord's breach or default under this Lease ("Offset Right") that Tenant may have against Landlord or any other party that was landlord under this Lease at any time before the occurrence of any attornment by Tenant to the Successor Landlord (each, a "Former Landlord") relating to any event or occurrence before the date of such attornment, including any claim for damages of any kind whatsoever as the result of any breach by Former Landlord that occurred before the date of such attornment. The foregoing shall not, however, limit either (1) Tenant's right to exercise against Successor Landlord any Offset Right otherwise available to Tenant because of events occurring after the date of such attornment, or (2) Successor Landlord's obligation to correct any conditions that existed as of the date of such attornment and violate Successor Landlord's obligations as successor landlord under this Lease;

(B) any obligation with respect to any security deposited with Former Landlord, unless such security was actually delivered to Successor Landlord;

(C) to commence or complete any initial construction of improvements in the Premises or any expansion or rehabilitation of existing improvements thereon;

(D) to reconstruct or repair improvements to the Premises, the Building and/or the Project following a Casualty or condemnation;

(E) any offset, defense, claim, counterclaim, reduction, deduction, or abatement arising from representations and warranties by or related to Former Landlord;

(F) any modification or amendment of this Lease, or any waiver of the terms of this Lease, made without Mortgagee's written consent;

(G) any consensual or negotiated surrender, cancellation, or termination of this Lease, in whole or in part, agreed upon between Landlord and Tenant, unless effected unilaterally by Tenant pursuant to the express terms of this Lease;

(H) any payment of rent that Tenant may have made to Former Landlord more than thirty (30) days before the date such rent was first due and payable under this Lease with respect to any period after the date of such attornment other than, and only to the extent that, this Lease expressly required such a prepayment; and

(I) to pay Tenant any sum(s) that any Former Landlord owed to Tenant unless such sums, if any, shall have been actually delivered to Successor Landlord by way of an assumption of escrow accounts or otherwise.

## **ARTICLE 19** **DEFAULTS; REMEDIES**

19.1 Defaults. All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent. The occurrence of any of the following shall constitute a default of this Lease by Tenant:

19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, within five (5) days after written notice of delinquency; provided, however, that if Landlord has given Tenant two (2) such delinquency notices during any consecutive five (5) year period during the Term, then Tenant's subsequent failure to pay any Rent or other charge when due shall constitute a default under this Lease without requirement of any notice or cure period;

19.1.2 The abandonment or vacation of the Premises for more than thirty (30) consecutive days;

19.1.3 The failure by Tenant to observe or perform according to the provisions of Articles 5, 10, 14, 17 or 18 of this Lease or any provision of the Tenant Work Letter, or any breach by Tenant of any representations and warranties set forth in this Lease, where, in each instance, such failure continues for more than three (3) days after written notice from Landlord;

19.1.4 The making by Tenant of any Transfer, except as expressly permitted in Article 14 above;

19.1.5 Intentionally creating or permitting to be created a nuisance which shall not be abated within five (5) days after written notice thereof from Landlord;

19.1.6 If: (i) Tenant, or any guarantor of Tenant's obligations under this Lease ("Guarantor") admits in writing that it cannot meet its obligations as they become due; (ii) Tenant, or any Guarantor is declared insolvent according to any law; (iii) assignment of Tenant's or Guarantor's property is made for the benefit of creditors; (iv) a receiver or trustee is appointed for Tenant or Guarantor or its property; (v) the interest of Tenant or Guarantor under this Lease is levied on under execution or other legal process; (vi) any petition is filed by or against Tenant or Guarantor to declare Tenant and/or Guarantor bankrupt or to delay, reduce or modify Tenant's and/or Guarantor's debts or obligations; or (vii) any petition is filed or other action taken to reorganize or modify Tenant's or Guarantor's capital structure, if Tenant or Guarantor is a corporation or other entity; any such levy, execution, legal process or petition filed against Tenant or Guarantor shall not constitute a breach of this Lease provided Tenant or Guarantor shall vigorously contest the same by appropriate proceedings and shall remove or vacate the same within sixty (60) days from the date of its creation, service or filing; or

19.1.7 Any failure by Tenant to observe and perform any other provisions of this Lease to be observed or performed by Tenant within thirty (30) days after written notice thereof has been provided to Tenant by Landlord, or if performance is not possible within said period, any failure of Tenant to commence performance within said period and to diligently prosecute such performance to completion.

19.2 Remedies Upon Default. In the event of any such default or breach by Tenant, Landlord may at any time thereafter, without limiting Landlord in the exercise of any other right or remedy which Landlord may have:

19.2.1 Without terminating this Lease, re-enter and attempt to relet or take possession pursuant to legal proceedings and remove all persons and property from the Premises. In such event, Landlord may, from time to time, make such alterations and repairs as may be necessary in order to relet the Premises or any part thereof for such term or terms (which may be for a term extending beyond the Lease Term) and at such rental or rentals and upon such other terms and conditions as Landlord, in its sole discretion, may deem advisable. Upon each such reletting, all rentals received by Landlord from such reletting shall be applied: first, to the payment of any costs and expenses of such reletting, including brokerage fees and attorneys' fees; second, to the payment of any indebtedness other than Rent due thereunder from Tenant to Landlord; third, to the payment of Rent due and unpaid thereunder; and the residue, if any, shall be held by Landlord and applied to payment of future rent as the same may become



due and payable thereunder. If such rentals received from such reletting during any month be less than that to be paid during that month by Tenant thereunder, Tenant shall pay any such deficiency to Landlord. Such deficiency shall be calculated and paid monthly. In no event shall Tenant be entitled to any excess of any rental obtained by reletting over and above the Rent herein reserved. Actions to collect amounts due by Tenant to Landlord as provided in this Section 19.2.1 may be brought from time to time, on one or more occasions, without the necessity of Landlord's waiting until expiration of the Lease Term. No such reentry or taking possession of the Premises by Landlord shall be construed as an election on its part to terminate this Lease unless a notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect in writing to terminate this Lease for such previous breach. No such alteration of locks or other security devices and no removal or other exercise of dominion by Landlord over Tenant's Property or others at the Premises shall be deemed unauthorized or constitute a conversion of the Premises or the property of Tenant therein or termination of the Lease, Tenant hereby consenting, after any Tenant default, to the aforesaid exercise of dominion over Tenant's property within the Premises. All claims for damages by reason of such reentry and/or repossession and/or alteration of locks or other security devices are hereby waived, as are all claims for damages by reason of any distress warrant, forcible detainer proceedings, sequestration proceedings or other legal process. Tenant agrees that any reentry by Landlord may be pursuant to judgment obtained in forcible detainer proceedings or other legal proceedings or without the necessity for any legal proceedings, as Landlord may elect, and Landlord shall not be liable in trespass or otherwise.

19.2.2 Without terminating this Lease, but subject to applicable laws, demand that all Rent payable by Tenant under this Lease for the remainder of the Lease Term be accelerated and immediately due and owing without discount. Tenant fully understands this provision and agrees to render payment of the amounts described in this Section 19.2.2 in full if so requested by Landlord.

19.2.3 Terminate this Lease and Tenant's right to possession, in which case Tenant shall immediately surrender possession. In addition to any other remedies which Landlord may have, it shall have the right to recover from Tenant: (i) the amount equal to any unpaid rent which has been earned at the time of such termination; (ii) as liquidated damages for loss of bargain, and not as a penalty, an amount equal to the excess, if any, of the aggregate amount of Rent and other charges which are Tenant's obligation to pay under this Lease for the remainder of the stated term over the aggregate of the then reasonable rental value of the Premises under a lease substantially similar to this Lease for the remainder of the stated term (taking into account the time needed to procure the subsequent tenant during which no rental will be received by Landlord), all of which amounts shall be discounted to present value at the passbook savings rate of U.S. Bank, a national banking association, or its successor, then in effect and shall be immediately due and payable; and (iii) all other damages, costs, losses and expenses which Landlord has sustained because of Tenant's default, including reasonable attorneys' fees, the cost of recovering the Premises, free rent periods, brokerage commissions and advertising expenses incurred, and expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use and any special concessions made to obtain a new tenant. If Landlord elects to terminate this Lease pursuant to this Section 19.2 following Tenant's default, Landlord shall use commercially reasonable efforts to mitigate its damages to the extent required by applicable statutory or common law.

19.2.4 If Tenant should fail to make any payment or cure any default hereunder within the time herein permitted, Landlord, without being under any obligation to do so and without thereby waiving such default, may make such payment and/or remedy such other default for the account of Tenant (and enter the Premises for such purpose), and thereupon Tenant shall be obligated to, and hereby agrees, to pay Landlord, upon demand, all costs, expenses and disbursements (including reasonable attorneys' fees) incurred by Landlord in taking such remedial action as additional rent.

19.2.5 No receipt of money by Landlord from Tenant after the termination of this Lease as herein provided shall reinstate, continue or extend the Lease Term or operate as a waiver of the right of Landlord to enforce the payment of Rent or other money when due by Tenant, or operate as a waiver of the right of Landlord to recover possession of the Premises by proper remedy.

19.2.6 In addition to any other remedies Landlord may have at law or equity and/or under this Lease, Tenant shall pay upon demand all Landlord's costs, charges and expenses, including fees of counsel, agents and others retained by Landlord, whether or not suit is filed, incurred in connection with the recovery under this Lease or for any other relief against Tenant. If Landlord or Tenant shall bring any action against the other, the losing party shall pay the successful party's reasonable attorneys' fees and court costs.

19.2.7 All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent. If Tenant shall fail to perform any of its obligations under this Lease, within a reasonable time after such performance is required by the terms of this Lease, Landlord may, but shall not be obligated to, after reasonable prior notice to Tenant, make any such payment or perform any such act on Tenant's part without



waiving its right based upon any default of Tenant and without releasing Tenant from any obligations hereunder.

19.2.8 Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord, within fifteen (15) days after delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of this Section 19; (ii) sums equal to all losses, costs, liabilities, damages and expenses referred to in Article 10 above; and (iii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all legal fees and other amounts so expended. Tenant's obligations under this Section 19.2 shall survive the expiration or sooner termination of the Lease Term.

19.3 Landlord's Default. If Landlord shall fail to perform any term or provision under this Lease required to be performed by Landlord, Landlord shall not be deemed to be in default hereunder nor subject to any claims for damages of any kind, unless such failure shall have continued for a period of thirty (30) days after written notice thereof by Tenant; provided, if the nature of Landlord's failure is such that more than thirty (30) days are reasonably required in order to cure, Landlord shall not be in default if Landlord commences to cure such failure within such thirty (30) day period, and thereafter reasonably seeks to cure such failure to completion. Upon any such default by Landlord under this Lease, Tenant may, except as otherwise specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity (but Tenant shall not be entitled to recover any lost profits, loss of business or other consequential damages and in any event, Landlord's liability or obligations with respect to any such remedy shall be limited as provided in Section 24.10); provided, however, in recognition that Landlord must receive timely payments of Rent and operate the Project, Tenant shall have no right of self-help to perform repairs or any other obligation of Landlord, and shall have no right to withhold, set-off, or abate Rent (except as otherwise expressly provided in this Lease).

## ARTICLE 20

### SECURITY DEPOSIT

Concurrent with Tenant's execution of this Lease, Tenant shall deposit with Landlord a security deposit (the "Security Deposit") in the amount set forth in Section 10 of the Summary. The Security Deposit shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease to be kept and performed by Tenant during the Lease Term. If Tenant defaults with respect to any provisions of this Lease, including, but not limited to, the provisions relating to the payment of Rent, Landlord may, but shall not be required to, use, apply or retain all or any part of the Security Deposit for the payment of any Rent or any other sum in default, or for the payment of any amount that Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage that Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, Tenant shall, within five (5) business days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount, and Tenant's failure to do so shall be a default under this Lease. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the Security Deposit, or any balance thereof, shall be returned to Tenant, or, at Landlord's option, to the last assignee of Tenant's interest hereunder, within sixty (60) days following the expiration of the Lease Term. Landlord shall not be required to keep the Security Deposit in a separate account and Tenant shall not be entitled to any interest on the Security Deposit.

## ARTICLE 21

### COMPLIANCE WITH LAW

Tenant shall not do anything or suffer anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or other rule, directive, order, regulation, guideline, or requirement of any governmental entity or governmental agency now in force or which may hereafter be enacted or promulgated. At its sole cost and expense, Tenant shall promptly comply with all such governmental measures that pertain to Tenant or its use of the Premises (including applicable laws pertaining to Hazardous Materials and applicable laws pertaining to Tenant's use of the Premises, whether or not Tenant's compliance will necessitate expenditures or interfere with its use and enjoyment of the Premises, including ceasing or reducing Tenant's business operations in or Tenant's use of, the Premises), other than the making of structural changes to the Building (collectively, the "Excluded Changes"); provided, however, to the extent such Excluded Changes are required due to or triggered by Tenant's improvements or alterations to and/or manner of use of the Premises, Landlord shall perform such work, at Tenant's cost (which shall be paid by Tenant to Landlord within ten (10) days after Tenant's receipt of invoice therefor from Landlord). In addition, Tenant shall fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Project, and in connection therewith,

Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant.

## **ARTICLE 22**

### **ENTRY BY LANDLORD**

Landlord reserves the right at all reasonable times and upon reasonable notice to Tenant to enter the Premises to: (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or ground lessors, or, during the last twelve (12) months of the Lease Term, prospective tenants; (iii) post notices of non-responsibility; or (iv) alter, improve or repair the Premises or the Building if necessary to comply with current building codes or other applicable laws, or for structural alterations, repairs or improvements to the Building, or as Landlord may otherwise reasonably desire or deem necessary. Notwithstanding anything to the contrary contained in this Article 22, Landlord may enter the Premises at any time, without notice to Tenant, in emergency situations and/or to perform janitorial and other services required of Landlord. Any such entries shall be without the abatement of Rent and shall include the right to take such reasonable steps as required to accomplish the stated purposes; provided, however, that any such entry shall be accomplished as expeditiously as reasonably possible and in a manner so as to cause as little interference to Tenant as reasonably possible. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned by Landlord's entry into the Premises. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises by Landlord in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises.

## **ARTICLE 23**

### **TENANT PARKING**

Tenant shall rent throughout the Lease Term the number of unreserved, uncovered parking passes set forth in Section 11 of the Summary, located in such areas of the Parking Facilities as shall be designated by Landlord from time to time for parking by tenants of the Building and/or Project. All of such parking passes shall be provided by Landlord, or at the option of Landlord, through a parking operator designated by Landlord (the parking operator so designated by Landlord shall be referred to herein as the "Parking Operator"), and Landlord may delegate its responsibilities under this Article 23 to the Parking Operator in which case the Parking Operator shall have all rights of control attributed by this Article 23 to Landlord. Tenant shall not be obligated to pay any parking charges for the unreserved, uncovered parking passes rented by Tenant. Tenant's continued right to use the parking passes is conditioned upon Tenant abiding by the Parking Rules and Regulations which are in effect on the date hereof, as set forth in the attached Exhibit B and all modifications and additions thereto which are prescribed from time to time for the orderly operation and use of the Parking Facilities by Landlord and/or Landlord's Parking Operator and upon Tenant's cooperation in seeing that Tenant's employees and visitors also comply with the Parking Rules and Regulations (and all such modifications and additions thereto, as the case may be). In addition, Landlord (or the Parking Operator, if so designated by Landlord) may assign any parking spaces and/or make all or a portion of such spaces reserved or institute an attendant-assisted tandem parking program and/or valet parking program if Landlord (or the Parking Operator, if so designated by Landlord) determines in its sole discretion that such is necessary or desirable for orderly and efficient parking. Landlord (or the Parking Operator, if so designated by Landlord) specifically reserves the right, from time to time, to change the size, configuration, design, layout, location and all other aspects of the Parking Facilities, and Tenant acknowledges and agrees that Landlord (or the Parking Operator, if so designated by Landlord), from time to time, may, without incurring any liability to Tenant and without any abatement of Rent under this Lease temporarily close-off or restrict access to any of the Parking Facilities, or temporarily relocate Tenant's parking passes to other parking structures and/or surface parking areas within a reasonable distance from the Parking Facilities, for purposes of permitting or facilitating any such construction, alteration or improvements or to accommodate or facilitate renovation, alteration, construction or other modification of other improvements or structures located on the Project. The parking passes provided to Tenant pursuant to this Article 23 are provided solely for use by Tenant's own personnel and such passes may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval.

## ARTICLE 24

### MISCELLANEOUS PROVISIONS

24.1 Binding Effect. Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 above.

24.2 Tenant's Signs. Landlord shall provide Tenant with Building standard signage at the suite entry door to the Premises and on the Building directory. The location, quality, design, style, lighting and size of such signs shall be consistent with the Landlord's Building standard signage program and shall be subject to Landlord's prior written approval. Except for such identification signs, Tenant may not install any signs on the exterior or roof of the Building and/or the Additional Building or the common areas of the Building, the Additional Building or the Project. Any signs, window coverings, or blinds (even if the same are located behind the Landlord approved window coverings for the Building), or other items visible from the exterior of the Premises or Building are subject to the prior approval of Landlord, in its sole and absolute discretion.

Notwithstanding the foregoing, Landlord agrees that Tenant at its sole cost and expense may install one (1) exterior sign on the façade of the Building ("Exterior Sign"), provided that (i) the dimensions, design, plans, specifications and method of installation for the Exterior Sign are subject to Landlord's prior written approval, which shall not be unreasonably withheld; (ii) the Exterior Sign shall be located where BeyondSoft currently has its exterior signage on the façade of the Building; (iii) Tenant shall be solely responsible for ensuring that the Exterior Sign fully complies with all applicable laws, codes, ordinances and regulations; and (iv) at the expiration or earlier termination of the Lease Term, Tenant at its cost shall remove the Exterior Sign and repair any damage caused by such removal.

24.3 Modification of Lease. If any current or prospective mortgagee or ground lessor for the Project requires any modifications to this Lease, which modifications will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are required therefor and deliver the same to Landlord within ten (10) days following the request therefor. If Landlord or any such current or prospective mortgagee or ground lessor require execution of a short form of Lease for recording, containing, among other customary provisions, the names of the parties, a description of the Premises and the Lease Term, Tenant shall execute such short form of Lease and to deliver the same to Landlord within ten (10) days following the request therefor.

24.4 Transfer of Landlord's Interest. Landlord has the right to transfer all or any portion of its interest in the Project and/or this Lease, and upon any such transfer and a transfer of the Security Deposit, Landlord shall automatically be released from all liability under this Lease and Tenant shall look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer. Landlord may also assign its interest in this Lease to the holder of any mortgage or deed of trust as additional security, but such assignment shall not release Landlord from its obligations hereunder and Tenant shall continue to look to Landlord for the performance of its obligations hereunder.

24.5 Prohibition Against Recording. Except as provided in Section 24.3 above, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant, and the recording thereof in violation of this provision shall, at Landlord's election, constitute a non-curable default by Tenant under this Lease, the occurrence of which shall, in addition to Landlord's other rights and remedies, entitle Landlord to terminate this Lease at Landlord's election (pursuant to and in accordance with Section 19.2 above).

24.6 Captions. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

24.7 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of Rent nor any act of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

24.8 Time of Essence. Time is of the essence of this Lease and each of its provisions.

24.9 Partial Invalidity. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or



unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

**24.10 Landlord Exculpation.** The liability of the Landlord Parties to Tenant (or any person or entity claiming by, through or under Tenant) under the terms of this Lease or for any matter relating to or arising out of the occupancy or use of the Premises and/or other areas of the Project shall be limited to Tenant's actual direct, but not consequential, damages therefor and shall be recoverable only from the interest of Landlord in the Project; further provided that, notwithstanding anything to the contrary, the liability of the Landlord Parties to Tenant (or any person or entity claiming by, through or under Tenant) under the terms of this Lease or for any matter relating to or arising out of the occupancy or use of the Premises and/or other areas of the Project shall only be enforced against Landlord's equity interest in the Project up to a maximum of Ten Million Dollars (\$10,000,000.00) and in no event against any other assets of Landlord, or Landlord's owners, members, managers, officers, directors or partners, and any liability of Landlord with respect to this Lease shall be so limited and Tenant shall not be entitled to any judgment in excess of such amount. Tenant agrees to look solely to Landlord's interest in the Project for the recovery of any judgment against any Landlord Party. No Landlord Party (other than Landlord) shall be personally liable for any such judgment, award or deficiency after execution thereon and Tenant hereby waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 24.10 shall apply equally and inure to the benefit of the Landlord Parties, present and future advisors, beneficiaries, participants, representatives and their respective constituent partners, members, shareholders, trustees, heirs, successors and assigns. Under no circumstances shall any present or future general or limited partner of Landlord (if Landlord is a partnership), member of Landlord (if Landlord is a limited liability company) or trustee or beneficiary (if Landlord or any partner or member of Landlord is a trust) have any liability for the performance of Landlord's obligations under this Lease, nor shall negative capital account of any constituent partner or member in Landlord (or in a constituent member or partner of Landlord) nor any obligation of any constituent member or partner of Landlord (or in any other constituent member or partner of Landlord) to restore a negative capital account or to contribute or loan capital to Landlord (or to any constituent member or partner of Landlord), at any time be deemed to be the property or an asset of Landlord or such other constituent member or partner (and neither Tenant nor any of its successors or assigns shall have any right to collect, enforce or proceed against or with respect to any such negative capital account of such a member's or partner's obligation to restore or contribute). Notwithstanding any contrary provision herein, no Landlord Party shall be liable for any injury or damage to, or interference with, Tenant's business, including loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, or for any form of special or consequential damage, in each case however occurring, and whether arising out of or relating to this Lease, common law or by way of tort. Tenant waives any and all rights it may have to such damages arising out of or relating to this Lease, including, but not limited to, damages incurred as a result of Landlord's breach of or default under this Lease, and/or Landlord's breach of common law, tort or statutory duties owed to Tenant, if any. The foregoing shall be in addition to, and not in limitation of, any further limitation of liability that might otherwise apply. Notwithstanding the foregoing, none of the provisions of this Section 24.10 shall be deemed to release any insurance carrier that insures Landlord's liability to Tenant or to third parties from any obligation to make any payment to Tenant pursuant to any such insurance policy, it being agreed that any release of Landlord for any obligation to Tenant is not intended to and does not release Landlord's insurance carrier from the obligation of paying such loss on Landlord's behalf. The provisions of this Section 24.10 shall survive the expiration or earlier termination of the Term.

