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August 4, 2025

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

VIA EMAIL: fslcon@doh.wa.gov

Re: Optum Care Washington, PLLC
Application for Certificate of Need

Ladies and Gentlemen:

On behalf of Optum Care Washington, PLLC ("Optum Care Washington"), please find enclosed a Certificate of Need Application seeking to establish an ambulatory surgical facility ("ASF") in the north Snohomish County secondary health services planning area. The proposed project would convert an existing three operating room ("OR") ASF currently operating pursuant to a certificate of need exemption to a certificate of need approved ASF. A check from Optum Care Washington in the amount of the \$20,427.00 review fee has been sent to the Department of Health via FedEx. The tracking number is 883249262031.

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.

Regards,

STUDEBAKER NAULT, PLLC



Emily R. Studebaker

cc: George W. Go, M.D.

OPTUM CARE WASHINGTON, PLLC

CERTIFICATE OF NEED APPLICATION SEEKING APPROVAL TO CONVERT AN
EXISTING THREE OPERATING ROOM ASF CURRENTLY OPERATING PURSUANT TO
A CERTIFICATE OF NEED EXEMPTION TO A CERTIFICATE OF NEED
APPROVED ASF

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Optum Care Washington, PLLC

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

Contents:

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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:**
 - a. identifies all entities associated with the agreement,
 - b. outlines all roles and responsibilities of all entities,
 - c. identifies all costs associated with the agreement,
 - d. includes all exhibits that are referenced in the agreement, and
 - e. 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).



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: George W. Go, M.D., Owner <i>George W. Go MD</i>	Phone Number: (425) 317-3950
Dated: July 28, 2025	Email Address: George.Go@optum.everettclinic.com
Legal Name of Applicant: Optum Care Washington, PLLC	Number of Surgery Rooms requested – include operating room and procedure rooms: 3 ORs
Address of Applicant: 3901 Hoyt Avenue Everett, WA 98201	Estimated Capital Expenditure: \$240,000
Identify the Planning Area for this project as defined in WAC 246-310-270(3) : North Snohomish 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 Optum Care Washington, PLLC (“Optum Care Washington”).¹ Its address is 3901 Hoyt Avenue, Everett, WA 98201.

Everett Physicians, Inc. P.S. (“Everett Physicians”) holds a 100% interest in Optum Care Washington and is therefore also an applicant. Its address is 3901 Hoyt Avenue, Everett, WA 98201.

George W. Go, M.D. (MD00030859) holds a 100% interest in Everett Physicians and is therefore also an applicant.

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

Optum Care Washington is a Washington professional limited liability company. Its UBI# is 313 001 098.

Everett Physicians is a Washington professional services corporation. Its UBI# is 603 589 373.

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

¹ The Everett Clinic, PLLC changed its name to Optum Care Washington, PLLC on February 13, 2024. Please see [Exhibit A](#), Amended Certificate of Formation.

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

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 B, Optum Care Washington organizational charts.

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.

The name of the existing ambulatory surgical facility (“ASF”) is Optum - Pumphrey Surgery Center. Its address is 4011 172nd Street N.E., Arlington, WA 98223.

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.

The name of the proposed ASF will be Optum - Pumphrey Surgery Center. Its address will be 4011 172nd Street N.E., Arlington, WA 98223.

3. Provide a detailed description of the proposed project.

Optum Care Washington applied to the Washington State Department of Health (the “Department”) for a determination of reviewability for a proposed three OR ASF, Optum - Pumphrey Surgery Center, to be located at 4011 172nd Street N.E., Arlington, WA 98223. The Department issued Determination of Reviewability #21-08 (“DOR #21-08”) for the project on March 26, 2021. Optum Care Washington subsequently proposed to add ophthalmic surgery and general surgery at Optum - Pumphrey Surgery Center, submitting to the Department an application to amend DOR #21-08 to reflect these additional surgical services. The Department issued amended DOR #21-08 on October 22, 2024. Optum Care Washington now seeks certificate of need (“CN”) approval for that same ASF. The ASF currently has three ORs. If a CN is granted, the proposed ASF

would continue to have only three ORs. The ASF currently provides the following outpatient surgical services: gastroenterology; general surgery; gynecology; ophthalmology; orthopedics; otolaryngology; pain management; physiatry; plastic surgery; podiatry; and urology. If a CN is granted, the proposed ASF would continue to offer only these same surgical services.

In order to address increased demand and its patient backlog, Optum Care Washington is seeking CN approval for the ASF. Operating the ASF as a CN-exempt ASF constrains Optum Care Washington's ability to fully address patient demand and reduce patient backlog due to the primary purpose limitation, which is a criterion of the exemption.

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	N/A
Construction Commenced	N/A
Construction Completed	N/A
Facility Prepared for Survey	N/A
Project Completion	Upon CN approval

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.

- | | | |
|---|---|---|
| ☒ Ear, Nose, & Throat | ☐ Maxillofacial | ☒ Pain Management |
| ☒ Gastroenterology | ☒ Ophthalmology | ☒ Plastic Surgery |
| ☒ General Surgery | ☐ Oral Surgery | ☒ Podiatry |
| ☒ Gynecology | ☒ Orthopedics | ☒ Urology |

☐ Other? Describe in detail: Physiatry

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: This includes the full spectrum of gastroenterological procedures.

☐ 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 ASF currently provides the following outpatient surgical services: gastroenterology; general surgery; gynecology; ophthalmology; orthopedics; otolaryngology; pain management; physiatry; plastic surgery; podiatry; and urology. If a CN is granted, the proposed ASF would continue to offer only these same surgical services.