**24.11 Entire Agreement.** There are no oral agreements between the parties hereto affecting this Lease and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. This Lease, the exhibits and schedules attached hereto, and any side letter or separate agreement executed by Landlord and Tenant in connection with this Lease and dated of even date herewith contain all of the terms, covenants, conditions, warranties and agreements of the parties relating in any manner to the rental, use and occupancy of the Premises, shall be considered to be the only agreement between the parties hereto and their representatives and agents, and none of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto.

**24.12 Right to Lease.** Landlord reserves the absolute right to effect such other tenancies in the Building and Additional Building as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building, the Additional Building or the Project.

**24.13 Force Majeure.** Notwithstanding anything to the contrary contained in this Lease, any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, governmental laws, regulations or restrictions, civil commotions, Casualty, actual or threatened public

health emergency (including, without limitation, epidemic, pandemic, famine, disease, plague, quarantine, and other significant public health risk), governmental edicts, actions, orders, declarations or restrictions (including (i) any states of emergency and quarantines imposed by a governmental entity or agency, and (ii) any government imposed shelter-in-place orders, stay at home orders and/or restrictions on travel related thereto that preclude Tenant, or Landlord, their agents, contractors or employees from accessing the Premises, as applicable), breaches in cybersecurity, and other causes beyond the reasonable control of the party obligated to perform, regardless of whether such other causes are (A) foreseeable or unforeseeable or (B) related to the specifically enumerated events in this Section 24.13 (collectively, the "Force Majeure") shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage. If this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure. Any party claiming Force Majeure shall notify the other party in writing of such Force Majeure event, and may not claim more than five (5) days of retroactive days of Force Majeure delay. Notwithstanding anything to the contrary in this Lease, no event of Force Majeure shall (1) excuse Tenant's obligations to pay Rent and other charges as and when due pursuant to this Lease, (2) be grounds for Tenant to abate any portion of Rent due pursuant to this Lease, or entitle either party to terminate this Lease, except as allowed pursuant to Articles 11 and 12 above, (3) excuse Tenant's obligations under Articles 5 and 21 above and/or the Tenant Work Letter, (4) extend the time period for Tenant to vacate the Premises following the expiration of the Lease Term, (5) excuse Tenant's obligations under Section 10.2 to maintain the required insurance, or (6) extend or delay the occurrence of the Lease Commencement Date or extend the Lease Term.

**24.14 Notices.** All notices, demands, statements, approvals or communications (collectively, "Notices") given or required to be given by either party to the other pursuant to any provision of this Lease shall (except as otherwise provided in the Tenant Work Letter) be in writing, and shall be sent by United States certified or registered mail, postage prepaid, return receipt requested, or Priority Mail Express (with waiver of signature) together with a courtesy electronic copy of the Notice, or by a nationally recognized overnight courier service (e.g., Federal Express), or delivered personally (i) to Tenant at the appropriate address set forth in Section 5 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord; or (ii) to Landlord at the addresses set forth in Section 3 of the Summary, or to such other firm or to such other place as Landlord may from time to time designate in a Notice to Tenant. Any Notice is deemed given (A) on the date which is two (2) business days after it is mailed as provided in this Section 24.14, or (B) upon the date which is one (1) business day after it is sent by nationally recognized overnight courier, or (C) upon the date personal delivery is made to the address of the addressee (even if refused or rejected). If Tenant is notified of the identity and address of Landlord's mortgagee or ground lessor, Tenant shall give to such mortgagee or ground lessor written notice of any default by Landlord under the terms of this Lease pursuant to the provisions hereinabove, and such mortgagee or ground lessor shall be given a reasonable opportunity to cure such default prior to Tenant's exercising any remedy available to Tenant.

**24.15 Joint and Several.** If there is more than one person or entity executing this Lease as Tenant, the obligations imposed upon such persons and entities under this Lease are and shall be joint and several.

**24.16 Authority.** Each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in Washington and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so.

**24.17 Governing Law.** This Lease shall be construed and enforced in accordance with the laws of the State of Washington.

**24.18 Submission of Lease.** Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or an option for lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

**24.19 Brokers.** Landlord and Tenant each hereby represents and warrants to the other party that it (i) has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 12 of the Summary (collectively, the "Brokers"), and (ii) knows of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Landlord shall pay the brokerage commissions owing to the Brokers in connection with this Lease pursuant to the terms of a separate agreement between and/or among Landlord and the Brokers. Each party agrees to indemnify, defend, protect and hold the other party harmless from and against any and all Claims with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent in connection with this Lease other than the Brokers. The terms of this Section 24.19 shall survive the expiration or earlier termination of the Lease Term.

**24.20 Independent Covenants.** This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the

benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord; provided, however, that the foregoing shall in no way impair the right of Tenant to commence a separate action against Landlord for any violation by Landlord of the provisions hereof so long as notice is first given to Landlord and any holder of a mortgage or deed of trust covering the Building, Project or any portion thereof, of whose address Tenant has theretofore been notified, and an opportunity is granted to Landlord and such holder to correct such violations as provided above.

24.21 Project Name and Signage. Landlord shall have the right at any time to designate and/or change the name of the Project, the Building and/or the Additional Building, and to install, affix and maintain any and all signs on the exterior and on the interior of the Project, the Building and/or the Additional Building, as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the name of the Project, the Building and/or the Additional Building, or use pictures or illustrations of the Project, the Building and/or the Additional Building, in advertising or other publicity, without the prior written consent of Landlord.

24.22 Successors. Except as otherwise expressly provided herein, the obligations of this Lease shall bind and benefit the successors and assigns of the parties hereto; provided, however, that no assignment, sublease or other Transfer in violation of the provisions of Article 14 shall operate to vest any rights in any putative assignee, subtenant or transferee of Tenant.

24.23 Landlord Renovations. Except as specifically set forth in this Lease or in the Tenant Work Letter: (i) Landlord has no obligation to alter, remodel, improve, renovate, repair or decorate the Premises, Building, the Additional Building, Project or any part thereof; and (ii) no representations or warranties respecting the condition of the Premises, the Building, the Additional Building or the Project have been made by Landlord to Tenant. At Landlord's option, Landlord may at any time and from time to time, renovate, improve, alter, or modify (collectively, the "Renovations") the Building, the Premises, and/or the Project, including without limitation the Building Parking Facilities, common areas, systems and equipment, roof, and structural portions of the same, which Renovations may include, without limitation, (A) modifying the common areas and tenant spaces to comply with applicable laws and regulations, including regulations relating to the physically disabled, seismic conditions, and building safety and security, (B) installing new floor covering, lighting, and wall coverings in the common areas, and in connection with any Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Building or Project, limit or eliminate access to portions of the Project, including portions of the common areas, or perform work in the Building or Project, which work may create noise, dust or leave debris in the Project, (C) renovation of the main entry to the Building and the main Building lobby area, (D) renovation of the elevator, lobbies, elevator doors and frames, and (E) installations, repairs or maintenance of telephone risers. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the Renovations or Landlord's actions in connection with such Renovations, or for any inconvenience or annoyance occasioned by such Renovations or Landlord's actions in connection with such Renovations.

24.24 Confidentiality. Tenant acknowledges that the contents of this Lease (specifically including, but not limited, to the Base Rent abatement provisions and the amount of the Abated Rent set forth in Section 3.2 above) are confidential information. Tenant shall keep such information confidential and shall not disclose such confidential information to any person or entity other than Tenant's legal, accounting, and space planning consultants, respectively, or as otherwise required by law (collectively, the "Authorized Parties"), and shall instruct the Authorized Parties to keep such information confidential. If Tenant discloses any such confidential information to anyone other than the Authorized Parties, then Tenant shall be in default under this Lease without the benefit of any notice and cure period, and, in addition to all of Landlord's other rights and remedies resulting from such default, (i) if such default occurs prior to the end of the Abatement Period, Tenant shall no longer be entitled to receive the Abated Rent not theretofor accrued, and Landlord shall be entitled to recover all of the Abated Rent theretofor provided to Tenant, and (ii) if such default occurs after the end of the Abatement Period, Landlord shall be entitled to recover all of the Abated Rent theretofor provided to Tenant.

24.25 Landlord's Title; Air Rights. Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease.

24.26 No Waiver. No waiver of any provision of this Lease shall be implied by any failure of a party to enforce any remedy on account of the violation of such provision, even if such violation shall



continue or be repeated subsequently, any waiver by a party of any provision of this Lease may only be in writing, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

24.27 Jury Trial. IF EITHER PARTY COMMENCES LITIGATION AGAINST THE OTHER FOR THE SPECIFIC PERFORMANCE OF THIS LEASE, FOR DAMAGES FOR THE BREACH HEREOF OR OTHERWISE FOR ENFORCEMENT OF ANY REMEDY HEREUNDER, THE PARTIES HERETO AGREE TO AND HEREBY DO WAIVE ANY RIGHT TO A TRIAL BY JURY.

24.28 Attorneys' Fees. In the event of any such commencement of litigation, the prevailing party shall be entitled to recover from the other party such costs and reasonable attorneys' fees as may have been incurred, including any and all costs incurred in enforcing, perfecting and executing such judgment. In addition, Tenant shall reimburse Landlord, upon demand, for all reasonable attorneys' fees incurred in collecting Rent, resolving any actual default by Tenant, securing indemnification as provided in this Lease or otherwise seeking enforcement against Tenant, its sublessees and assigns, of Tenant's obligations under this Lease. Should Landlord be made a party to any litigation instituted by Tenant against a party other than Landlord, or by a third party against Tenant, Tenant shall indemnify, hold harmless and defend Landlord from any and all Claims in connection with the litigation.

24.29 Building Directory. At Landlord's cost, Landlord shall include Tenant's name and suite number on one (1) line on the Building lobby directory.

24.30 Application of Payments. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

24.31 Intentionally Deleted.

24.32 Electronic Services.

24.32.1 Tenant's Lines. Tenant may, in a manner consistent with the provisions and requirements of this Lease, install, maintain, replace, remove or use any communications or computer or other electronic service wires, cables and related devices (collectively the "Lines") at the Building in or serving the Premises, provided: (i) Tenant shall obtain Landlord's prior written consent, which consent may be conditioned as required by Landlord; (ii) Tenant shall cooperate with Landlord's riser management vendor(s) and consultant(s), as required by Landlord; (iii) if Tenant at any time uses any equipment that may create an electromagnetic field exceeding the normal insulation ratings of ordinary twisted pair riser cable or cause radiation higher than normal background radiation, the Lines therefor (including riser cables) shall be appropriately insulated to prevent such excessive electromagnetic fields or radiation; and (iv) Tenant shall pay all costs in connection therewith. Landlord reserves the right to require that Tenant remove any Lines which are installed in violation of these provisions. Tenant shall not, without the prior written consent of Landlord in each instance, grant to any third party a security interest or lien in or on the Lines, and any such security interest or lien granted without Landlord's written consent shall be null and void.

24.32.2 Definition of Electronic Services. As used herein, "Electronic Services Provider" means a business which provides telephone, telegraph, telex, video, other telecommunications or other services which permit Tenant to receive or transmit information by the use of electronics and which require the use of wires, cables, antennas or similar devices in or on the Building and/or Project. The services of Electronic Services Providers are sometimes referred to herein as "Electronic Services".

24.32.3 No Right to Specific Services. Landlord shall have no obligation to (i) install any Electronic Services equipment or facilities, (ii) make available to Tenant the services of any particular Electronic Services Provider, (iii) allow any particular Electronic Services Provider access to the Building and/or Project, and/or (iv) continue to grant access to an Electronic Services Provider once such provider has been given access to the Building and/or Project. Landlord may (but shall not have the obligation to): (A) install new Lines at the property; (B) create additional space for Lines at the property; and (C) adopt reasonable and uniform rules and regulations with respect to Lines.

24.32.4 Limitation of Landlord's Responsibility. Tenant acknowledges and agrees that all Electronic Services desired by Tenant shall be ordered and utilized at the sole expense of Tenant. Unless Landlord otherwise requests or consents in writing, all of Tenant's Electronic Services equipment shall be

and remain solely in the Premises and the telephone closet(s) on the floor(s) on which the Premises is located, in accordance with rules and regulations adopted by Landlord from time to time. Unless otherwise specifically agreed to in writing, Landlord shall have no responsibility for the maintenance of Tenant's Electronic Services equipment, including Lines; nor for any Lines or other infrastructure to which Tenant's Electronic Services equipment may be connected. Tenant agrees that, to the extent any Electronic Services are interrupted, curtailed or discontinued, Landlord shall have no obligation or liability with respect thereto and it shall be the sole obligation of Tenant at its own expense to obtain substitute service. Except to the extent arising from the gross negligence or willful misconduct of Landlord or Landlord's agents or employees and not insured or required to be insured by Tenant under this Lease, Landlord shall have no liability for damages arising from, and Landlord does not warrant that Tenant's use of any Lines will be free from the following (collectively called "Line Problems"): (i) any eavesdropping or wire-tapping by unauthorized parties; (ii) any failure of any Lines to satisfy Tenant's requirements; or (iii) any shortages, failures, variations, interruptions, disconnections, loss or damage caused by the installation, maintenance, replacement, use or removal of Lines by or for other tenants or occupants at the property. Under no circumstances shall any Line Problems be deemed an actual or constructive eviction of Tenant, render Landlord liable to Tenant for abatement of Rent, or relieve Tenant from performance of Tenant's obligations under this Lease. Landlord in no event shall be liable for damages by reason of loss of profits, business interruption or other consequential damage arising from any Line Problems.

**24.32.5 Necessary Service Interruptions.** Landlord shall have the right, upon reasonable prior notice to Tenant, to interrupt or turn off Electronic Services facilities in the event of emergency or as necessary in connection with maintenance, repairs or construction at the Building and/or Project or installation of Electronic Services equipment for other tenants of the Building and/or Project or on account of violation by the Electronic Services Provider or owner of the Electronic Services equipment of any obligation to Landlord or in the event that Tenant's use of the Electronic Services infrastructure of the Building and/or Project materially interferes with the Electronic Services of other tenants of the Building and/or Project.

**24.32.6 Removal of Equipment, Wiring and Other Facilities.** Any and all Electronic Services equipment installed in the Premises or elsewhere in the Building and/or Project by or on behalf of Tenant, including Lines, or other facilities for Electronic Services reception or transmittal, shall be removed prior to the expiration or earlier termination of the Lease term, by Tenant at its sole cost or, at Landlord's election, by Landlord at Tenant's sole cost, with the cost thereof to be paid as additional rent. Landlord shall have the right, however, upon written notice to Tenant given no later than thirty (30) days prior to the expiration or earlier termination of the Lease Term (except that the notice period shall extend to thirty (30) days beyond the date of termination of the Lease if it is terminated by either party due to a default by the other), to require Tenant to abandon and leave in place, without additional payment to Tenant or credit against Rent, any and all Electronic Services Lines and related infrastructure, or selected components thereof, whether located in the Premises or elsewhere in the Building and/or Project.

**24.32.7 New Provider Installations.** If Tenant wishes at any time to utilize the services of an Electronic Services Provider whose equipment is not then servicing the Building and/or Project, no such Electronic Services Provider shall be permitted to install its Lines or other equipment within the Building and/or Project without first securing the prior written approval of Landlord. Landlord's approval shall not be deemed any kind of warranty or representation by Landlord, including, without limitation, any warranty or representation as to the suitability, competence, or financial strength of the Electronic Services Provider. Without limitation of the foregoing standard, unless all of the following conditions are satisfied to Landlord's satisfaction, it shall be reasonable for Landlord to refuse to give its approval: (i) Landlord shall incur no current expense or risk or future expense whatsoever with respect to any aspect of the Electronic Services Provider's provision of its Electronic Services, including without limitation, the costs of installation, materials and services; (ii) prior to commencement of any work in or about the Building and/or Project by the Electronic Services Provider, the Electronic Services Provider shall supply Landlord with such written indemnities, insurance, financial statements, and such other items as Landlord reasonably determines to be necessary to protect its financial interests and the interests of the Building and Project relating to the proposed activities of the Electronic Services Provider; (iii) the Electronic Services Provider agrees to abide by such rules and regulations, Building and other codes, job site rules and such other requirements as are reasonably determined by Landlord to be necessary to protect the interests of the Building and/or Project, the tenants in the Building and Landlord, in the same or similar manner as Landlord has the right to protect itself and the Building and/or Project with respect to proposed alterations as described in Section 8 above; (iv) Landlord reasonably determines that, considering other potential uses for space in the Building and/or Project, there is sufficient space in the Building and/or Project for the placement of all of the provider's equipment, conduit, Lines and other materials; (v) the Electronic Services Provider agrees to abide by Landlord's requirements, if any, that providers use existing Building conduits and pipes or use Building contractors (or other contractors approved by Landlord); (vi) Landlord receives from the Electronic Services Provider such compensation as is reasonably determined by Landlord to compensate it for space used in the Building and/or Project for the storage and maintenance of the Electronic Services Provider's equipment, for the fair market value of an Electronic Services Provider's access to the Building and Project, for the use of common or core space within the Building and/or Project and the costs

which may reasonably be expected to be incurred by Landlord; (vii) the provider agrees to deliver to Landlord plans prior to the installation of the provider's equipment and detailed "as built" plans immediately after the installation of the provider's equipment is complete; and (viii) all of the foregoing matters are documented in a written license agreement between Landlord and the provider, the form and content of which is reasonably satisfactory to Landlord.

**24.32.8 Limit of Default or Breach.** Notwithstanding anything in this Section 24.32 to the contrary, the refusal of Landlord to grant its approval to any prospective Electronic Services Provider shall not be deemed a default or breach by Landlord of its obligation under this Lease unless and until Landlord is adjudicated to have acted recklessly or maliciously with respect to Tenant's request for approval, and in that event, Tenant shall still have no right to terminate this Lease or claim an entitlement to Rent abatement, but may as Tenant's sole and exclusive recourse seek a judicial order of specific performance compelling Landlord to grant its approval as to the prospective provider in question. The provisions of this Section 24.32.8 may be enforced solely by Tenant and Landlord, are not for the benefit of any other party, and specifically but without limitation, no telephone or other Electronic Services Provider shall be deemed a third party beneficiary of this Lease.

**24.32.9 Installation and Use of Wireless Technologies.** Tenant shall not utilize any wireless Electronic Services equipment (other than usual and customary cellular telephones), including antennae and satellite receiver dishes, within the Tenant's premises, within the Building and/or Project or attached to the outside walls or roof of the Building, without Landlord's prior written consent. Such consent may be conditioned in such a manner so as to protect Landlord's financial interests and the interests of the Building and Project, and the other tenants therein, in a manner similar to the arrangements described in the immediately preceding paragraphs.

**24.32.10 Limitation of Liability For Equipment Interference.** If Electronic Services equipment, Lines and facilities or satellite and antennae equipment of any type installed by or at the request of Tenant within the Premises, on the roof, or elsewhere within or on the Building and/or Project causes interference to equipment used by another party, Tenant shall cease using such equipment, Lines and facilities or satellite and antennae equipment until the source of the interference is identified and eliminated and Tenant shall assume all liability related to such interference. Tenant shall cooperate with Landlord and other parties, to eliminate such interference promptly. If Tenant is unable to do so, Tenant will substitute alternative equipment which remedies the situation. If such interference persists, Tenant shall, at Landlord's sole discretion, remove such equipment.

**24.33 Cannabis.** Tenant agrees that the Premises shall not be used for the use, growing, producing, processing, storing (short or long term), distributing, transporting, or selling of cannabis, cannabis derivatives, or any cannabis containing substances ("Cannabis"), nor shall Tenant permit, allow or suffer, any of Tenant's officers, employees, agents, servants, licensees, subtenants, concessionaires, contractors and invitees to bring onto the Premises, Building and/or Project, any Cannabis. Without limiting the foregoing, the prohibitions in this Section 24.33 shall apply to all Cannabis, whether such Cannabis is legal for any purpose whatsoever under state or federal law or both. Notwithstanding anything to the contrary, any failure by Tenant to comply with each of the terms, covenants, conditions and provisions of this Section 24.33 shall automatically and without the requirement of any notice be a default that is not subject to cure, and Tenant agrees that upon the occurrence of any such default, Landlord may elect, in its sole discretion, to exercise all of its rights and remedies under this Lease, at law or in equity with respect to such default.

**24.34 Waiver of Claims.** As a material inducement to Landlord to enter into this Lease, Tenant hereby releases Landlord from, and hereby waives, any and all losses, costs, damages, expenses, liabilities, claims and causes of action (including, without limitation, attorneys' fees) (collectively, the "Released Claims") arising from or related to Tenant's inability or limitation to conduct operations from the Premises as a result of any "shelter in place" and/or "safer at home" orders, eviction moratoria or similar governmental directives, including, without limitation, any claims for, and/or rights of, termination of this Lease and/or abatement, offset and/or deferral of Rent under this Lease, at law and/or in equity (including without limitation, any claims for frustration of purpose, impossibility and impracticability) related to the inability of Tenant to conduct operations from the Premises whether from any "shelter in place" and/or "safer at home" orders, eviction moratoria or similar governmental directives related thereto or otherwise and/or any economic or other effects on Tenant's business and/or financial wherewithal as a result therefrom.

**24.35 Counterparts.** This Lease may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together will constitute one and the same instrument.

**24.36 Electronic Signatures.** Each of the parties to this Lease (i) has agreed to permit the use from time to time, where appropriate and subject to notarization, of telecopy or other electronic signatures (including, without limitation, DocuSign) in order to expedite the transaction contemplated by this Lease,



(ii) intends to be bound by its respective telecopy or other electronic signature, (iii) is aware that the other will rely on the telecopied or other electronically transmitted signature, and (iv) acknowledges such reliance and waives any defenses to the enforcement of this Lease and the documents affecting the transaction contemplated by this Lease based on the fact that a signature was sent by telecopy or electronic transmission only.

24.37 Guaranty. As a condition to Landlord entering into this Lease, Tenant agrees to cause Matthew Sharpe, M.D., an individual, and Amanda Sharpe, an individual, in their personal and marital capacities (collectively, "Guarantor"), to guaranty Tenant's payment and performance obligations under this Lease pursuant to the form of guaranty attached hereto as Exhibit F ("Guaranty"). Tenant agrees to provide the Guaranty to Landlord, fully executed by Guarantor, at the same time that Tenant executes and delivers this Lease.

24.38 Exclusivity. During the Term of this Lease, Landlord agrees not to enter into any new lease for space in the Building or either of the two (2) Additional Buildings that allows the tenant of such new lease to use its space for the sole purpose of offering laser vision surgery and cataract surgery services. Notwithstanding anything to the contrary, the terms and conditions of the first (1<sup>st</sup>) sentence of this paragraph shall only be in effect and in force so long as (i) Tenant is not in default under the Lease beyond any applicable notice and cure period; (ii) the original Tenant of this Lease (SharpeVision PLLC) remains the Tenant under this Lease and occupies and uses the entire Premises; (iii) the original Tenant of this Lease (SharpeVision PLLC) has not assigned the Lease in whole or in part; (iv) the original Tenant of this Lease (SharpeVision PLLC) has not sublet or licensed any portion of the Premises. Furthermore, for the avoidance of doubt, the terms and condition of the first (1<sup>st</sup>) sentence of this paragraph do not apply with respect to any tenant currently leasing space in the Building as of the date of execution of this Lease or to any leases for space in the Building currently in effect as of the date of execution of this Lease (including, without limitation, any extension or amendment of any such leases).

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have caused their duly authorized representatives to execute this Lease as of the day and date first above written.

"Landlord"

J & J CCE, LLC,  
a Washington limited liability company

By:

Name: Jordan Lott  
Its: Manager

"Tenant"

SharpeVision PLLC,  
a Washington professional limited liability company

By:

Name: MATTHEW SHARPE  
Its: MEMBER

If Tenant is a limited liability company, this Lease must be executed by one or more of the authorized manager(s) as evidenced by a copy of the duly filed Articles of Organization (LLC-1), in which event a conformed copy of the filed Articles of Organization (LLC-1) must be attached to this Lease.

If Tenant is a corporation, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. This Lease must be executed by the president or vice president and the secretary or assistant secretary, unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event the bylaws or a certified copy of the resolution, as the case may be, must be attached to this Lease. In addition, a certificate by the secretary of the corporation must be attached to this Lease stating that the signatories are authorized to sign on behalf of the corporation.

If Tenant is a partnership, this Lease must be executed by a general partner or another party authorized to sign on behalf of the partnership as evidenced by a fully executed copy of the Partnership Agreement or duly recorded Statement of Partnership (or in the case of a limited partnership, a copy of the duly filed LP-1 Certificate of Limited Partnership), in which event a copy of the Partnership Agreement or a conformed copy of the recorded Statement of Partnership (or LP-1, as the case may be) must be attached to this Lease. Additionally, if the general partner or another party authorized to sign on behalf of the partnership is other than a natural person, then the procedures for signatory authorization of that entity must also be reviewed in accordance with these instructions.

TENANT NOTARY

STATE OF WASHINGTON    )  
  ) ss.  
COUNTY OF KING        )

On this 15<sup>th</sup> day of Nov., 2021, before me, a Notary Public in and for the State of Washington, personally appeared Matthew Sharpe, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that \_\_\_\_\_ was authorized to execute the instrument, and acknowledged it as the \_\_\_\_\_ of \_\_\_\_\_ to be the free and voluntary act and deed of said professional limited liability company for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



[Signature]  
NOTARY PUBLIC in and for the State of  
Washington, residing at Sultan, WA  
My appointment expires 06.01.2022  
Print Name Ashlie Berger

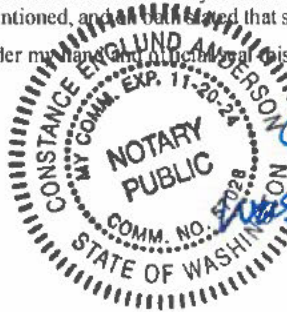


LANDLORD NOTARY

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this day personally appeared before me Jordan Lott, known to me to be the Manager of J & J CCE, LLC, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and that he is authorized that said individual is authorized to execute said instrument.

GIVEN under my hand and official seal this 16 day of November 2021



Constance England Anderson  
(Print name of notary)  
NOTARY PUBLIC in and for the State of Washington  
residing at Newcastle  
My commission expires 11/20/24

EXHIBIT A-1

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF KING, STATE OF WA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

THAT PORTION OF THE NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON, LYING NORTH OF THE SOUTH 220 FEET THEREOF;

EXCEPT THAT PORTION THEREOF LYING NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF PRIMARY STATE HIGHWAY NO. 1 AS SHOWN ON THE MAP OF DEFINITE LOCATION ON FILE IN THE OFFICE OF THE DIRECTOR OF HIGHWAYS AT OLYMPIA, WASHINGTON, BEARING DATE OF APPROVAL JUNE 25, 1963, REVISED MARCH 10, 1964, 200 FEET DISTANT SOUTHWESTERLY (MEASURED RADIALY) FROM THE EV P LINE STATION 335+50 OF SAID HIGHWAY;

THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY HIGHWAY LINE 750 FEET, MORE OR LESS, TO A POINT 270 FEET DISTANT SOUTHWESTERLY FROM (MEASURED AT RIGHT ANGLES TO) SAID EV P LINE AT STATION 328+00;

THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY HIGHWAY LINE 260 FEET, MORE OR LESS, TO A POINT 220 FEET DISTANT SOUTHWESTERLY FROM (AS MEASURED AT RIGHT ANGLES TO) SAID EV P LINE AT STATION 325+46 AND THE TERMINUS OF SAID DESCRIBED LINE.

PARCEL A-1:

TOGETHER WITH A NON-EXCLUSIVE EASEMENT FOR PARKING AS ESTABLISHED BY DECLARATION OF RECIPROCAL PARKING EASEMENTS RECORDED UNDER RECORDING NO. 8209130273.

PARCEL B:

LOT 4 OF CITY OF BELLEVUE SHORT PLAT NO. 81-21, RECORDED UNDER RECORDING NO. 8109049006, RECORDS OF KING COUNTY, WASHINGTON.

PARCEL B-1:

TOGETHER WITH A NON-EXCLUSIVE EASEMENT FOR PARKING AS ESTABLISHED BY DECLARATION OF RECIPROCAL PARKING EASEMENTS RECORDED UNDER RECORDING NUMBER 8209130273.

PARCEL C:

THE SOUTH 220 FEET OF THE NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION THEREOF LYING NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF PRIMARY STATE HIGHWAY NO. 1 AS SHOWN ON THE MAP OF DEFINITE LOCATION ON FILE IN THE OFFICE OF THE DIRECTOR OF HIGHWAYS AT OLYMPIA, WASHINGTON, BEARING DATE OF APPROVAL JUNE 25, 1963, REVISED MARCH 10, 1964, 200 FEET DISTANT SOUTHWESTERLY (MEASURED RADIALY) FROM THE EV P LINE STATION 335+50 OF SAID HIGHWAY;

THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY HIGHWAY LINE 750 FEET, MORE OR LESS, TO A POINT 270 FEET DISTANT SOUTHWESTERLY FROM (MEASURED AT RIGHT ANGLES TO) SAID EV P LINE AT STATION 328+00;

THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY HIGHWAY LINE 260 FEET, MORE OR LESS, TO A POINT 220 FEET DISTANT SOUTHWESTERLY FROM (AS MEASURED AT RIGHT ANGLES TO) SAID EV P LINE AT STATION 325+46 AND THE TERMINUS OF SAID DESCRIBED LINE.

PARCEL C-1:

TOGETHER WITH A NON-EXCLUSIVE EASEMENT FOR PARKING AS ESTABLISHED BY DECLARATION OF RECIPROCAL PARKING EASEMENTS RECORDED UNDER RECORDING NUMBER 8209130273.

PARCEL D:

THE EAST 809.71 FEET OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 20, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON FOR HIGHWAY NUMBER 1 BY DEED RECORDED UNDER RECORDING NO. 5716173.

PARCEL D-1:

TOGETHER WITH A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS AND PASSAGE OF PEDESTRIANS AND MOTOR VEHICLES AND FOR THE PARKING OF MOTOR VEHICLES INTO, OUT OF, ON, OVER AND ACROSS THE PARKING AREAS OF PHASE 1 PROPERTY AS DEFINED AND ESTABLISHED BY DECLARATION OF RECIPROCAL PARKING EASEMENTS RECORDED UNDER RECORDING NO. 8209130273;

AND TOGETHER WITH A NON-EXCLUSIVE EASEMENT FOR UNDERGROUND WATER LINE, ELECTRICAL TRANSMISSION LINE AND TELEPHONE LINE AS ESTABLISHED BY UTILITY EASEMENT RECORDED UNDER RECORDING NO. 8104090343.

PARCEL E:

A PORTION OF THE SOUTH HALF OF SECTION 20, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON, SAID PORTION BEING THE AIR RIGHTS LYING BETWEEN TWO PLANES:

THE NORTHWESTERN END (COURSE NORTH 68°31'23" EAST 58.23 FEET) OF THE BOTTOM PLANE IS AT ELEVATION 47.0, U.S. COAST AND GEODETIC DATUM (1926 ADJUSTMENT) AND THE SOUTHEASTERN END (COURSE: SOUTH 44°04'51" WEST 91.16 FEET) OF THE BOTTOM PLANE IS AT ELEVATION 90.0, SAID DATUM, THE NORTHWESTERN END (COURSE NORTH 68°31'23" EAST 58.23 FEET) OF THE TOP PLANE IS AT ELEVATION 75.0, SAID DATUM; THE SOUTHEASTERN END (COURSE: SOUTH 44°04'51" WEST 91.16 FEET) IS AT ELEVATION 120.0, SAID DATUM; AND SAID PORTION IS DESCRIBED AS FOLLOWS, TO WIT:

COMMENCING AT THE CENTER OF SAID SECTION;

THENCE SOUTH 88°32'36" EAST 154.23 FEET, ALONG THE NORTH LINE OF SAID HALF SECTION TO THE CENTER LINE (EV P LINE) OF SR-520 ON PROJECT: SR-405, BELLEVUE TO NORTHUP INTERCHANGE, SHEET 3 OF 10 SHEETS;  
THENCE NORTH 39°46'00" WEST 50.50 FEET ALONG SAID CENTER LINE;  
THENCE SOUTH 50°14'00" WEST 220.00 FEET TO THE INTERSECTION OF A SOUTHERN MARGIN AND SOUTHWESTERN MARGIN OF SAID SR-520 AND THE POINT OF BEGINNING OF THIS DESCRIPTION;  
THENCE NORTH 68°31'23" EAST 58.23 FEET ALONG AN ACCESS CONTROL LINE OF SAID PROJECT;  
THENCE SOUTHEASTERLY PARALLEL WITH F1 LINE ON SAID SR-520 ON A CURVE TO THE LEFT, HAVING A RADIUS OF 570.20 FEET, THROUGH A CENTRAL ANGLE OF 24°26'32" AND ALONG AN ARC LENGTH OF 243.24 FEET;  
THENCE SOUTH 45°55'09" EAST 473.54 FEET PARALLEL WITH SAID F1 LINE;  
THENCE SOUTH 44°04'51" WEST 91.16 FEET TO THE INTERSECTION OF SAID SOUTHWESTERN MARGIN WITH A SOUTH LINE OF THE OWNER'S LAND AS DESCRIBED IN RECORDING NO. 8111100088, IN SAID COUNTY AND STATE;  
THENCE NORTH 44°28'08" WEST 486.54 FEET ALONG SAID SOUTHWESTERN MARGIN;

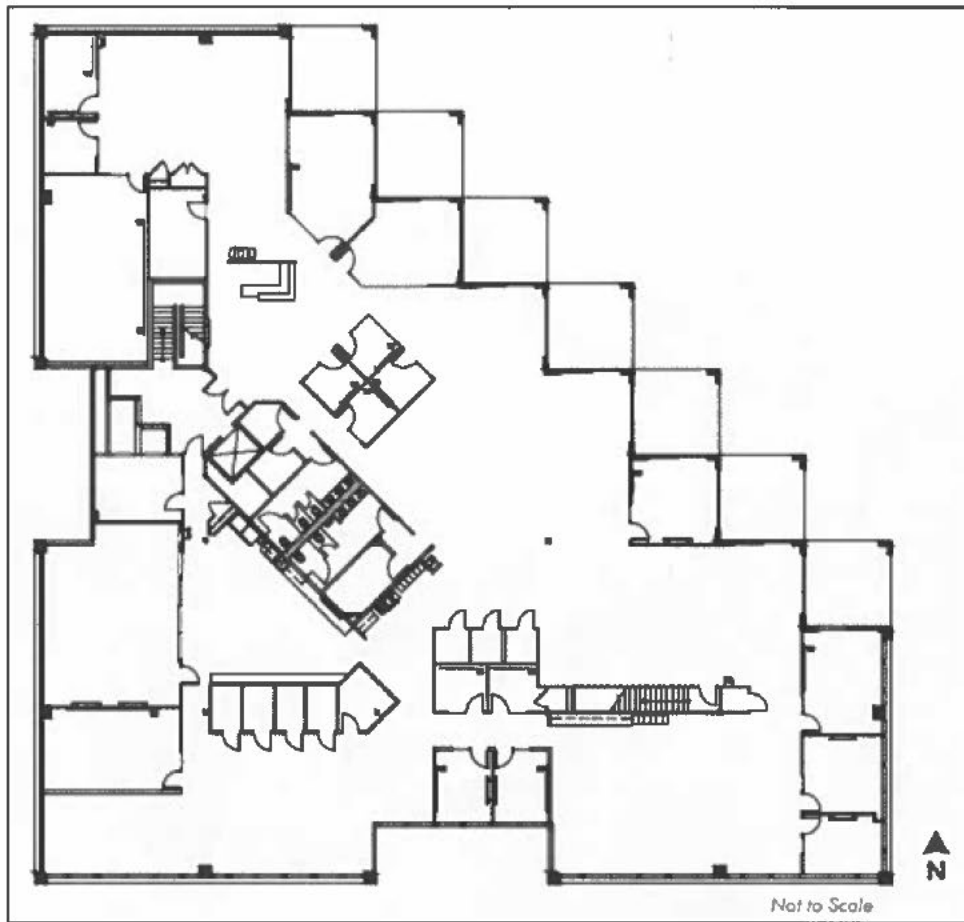
THENCE NORTH 28°37'49" WEST 258.87 FEET ALONG SAID SOUTHWESTERN MARGIN TO THE POINT OF BEGINNING.



**EXHIBIT A-2**

**FLOOR PLAN OF PREMISES**

This Exhibit A-2 is provided for informational purposes only and is intended to be only an approximation of the layout of the Premises and shall not be deemed to constitute any representation by Landlord as to the exact layout or configuration of the Premises.



## EXHIBIT B

### RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Project.

1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant. Two (2) keys will be furnished by Landlord for the Premises, and any additional keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord. Upon the expiration or earlier termination of the Lease, Tenant shall restore to Landlord all keys of stores, offices, and toilet rooms, either furnished to, or otherwise procured by, Tenant, and in the event of the loss of any keys so furnished, Tenant shall pay to Landlord the cost of replacing the same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such change.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises, unless electrical hold backs have been installed.

3. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building and to exclude from the Building between the hours of 6:00 p.m. and 7:00 a.m. and at all hours on Saturday, Sunday and Holidays (as defined in the Lease) all persons who do not present a pass or card key to the Building approved by Landlord. Tenant, its employees and agents must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building may be required to sign the Building register when so doing. After-hours access by Tenant's authorized employees may be provided by card-key access or other procedures adopted by Landlord from time to time; Tenant shall pay for the costs of all access cards provided to Tenant's employees and all replacements thereof for lost, stolen or damaged cards. Access to the Building may be refused unless the person seeking access has proper identification or has a previously arranged pass for access. Tenant and its employees shall not go upon the roof of the Building and/or the Additional Building without the written consent of Landlord. Landlord and its agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building or Project of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building and/or Project during the continuance of same by any means it deems appropriate for the safety and protection of life and property.

4. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. All damage done to any part of the Building and/or Project, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility of Tenant and any expense of said damage or injury shall be borne by Tenant.

5. No furniture, freight, packages, supplies, equipment or merchandise will be brought into or removed from the Building or carried up or down in the elevators, except upon prior notice to Landlord, and in such manner, in such specific elevator, and between such hours as shall be designated by Landlord. Tenant shall provide Landlord with not less than twenty-four (24) hours' prior notice of the need to utilize an elevator for any such purpose, so as to provide Landlord with a reasonable period to schedule such use and to install such padding or take such other actions or prescribe such procedures as are appropriate to protect against damage to the elevators or other parts of the Building.

6. Landlord shall have the right to control and operate the public portions of the Building and Project, the public facilities, the HVAC, and any other facilities furnished for the common use of tenants, in such manner as is customary for Comparable Buildings.

7. The requirements of Tenant will be attended to only upon application at the management office of the Building or at such office location designated by Landlord. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

8. Tenant shall not disturb, solicit, or canvass any occupant of the Project and shall cooperate with Landlord or Landlord's agents to prevent same.

9. 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 thrown 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 agents, shall have caused it.

10. Tenant shall not overload the floor of the Premises, nor mark, drive nails or screws, or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof without Landlord's consent first had and obtained; provided, however, Landlord's prior consent shall not be required with respect to Tenant's placement of pictures and other normal office wall hangings on the interior walls of the Premises (but at the end of the Lease Term, Tenant shall repair any holes and other damage to the Premises resulting therefrom).

11. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines of any description other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord.

12. Tenant shall not use any method of HVAC other than that which may be supplied by Landlord, without the prior written consent of Landlord.

13. Tenant shall not use or keep in or on the Premises or the Project any kerosene, gasoline or other inflammable or combustible fluid or material. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Project by reason of noise, odors, or vibrations, or interfere in any way with other tenants or those having business therein.

14. Tenant shall not bring into or keep within the Project or the Premises any animals, birds, bicycles or other vehicles.

15. No cooking shall be done or permitted by any tenant on the Premises, nor shall the Premises be used for the storage of merchandise, for lodging or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages, provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations, and does not cause odors which are objectionable to Landlord and other tenants.

16. Landlord will approve where and how telephone and telegraph wires are to be introduced to the Premises. No boring, cutting or stringing of wires or laying of linoleum or other similar floor coverings shall be allowed without the consent of Landlord. The location of telephone, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

17. Landlord reserves the right to exclude or expel from the Building and/or Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

18. Tenant, its employees and agents shall not loiter in the entrances or corridors, nor in any way obstruct the sidewalks, lobby, halls, stairways or elevators, and shall use the same only as a means of ingress and egress for the Premises.

19. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to ensure the most effective operation of the Building's HVAC system, and shall refrain from attempting to adjust any controls. Tenant shall comply with and participate in any program for metering or otherwise measuring the use of utilities and services, including, without limitation, programs requiring the disclosure or reporting of the use of any utilities or services. Tenant shall also cooperate and comply with, participate in, and assist in the implementation of (and take no action that is inconsistent with, or which would result in Landlord, the Building and/or the Project failing to comply with the requirements of) any conservation, sustainability, recycling, energy efficiency, and waste reduction programs, environmental protection efforts and/or other programs that are in place and/or implemented from time to time at the Building and/or the Project, including, without limitation, any required reporting, disclosure, rating or compliance system or program (including, but not limited to, any LEED [Leadership in Energy and Environmental Design] rating or compliance system, including those currently coordinated through the U.S. Green Building Council).

20. Tenant shall not use any method of heating or air conditioning other than that which may be supplied by Landlord, without the prior written consent of Landlord. Tenant shall not furnish cooling or heating to the Premises, including, without limitation, the use of electronic or gas heating devices, portable coolers (such as "move n cools") or space heaters, without Landlord's prior written consent, and any such approval will be for devices that meet federal, state and local code.



21. Tenant shall store all its trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in the city in which the Project is located without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate.

22. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

23. Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed, when the Premises are not occupied.

24. No awnings or other projection shall be attached to the outside walls of the Building and/or the Additional Building without the prior written consent of Landlord. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises without the prior written consent of Landlord. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills. All electrical ceiling fixtures hung in offices or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and bulb color approved by Landlord.

25. The washing and/or detailing of or, the installation of windshields, radios, telephones in or general work on, automobiles shall not be allowed on the Project.

26. The term "personal goods or services vendors" as used herein means persons who periodically enter the Building of which the Premises are a part for the purpose of selling goods or services to a tenant, other than goods or services which are used by the Tenant only for the purpose of conducting its business in the Premises. "Personal goods or services" include, but are not limited to, drinking water and other beverages, food, barbering services and shoeshining services. Landlord reserves the right to prohibit personal goods and services vendors from access to the Building except upon Landlord's prior written consent and upon such reasonable terms and conditions, including, but not limited to, the payment of a reasonable fee and provision for insurance coverage, as are related to the safety, care and cleanliness of the Building, the preservation of good order thereon, and the relief of any financial or other burden on Landlord or other tenants occasioned by the presence of such vendors or the sale by them of personal goods or services to Tenant or its employees. Under no circumstance shall the personal goods or services vendors display their products in a public or common area, including corridors and elevator lobbies. If necessary for the accomplishment of these purposes, Landlord may exclude a particular vendor entirely or limit the number of vendors who may be present at any one time in the Building. No such personal goods or services vendors shall be allowed to transport or carry beverages, food, food containers, etc., on any passenger elevators. The transportation of such items shall be via the service elevators in such manner as prescribed by Landlord.

27. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.

28. Tenant shall comply with any non-smoking ordinance adopted by any applicable governmental authority. Neither Tenant nor its agents, employees, contractors, guests or invitees shall smoke or permit smoking in the Premises and/or the common areas, unless the common areas have been declared a designated smoking area by Landlord, nor shall the above parties allow smoke from the Premises to emanate into the common areas or any other part of the Project. Landlord shall have the right to designate the Building (including the Premises) as a non-smoking building.

29. The Premises shall not be used for manufacturing. Tenant shall not engage or pay any employees on the Premises except those actually working for Tenant on the Premises nor advertise for laborers giving an address at the Premises.

30. Tenant shall not maintain armed security in or about the Premises nor possess any weapons, explosives, combustibles or other hazardous devices in or about the Premises, Building and/or Project.

31. Landlord shall have the right to prohibit any advertising by Tenant which, in Landlord's opinion, tends to impair the reputation of the Building and/or Project or its desirability as an office building project and upon written notice from Landlord, Tenant shall refrain from or discontinue such advertising.

32. Any outside contractor employed by Tenant, shall, while in the Building and/or Project, be subject to the prior written approval of Landlord and subject to the Rules and Regulations. Tenant shall be

responsible for all acts of such persons and Landlord shall not be responsible for any loss or damage to property in the Premises, Building and/or Project, however occurring.

#### **PARKING RULES AND REGULATIONS**

1. Landlord reserves the right to establish and reasonably change the hours for the Parking Facilities, on a non-discriminatory basis, from time to time. Tenant shall not store or permit its employees to store any automobiles in the Parking Facilities without the prior written consent of Landlord (and/or the Parking Operator, as the case may be). Except for emergency repairs, Tenant and its employees shall not perform any work on any automobiles while located in the Parking Facilities or on the Project. The Parking Facilities may not be used by Tenant or its agents for overnight parking of vehicles. If it is necessary for Tenant or its employees to leave an automobile in the Parking Facilities overnight, Tenant shall provide Landlord (or the Parking Operator as the case may be) with prior notice thereof designating the license plate number and model of such automobile.

2. Tenant (including Tenant's employees and agents) will use the parking spaces solely for the purpose of parking passenger model cars, small vans and small trucks and will comply in all respects with any rules and regulations that may be promulgated by Landlord and/or the Parking Operator from time to time with respect to the Parking Facilities.

3. Vehicles must be parked entirely within the stall lines painted on the floor, and only small cars may be parked in areas reserved for small cars.

4. All directional signs and arrows must be observed.

5. The speed limit shall be 5 miles per hour.

6. Parking spaces reserved for handicapped persons must be used only by vehicles properly designated.

7. Parking is prohibited in all areas not expressly designated for parking, including without limitation:

- (a) areas not striped for parking;
- (b) aisles;
- (c) where "no parking" signs are posted;
- (d) ramps; and
- (e) loading zones.

8. Parking stickers, key cards and any other devices or forms of identification or entry supplied by Landlord or the Parking Operator shall remain the property of Landlord (or the Parking Operator as the case may be). Such device must be displayed as requested and may not be mutilated in any manner. The serial number of the parking identification device may not be obliterated. Parking passes and devices are not transferable and any pass or device in the possession of an unauthorized holder will be void.

9. Parking managers or attendants are not authorized to make or allow any exceptions to these Parking Rules and Regulations.

10. Every parker is required to park and lock his/her own car.

11. Loss or theft of parking passes, identification, key cards or other such devices must be reported to Landlord (and/or to the Parking Operator as the case may be) immediately. Any parking devices reported lost or stolen found on any authorized car will be confiscated and the illegal holder will be subject to prosecution. Lost or stolen passes and devices found by Tenant or its employees must be reported to Landlord (and to the Parking Operator, as the case may be) immediately.

12. Washing, waxing, cleaning or servicing of any vehicle by the customer and/or its agents is prohibited.

13. Tenant agrees to acquaint all persons to whom Tenant assigns a parking space with these Parking Rules and Regulations.

14. Neither Landlord nor the Parking Operator (as the case may be), from time to time will be liable for loss of or damage to any vehicle or any contents of such vehicle or accessories to any such vehicle, or any property left in any of the Parking Facilities, resulting from fire, theft, vandalism, accident, conduct of other users of the Parking Facilities and other persons, or any other Casualty or cause. Further, Tenant understands and agrees that: (i) Landlord will not be obligated to provide any traffic control, security protection or Parking Operator for the Parking Facilities; (ii) Tenant uses the Parking Facilities at its own risk; and (iii) Landlord will not be liable for personal injury or death, or theft, loss of or damage to property.

Tenant indemnifies and agrees to hold Landlord, any Parking Operator and their respective agents and employees harmless from and against any and all claims, demands, and actions arising out of the use of the Parking Facilities by Tenant and its employees and agents, whether brought by any of such persons or any other person.

15. Tenant will ensure that any vehicle parked in any of the parking spaces will be kept in proper repair and will not leak excessive amounts of oil or grease or any amount of gasoline. If any of the parking spaces are at any time used (i) for any purpose other than parking as provided above, (ii) in any way or manner reasonably objectionable to Landlord, or (iii) by Tenant after default by Tenant under the Lease, Landlord, in addition to any other rights otherwise available to Landlord, may consider such default an event of default under the Lease.

16. Tenant's right to use the Parking Facilities will be in common with other tenants of the Project and with other parties permitted by Landlord to use the Parking Facilities. Landlord reserves the right to assign and reassign, from time to time, particular parking spaces for use by persons selected by Landlord, provided that Tenant's rights under the Lease are preserved. Landlord will not be liable to Tenant for any unavailability of Tenant's designated spaces, if any, nor will any unavailability entitle Tenant to any refund, deduction, or allowance. Tenant will not park in any numbered space or any space designated as: RESERVED, HANDICAPPED, VISITORS ONLY, or LIMITED TIME PARKING (or similar designation).

17. If the Parking Facilities are damaged or destroyed, or if the use of the Parking Facilities is limited or prohibited by any governmental authority, or the use or operation of the Parking Facilities is limited or prevented by strikes or other labor difficulties or other causes beyond Landlord's reasonable control, Tenant's inability to use the parking spaces will not subject Landlord (and/or the Parking Operator, as the case may be) to any liability to Tenant and will not relieve Tenant of any of its obligations under the Lease and the Lease will remain in full force and effect. Tenant will pay to Landlord upon demand, and Tenant indemnifies Landlord against, any and all loss or damage to the Parking Facilities, or any equipment, fixtures, or signs used in connection with the Parking Facilities and any adjoining buildings or structures caused by Tenant or any of its employees and agents.

18. Tenant has no right to assign or sublicense any of its rights in the parking passes, except as part of a permitted assignment or sublease of the Lease; however, Tenant may allocate the parking passes among its employees.

Landlord may waive any one or more of these Rules and Regulations and Parking Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations and/or Parking Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules or Regulations and/or Parking Rules and Regulations against any or all tenants of the Project. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations and/or Parking Rules and Regulations, or to make such other and further reasonable Rules and Regulations and/or Parking Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, Building and Project, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord shall not be responsible to Tenant or to any other person for the nonobservance of the Rules and Regulations and/or Parking Rules and Regulations by another tenant or other person. Tenant shall be deemed to have read these Rules and Regulations and Parking Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.



**EXHIBIT C**

**AMENDMENT TO OFFICE LEASE**

This AMENDMENT TO OFFICE LEASE ("Amendment") is made and entered into effective as of \_\_\_\_\_, \_\_\_\_\_, by and between \_\_\_\_\_, a \_\_\_\_\_ ("Landlord"), and \_\_\_\_\_, a \_\_\_\_\_ ("Tenant").

**RECITALS:**

A. Landlord and Tenant entered into that certain Office Lease dated as of \_\_\_\_\_ (the "Lease") pursuant to which Landlord leased to Tenant and Tenant leased from Landlord certain "Premises", as described in the Lease, known as Suite \_\_\_\_\_ of the Building located at 3025 112<sup>th</sup> Avenue NE, Bellevue, Washington 98004.

B. Except as otherwise set forth herein, all capitalized terms used in this Amendment shall have the same meaning given such terms in the Lease.

C. Landlord and Tenant desire to amend the Lease to confirm, among other things, the commencement and expiration dates of the Lease Term, as hereinafter provided.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Premises.** The Premises contains approximately \_\_\_\_\_ rentable square feet.
2. **Confirmation of Dates.** The parties hereby confirm that (a) Substantial Completion of the Tenant Improvements has occurred and Landlord has performed all work required to be performed by Landlord pursuant to the Tenant Work Letter attached to the Lease, (b) the Lease Term for the Lease commenced as of \_\_\_\_\_ (the "Lease Commencement Date") for a term of \_\_\_\_\_ years ending on \_\_\_\_\_ (the "Lease Expiration Date") (unless sooner terminated or extended as provided in the Lease) and (c) in accordance with the Lease, Rent commenced to accrue on \_\_\_\_\_.
3. **Base Rent.** During the Lease Term, the Base Rent payable by Tenant for the Premises shall be set forth in the following schedule [ADD IF ABATEMENT: subject, however, to Section 3.2 of the Lease]:

<u>Period</u>	<u>Annual Base Rent</u>	<u>Monthly Installment of Base Rent</u>
/ / - / /		
/ / - / /		
/ / - / /		
/ / - / /		
/ / - / /		

4. **Tenant's Share.** During the Lease Term, Tenant's Share of Operating Expenses and Tax Expenses shall be \_\_\_\_\_% (i.e., \_\_\_\_\_ rentable square feet within the Premises/ \_\_\_\_\_ rentable square feet within the Building).

5. **No Further Modification.** Except as set forth in this Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

"Landlord"

\*

a

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

"Tenant"

\_\_\_\_\_

a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

## EXHIBIT D

### TENANT WORK LETTER – TENANT BUILD

This Tenant Work Letter ("Tenant Work Letter") shall set forth the terms and conditions relating to the construction of the Premises. All references in this Tenant Work Letter to "the Lease" shall mean the relevant portions of the Lease to which this Tenant Work Letter is attached as Exhibit D.

## SECTION 1

### GENERAL CONSTRUCTION OF THE PREMISES; SPRINKLER SYSTEM

On the Possession Date, Landlord shall tender possession of the Premises to Tenant in its presently existing, "as-is" condition. Tenant shall install in the Premises certain Tenant Improvements (as defined below) pursuant to the provisions of this Tenant Work Letter. Except for Landlord's obligation to disburse the Tenant Improvement Allowance as described below, and except for the Sprinkler System, Landlord shall not be obligated to make or pay for any alterations or improvements to the Premises, Building or Project.

Tenant has requested, and Landlord hereby agrees, that Landlord will install a new sprinkler system to service the entire Building, as specified in the attached Exhibit D-1 ("Sprinkler System"). All costs incurred by Landlord to design, permit and install the Sprinkler System in the entire Building will be paid by Tenant. Landlord will apply the Tenant Improvement Allowance towards the cost of designing, permitting and installing the Sprinkler System, and such costs shall take priority over the costs related to the Tenant Improvements; any costs incurred by Landlord to design, permit or install the Sprinkler System that are in excess of any remaining Tenant Improvement Allowance will be paid by Tenant upon demand. The Sprinkler System will be owned by Landlord.

## SECTION 2

### TENANT IMPROVEMENTS

2.1 Tenant Improvement Allowance. Tenant shall be entitled to a one-time tenant improvement allowance (the "Tenant Improvement Allowance") in the amount of up to, but not exceeding Ninety and 24/100 Dollars (\$90.24) per rentable square foot of the Premises, to be used for the following: (i) to help Tenant pay for the costs of the design, permitting and construction of Tenant's initial improvements which are permanently affixed to the Premises (collectively, the "Tenant Improvements") and (ii) to cover the costs incurred by Landlord to design, permit and install the Sprinkler System. Notwithstanding anything to the contrary, Tenant must submit all Draw Requests (as defined below) to Landlord on or prior to the last day of the Fifteenth (15<sup>th</sup>) month after the Lease Commencement Date (the "Outside Date"), and Landlord shall have no obligation to disburse (i) any portion of the Tenant Improvement Allowance with respect to the costs of any Tenant Improvements incurred by Tenant prior to the date of mutual execution and delivery of the Lease or after the Outside Date, and/or (ii) any portion of the Tenant Improvement Allowance with respect to any Draw Requests delivered by Tenant after the Outside Date (or with respect to any other request by Tenant for Landlord to disburse the Tenant Improvement Allowance after the Outside Date). In no event shall Landlord be obligated to make disbursements pursuant to this Tenant Work Letter in a total amount which exceeds the Tenant Improvement Allowance. Tenant shall not be entitled to receive any cash payment or credit against Rent or otherwise for any unused portion of the Tenant Improvement Allowance which is not used to pay for the Tenant Improvement Allowance Items (as defined below) or the Sprinkler System.

#### 2.2 Disbursement of the Tenant Improvement Allowance.

2.2.1 Tenant Improvement Allowance Items. Except as otherwise set forth in this Tenant Work Letter, the Tenant Improvement Allowance shall be disbursed or applied by Landlord only for the following items and costs (collectively, the "Tenant Improvement Allowance Items"):

2.2.1.1 Payment of (i) the fees of the Architect and the Engineers (as such terms are defined below), and (ii) the fees incurred by, and the cost of documents and materials supplied by, Landlord and Landlord's consultants in connection with the preparation and review of the Construction Drawings (as defined below);

2.2.1.2 The payment of plan check, permit and license fees relating to construction of the Tenant Improvements;

2.2.1.3 The cost of construction of the Tenant Improvements, including, without limitation, contractors' fees and general conditions, testing and inspection costs, costs of utilities, trash removal, parking and hoists, and the costs of after-hours freight elevator usage.



2.2.1.4 Intentionally deleted;

2.2.1.5 The cost of (i) any changes to the Construction Drawings by Landlord or Tenant, and (ii) any changes to the Construction Drawings or Tenant Improvements required by applicable laws and building codes (collectively, "Code");

2.2.1.6 Sales and use taxes;

2.2.1.7 The costs and expenses associated with complying with all national, state and local codes;

2.2.1.8 The Coordination Fee (as defined below);

2.2.1.9 All other costs to be expended by Landlord in connection with the design, permitting and construction of the Tenant Improvements;

2.2.1.10 All costs incurred by Landlord to design, permit and install the Sprinkler System.

2.2.2 Disbursement of Tenant Improvement Allowance. Subject to Section 2.1 above, during the construction of the Tenant Improvements, Landlord shall make monthly disbursements of the Tenant Improvement Allowance for Tenant Improvement Allowance Items for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant as follows:

2.2.2.1 Monthly Disbursements. On or before the twenty-fifth (25<sup>th</sup>) day of each calendar month during the construction of the Tenant Improvements, or such other date as Landlord may designate (but no later than the Outside Date), Tenant shall deliver to Landlord the following (each, a "Draw Request"): (i) a request for payment of the Contractor (as defined below), approved by Tenant, in a form to be provided by Landlord, showing the schedule, by trade, of percentage of completion of the Tenant Improvements in the Premises, detailing the portion of the work completed and the portion not completed, and demonstrating that the relationship between the cost of the work completed and the cost of the work to be completed complies with the terms of the Construction Budget (as defined below); (ii) invoices from all of Tenant's Agents (as defined below), for labor rendered and materials delivered to the Premises; (iii) executed unconditional mechanic's lien releases from all of Tenant's Agents for the portion of the Tenant Improvements which is the subject of the Draw Request which shall comply with the appropriate provisions, as reasonably determined by Landlord, of applicable Washington law; and (iv) all other information reasonably requested by Landlord. Tenant's Draw Request shall be deemed Tenant's acceptance and approval of the work furnished and/or the materials supplied as set forth in Tenant's Draw Request. On or before the thirtieth (30<sup>th</sup>) day of the following calendar month, Landlord shall deliver a check to Tenant in payment of the lesser of (A) the amounts so requested by Tenant in the Draw Request, less a ten percent (10%) retention (the aggregate amount of such retentions to be known as the "Final Retention") and (B) the balance of any remaining available portion of the Tenant Improvement Allowance (not including the Final Retention), provided that Landlord does not dispute any Draw Request based on non-compliance of any work with the Approved Working Drawings (as defined below), or due to any substandard work, or for any other reason. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's Draw Request. Landlord shall disburse and apply the Tenant Improvement Allowance from time to time as needed to cover costs incurred by Landlord to design, permit and install the Sprinkler System.

2.2.2.2 Final Retention. Subject to the provisions of this Tenant Work Letter, a check for the Final Retention payable to Tenant shall be delivered by Landlord to Tenant following the completion of construction of the Premises, provided that (i) Tenant delivers to Landlord properly executed final unconditional mechanics lien releases in compliance with applicable Washington law, (ii) Landlord has determined that no substandard work exists which adversely affects the mechanical, electrical, plumbing, HVAC, life-safety or other systems of the Building, the curtain wall of the Building, the structure or exterior appearance of the Building, or any other tenant's use of such other tenant's leased premises in the Project and (iii) Tenant has complied with the provisions of Section 4.3 below.

2.2.2.3 Other Terms. Landlord shall only be obligated to make disbursements from the Tenant Improvement Allowance to the extent costs are incurred by Tenant for Tenant Improvement Allowance Items and to cover the costs of designing, permitting and installing the Sprinkler System.

2.3 Tenant Improvement Specifications. In designing and constructing the Tenant Improvements, Tenant shall use materials, methods and finishes that are at least equal in quality to those currently present in the Building and that are consistent with standards set by Landlord for the Building from time to time.

## SECTION 3

### CONSTRUCTION DRAWINGS

3.1 Selection of Architect/Construction Drawings. Tenant shall retain the architect/space planner (the "Architect") approved by Landlord, which approval shall not be unreasonably withheld, to prepare the Construction Drawings. Tenant shall retain the engineering consultants designated by Landlord (the "Engineers") to prepare all plans and engineering working drawings relating to the structural, acoustical, mechanical, electrical, plumbing, HVAC, lifesafety, sprinkler and any other work required in the Premises. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the "Construction Drawings." All Construction Drawings shall comply with the drawing format and specifications reasonably determined by Landlord, and shall be subject to Landlord's approval. Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the base building plans, and Tenant and Architect shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. Landlord's review of the Construction Drawings as set forth in this Section 3, shall be for its sole purpose and shall not imply Landlord's review of the same, or obligate Landlord to review the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Construction Drawings are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's space planner, architect, engineers, and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Drawings.

3.2 Final Space Plan. Tenant shall supply Landlord with two (2) copies signed by Tenant of its final space plan for the Premises before any architectural working drawings or engineering drawings have been commenced. The final space plan (the "Final Space Plan") shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Final Space Plan. Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Final Space Plan for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly (i) cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require, and (ii) deliver such revised Final Space Plan to Landlord.

3.3 Final Working Drawings. After the Final Space Plan has been approved by Landlord and Tenant, Tenant shall promptly cause the Architect and the Engineers to complete the architectural and engineering drawings for the Premises, and cause the Architect to compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing working drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits for the Tenant Improvements (collectively, the "Final Working Drawings"), and shall submit the same to Landlord for Landlord's approval. Tenant shall supply Landlord with two (2) copies signed by Tenant of such Final Working Drawings. Landlord shall advise Tenant within ten (10) business days after Landlord's receipt of the Final Working Drawings for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly (i) revise the Final Working Drawings in accordance with such review and any disapproval of Landlord in connection therewith, and (ii) deliver such revised Final Working Drawings to Landlord.

3.4 Approved Working Drawings. The Final Working Drawings shall be approved by Landlord (the "Approved Working Drawings") prior to the commencement of construction of the Premises by Tenant. After approval by Landlord of the Final Working Drawings, Tenant shall promptly submit the same to the appropriate governmental authorities for all applicable building permits. Tenant hereby agrees that neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that obtaining the same shall be Tenant's responsibility; provided, however, that Landlord shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy. No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of Landlord, which consent shall not be unreasonably withheld.

## SECTION 4

### CONSTRUCTION OF THE TENANT IMPROVEMENTS

#### 4.1 Tenant's Selection of Contractor and Tenant's Agents.

4.1.1 The Contractor. A general contractor shall be retained by Tenant to construct the Tenant Improvements. Such general contractor ("Contractor") shall be selected by Tenant from a list of general contractors supplied by Landlord, and Tenant shall deliver to Landlord notice of its selection of the Contractor upon such selection.

4.1.2 Tenant's Agents. All subcontractors, laborers, materialmen, and suppliers used by Tenant (such subcontractors, laborers, materialmen, and suppliers, and the Contractor to be known collectively as "Tenant's Agents") must be approved in writing by Landlord, which approval shall not be unreasonably withheld or delayed; provided that, in any event, Tenant must contract with Landlord's base building subcontractors for any mechanical, electrical, plumbing, life safety, structural, and HVAC work in the Premises. Tenant shall not engage any Tenant's Agents who will disrupt labor harmony at the Project and will act promptly to immediately resolve and bring an end to any strikes, pickets, etc., that may arise due to the presence of any particular Tenant Agent on or about the Project.

#### 4.2 Construction of Tenant Improvements by Tenant's Agents.

4.2.1 Construction Contract; Cost Budget. Prior to Tenant's execution of the construction contract and general conditions with Contractor (the "Contract"), Tenant shall submit the Contract to Landlord for its approval, which approval shall not be unreasonably withheld or delayed. Prior to the commencement of the construction of the Tenant Improvements, and after Tenant has accepted all bids for the Tenant Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade, of the final costs to be incurred, or which have been incurred, as set forth more particularly in Sections 2.2.1.1 through 2.2.1.8 above, in connection with the design, permitting and construction of the Tenant Improvements to be performed by or at the direction of Tenant or the Contractor (which costs form a basis for the amount of the Contract, if any (the "Final Costs"). Prior to the commencement of construction of the Tenant Improvements, Tenant shall supply Landlord with cash in an amount (the "Over-Allowance Amount") by which the Final Costs exceed the Tenant Improvement Allowance (less any portion thereof already disbursed by Landlord, or in the process of being disbursed by Landlord, on or before the commencement of construction of the Tenant Improvements). The Over-Allowance Amount shall be disbursed by Landlord prior to the disbursement of any of the then remaining portion of the Tenant Improvement Allowance, and such disbursement shall be pursuant to the same procedure as the Tenant Improvement Allowance. If, after the Final Costs have been delivered by Landlord to Tenant, the costs relating to the design, permitting and construction of the Tenant Improvements shall change, any additional costs necessary to such design, permitting and construction in excess of the Final Costs shall, to the extent they exceed the remaining balance of the Tenant Improvement Allowance, be paid by Tenant to Landlord as an addition to the Over-Allowance Amount within five (5) business days after Tenant's receipt of invoice therefor from Landlord, and, in any event, prior to the commencement of the construction of such changes, or at Landlord's option, Tenant shall make payments for such additional costs out of its own funds, but Tenant shall continue to provide Landlord with the documents described in Sections 2.2.2.1(i), (ii), (iii) and (iv) above, for Landlord's approval, prior to Tenant paying such costs.

#### 4.2.2 Tenant's Agents.

4.2.2.1 Landlord's General Conditions for Tenant's Agents and Tenant Improvement Work. Tenant's and Tenant's Agents' construction of the Tenant Improvements shall comply with the following: (i) the Tenant Improvements shall be constructed in strict accordance with the Approved Working Drawings; (ii) Tenant and Tenant's Agents shall not, in any way, interfere with, obstruct, or delay, the work of Landlord's contractors and subcontractors with respect to any other work in the Building; (iii) Tenant's Agents shall submit schedules of all work relating to the Tenant's Improvements to Contractor and Contractor shall, within five (5) business days after Tenant's receipt thereof, inform Tenant's Agents of any changes which are necessary thereto, and Tenant's Agents shall adhere to such corrected schedule; (iv) Tenant shall abide by all rules made by Landlord's Building manager with respect to the use of freight, loading dock and service elevators, storage of materials, coordination of work with the contractors of other tenants, and any other matter in connection with this Tenant Work Letter, including, without limitation, the construction of the Tenant Improvements; and (v) the Tenant Improvements shall be constructed in accordance with the Building's Contractor Rules and Regulations.

4.2.2.2 Coordination Fee. Tenant shall pay a logistical coordination fee (the "Coordination Fee") to Landlord in an amount equal to the product of (i) two percent (2%), and (ii) the sum of the Tenant Improvement Allowance, the Over-Allowance Amount, as such amount may be increased hereunder, and any other amounts expended by Tenant in connection with the design and construction of the Tenant Improvements, which Coordination Fee shall be for services relating to the coordination of the construction of the Tenant Improvements.

4.2.2.3 Indemnity. Tenant's indemnity of Landlord as set forth in the Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Tenant Improvements and/or Tenant's disapproval of all or any portion of any request for payment. Such indemnity by Tenant, as set forth in the Lease, shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to Landlord's performance of any ministerial acts reasonably necessary (i) to permit Tenant to complete the Tenant Improvements, and (ii) to enable Tenant to obtain any building permit or certificate of occupancy for the Premises.



#### 4.2.2.4 Insurance Requirements.

4.2.2.4.1 General Coverages. All of Tenant's Agents shall carry worker's compensation insurance covering all of their respective employees, and shall also carry public liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Tenant as set forth in the Lease. Landlord shall be named an additional insured or loss payee, as applicable, under such insurance policies to the same extent required of Tenant's policies by Article 10 of the Lease.

4.2.2.4.2 Special Coverages. Tenant shall carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of the Tenant Improvements, and such other insurance as Landlord may require, it being understood and agreed that the Tenant Improvements shall be insured by Tenant pursuant to the Lease immediately upon completion thereof. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord, and in form and with companies as are required to be carried by Tenant as set forth in the Lease. Such insurance shall insure Landlord and Tenant, as their interests may appear, as well as Contractor and Tenant's Agents.

4.2.2.4.3 General Terms. Certificates for all insurance carried pursuant to this Section 4.2.2.4 shall be delivered to Landlord before the commencement of construction of the Tenant Improvements and before the Contractor's equipment is moved onto the site. All such policies of insurance must contain a provision that the company writing said policy will give Landlord thirty (30) days prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. If the Tenant Improvements are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. All insurance, except Workers' Compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance as respects the owner and that any other insurance maintained by owner is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant under Section 4.2.2.3 of this Tenant Work Letter.

4.2.3 Governmental Compliance. The Tenant Improvements shall comply in all respects with the following: (i) the Code and other state, federal, city or quasi-governmental laws, codes, ordinances, regulations and associated requirements, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications.

4.2.4 Inspection by Landlord. Landlord shall have the right to inspect the Tenant Improvements at all times, provided however, that Landlord's failure to inspect the Tenant Improvements shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Tenant Improvements constitute Landlord's approval of the same. Should Landlord disapprove any portion of the Tenant Improvements, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any defects or deviations in, and/or disapproval by Landlord of, the Tenant Improvements shall be rectified by Tenant at no expense to Landlord, provided however, that if Landlord determines that a defect or deviation exists or disapproves of any matter in connection with any portion of the Tenant Improvements and such defect, deviation or matter might adversely affect the mechanical, electrical, plumbing, HVAC or life-safety systems of the Building, the structure or exterior appearance of the Building or any other tenant's use of such other tenant's leased premises, Landlord may, take such action as Landlord deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect, deviation and/or matter, including, without limitation, causing the cessation of performance of the construction of the Tenant Improvements until such time as the defect, deviation and/or matter is corrected to Landlord's satisfaction.

4.2.5 Meetings. Commencing upon the execution of the Lease, Tenant shall hold weekly meetings at a reasonable time, with the Architect and the Contractor regarding the progress of the preparation of Construction Drawings and the construction of the Tenant Improvements, which meetings shall be held at a location designated by Landlord, and Landlord and/or its agents shall receive prior notice of, and shall have the right to attend, all such meetings, and, upon Landlord's request, certain of Tenant's Agents shall attend such meetings. In addition, minutes shall be taken at all such meetings, a copy of which minutes shall be promptly delivered to Landlord. One such meeting each month shall include the review of Contractor's current request for payment.

4.3 Notice of Completion; Copy of "As Built" Plans. Within ten (10) days after completion of construction of the Tenant Improvements, Tenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the County in which the Project is located, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf

of Tenant as Tenant's agent for such purpose, at Tenant's sole cost and expense, or require Tenant's Contractor to do the same. At the conclusion of construction, (i) Tenant shall cause the Architect and Contractor (A) to update the Approved Working Drawings as necessary to reflect all changes made to the Approved Working Drawings during the course of construction, (B) to certify to the best of their knowledge that the "record-set" of as-built drawings are true and correct, which certification shall survive the expiration or termination of the Lease, (C) to deliver to Landlord as-built drawings in PDF and CAD format via an FTP site or comparable e-file transfer link, and (D) to deliver to Landlord the Approved Working Drawings in PDF and CAD format via an FTP site or comparable e-file transfer link, and (ii) Tenant shall deliver to Landlord a copy of all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems in the Premises, and all other items included in the Contractor's Rules and Regulations Closing Package Requirements. For purposes of this Lease, the Tenant Improvements shall be deemed to be "substantially complete" (and "substantial completion" shall be deemed to have occurred) when the Tenant Improvements have been completed other than remaining items of work that do not materially impact Tenant's use of the Premises.

4.4 Coordination by Tenant's Agents with Landlord Upon Tenant's delivery of the Contract to Landlord under Section 4.2.1 of this Tenant Work Letter, Tenant shall furnish Landlord with a schedule setting forth the projected date of the completion of the Tenant Improvements and showing the critical time deadlines for each phase, item or trade relating to the construction of the Tenant Improvements.

## SECTION 5

### MISCELLANEOUS

5.1 Tenant's Representative. Tenant has designated Cory Salter, Esq., as its sole representative with respect to the matters set forth in this Tenant Work Letter, who shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

5.2 Landlord's Representative. Landlord has designated Connie Anderson as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

5.3 Time of the Essence in This Tenant Work Letter. Unless otherwise indicated, all references herein to a "number of days" or the term "days" shall mean and refer to calendar days (as opposed to business days). If any item requiring approval is timely disapproved by Landlord or Tenant, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord or Tenant, as applicable.

5.4 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in the Lease, if an event of default by Tenant of this Tenant Work Letter or the Lease has occurred at any time on or before the substantial completion of the Tenant Improvements, then (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, at law and/or in equity Landlord shall have the right to withhold payment of all or any portion of the Tenant Improvement Allowance and/or Landlord may cause the cessation of construction of the Tenant Improvements and any other work required to be performed by Landlord pursuant to this Tenant Work Letter (in which case, Tenant shall be responsible for any delay in the substantial completion of the Tenant Improvements caused by such work stoppage), and (ii) all other obligations of Landlord under the terms of this Tenant Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of the Lease (in which case, Tenant shall be responsible for any delay in the substantial completion of the Tenant Improvements caused by such inaction by Landlord). In addition, if the Lease is terminated prior to the Lease Commencement Date due to a default by Tenant as described in Section 19.1 of the Lease or under this Tenant Work Letter, in addition to any other remedies available to Landlord under the Lease, at law and/or in equity, Tenant shall pay to Landlord, as Additional Rent under the Lease, within five (5) days after Tenant's receipt of a statement therefor, any and all costs (if any) incurred by Landlord (including any portion of the Tenant Improvement Allowance disbursed by Landlord) and not reimbursed or otherwise paid by Tenant through the date of such termination in connection with the Tenant Improvements to the extent planned, installed and/or constructed as of such date of termination, including, but not limited to, any costs related to the removal of all or any portion of the Tenant Improvements and restoration costs related thereto.

EXHIBIT D-1

SPRINKLER SYSTEM SPECIFICATIONS

1. Provide for installation of new stand pipe and underground supply for ONE (1) existing 2 story office building A. Final plans and locations system elements subject to Landlord review and approval.
2. Existing fire hydrant yard main will be tapped for new service to be run into building.
3. Install new underground main as needed. Exact location of main to be determined at a later date.
4. Install underground service from vault to building. Exact location to be determined where service will enter building.
5. Run service into building and up to 2nd floor with outlet at each floor for future fire sprinklers. Install 2" line for drain next to standpipe for future risers on floors to tie into. Standpipe will not require hose valves.
6. Install WET sprinkler system at levels one and two. New piping will run above existing ceilings.
7. Install pendant heads for drop ceilings.
8. System will be hydro tested after installation.



## EXHIBIT E

### FORM OF TENANT'S ESTOPPEL CERTIFICATE

The undersigned, as Tenant under that certain Office Lease (the "Lease") made and entered into as of \_\_\_\_\_, 20\_\_\_\_ and between \_\_\_\_\_, a \_\_\_\_\_, as Landlord, and the undersigned as Tenant, for Premises on the \_\_\_\_\_ floor(s) of the Building located at 3025 112<sup>th</sup> Avenue NE, Bellevue, Washington 98004, hereby certifies as follows:

1. Attached hereto as Exhibit A is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in Exhibit A represent the entire agreement between the parties as to the Premises.

2. The undersigned has commenced occupancy of the Premises described in the Lease, currently occupies the Premises, and the Lease Term commenced on \_\_\_\_\_.

3. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Exhibit A.

4. Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows:

5. Tenant shall not modify the documents contained in Exhibit A or prepay any amounts owing under the Lease to Landlord in excess of thirty (30) days without the prior written consent of Landlord's mortgagee.

6. Base Rent became payable on \_\_\_\_\_.

7. The Lease Term expires on \_\_\_\_\_.

8. All conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder.

9. No rental has been paid in advance and no security has been deposited with Landlord except as provided in the Lease.

10. As of the date hereof, there are no existing defenses or offsets that the undersigned has, which preclude enforcement of the Lease by Landlord.

11. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through \_\_\_\_\_. The current monthly installment of Base Rent is \$\_\_\_\_\_.

12. There are no unfinished tenant improvements required to be completed by Landlord as of the date hereof or any outstanding and unpaid tenant improvement allowances owing to Tenant as of the date hereof except: \_\_\_\_\_ [If left blank, then "None"]

13. The undersigned acknowledges that this Estoppel Certificate may be delivered to Landlord's prospective mortgagee, or a prospective purchaser, and acknowledges that it recognizes that if same is done, said mortgagee, prospective mortgagee, or prospective purchaser will be relying upon the statements contained herein in making the loan or acquiring the property of which the Premises are a part, and in accepting an assignment of the Lease as collateral security, and that receipt by it of this certificate is a condition of making of the loan or acquisition of such property.

14. If Tenant is a corporation or partnership, each individual executing this Estoppel Certificate on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in Washington and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

Executed at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

"Tenant"

\_\_\_\_\_  
a \_\_\_\_\_  
By: M. Sharpe  
Name: MATTHEW SHARPE  
Its: MEMBER

## EXHIBIT F

### EXTENSION OPTION

(1) Option Terms. Subject to the terms and conditions set forth below, Tenant shall have one (1) option (an "**Extension Option**") to extend the initial Lease Term for a period of Five (5) years (the "**Option Term**"). If Tenant properly exercises the Extension Option, all of the terms, covenants and conditions of this Lease shall continue in full force and effect during the Option Term, including provisions regarding payment of Rent, which shall remain payable on the terms herein set forth, except that (a) the Base Rent payable by Tenant during the Option Term shall be as calculated in accordance with Section 3 and Section 4 below, (b) Tenant shall continue to possess and occupy the Premises in their existing condition, "as is" as of the commencement of such Option Term, and Landlord shall have no obligation to repair, remodel, improve or alter the Premises, to perform any other construction or other work of improvement upon the Premises or the Project, and (c) Tenant shall have no further rights to extend the Term of this Lease after the expiration of the Option Term.

(2) Exercise. To exercise the Extension Option, Tenant must deliver an irrevocable, unconditional binding notice to Landlord ("**Exercise Notice**") within the three (3) month period of time commencing on the date that is fifteen (15) months prior to the Expiration Date and ending on the date that is twelve (12) months prior to the Expiration Date, the time of such exercise being of the essence. If Tenant fails to timely give its notice of exercise with respect to the Extension Option within such three (3) month period, Tenant will be deemed to have waived the Extension Option.

(3) Market Rate Calculation. The Base Rent payable by Tenant for the Premises during the Option Term shall be the greater of (i) the Base Rent in effect immediately prior to the commencement of the Option Term or (ii) Market Rate (as defined below) for the Premises, valued as of the commencement of the Option Term, determined in the manner hereinafter provided. As used herein, the term "Market Rate" shall mean the annual amount of Base Rent at which tenants, as of the commencement of the Option Term, are leasing non-sublease, non-encumbered, non-equity space under then-prevailing ordinary rental market practices (e.g., not pursuant to extraordinary rental, promotional deals or other concessions to tenants that deviate from what is the then-prevailing ordinary practice), at arm's length, that is comparable to the Premises within the Building or in Comparable Buildings (as defined in Section 10.5 of the Lease), based upon binding lease transactions for tenants in the Comparable Buildings that, where possible, commence or are to commence within six (6) months prior to or within six (6) months after the commencement of the Option Term (the "**Comparison Leases**"); provided, however, that Comparison Leases shall include new and renewal tenancies and lease term extensions. Rental rates payable under Comparison Leases shall be adjusted to account for variations between this Lease and the Comparison Leases with respect to: (a) the length of the Option Term compared to the renewal or extension term of the Comparison Leases; (b) rental structure, including, rental rates per rentable square foot (including type, gross or net, and if gross, adjusting for base year or expense stop), additional rental, annual rent adjustments, escalation provisions, all other payments and escalations; (c) the size of the Premises compared to the size of the premises of the Comparison Leases; (d) free rent, moving expenses and other cash payments, allowances or other monetary concessions affecting the rental rate; (e) the age and quality of construction of the buildings; and (f) leasehold improvements and/or allowances, taking into account the value of existing leasehold improvements to the existing tenant.

(4) Base Rent Determination. The Base Rent payable by Tenant for the Premises during the Option Term shall be determined as follows:

(a) If Tenant provides Landlord with its Exercise Notice, then, prior to the commencement of the Option Term, Landlord shall deliver to Tenant a good faith written proposal of the Market Rate. Within twenty-one (21) days after receipt of Landlord's proposal, Tenant shall notify Landlord in writing (1) that Tenant accepts Landlord's proposal or (2) that Tenant elects to submit the determination of Market Rate to arbitration in accordance with Section 4(b) through 4(d) below. If Tenant does not give Landlord a timely notice in response to Landlord's proposal, Landlord's proposal of Market Rate shall be binding upon Tenant.

(b) If Tenant timely elects to submit the determination of Market Rate to arbitration, Landlord and Tenant shall first negotiate in good faith in an attempt to determine the



Market Rate. If Landlord and Tenant are able to agree within thirty (30) days following the delivery of Tenant's notice to Landlord electing arbitration (or if Tenant accepts Landlord's initial proposal), then such agreement shall constitute a determination of Market Rate for purposes of this Section, and the parties shall immediately execute an amendment to this Lease stating the Base Rent for the Option Term; provided, however, that an otherwise valid exercise of the Extension Option shall be fully effective whether or not such amendment is executed and delivered. If Landlord and Tenant are unable to agree on the Market Rate within such thirty (30)-day negotiating period, then within fifteen (15) days after the expiration of such negotiating period, the parties shall meet and concurrently deliver to each other in envelopes their respective good faith estimates of the Market Rate (set forth on a net effective rentable square foot per annum basis). If the higher of such estimates is not more than one hundred five percent (105%) of the lower, then the Market Rate shall be the average of the two. Otherwise, the dispute shall be resolved by arbitration in accordance with Sections 4(c) and 4(d) below.

(c) Within fifteen (15) days after the exchange of estimates, the parties shall select as an arbitrator an independent member of the Appraisal Institute who has been active during the fifteen (15) year period ending on the date of such appointment in appraising leases of office space in Comparable Buildings (a "Qualified Appraiser"). If the parties cannot agree on a Qualified Appraiser, then within ten (10) days after the expiration of such fifteen (15)-day period, each shall select a Qualified Appraiser and within ten (10) days thereafter the two (2) appointed Qualified Appraisers shall select an independent Qualified Appraiser and the independent Qualified Appraiser shall be the sole arbitrator. If one party shall fail to select a Qualified Appraiser within the first ten (10)-day period, then the Qualified Appraiser chosen by the other party shall be the sole arbitrator.

(d) Within twenty-one (21) days after submission of the matter to the arbitrator, the arbitrator shall determine the Market Rate by choosing whichever of the estimates submitted by Landlord and Tenant the arbitrator judges to be more accurate. The arbitrator shall notify Landlord and Tenant of its decision, which shall be final and binding. If the arbitrator believes that expert advice would materially assist him, the arbitrator may retain one or more qualified persons to provide expert advice. The fees of the arbitrator and the expenses of the arbitration proceeding, including the fees of any expert witnesses retained by the arbitrator, shall be paid by the party whose estimate is not selected. Each party shall pay the fees of its respective counsel and the fees of any witness called by that party.

(e) Until the matter is resolved by agreement between the parties or a decision is rendered in any arbitration commenced pursuant to this Exhibit F, Tenant's monthly payments of Base Rent shall be in an amount equal to Landlord's determination of the Market Rate. Within ten (10) Business Days following the resolution of such dispute by the parties or the decision of the arbitrator, as applicable, Tenant shall pay to Landlord, or Landlord shall pay to Tenant, the amount of any deficiency or excess, as the case may be, in the Base Rent theretofore paid.

(5) Rights Personal to Tenant. The Extension Option is personal to, may be exercised only by, the Original Tenant of this Lease, shall not be assigned or otherwise transferred, voluntarily or involuntarily to, or exercised by, any person other than the Original Tenant, and shall only be exercisable if the Original Tenant occupies one hundred percent (100%) of the Premises at the time Landlord receives the Exercise Notice and at the commencement date of the Option Term. If the Original Tenant shall transfer this Lease (or any interest therein), or any portion of the Premises, then simultaneously with such transfer Tenant's Extension Option shall terminate and be of no further force or effect. No transferee of Tenant's interest in this Lease (or any interest therein) or any portion of the Premises shall have any right to extend the Term pursuant to this Exhibit I.

(6) Conditions of Exercise. Notwithstanding anything in this Exhibit F to the contrary, if a default has occurred on or prior to the date Tenant's Exercise Notice is received by Landlord or at any time thereafter until the commencement of the Option Term, and is not cured within the applicable cure period (or if the default cannot reasonably be cured within the applicable cure period, such failure may be cured if Tenant commences to cure such failure within the applicable cure period and Tenant thereafter reasonably and diligently pursues the cure thereof to completion, such period in no event to exceed sixty (60) days from the date of Landlord's original default notice), Landlord shall have the right, in addition to all of its other rights and remedies under this Lease (but not the obligation), to unilaterally revoke Tenant's exercise of the Extension Option, in

which case this Lease shall expire on the Expiration Date, unless earlier terminated pursuant to the terms hereof, and Tenant shall have no further rights under this Lease to renew or extend the Term.

## EXHIBIT G

### GUARANTY

That certain Lease (the "Lease") dated November \_\_, 2021 has been or will be executed by and between J & J CCE, LLC, a Washington limited liability company ("Landlord"), and SharpeVision PLLC, a Washington professional limited liability company ("Tenant"), covering certain premises described therein within the building located at 3025 112<sup>th</sup> Avenue NE, Bellevue, Washington 98004 ("Premises"). Landlord requires, as a condition to Landlord's execution of the Lease, that Mathew Sharpe, MD, an individual, and Amanda Sharpe, an individual, in their personal and marital capacity (collectively, "Guarantor") execute and deliver this Guaranty to Landlord.

NOW, THEREFORE, in consideration of Landlord's execution of the Lease and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows:

1. Guarantor hereby unconditionally and irrevocably guaranties to Landlord the prompt payment and faithful performance of all liabilities, obligations, duties, terms, conditions and covenants (including, but not limited to, the payment of rent) imposed upon, required of or to be performed by Tenant under the Lease (collectively, the "Obligations"). If Tenant fails to make such payment or render such performance when due, such payment or performance shall be deemed due concurrently from Guarantor, and Guarantor shall forthwith pay all rent and the other sums that may be due, perform all such Obligations and pay all damages that may result from the nonpayment or nonperformance thereof by Tenant.

2. The terms of the Lease may be extended, altered, amended, renewed, affected, modified or changed by agreement between Landlord and Tenant, or by a course of conduct, all without the consent of or notice to Guarantor, and the Lease may be assigned or the Premises sublet and Guarantor shall forthwith pay all rent and the other sums that may be due, perform all such Obligations and pay all damages that may result from the nonpayment or nonperformance thereof by Tenant or such assignee or subtenant. No course of conduct in which Landlord or Tenant consults with or informs Guarantor of any of the foregoing shall require Landlord or Tenant to consult with or inform Guarantor in any other instance.

3. Following any breach or default by Tenant under the Lease, Landlord shall have the right, in Landlord's sole discretion and without notice to or demand upon either Tenant or Guarantor, to bring an action against Guarantor (or, if more than one person or entity comprises Guarantor, any one of such parties) and/or Tenant for the enforcement of any rights which Landlord may have against Tenant pursuant to or under the terms of the Lease, at law or in equity. Landlord may maintain successive actions for other defaults. Its rights hereunder shall not be exhausted by its exercise of any of its rights or remedies or by any such action or by any number of successive actions until and unless the Obligations have been paid and fully performed.

4. Guarantor hereby expressly waives (i) notice of default in payment of rent under the Lease or notice of default in the performance of any other Obligation of Tenant, (ii) notice of acceptance of this Guaranty, (iii) demand for payment, presentation and protest, (iv) all right to assert or plead any statute of limitations as to or relating to this Guaranty and/or the Lease, (v) any right under applicable law to require Landlord to proceed against Tenant, any other guarantor or any other person or entity liable to Landlord, before proceeding against Guarantor, it being expressly agreed by Guarantor that its liability under this Guaranty shall be primary and that in any right of action which may accrue to Landlord under the Lease or this Guaranty, Landlord may proceed against Guarantor without having taken or commenced any action or obtained any judgment against Tenant or any other person or entity liable to Landlord, (vi) any right under applicable law to require Landlord to exhaust or apply to any default any security or collateral held by Landlord, including, without limitation, any security deposit Landlord may hold under the Lease, before proceeding against Guarantor, (vii) any right under applicable law to require Landlord to proceed against Guarantor, (viii) any right of subrogation to Landlord's rights against Tenant and all rights of Guarantor against Tenant until the Obligations of Tenant under the Lease shall have been fully paid and fully performed, as well as any right to assert or claim that Guarantor is exonerated by any action taken by Landlord which impairs Guarantor's right to be so subrogated or Guarantor's right to proceed against Tenant for reimbursement, or both, (ix) any provisions under applicable law which limit a surety's obligation by reason of the principal's personal disability or the alteration of the Lease or any Obligation without the consent of Guarantor and (x) the benefit of any defenses or rights of setoff of Tenant that may arise by reason of (a) the lack of legal capacity or authority of Tenant to execute, deliver and perform the Lease, (b) the failure of Landlord to file or enforce a claim against the estate (either in administration, bankruptcy or any other proceeding) of Tenant or any other or others, (c) the unenforceability in whole or in part of the Lease or this Guaranty, or (d) any taking, modification or release of any collateral or guaranties for any obligation of Tenant to Landlord under the Lease or any failure to perfect any security interest in, or the taking of or failure to take any other action with respect to, any collateral securing said Obligations.



5. The liability of Guarantor hereunder shall not be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of liability of Tenant or its estate or of any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the Federal Bankruptcy Code, or any similar law or statute of the United States or any state thereof covering insolvency, bankruptcy, rehabilitation, liquidation or reorganization, it being the intention of Guarantor that Guarantor's liability hereunder shall be determined without regard to any rule of law or order which may relieve Tenant of any of the Obligations.

6. Guarantor agrees that in the event Tenant shall become insolvent, have an order for relief entered against it under the Federal Bankruptcy Code or file a petition for reorganization, arrangement or similar relief under any present or future provision of the federal Bankruptcy Code or any similar law or statute of the United States or any state thereof; if such a petition filed by creditors of Tenant shall be approved by a Court; if Tenant shall seek a judicial readjustment of the rights of its creditors under any present or future federal or state law; or a receiver of all or part of its property and assets is appointed by any state or federal court, and in any such proceeding the Lease shall be terminated or rejected or the Obligations of Tenant thereunder shall be modified, Landlord shall have the option to either (a) require the Guarantor, and Guarantor hereby agrees, to execute and deliver to Landlord a new lease with Guarantor as tenant for the balance of the term then remaining as provided in the Lease and upon the same terms and conditions as set forth therein, or (b) to recover from Guarantor that which Landlord would be entitled to recover from Tenant under the Lease in the event of a termination of the Lease by Landlord because of a default by Tenant, and such shall be recoverable from Guarantor without regard to whether Landlord is entitled to recover the same from Tenant in any such proceeding.

7. Guarantor agrees that, in the event any Obligation is performed by Tenant, the liability of Guarantor under this Guaranty shall remain in full force and effect in the event that all or any part of such performance is avoided or recovered from Landlord as a preference or fraudulent transfer or otherwise, in any bankruptcy, insolvency, liquidation, reorganization or other proceeding involving Tenant.

8. Guarantor will file all claims against Tenant in any bankruptcy or other proceeding in which the filing of claims is required by law upon any indebtedness of Tenant to Guarantor and will assign to Landlord all rights of Guarantor thereunder. If Guarantor does not file any such claim, Landlord, as attorney-in-fact for Guarantor, is hereby authorized to do so in the name of Guarantor or, in Landlord's discretion, to assign the claim and to cause proof of claim to be filed in the name of Landlord's nominee. In all such cases, whether in administration, in bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to Landlord the full amount thereof, and to the full extent necessary for the purpose, Guarantor hereby assigns to Landlord all of Guarantor's rights to any such payments or distributions to which Guarantor would otherwise be entitled.

9. Guarantor hereby subordinates all existing or future indebtedness of Tenant to Guarantor to the obligations owed to Landlord under the Lease and this Guaranty.

10. The term "Landlord" whenever used herein refers to and means the Landlord specifically named in the Lease and any assignee of the Landlord, whether by outright assignment or by assignment for security, and any successor to the interest of the Landlord or of any assignee in the Lease or any part thereof, whether by assignment or otherwise. So long as Landlord's interest in or to the Premises or the rents, issues and profits therefrom or in, to or under the Lease are subject to any mortgage or deed of trust or assignment for security, no acquisition by Guarantor of Landlord's interest in the Premises or under the Lease shall affect the continuing obligation of Guarantor under this Guaranty, which shall nevertheless continue in full force and effect for the benefit of the mortgagee, beneficiary, trustee or assignee under such mortgage, deed of trust or assignment; any purchaser at a sale by judicial foreclosure or under private power of sale; and the successors and assigns of any such mortgagee, beneficiary, trustee, assignee or purchaser.

11. The term "Tenant" whenever used herein refers to and means the Tenant specifically named in the Lease, any assignee of the Lease and any successor to the interest of the Tenant or any assignee of the Lease, whether by assignment, or otherwise. Guarantor acknowledges that Tenant is responsible for compliance with the Lease by its subtenants and that this Guaranty will cover any obligations required to be performed by any subtenants.

12. If Landlord shall employ an attorney to present, enforce or defend any or all of Landlord's rights or remedies hereunder, Guarantor shall pay all attorneys' fees, costs and expenses and all other costs and expenses incurred by Landlord in connection therewith (including any fees related to any Tenant or guarantor bankruptcy filing), whether or not an action is commenced by Landlord for such purpose.

13. Any amount due from Guarantor to Landlord which is not paid when due shall bear interest at the greater of (a) the rate of twelve percent (12%) per annum or (b) the prime rate of interest as announced from time to time by Bank of America, N.A. (or any comparable financial institution selected by Landlord), plus four percent (4%) per annum, but the payment of such interest shall not excuse or cure the failure to make such payment when due.

14. This Guaranty shall be binding upon Guarantor and the successors, heirs, personal representatives, executors and administrators of Guarantor and shall inure to the benefit of Landlord and Landlord's successors and assigns.

15. Landlord may assign or transfer the Lease and this Guaranty, or both, without notice to Guarantor, and no such assignment or transfer shall extinguish or diminish the liability of the Guarantor under this Guaranty. Guarantor shall reaffirm and/or confirm in writing the continued validity of this Guaranty upon request.

16. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall be effective.

17. No provision of this Guaranty or right of Landlord hereunder can be waived, nor can Guarantor be released from Guarantor's obligations hereunder, except by a writing duly executed by an authorized officer of Landlord. No such waiver shall be applicable except in the specific instance for which given.

18. Wherever in this Guaranty the context so requires, reference to either the singular or the plural shall be deemed to include the other. Each person who signs this Guaranty represents and warrants that he or she is unmarried unless his or her spouse also executes this Guaranty or provides other evidence satisfactory to Landlord that he or she has the power and authority to sign on behalf of such person's marital community and that recourse may be had against his or her community and separate property for his or her obligations hereunder. The undersigned acknowledges that Landlord will rely on the foregoing representation and that it is a material term of this Guaranty.

19. This Guaranty shall be construed and interpreted in accordance with, and all disputes hereunder shall be governed by, the laws of the State of Washington and venue in any action related to this Guaranty shall in King County, Washington and Guarantor waives any claim related to the inconvenience of such forum.

20. If more than one person or entity is executing this Guaranty as Guarantor, each such person or entity shall be jointly and severally liable as guarantors hereunder.

21. The obligations of Tenant under the Lease to execute and deliver estoppel statements, as therein provided, shall be deemed to also require the Guarantor hereunder to do and provide the same relative to Guarantor.

22. Notwithstanding anything to the contrary, Guarantor's total liability under this Guaranty shall not exceed the sum of Five Hundred Thousand and 00/100 Dollars (\$500,000) ("Guaranty Cap") (excluding attorneys' fees incurred by Landlord in relation to this Guaranty, which shall be paid by Tenant to Landlord as set forth above in Section 12 and shall not be subject to or a part of the Guaranty Cap). On each annual anniversary of the Lease Commencement Date, provided that no default under the Lease by Tenant then exists or has existed during the past twelve (12) months, the Guaranty Cap shall decrease by Ten percent (10%). [For purposes of example only, provided Tenant does not default under the Lease, the Guaranty Cap would decrease to \$450,000 as of the first (1<sup>st</sup>) annual anniversary of the Lease Commencement Date; to \$405,000 on the second (2<sup>nd</sup>) annual anniversary of the Lease Commencement Date; etc. Tenant's responsibility to pay for attorneys' fees incurred by Landlord pursuant to Section 12 above would not be subject to the Guaranty Cap.]

[SIGNATURES APPEAR ON FOLLOWING PAGE]

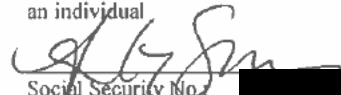

EXECUTED on \_\_\_\_\_, 20\_\_, but to be effective as of the same day as the effective date of the Lease.

"GUARANTOR"

Mathew Sharpe, MD,  
an individual

  
Social Security No.: 

Amanda Sharpe,  
an individual


  
Social Security No.: 



STATE OF WASHINGTON                    )  
  )ss.  
COUNTY OF King                  )

On this day personally appeared before me Mathew Sharpe, MD, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 15<sup>th</sup> day of November, 2021

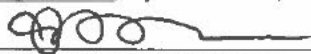
  
\_\_\_\_\_  
(Signature of officer and official seal)  
NOTARY PUBLIC in and for the State of Washington,  
residing at Sultan, WA  
My appointment expires: 06.01.2022



STATE OF WASHINGTON                    )  
  )ss.  
COUNTY OF King                  )

On this day personally appeared before me Amanda Sharpe to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 15<sup>th</sup> day of November, 2021

  
\_\_\_\_\_  
(Signature of officer and official seal)  
NOTARY PUBLIC in and for the State of Washington,  
residing at Sultan, WA  
My appointment expires: 06.01.2022



## EXHIBIT H

### Deck Rules and Regulations

In addition to all other terms and conditions of the Lease, the following Deck Rules and Regulations apply to Tenant's use of the Decks:

1. No items shall be thrown from the deck or hung from the railing of the deck.
2. All items, furnishings, furniture, equipment, etc. shall (i) appropriately secured or moved off of the deck in the event of high winds; and (ii) shall at all times be in good order and repair, and consistent with a Class A office park.
3. All table legs and other equipment must have rubber protectors or a protective surface.
4. No open flames shall be permitted, including without limitation, barbeques or fire pits. Tenant shall not permit or suffer any flammable, toxic or otherwise hazardous materials to be transported through, or used, located, or stored within, the deck except substances commonly used in office premises in quantities in compliance with all laws applicable.
5. No signage, furniture, decorations, frames, etc. shall penetrate the floors, walls, planters or any other permanent fixtures of the deck or the Building without the prior written consent of Landlord. Tenant shall not hang or display any signage, banners or similar items from the deck.
6. The deck shall not be used for any offensive purpose. No speakers or other audio transmission equipment shall be used on the deck at volumes which may be considered offensive due to content or excessive volume.
7. Tenant's use of the deck shall comply with all governmental rules, regulations, ordinances and laws applicable to the deck. Tenant shall be responsible for obtaining all licenses and permits necessary for Tenant's use of the deck.
8. Tenant may not keep, install, grow, or plant any items on the deck that attach to, climb or cling to the exterior of the Building.
9. No jacuzzis, hot tubs, pools, or similar items may be placed on the deck. No heating device may be placed on the deck without the prior written consent of the Landlord.

Landlord reserves the right at any time to reasonably change or rescind any one or more of these Deck Rules and Regulations, or to make such other and further reasonable Deck Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the deck, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein.

SHARPEVISION, PLLC  
2285 116TH AVE NE  
BELLEVUE, WA 98004-3041

1063

19-854/1250 6182  
1559075542

NOVEMBER 15, 2021  
Date

Pay to the  
Order of

J & J CCE, LLC

\$ 132,984.42

One hundred thirty-two thousand nine hundred eighty-four and 42/100



Security  
Features  
Details on  
Back



Wells Fargo Bank, N.A.  
Washington  
wellsfargo.com

For SECURITY DEPT/RENT/OPENC



EXHIBIT 14

ZONING DOCUMENTATION

## King County Department of Assessments

Setting values, serving the community, and promoting fairness and equity.

You're in: [Assessor](#) >> [Look up Property Info](#) >> [eReal Property](#)Department  
of  
Assessments201 South  
Jackson  
Street, Room  
708  
Seattle, WA  
98104Office Hours:  
Mon - Fri  
8:30 a.m. to  
4:30 p.m.TEL: 206-  
296-7300  
FAX: 206-  
296-5107  
TTY: 206-  
296-7888[Send us  
mail](#)

- [New Search](#)
- [Property Tax Bill](#)
- [Map This Property](#)
- [Glossary of Terms](#)
- [Area Report](#)
- [Print Property Detail](#)

## ADVERTISEMENT

## PARCEL DATA

Parcel	202505-9202
Name	J & J CCE LLC
Si	3 112TH AVE N 004
Geo Area	80-80
Spec Area	280-200
Property Name	CORPORATE CAM EAST BLDGS A & B


J rsdiction	BELLEVUE
Levy Code	0330
Property Type	C
Plat	i umbe
Plat Lot / Unit Number	
Quarter-Section-Township-Range	SE-20-25-5

## Legal Description

S 220 FT OF N 1/2 OF NW 1/4 OF SE 1/4 LY WLY OF EVERGREEN POINT RGT OF WAY OF PRIM STATE HWY NO 1 TGV LOT 4 BELLE SP #81-21 REC #8106049006 SD SP BEING A POR OF NE1/4 OF SW 1/4 20-25-05

## PLat Block:

Plat Lot:

 Click the camera to see more pictures.

## LAND DATA

Highest & Best Use As If Vacant	COMMERCIAL SERVICE
Highest & Best Use As Improved	PRESENT USE
Present Use	Office Building
Land SqFt	162,043
Acres	3.72

Percentage Unusable	
Restrictive Size Shape	NO
Zoning	OLB
Water	WATER DISTRICT
Sewer/Septic	PUBLIC
Road Access	PUBLIC
Parking	ADEQUATE
Street Surface	

## Views

Rainier	
Territorial	
Olympics	
Cascades	
Seattle Skyline	
Puget Sound	
Lake Washington	
Lake Sammamish	
Lake/River/Creek	
Other View	

## Waterfront

Waterfront Location	
Waterfront Footage	0
Lot Depth Factor	0
Waterfront Bank	
Tide/Shore	
Waterfront Restricted Access	
Waterfront Access Rights	NO
Poor Quality	NO
Proximity Influence	NO

## Designations

Historic Site	
Current Use	(none)
Nbr Bldg Sites	
Adjacent to Golf Fairway	NO
Adjacent to Greenbelt	NO
Other Designation	NO
Deed Restrictions	NO
Development Rights Purchased	NO
Easements	NO
Native Growth Protection Easement	NO
DNR Lease	NO

## Nuisances

Topography	YES
Traffic Noise	
Airport Noise	
Power Lines	NO
Other Nuisances	NO

## Problems


Water Problems	NO
Transportation Concurrency	NO
Other Problems	NO

## Environmental

Environmental	NO
---------------	----

## BUILDING

Building Number	1
Building Description	OFFICE BLDG #A
Number Of Buildings Aggregated	1
Predominant Use	OFFICE BUILDING (344)
Shape	Rect or Slight Irreg
Construction Class	MASONRY
Building Quality	GOOD
Stories	2

Click the camera to see more pictures.  
Picture of Building 1  
Reference  
Links:

- [King County Tax Links](#)
- [Property Tax Advisor](#)
- [Washington State Department of Revenue \(External link\)](#)
- [Washington State Board of Tax Appeals \(External link\)](#)
- [Board of Appeals/Equalization](#)
- [Districts Report](#)
- [iMap](#)
- [Recorder's Office](#)
- [Scanned images of surveys and other map documents](#)

Notice mailing date:  
08/18/2022

## ADVERTISEMENT

Building Gross Sq Ft	32,775
Building Net Sq Ft	30,825
Year Built	1982
Eff. Year	2005
Percentage Complete	100
Heating System	HEAT PUMP
Sprinklers	Yes
Elevators	Yes
1 2	

Section(s) Of Building Number: 1

Section Number	Section Use	Description	Stories	Height	Floor Number	Gross Sq Ft	Net Sq Ft
1	OFFICE BUILDING (344)		2	12		32,775	30,825

#### TAX ROLL HISTORY

Account	Valued Year	Tax Year	Onit Year	Levy Code	Appraised Land Value (\$)	Appraised Imps Value (\$)	Appraised Total Value (\$)	New Dollars (\$)	Taxable Land Value (\$)	Taxable Imps Value (\$)	Taxable Total Value (\$)	Tax Value Reason
202505920209	2022	2023		0330	12,153,200	22,686,800	34,840,000	0	12,153,200	22,686,800	34,840,000	
202505920209	2021	2022		0330	10,532,700	14,867,300	25,400,000	0	10,532,700	14,867,300	25,400,000	
202505920209	2020	2021		0330	10,532,700	15,072,300	25,605,000	0	10,532,700	15,072,300	25,605,000	
202505920209	2019	2020		0330	9,722,500	15,793,500	25,516,000	0	9,722,500	15,793,500	25,516,000	
202505920209	2018	2019		0330	7,291,900	17,186,100	24,478,000	0	7,291,900	17,186,100	24,478,000	
202505920209	2017	2018		0330	7,291,900	17,132,100	24,424,000	0	7,291,900	17,132,100	24,424,000	
202505920209	2016	2017		0330	7,291,900	13,048,100	20,340,000	0	7,291,900	13,048,100	20,340,000	
202505920209	2015	2016		0330	5,671,500	13,527,600	19,199,100	0	5,671,500	13,527,600	19,199,100	
202505920209	2014	2015		0330	5,671,500	10,243,200	15,914,700	0	5,671,500	10,243,200	15,914,700	
202505920209	2013	2014		0330	5,671,500	8,825,500	14,497,000	0	5,671,500	8,825,500	14,497,000	
202505920209	2012	2013		0330	6,481,700	5,978,300	12,460,000	0	6,481,700	5,978,300	12,460,000	
202505920209	2011	2012		0330	6,481,700	10,568,300	17,050,000	0	6,481,700	10,568,300	17,050,000	
202505920209	2010	2011		0330	6,481,700	10,920,300	17,402,000	0	6,481,700	10,920,300	17,402,000	
202505920209	2009	2010		0330	6,481,700	12,397,100	18,878,800	0	6,481,700	12,397,100	18,878,800	
202505920209	2008	2009		0330	6,481,700	14,001,400	20,483,100	0	6,481,700	14,001,400	20,483,100	
202505920209	2007	2008		0330	2,430,600	17,686,700	20,117,300	0	2,430,600	17,686,700	20,117,300	
202505920209	2006	2007		0330	1,620,400	11,319,100	12,939,500	0	1,620,400	11,319,100	12,939,500	
202505920209	2005	2006		0330	1,620,400	10,793,300	12,413,700	0	1,620,400	10,793,300	12,413,700	
202505920209	2004	2005		0330	1,620,400	7,549,000	9,169,400	0	1,620,400	7,549,000	9,169,400	
202505920209	2003	2004		0330	1,620,400	7,549,000	9,169,400	0	1,620,400	7,549,000	9,169,400	
202505920209	2002	2003		0330	1,620,400	10,199,400	11,819,800	0	1,620,400	10,199,400	11,819,800	
202505920209	2001	2002		0330	1,620,400	11,804,500	13,424,900	0	1,620,400	11,804,500	13,424,900	
202505920209	2000	2001		0330	1,458,400	11,966,500	13,424,900	0	1,458,400	11,966,500	13,424,900	
202505920209	1999	2000		0330	1,458,400	8,261,000	9,719,400	0	1,458,400	8,261,000	9,719,400	
202505920209	1998	1999		0330	1,458,400	8,261,000	9,719,400	0	1,458,400	8,261,000	9,719,400	
202505920209	1997	1998		0330	0	0	0	0	1,458,400	6,652,900	8,111,300	
202505920209	1996	1997		0330	0	0	0	0	1,458,400	5,781,600	7,240,000	
202505920209	1995	1996		0330	0	0	0	0	1,458,400	5,434,200	6,892,600	
202505920209	1994	1995		0330	0	0	0	0	1,458,400	5,434,200	6,892,600	
202505920209	1993	1994		0330	0	0	0	0	1,458,400	5,434,200	6,892,600	
202505920209	1992	1993		0330	0	0	0	0	1,458,400	5,434,200	6,892,600	
202505920209	1991	1992		0330	0	0	0	0	1,296,300	5,619,300	6,915,600	
202505920209	1990	1991		0330	0	0	0	0	1,296,300	7,422,900	8,719,200	
202505920209	1988	1989		0330	0	0	0	0	1,296,300	7,422,900	8,719,200	
202505920209	1986	1987		0330	0	0	0	0	1,296,300	5,818,700	7,115,000	
202505920209	1984	1985		0330	0	0	0	0	972,200	5,383,200	6,355,400	
202505920209	1983	1984		0330	0	0	0	0	972,200	5,383,200	6,355,400	
202505920209	1982	1983		0330	0	0	0	0	972,200	4,790,000	5,762,200	

#### SALES HISTORY

Excise Number	Recording Number	Document Date	Sale Price	Seller Name	Buyer Name	Instrument	Sale Reason
3127233	20210623001129	6/18/2021	\$62,000,000.00	KW FUND V CCE LLC	J AND J CCE LLC	Special Warranty Deed	Other
2717624	20150311001483	3/4/2015	\$37,750,000.00	LAKE CORPORATE CAMPUS EAST LLC	KW FUND V-CCE LLC	Bargain and Sales Deed	None
2716106	20150227001984	6/3/2014	\$2,000.00	LAKE CORPORATE CAMPUS EAST LLC	WASHINGTON STATE OF/DEPARTMENT OF TRANSPORTATION	Warranty Deed	Other
2242714	20061011002243	10/9/2006	\$38,628,000.00	HAL REALTY XII INC	LAKE CORPORATE CAMPUS EAST LLC	Special Warranty Deed	None
1766505	20000809000426	8/9/2000	\$25,526,000.00	MONY LIFE INSURANCE CO	HAL REALTY XII INC	Warranty Deed	(Unknown)



1724868	19991202000455	12/1/1999	\$0.00	G & W INVESTMENTS PARTNERS	MONY LIFE INSURANCE CO	Special Warranty Deed	Other
---------	----------------	-----------	--------	----------------------------	------------------------	-----------------------	-------

#### REVIEW HISTORY

Tax Year	Review Number	Review Type	Appealed Value	Hearing Date	Settlement Value	Decision	Status
2018	1703805	Local Appeal	\$24,424,000	10/10/2018	\$24,424,000	SUSTAIN	Completed
2014	1301286	Local Appeal	\$14,497,000	1/1/1900	\$0		Completed
2013	1201154	Local Appeal	\$16,529,300	3/25/2013	\$12,460,000	REVISE	Completed
2012	81862	State Appeal	\$17,050,000	9/18/2014	\$0	WITHDRAWN	Completed
2012	1101068	Local Appeal	\$17,050,000	5/3/2012	\$17,050,000	SUSTAIN	Completed
2011	78777	State Appeal	\$18,513,000	9/18/2014	\$0	WITHDRAWN	Completed
2011	1001011	Local Appeal	\$18,513,000	5/18/2011	\$17,402,000	REVISE	Completed
2010	0901235	Local Appeal	\$20,483,100	6/3/2010	\$18,876,800	REVISE, ASSESSOR RECOMMENDED	Completed
2008	0700934	Local Appeal	\$20,117,300	1/1/1900	\$0		Completed
2004	0300521	Local Appeal	\$11,509,800	1/1/1900	\$0		Completed
1995	9401932	Local Appeal	\$8,085,500	1/1/1900	\$0		Completed
1994	9302271	Local Appeal	\$8,085,500	1/1/1900	\$0		Completed
1993	9210367	Local Appeal	\$8,085,500	4/1/1993	\$8,085,500	SUSTAIN	Completed
1993	44079	State Appeal	\$8,085,500	6/15/1994	\$6,892,600	REVISE	Completed
1992	9100676	Local Appeal	\$8,719,200	5/13/1992	\$7,535,100	REVISE	Completed
1992	42540	State Appeal	\$8,719,200	6/15/1994	\$6,915,600	REVISE	Completed
1989	8808477	Local Appeal	\$8,719,200	1/1/1900	\$0		Completed

#### PERMIT HISTORY

Permit Number	Permit Description	Type	Issue Date	Permit Value	Issuing Jurisdiction	Reviewed Date
<a href="#">19120672 BZ</a>	Renovation of existing office suite to include (3) new private offices in an existing open office area, and enclose existing breakroom. All other work is only new finishes within the space. Existing offices and ancillary rooms are to remain as config	Remodel	8/29/2019	\$55,000	BELLEVUE	7/31/2020
<a href="#">19109244 BZ</a>	2,631 SF non structural interior only remodel,	Remodel	8/13/2019	\$40,000	BELLEVUE	7/31/2020
<a href="#">17113273</a>	demolition of existing walls and construction of new walls, doors and casework per plan,	Remodel	6/15/2017	\$85,000	BELLEVUE	7/17/2018
<a href="#">16134611</a>	Non structural tenant improvement including demolition of interior partition and light fixtures. New work includes new partition walls, finishes and reconfiguration of lighting.,	Remodel	8/1/2016	\$46,437	BELLEVUE	6/27/2017
<a href="#">16126978</a>	Non-structural interior remodel with includes adding new partitions, doors and finishes.,	Remodel	4/21/2016	\$200,000	BELLEVUE	6/27/2016
<a href="#">15122344</a>	Interior only tenant improvement including demolition of existing walls/doors and construction of new walls/doors to create new offices and conference rooms.,	Remodel	10/28/2015	\$80,000	BELLEVUE	6/27/2016
<a href="#">14126113</a>	RECONFIGURE EXIST. RECEPTION AND OFFICE/CONF. ROOMS. ALL INTERIOR NON-STRUCTURAL WORK.,	Remodel	4/2/2014	\$116,800	BELLEVUE	8/12/2014
<a href="#">08114539</a>	Interior demo, new walls, doors and casework,	Remodel	5/19/2008	\$71,400	BELLEVUE	1/7/2010
<a href="#">07104705</a>	Demo one door and fill in, construct new walls for offices and conference rooms.	Remodel	2/14/2007	\$40,000	BELLEVUE	6/25/2007

#### HOME IMPROVEMENT EXEMPTION

- [New Search](#)
- [Property Tax Bill](#)
- [Map This Property](#)
- [Glossary of Terms](#)
- [Area Report](#)
- [Print Property Detail](#)
- [BZ](#)

[ADVERTISEMENT](#)

Updated: July 25, 2022

Share Tweet Email

Information for...

Residents

Do more online

Trip Planner

Get help

Contact us



EXHIBIT 15

CONTRACTOR'S ESTIMATE





## Exhibit A

### ***Construction Proposal***



***Corporate Campus East – Building A  
3025 112<sup>th</sup> Ave. NE 2<sup>nd</sup> Floor, Bellevue, WA***



May 11, 2022

Cory Salter, ESQ  
Sharpe Vision Modern Lasik  
CEO – Legal Counsel  
Submitted via email: [cory@sharpe-vision.com](mailto:cory@sharpe-vision.com)

Re: **Sharpe Vision Tenant Improvement**  
Construction Proposal

Mr. Salter,

Thank you for the opportunity to provide a proposal for the Sharpe Vision tenant improvement located at Corporate Campus East, Building A. The pricing is based on the following:

- TGB Architects Construction Drawing Set dates 4.20.2022
- TGB ASI #1 dated 4.29.2022
- TGB ASI #2 dated 5.2.2022
- PSM Engineers Roof Framing Plan dated 4.19.2022

**The total cost of the work is \$5,572,968.03 including Washington State Sales Tax**

The attached breakdown is provided to further detail the line item costs that comprise the total proposed pricing. Also attached is a Clarifications and Assumptions document that details our inclusions and exclusions. We estimate that the total duration for construction of this project to be 18-20 weeks, from start of mobilization through Substantial Completion.

We also assume that all design, permitting, materials and other long lead items will be complete, ordered and delivered in order to meet the construction schedule.

We appreciate being considered as your partner for this project. HST Construction will take the necessary steps to make this project a success for you, TGB Architects and Lake Washington Partners.

Please let me know if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Trulson", written in a cursive style.

Dave Trulson  
Project Manager



## Clarification & Assumptions

### **General Description:**

- Overall area of work is approximately 13,442 RSF
- Interior build out consisting of new ASC/ OR suite, cataract area and lasik treatment
- Approximate duration for construction of this project to be 18 – 20 weeks, from start of mobilization through Substantial Completion
- Assumes that all design, permitting, materials and other long lead items will be complete, ordered and delivered in order to meet the construction schedule

### **DIVISION 1 – General**

#### **1.01 Site Supervision and Project Management**

- On-site Supervision and Project Management as required to complete all work
- Includes required scheduling of supplier/ subcontractor deliveries
- Provide and maintain Material Tracking Logs, Submittal Logs and Construction Schedules as needed
- Review and submit project submittals as required

#### **1.05 Project Direct General Conditions**

- Safety supplies and accessories pertinent to the scope of work
- Telephone/Communication costs related to Site Supervision
- Site progress documentation - weekly digital progress photos
- Temporary lighting and power as required
- Mobilization and Punchlist
- Miscellaneous small tool rental
- One-year warranty for all materials and labor

#### **1.71 Continuous and Final Cleaning**

- Continuous cleaning for all trades including work site area, with attention to detail given to areas surrounding the work site; careful attention will be taken to ensure a safe and clean area for building occupants, as required for an occupied remodel
- Dumpster, removal and disposal fees for all construction related debris
- Final cleaning at Substantial Completion

### **DIVISION 2 – Demolition**

#### **2.10 Demolition**

- **Excluded. Work completed under separate contract**

### **DIVISION 3 – Concrete**

#### **3.00 Concrete**

- Floor preparation as required to support flooring installation
- Patch and repair existing floor penetrations throughout





## **DIVISION 5 – Metals**

### **5.10 Structural Steel**

- Furnish and install structural steel upgrades to support new RTU units per plan
- Furnish and install structural steel updates to support (2) each lasers in Lasik Treatment 340. Details TBD. ***Allowance of \$15,000 has been included***

## **DIVISION 6 – Wood and Plastics**

### **6.10 Rough Carpentry**

- Material stocking coordination for all trades
- Layout as required for all new walls, ceilings, doors, casework, etc.
- Blocking and backing as required to support wall mounted fixtures – equipment, accessories, mirrors, lockers, casework, etc.
- Roof cut outs, curb installation to support installation of new AHU's
- Install owner provided items per plan
- Temporary dust screens and finish protection as required – DOH required dust screens included
- Furnish and install access panels at GWB ceilings

### **6.40 Casework**

- See attached floor plans highlighting locations
- Furnish and install casework in staff break room 328 per sheet A8.20
- Furnish and install casework in Lasik workroom 339 per sheet A8.21
- Furnish and install casework in refresh station 309 per sheet A8.20
- Furnish and install casework in women's & men's toilet 7&8 per sheet A8.11
- Furnish and install casework in Lasik reception 300 per sheet A8.20
- Furnish and install casework in coffee zone 301 per sheet A8.20
- Furnish and install casework in storage 318 & 324 per sheet A8.20
- Furnish and install casework in O.R. #2 214 per sheet A8.00
- Furnish and install casework in sterilization 215 per sheet A8.01
- Furnish and install casework in soiled workroom 216 per sheet A8.01
- Furnish and install casework in staff locker room 221 per sheet A8.01
- Furnish and install casework in nurse station 225 per sheet A8.00
- Furnish and install casework in patient hall 205 per sheet A8.00
- Furnish and install casework in reception 201 per sheet A8.00
- Furnish and install casework in patient lockers per sheet A8.01
- Furnish and install casework in hallway 105 per sheet A8.10
- Furnish and install casework in tech work area 103 per sheet A8.10
- Furnish and install casework in cataract waiting 100 per sheet A8.10
- Furnish and install casework in hallway 113 per sheet A8.10
- Furnish and install casework in work up 111 & 16 per sheet A8.10
- Furnish and install casework in OR staging 213 per sheet A8.00
- Furnish and install casework O.R. #1 212 per sheet A8.00
- Furnish and install solid surface countertops per plan
- Includes new and altered casework per ASI#1 and ASI#2
- Furnish and install wall paneling per elevation 23 on sheet A 8.20

# **HST** CONSTRUCTION

## **DIVISION 7 – Built Up Roofing**

### 7.50 Built Up Roofing

- Patch and repair existing roofing as required. ***Allowance of \$10,000 has been included***

## **DIVISION 8 – Doors and Windows**

### 8.20 Doors and Frames/Hardware

- Furnish and install all Wood Doors and HM frames with building standard hardware and finish as noted
- Furnish and install double acting doors at OR rooms 212 and 214
- Remove and replace (6) each existing doors/ hardware

### 8.80 Glass & Glazing

- Furnish and install sliding doors, hardware per plan. ***Allowance of \$1,000 per each for custom finish options has been included***
- Furnish and Install vision lites in wood doors per plan
- Furnish and install new frameless glass entry doors, relites and hardware per plan
- Furnish and install storefront glass wall system at Lasik Treatment 340 per plan
- Furnish and install window film F1 and F2 per plan
- Furnish and install F1 film at perimeter windows where walls are built in front of – OR 212

## **DIVISION 9 - Finishes**

### 9.25 Metal Stud Framing and GWB

- Layout wall framing
- Metal stud framing to accommodate new layout, wall types to be per plan
- Includes patch and repair as needed to accommodate new layout and finishes
- Includes GWB ceilings per plan
- Includes misc framing and GWB installation at existing core restrooms
- Skim coating at existing walls where required
- Support installation of access panels – final layout TBD
- Sound insulation at walls per plan – includes Silent FX at 61 wall per plan
- Smooth finished GWB walls, ready for paint
- Engineering requirements from City of Bellevue – ***allowance of \$10,000 has been included***

### 9.50 Acoustical Ceiling

- Furnish and install new ACT and grid per plan

### 9.70 Flooring and Tiling

- See attached floor plan detailing locations and material quantities
- Furnish and install of Resilient Tile flooring per plan
- Furnish and install Resilient Sheet flooring per plan
- Furnish and install all floor and wall tile per plan
- Furnish and install new tile in core restrooms per plan
- Furnish and install wall projection – WP1/ WP2 per plan. Spec selections and locations TBD. ***Allowance of \$60,000 has been included***
- Wood flooring and tile upgrade selections – ***allowance of \$30,000 has been included***

# **HST CONSTRUCTION**

## 9.90 Painting

- Prime and paint all existing and new finish taped GWB surfaces throughout
- Paint new door frames per plan

## **DIVISION 10 – Specialties**

### 10.01 Appliances

- Furnish and Install appliance below:
- Breakroom Fridge – LRDCS2603 – Quantity 1
  - Black Stainless, with ice maker
- Breakroom Microwave – WMC30516H – Quantity 1
- Breakroom Dishwasher – LDT55552 – Quantity 1
  - Black Stainless Steel
- Install owner provided appliances
  - Locking Mini Fridge – Quantity 3
  - SMEG Refrigerator – Quantity 1
  - SMEG Coffee Machine – Quantity 2
  - Keurig Coffee Machine – Quantity 1
  - Fisher & Paykel Warming Drawer – Quantity 1
  - SMEG Mini Fridge – Quantity 1

### 10.20 Misc. Specialties

- Furnish and install fire extinguishers/ cabinets per plan
- Furnish and install privacy curtain per plan
- Furnish and install all bathroom accessories, including grab bars, soap dispensers, recessed paper towel dispensers/waste receptacles, coat hangers, ADA folding shower seats, shower room benches, shower rods,
- Mirrors to be provided by owner install by GC

## **DIVISION 12 – Window Coverings**

- Remove, clean, and reinstall exiting mini blinds
- Furnish and install motorized window shades at ASF patient bay areas – WT-1 per plan
- Furnish and install window shades throughout – WT-2 material selection TBD

## **DIVISION 15 – Mechanical**

### 15.30 Fire Sprinklers

- Furnish and install new sprinkler system throughout as required by code
- Commissioning and testing as required
- Includes permitting as required



# **HST CONSTRUCTION**

## 15.40 Plumbing

- Furnish and install fixtures per plan
- Rough-in waste and water lines to support new sinks, water closets, eyewash stations, dishwashers, water filters, water dispensers, and other plumbing appliances/equipment to support scope of work
  - All new water piping to be L copper w/ press fittings, all new waste & vent piping to be either cast iron or DWV copper
- Imaging and core drill as required to support work
- Commissioning and testing as required
- Includes permitting as required

## 15.50 HVAC

- Relocate (17) existing VAV boxes as required to support new layout
- Furnish and install new mechanical system to support ASC area
  - Custom roof top air handling unit as required to meet DOH requirements.
  - Dedicated exhaust/ pressurization as required
  - Roof curb as required to support installation
- Furnish and install new mechanical system to support Lasik Treatment areas
  - Roof curb as required to support installation
- Furnish and install new exhaust system at Staff/ Patient restrooms, shower room, soiled room
- Furnish and install new ducting, diffusers throughout
- Install ducting to support dedicated exhaust on lasers in Lasik Treatment room 340
- Controls/ programming of building systems as required
- Dedicated controls for new RTU's
- Assumes building relief fans and associated pathways to remain as is – no modification to existing is included
- Commissioning, air balancing and test as required
- Includes permitting as required

## **DIVISION 16 – Electrical and Fire Alarm**

### 16.10 Electrical and Fire Alarm

- Service upgrade to building, new 1200 amp – additional 600 amps to 2<sup>nd</sup> floor
- Provide electrical systems power distribution to support buildout
  - Includes mechanical systems connections as required to support scope of work
- Includes the furnish and install of lighting per plan
- Installation of owner provided decorative lighting per plan
- Light switching as required to meet code
- Complete fire alarm system as required by code
  - Includes Fire alarm permits, engineering, as-built drawings
- Include power adds to support equipment requirements
  - Furnish and install of new transformer to accommodate new equipment
- Includes permitting as required



16.70 Low Voltage Cabling

- Final scope TBD – ***Allowance of \$67,500 has been included***
- Equipment layout and location to be finalized

16.71 Card Access/ Security System

- Final scope TBD – ***Allowance of \$30,000 has been included to support (4) each locations***
- Equipment layout and location to be finalized

16.72 AV Cabling

- Final scope TBD – ***Allowance of \$13,500 has been included***
- Equipment layout and location to be finalized

CS DT

## Specific Exclusions

- ~~Washington State Sales Tax~~
- Architectural or Engineering fees
- Permits or Building Department Fees
- Performance or Payment Bonds
- Builder's Risk Insurance
- Code required/City inspection revisions
- Fire or Building Department required changes
- Structural Modifications other than specified
- Wall, ceiling framing engineering requirements from City of Bellevue
- Testing or remediation to accommodate high pH or moisture vapor transmission through existing floor slabs
- Hazardous material testing, inspections, or abatement – including mold, lead paint, asbestos or other materials considered hazardous
- Thermal Insulation
- Spray applied fire proofing
- Appliances other than specified
- Electrical connections for tenant equipment and furniture systems
- Monitoring services
- Utility costs associated with the tenant improvement



## Schedule of Values

May 11, 2022

Division	Description	Total Cost
01010	Supervision & Project Management	\$211,225.00
01050	Project Direct General Conditions	\$33,063.00
01710	Continuous Clean up/ Final Clean/ Dumpsters	\$93,969.00
02050	Demolition	\$0.00
03000	Floor Preparation	\$10,463.00
05500	Structural and Miscellaneous Steel	\$25,124.00
06200	General Carpentry	\$80,512.00
06400	Cabinets and Casework	\$492,610.00
07200	Insulation & Fire Caulking	\$0.00
07500	Roofing - Patch Allowance	\$10,000.00
08200	Doors, Frames & Hardware	\$134,531.00
08800	Glass & Glazing	\$316,524.00
09250	Metal Stud Framing & Drywall	\$463,994.00
09500	Acoustical Ceilings	\$74,531.00
09700	Floor Covering	\$329,985.00
09900	Painting	\$88,138.00
10000	Fire Extinguisher/ Cabinets	\$1,762.00
10000	Appliances	\$4,355.00
10000	Privacy Curtains	\$22,496.00
10000	Restroom Partitions/ Accessories	\$21,676.00
12000	Window Shades	\$57,162.00
15300	Fire Sprinklers and Suppression	\$89,600.00
15400	Plumbing	\$326,074.00
15500	HVAC	\$747,563.00
16000	Electrical & Fire Alarm	\$1,047,040.00
16700	Security & Access Control Systems	\$30,000.00
16710	Telecommunications Cabling	\$67,500.00
16720	Audio Visual Systems	\$13,500.00
	<b>Subtotal</b>	<b>\$4,793,397.00</b>
	Contingency	\$0.00
	Liability Insurance/ Builders Risk	\$41,890.00
	<b>Subtotal Cost of Work</b>	<b>\$4,835,287.00</b>
	Fee	\$191,874.00
	B&O Taxes	\$34,572.00
	<b>Total Excluding WSST</b>	<b>\$5,061,733.00</b>
	Washington State Sales Tax (WSST)	\$511,235.03
	<b>GRAND TOTAL</b>	<b>\$5,572,968.03</b>



EXHIBIT 16

LISTING OF NEW EQUIPMENT

<b>QUOTES FOLDER</b>	<b>Total</b>	<b>Fixed / Movable</b>		
<a href="#">LG Fridge LRDCS2603 (breakroom)</a>	\$1,699.00	Movable		
<a href="#">Whirlpool Microwave (breakroom)</a>	\$359.00	Movable		
<a href="#">LG Dishwasher LDT5552S (breakroom)</a>	\$899.00	Fixed	Fixed	\$ 1,199,709.98
<a href="#">Thor Kitchen Double Drawer Refrigerator</a>	\$1,646.97	Movable	Movable	\$ 140,049.00
<a href="#">Summit Single Drawer Refrigerator FF1DSS</a>	\$1,704.30	Movable	Grand Total	\$ 1,339,758.98
<a href="#">Smeg Mini Fridge FAB5ULCR3</a>	\$1,259.99	Movable		
<a href="#">Brio Moderna Water Cooler</a>	\$469.99	Movable		
<a href="#">Fisher &amp; Paykel Dishdrawer</a>	\$839.99	Fixed		
<a href="#">Smeg Retro Refrigerator</a>	\$2,499.99	Movable		
<a href="#">Smeg Coffee Machine</a>	\$850.00	Movable		
<a href="#">Keurig Coffee Machine K-lite</a>	\$211.75	Fixed		
<a href="#">Exam Lane Equipment x8</a>	\$208,870.71	Fixed		
<a href="#">VA monitors</a>	\$20,389.60	Movable		
<a href="#">OPD III</a>	\$40,500.00	Fixed		
<a href="#">Galilei G6</a>	\$64,950.00	Fixed		
<a href="#">Elara Sterilizer x 3</a>	\$26,121.16	Movable		
<a href="#">Ultrasonic Cleaner x 1</a>	\$1,362.00	Movable		
<a href="#">Instrument Rinse System x 1</a>	\$1,300.00	Movable		
<a href="#">Biological Indicator Machine x 1</a>	\$300.00	Movable		
<a href="#">Warming Cabinet</a>	\$11,546.29	Fixed		
<a href="#">Oculus</a>	\$75,908.00	Fixed		
<a href="#">IOL master</a>	\$61,848.81	Fixed		
<a href="#">Zeiss Clarus</a>	\$63,545.00	Fixed		
<a href="#">OCT Cirrus</a>	\$43,104.00	Fixed		
<b>Lenstar</b>	\$40,500.00	Fixed		
<a href="#">Visual Field Unit</a>	\$31,513.35	Fixed		
<a href="#">Surgical Instruments (forceps, blades, cannulae, etc.)</a>	\$45,846.00	Movable		
<a href="#">Emergency Equipment (wheelchairs) x 2</a>	\$323.98	Movable		
<a href="#">Crash Cart Cabinet</a>	\$2,169.12	Movable		
<a href="#">Crash Cart Items</a>	\$6,824.34	Movable		
<a href="#">Crash Cart Portable Suction Unit</a>	\$1,136.16	Movable		
<a href="#">ASC Treatment chair/stretchers x7</a>	\$92,409.68	Fixed		
<a href="#">Nidek Quest</a>	\$150,000.00	Fixed		
<a href="#">Vital Signs Monitor x 7</a>	\$23,787.40	Movable		
<a href="#">1 x Centurion (900429196), Revalia, and Handpieces</a>	\$213,263.40	Fixed		
<a href="#">iTrace</a>	\$99,800.00	Fixed		
<b>Total</b>	<b>\$1,339,758.98</b>			

## EXHIBIT 17

### LETTER OF FINANCIAL COMMITMENT



**COMMITMENT LETTER****July 12, 2022**

SharpeVision, PLLC  
 2285 116<sup>th</sup> Avenue  
 Bellevue, WA 98004

RE: SharpeVision, PLLC  
 Dear Dr. Sharpe,

Live Oak Banking Company dba Live Oak Bank ("LOB" and the "Bank") is pleased to commit to providing SharpeVision, PLLC (OC) ("Borrower"), a combined credit facility in the principal amount of Five Million Seven Hundred Forty Thousand Dollars (\$5,740,000) ("Commitment"). The following described credit facility is subject to all the terms and conditions contained herein, provided there has been no material adverse change in Borrower's financial condition as determined by the Bank.

**Loan Structure:** **Operating Company (OC):** SharpeVision, PLLC

**Guarantor:** Matthew Sharpe

**Loan Amount:** **Loan 1:** \$5,000,000 Bank SBA 7(a) term Loan ("Loan 1")

**Loan 2:** \$1,475,000 Bank Conventional Pari Passu Loan ("Loan 2")

**Construction  
 Supervision Fee:**

Estimated at \$10,000 to Lender, at closing, for the costs associated with underwriting, monitoring, and hiring a third-party management company to manage the construction process. Includes costs for draw inspections and title updates.

**Loan Purpose:**

**Loan 1 and Loan 2:** Provide permanent financing for leasehold Improvements at the leasehold location located at 3025 112th Ave. NE Bellevue, WA 98004 for SharpeVision, PLLC and finance defined soft costs and closing costs.

**Interest Rate:**

**Loan 1:** Wall Street Journal Prime Rate + 2.50% (currently 6.50%), adjusting every calendar quarter at the same index. Interest will be calculated on a 365-day basis. Monthly payment based on today's rate: \$58,901.19.

**Loan 2:** WSJ Prime Rate + 2.50% (currently 6.50%), adjusted calendar quarterly at the same index. Interest will be calculated on a 365-day base year. Monthly payment based on today's rate: \$17,375.85

In accordance with SBA regulations, the base rate in effect on the first business day of the month in which the Bank receives SBA (PLP) approval, will determine the basis for your initial interest rate.

EXHIBIT 18

FINANCIAL STATEMENTS

# SharpeVision, PLLC

## Balance Sheet As of July 31, 2022

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
10100 Wells Fargo Checking (5542)	894,937.96
10200 BLC Chase Accounts	97,951.72
10400 Petty Cash	100.00
10500 Bill.com Money Out Clearing	27,152.60
10600 Bank of America	47,996.21
<b>Total Bank Accounts</b>	<b>\$1,068,138.49</b>
Accounts Receivable	
12000 Accounts Receivable	912,035.40
<b>Total Accounts Receivable</b>	<b>\$912,035.40</b>
Other Current Assets	
11000 Undeposited Funds	1,769.88
14000 Prepaid Expenses	0.00
14010 Adam Johnson	9,166.75
14020 Austin FC	37,812.53
14040 Chicago Blackhawks	20,833.36
14090 The Doctor's Company	6,950.24
14091 CNA Insurance	21,694.38
14092 Alcon DTS	4,277.24
14093 Jeremy Casebeer	3,333.30
14094 Nidek Service Agreements	36,643.76
14095 YPO	6,229.15
14097 Glinkx	167.99
14290 Rippling	5,506.29
14295 Kollektive	8,331.00
14296 Rent	57,711.88
14297 PerformYard	3,666.67
<b>Total 14000 Prepaid Expenses</b>	<b>222,324.54</b>
14150 Due from Divvy	1,409.99
14310 Due from IRS	1,134,611.26
<b>Total Other Current Assets</b>	<b>\$1,360,115.67</b>
<b>Total Current Assets</b>	<b>\$3,340,289.56</b>



# SharpeVision, PLLC

## Balance Sheet As of July 31, 2022

	TOTAL
Fixed Assets	
15000 Property, Plant & Equipment	
15100 Furniture & Fixtures	169,221.46
15200 Equipment	3,526,351.66
15300 Leasehold Improvements	2,171,749.64
15400 Buildout	800,451.26
15500 Accumulated Depreciation	-3,512,625.61
<b>Total 15000 Property, Plant &amp; Equipment</b>	<b>3,155,148.41</b>
16000 Intangible Assets	6,500.00
16100 Goodwill	480,000.00
16200 Loan Fees	3,301.87
16300 Covenant not to Compete	20,000.00
16350 Accumulated Amortization	-90,621.92
<b>Total 16000 Intangible Assets</b>	<b>419,179.95</b>
<b>Total Fixed Assets</b>	<b>\$3,574,328.36</b>
Other Assets	
17000 Security Deposit	88,297.54
<b>Total Other Assets</b>	<b>\$88,297.54</b>
<b>TOTAL ASSETS</b>	<b>\$7,002,915.46</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	237,566.41
<b>Total Accounts Payable</b>	<b>\$237,566.41</b>
Credit Cards	
21500 Divvy	7,783.38
22000 Amex	48,706.23
<b>Total Credit Cards</b>	<b>\$56,489.61</b>
Other Current Liabilities	
24100 Accrued Payroll Expenses	
24105 Pre/Post Tax Benefit Deduction	16,918.55
<b>Total 24100 Accrued Payroll Expenses</b>	<b>16,918.55</b>
25000 A/P - BLC Acquisition	250,000.00
26000 S/T Loan - Bank of America	63,831.50
<b>Total Other Current Liabilities</b>	<b>\$330,750.05</b>
<b>Total Current Liabilities</b>	<b>\$624,806.07</b>

# SharpeVision, PLLC

## Balance Sheet As of July 31, 2022

	TOTAL
Long-Term Liabilities	
28200 N/P - Bank of America Loan	530,153.22
28300 N/P - SBAD Treas	150,000.00
<b>Total Long-Term Liabilities</b>	<b>\$680,153.22</b>
<b>Total Liabilities</b>	<b>\$1,304,959.29</b>
Equity	
30000 Capital Stock	100.00
30200 Shareholder Distributions	-2,189,259.22
30400 Retained Earnings	4,381,067.74
Net Income	3,506,047.65
<b>Total Equity</b>	<b>\$5,697,956.17</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$7,002,915.46</b>

# SharpeVision, PLLC

## Profit and Loss January - July, 2022

	TOTAL
Income	
40000 Service Income	
40001 Lasik	8,201,326.13
40010 Cataract	1,373,490.68
40020 General Eye Care	488,789.83
40030 ICL	819,142.85
40040 RLE	107,162.00
40050 LFT	28,836.00
<b>Total 40000 Service Income</b>	<b>11,018,747.49</b>
41000 Refunds to Patients	-53,972.26
<b>Total Income</b>	<b>\$10,964,775.23</b>
Cost of Goods Sold	
50000 Cost of Services	
50600 Clinic Operations	
50630 Medical Supplies & Materials	
50632 Surgical Instruments	12,843.37
<b>Total 50630 Medical Supplies &amp; Materials</b>	<b>12,843.37</b>
50640 Patient Billing	
50641 Billing Services	76,590.75
50642 Merchant Processing Fees	248,908.79
<b>Total 50640 Patient Billing</b>	<b>325,499.54</b>
<b>Total 50600 Clinic Operations</b>	<b>338,342.91</b>
<b>Total 50000 Cost of Services</b>	<b>338,342.91</b>
50100 Surgical Supplies	510,566.93
50200 Laser Click Fees	301,906.99
50250 Laser Repairs & Maintenance	125,812.46
<b>Total Cost of Goods Sold</b>	<b>\$1,276,629.29</b>
<b>GROSS PROFIT</b>	<b>\$9,688,145.94</b>
Expenses	
60000 General & Administrative Expenses	
60010 Automobile Expense	
60011 Gas	223.31
60012 Parking & Tolls	480.44
<b>Total 60010 Automobile Expense</b>	<b>703.75</b>
60020 Bank Charges & Fees	2,564.00
60030 Cleaning & Maintenance	38,456.64
60040 Dues & Subscriptions	9,995.52
60050 Insurance Expense	
60051 Insurance - Liability	14,498.39
60052 Insurance - Professional Liability	36,799.96



# SharpeVision, PLLC

Profit and Loss  
January - July, 2022

	TOTAL
<b>Total 60050 Insurance Expense</b>	<b>51,298.35</b>
60060 Interest Expense	12,087.09
60070 Legal & Professional Fees	
60071 Legal & Accounting	54,059.48
60072 Professional Fees	189,405.71
60073 IT Services	17,230.58
<b>Total 60070 Legal &amp; Professional Fees</b>	<b>260,695.77</b>
60080 Meals & Entertainment	
60081 Entertainment	1,105.36
60082 Meals - 100%	13,598.19
<b>Total 60080 Meals &amp; Entertainment</b>	<b>14,703.55</b>
60100 Office Expense	
60101 Office Supplies	70,622.25
60102 Pest Control	385.35
60103 Printing & Reproduction	9,513.13
60104 Security & Alarm Systems	976.18
<b>Total 60100 Office Expense</b>	<b>81,496.91</b>
60110 Outside Services	6,825.00
60111 CoManagement Expense	158,750.00
60120 Payroll Expenses	
60121 Employee Appreciation	5,669.42
60122 Employee Benefits	
60123 HSA Contributions	2,550.00
60124 Insurance - Life/Disability	5,167.95
60125 Insurance - Medical/Dental	88,390.95
60126 Worker's Compensation	1,762.07
<b>Total 60122 Employee Benefits</b>	<b>97,870.97</b>
60127 Employee Salaries & Wages	1,907,801.70
60128 Officer Compensation	
60129 Officer Health Insurance Premiums	18,862.61
60130 Officer Salaries & Wages	779,604.57
<b>Total 60128 Officer Compensation</b>	<b>798,467.18</b>
60131 Payroll Processing Fees	35,296.17
60132 Payroll Taxes	
60133 Taxes - Federal	160,641.46
60134 Taxes - SUTA	22,424.99
<b>Total 60132 Payroll Taxes</b>	<b>183,066.45</b>
60135 Retirement Expense	105,794.94
<b>Total 60120 Payroll Expenses</b>	<b>3,133,966.83</b>

# SharpeVision, PLLC

## Profit and Loss January - July, 2022

	TOTAL
60140 Postage & Delivery	4,619.16
60150 Professional Development	
60151 Continuing Education	5,667.99
60153 Training & Seminars	1,071.25
<b>Total 60150 Professional Development</b>	<b>6,739.24</b>
60160 Recruitment Fees	72,442.18
60170 Rent Expense	
60171 Rent Expense - Austin	111,895.74
60172 Rent Expense - BLC	136,998.91
60173 Rent Expense - Chicago	108,060.00
60179 Rent Expense - WA	129,522.98
<b>Total 60170 Rent Expense</b>	<b>486,477.63</b>
60180 Repairs & Maintenance	36,548.58
60190 Software Subscriptions	26,723.44
60200 Taxes	
60201 Business Licenses & Fees	9,229.34
60202 Franchise Taxes	14,600.02
60203 Property Taxes	20,257.42
60204 WA B&O Taxes	121,911.97
60205 State Income Taxes	36,315.36
<b>Total 60200 Taxes</b>	<b>202,314.11</b>
60210 Telecommunications	46,190.59
60220 Travel Expense	
60221 Air/Ground Transportation	30,314.50
60222 Hotel & Lodging	4,863.00
<b>Total 60220 Travel Expense</b>	<b>35,177.50</b>
60230 Utilities	27,328.62
60240 Website & Email Hosting	5,635.96
<b>Total 60000 General &amp; Administrative Expenses</b>	<b>4,721,740.42</b>
60600 Call Center Expenses	
60610 Call Center	752.22
60620 Payroll Expenses	
60621 Employee Benefits	21,806.13
60622 Employee Salary & Wages	112,972.12
60623 HSA Contributions	450.00
60624 Payroll Taxes	10,255.80
60625 Retirement Expense	2,939.99
<b>Total 60620 Payroll Expenses</b>	<b>148,424.04</b>
60630 Rent	14,413.40
<b>Total 60600 Call Center Expenses</b>	<b>163,589.66</b>

# SharpeVision, PLLC

## Profit and Loss January - July, 2022

	TOTAL
60800 Sales & Marketing Expenses	
60810 Agency Fees	17,175.00
60820 Marketing and Promotions	1,387,791.52
60840 SEO Fees	27,482.00
<b>Total 60800 Sales &amp; Marketing Expenses</b>	<b>1,432,448.52</b>
70000 Donations	4,210.00
<b>Total Expenses</b>	<b>\$6,321,988.60</b>
NET OPERATING INCOME	<b>\$3,366,157.34</b>
Other Income	
80000 Other Income	
80020 Interest Income	2,150.66
80030 Other Miscellaneous Income	40,337.13
80070 Tax-Exempt Income	345,355.00
<b>Total 80000 Other Income</b>	<b>387,842.79</b>
<b>Total Other Income</b>	<b>\$387,842.79</b>
Other Expenses	
90000 Amortization	30,525.95
90100 Depreciation	214,773.71
90200 Other Expenses	
90220 Penalties & Settlements	2,652.82
<b>Total 90200 Other Expenses</b>	<b>2,652.82</b>
<b>Total Other Expenses</b>	<b>\$247,952.48</b>
NET OTHER INCOME	<b>\$139,890.31</b>
NET INCOME	<b>\$3,506,047.65</b>



EXHIBIT 19

TRANSFER AGREEMENT



## SharpeVision Patient Transfer Agreement

THIS SHARPE VISION PATIENT TRANSFER AGREEMENT (the "Agreement") is made and entered into, by and between OVERLAKE HOSPITAL MEDICAL CENTER, a not-for-profit corporation organized under the laws of the State of Washington (hereinafter referred to as "Hospital"), and SharpeVision, PLLC a Washington professional corporation (hereinafter referred to as "Center").

WHEREAS, Hospital maintains and operates an acute care hospital in Bellevue, Washington; and

WHEREAS, Center maintains and operates a ASF located at 3025 112<sup>th</sup> Ave NE, Suite 200 Bellevue, WA 98004 which from time to time has patients who are in need of specialty care not available at Center; and

WHEREAS, in order to provide continuity of medical care for its patients, Center desires to enter into an agreement for the transfer of its patients in need of specialty care not available at Center to an acute care hospital; and

WHEREAS, Hospital is willing to provide such medical services to Center's patients in need of specialty care not available at Facility;

NOW, THEREFORE, it is hereby agreed as follows:

1. The governing body of the Hospital and the governing body of the Center shall have exclusive control of the management, assets and affairs of their respective institutions. Neither party by virtue of this agreement assumes any liability for any debts or obligations of either a financial or a legal nature incurred by the other party to this agreement.
2. When a patient's need for *emergent* transfer from Center to Hospital has been determined by the patient's physician, Hospital agrees to admit the patient as promptly as possible, provided that Hospital has the available capacity and available qualified personnel to treat the patient; all conditions of medical eligibility for admission have been met; a physician who has admitting privileges at Hospital and who will accept the patient transfer, admit and attend to the patient while hospitalized at Hospital is identified; acceptance of the patient transfer has been arranged by the physician responsible for the patient's care at the Center; and a suitable hospital bed is available. Emergent transfer patients are those patients that have an emergency medical condition as defined in 42 U.S.C. § 1395dd(e). The emergency medical condition arises out of an unforeseen complication from services provided by the Center to the patients.

3. When a patient's need for *nonemergent* (i.e., unplanned necessary or urgent) transfer from the Center to the Hospital has been determined by the patient's physician, the Hospital agrees to admit the patient as promptly as possible, provided that the Hospital has the available capacity and qualified personnel to treat the patient; all conditions of medical eligibility for admission have been met; a physician who has admitting privileges at the Hospital is identified and has agreed to admit and accept the patient transfer; and a suitable hospital bed is available. The Center agrees to provide advance arrangements and/or notification to the Hospital in these instances. Center will use its best efforts to avoid such unplanned necessary or urgent transfers.
4. Center shall be responsible for and shall make all the necessary arrangements for the appropriate, safe transportation of all patients from the Center to Hospital, which shall include, but not be limited to, all necessary lifesaving and/or stabilization measures. Furthermore, Center shall bear sole responsibility for the patient's care during transport. In those instances, where *emergent* transfer is required, the Center agrees to proceed with this transfer utilizing the regional EMS system. Any and all costs associated with patient transfers from Center to Hospital, including helicopter or ambulance expenses shall be the sole responsibility of the Center.
5. Upon transfer of a patient from Center to Hospital, Hospital agrees to comply with its obligations under this Agreement and applicable law and regulations, including but not limited to the Emergency Medical Treatment and Active Labor Act of 1985 ("EMTALA"), contained at 42 U.S.C. §1395dd. Center agrees to comply with its obligations under this Agreement and all applicable laws and regulations.
6. The parties acknowledge and agree that Hospital reserves the right to accept or reject patients according to Hospital's admission policies and other applicable state and federal legal obligations, including EMTALA. The parties further acknowledge and agree that Hospital does not schedule or provide *preplanned* elective post procedure care following a completed procedure that is performed in a physician's office or free standing clinic facility, including the Center, and that neither this Agreement nor anything contained herein obligates Hospital to do so. This Agreement covers only those patients with emergency medical conditions occurring as a result of unforeseen circumstances and unplanned necessary or urgent transfers.
7. The Center agrees that any physician seeking to transfer a patient from the Center to the Hospital shall be a member of the medical staff of the Hospital. If the Center's physician does not have admitting privileges at the Hospital, the physician shall identify a physician who has admitting privileges at the Hospital and who will accept the patient transfer and admit and attend to the patient while hospitalized at the Hospital.
8. The Center agrees to send with each patient, at the time of transfer, or in the case of an emergency as promptly after the transfer as possible, a summary of medical and other information necessary to continue the patient's treatment without interruption, a copy of the patient's medical record, together with essential, identifying and administrative data.
9. Prior to the transfer of a patient to the Hospital, the Center shall make a written inventory of all valuables of the patient which shall accompany the patient in his or her transfer to Hospital. This written inventory shall be provided to Hospital upon admission of the patient. The Center shall be responsible for the transfer of the patient's valuables and, in accordance with Hospital's current policy, Hospital shall not be liable for the loss of or



damage to any personal valuables including but not limited to money, jewelry, glasses, dentures, documents, clothing, or other article of unusual value unless deposited with the Hospital for safekeeping.

10. The parties agree that the services rendered by the Hospital or the Center shall be charged to the patient (or his/her respective third party payer) and that the Hospital shall not be held responsible for payment of services rendered to a patient by the Center, and that Center shall not be held responsible for payment of services rendered to a patient by the Hospital.
11. This Agreement shall be effective and shall commence as of September 1, 2022, and shall continue in force and effect for a period of one (1) year, unless earlier terminated by the parties herein. Thereafter, this Agreement shall automatically renew for successive one (1) year terms, unless either party shall give written notice of non-renewal to the other party at least thirty (30) days in advance of the end of the then-current term. Notwithstanding the above, this Agreement may be terminated at any time, with or without cause, by either party by giving thirty (30) days written notice of its intention to terminate this Agreement to the other party and by providing for the continuity of care to patients for whom Center has begun the Agreement's transfer process in good faith. However, this Agreement shall be immediately terminated should either party fail to maintain its license or certification status. The Agreement shall be reviewed annually, or earlier at the request of either party, to assure it continues to be an effective document for both parties.
12. Neither party shall use the name of the other party in any promotional or advertising material unless review and specific written approval of the material and intended use is first obtained from the party whose name is to be used.
13. Nothing in this Agreement shall be construed as limiting the right of either party to affiliate or contract with any other party, on either a limited or general basis, while the agreement is in effect. Nothing in this Agreement shall be construed as limiting either party's exclusive control of their separate identity and integrity. This Agreement contains no implication of responsibility or warranty for quality of patient care or legal responsibility on the part of either party for the other.
14. During the term of this Agreement, both parties shall maintain in force and effect, through self-insurance or otherwise, comprehensive general liability and professional liability insurance each with levels of coverage of no less than five million dollars (\$5,000,000) per occurrence.
15. Each party agrees to indemnify, defend and hold harmless the other and its respective agents and employees from and against any and all loss, damage, injury, cause of action, claim, or liability of an kind whatsoever, including reasonable defense costs and legal fees, arising out of or resulting from the acts or omissions of the indemnifying party, its agents and employees related to this Agreement.
16. This Agreement is the final expression of and constitutes the entire agreement between the parties with respect to the subject matter hereof and shall supersede all prior understandings or agreement with respect thereto. There are no understandings, agreements or representations, oral or written, not specified herein regarding this agreement. This Agreement may be modified or amended by the mutual written

agreement of the parties; however, any such modification or amendment shall be attached to and become a part of this Agreement

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be signed in duplicate each executed copy hereof to be considered an original on the day and year last written below.

For Center:

R. Maharaj  
By: Rosena Maharaj  
Its: Administrator

8.22.2022

Date

For Hospital:

Michelle Gagliardi  
By: Michelle Gagliardi  
Its: CNO

9-1-22  
Date