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 three 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\(9\)](#)

One of the ORs will be exclusively dedicated to endoscopy.

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 provide care to patients ages 0 to 100 years old who require ambulatory surgery, 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 C, Letter of Intent.

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

Please see Exhibit D, 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.

The ASF is licensed as an ambulatory surgical facility by the Department and certified as an ambulatory surgical center by the Centers for Medicare and Medicaid Services (“CMS”). The proposed ASF will continue to be licensed by the Department and certified by CMS.

Ambulatory Surgical Facility License #: ASF.FS.61416995

Medicare #: 50C0001345

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

The ASF is accredited by the Accreditation Association for Ambulatory Health Care (“AAAHHC”). The proposed ASF will continue to be accredited by AAAHC.

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.

N/A. The ASF is already built out and operational.

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.

The hospital in the north Snohomish County secondary health services planning area is listed in [Table 1](#) below.²

Table 1

North Snohomish County Secondary Health Services Planning Area Hospital

Hospitals	
Cascade Valley Hospital	HAC.FS.60655126

² Source: CN historic files, ILRS.

ASFs and office-based surgical settings in the north Snohomish County secondary health services planning area are listed in Table 2 below.³

Table 2

**North Snohomish County Secondary Health Services Planning Area
ASFs and Office-based Surgical Settings**

CN-exempt	
Optum - Pumphrey Surgery Center	ASF.FS.61416995
Northwest Eye Surgeons	N/A
CN-approved	
Arlington Surgery Center	ASF.FS.60651816
The Harman Eye Clinic	Pending

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

The proposed ASF will provide the following outpatient surgical services: gastroenterology; general surgery; gynecology; ophthalmology; orthopedics; otolaryngology; pain management; physiatry; plastic surgery; podiatry; and urology.

There is no CN-approved ASF in the north Snohomish County secondary health services planning area that provides the following outpatient surgical services: general surgery; gynecology; orthopedics; otolaryngology; pain management; physiatry; plastic surgery; podiatry; and urology.

In the planning area, there are only two CN-approved ASFs. The ASFs are limited to providing only gastroenterology procedures (Arlington Surgery Center) and only ophthalmology procedures (The Harman Eye Clinic). Moreover, based on the Department's provider credential search database, The Harman Eye Clinic has not been issued an ASF license and therefore is limited in the amount of surgical services it can provide pursuant to the primary purpose limitation, which applies to a facility that is not licensed pursuant to chapter 70.230 RCW.

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

Optum Care Washington applied to the Department for a determination of reviewability for a proposed three OR ASF, Optum - Pumphrey Surgery Center, to be located at 4011 172nd Street N.E., Arlington, WA 98223. The Department issued DOR #21-08 for the project on March 26, 2021. Optum Care Washington subsequently proposed to add ophthalmic surgery and general surgery at Optum - Pumphrey Surgery Center, submitting an application to the Department to amend DOR #21-08 to reflect these additional

³ *Id.*

surgical services. The Department issued amended DOR #21-08 on October 22, 2024. Optum Care Washington now seeks CN approval for that same ASF. The ASF currently has three ORs. If a CN is granted, the proposed ASF would continue to have three ORs. The ASF currently provides the following outpatient surgical services: gastroenterology; general surgery; gynecology; ophthalmology; orthopedics; otolaryngology; pain management; physiatry; plastic surgery; podiatry; and urology. If a CN is granted, the proposed ASF would continue to offer these same surgical services and add, as part of its general surgery offerings, cardiology surgical services appropriate for the ASC setting (not including percutaneous coronary intervention).

In order to address increased demand and its patient backlog, Optum Care Washington is seeking CN approval for the ASF. Operating the ASF as a CN-exempt ASF constrains Optum Care Washington's ability to fully address patient demand and reduce patient backlog due to the primary purpose limitation, which is a criterion of the exemption.

The proposed project would not represent an unnecessary duplication of services. As discussed above, there is no CN-approved ASF in the north Snohomish County secondary health services planning area that provides the following outpatient surgical services: general surgery; gynecology; orthopedics; otolaryngology; pain management; physiatry; plastic surgery; podiatry; and urology.

4. 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.

Optum Care Washington is seeking CN approval for a three OR ASF. Based on the Department's numeric need methodology set forth in WAC 246-310-270(9), the north Snohomish County secondary health services planning area is projected to need one additional outpatient OR by 2027. Please see [Exhibit E](#), Optum Care Washington's numeric need methodology analysis.

CN approval of the ASF will make the facility available to all physicians in the community who are credentialed, privileged, and in good standing and who perform outpatient surgical services. Local physicians gaining access to Optum - Pumphrey Surgery Center will improve north Snohomish County secondary health services planning area residents' access to outpatient 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 north Snohomish County secondary health services planning area can be lower in a freestanding setting, which translates to cost savings to patients and payors.

The north Snohomish County secondary health services planning area has shown steady population growth from 2000 to 2020 and is forecasted to continue growing steadily

through 2029. Please see Exhibit F, historical and projected resident population statistics for the north Snohomish 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 that 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 that the demand for health services will be much higher in the future as populations age.

Table 3⁴

**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 north Snohomish County secondary health services planning area and surrounding areas. There continues to be a 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, but it also reduces anxiety and inconvenience when patients are able to obtain both clinical and surgical care in the same location.

Optum Care Washington's proposed project will respond to the 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. The proposed ASF is located in the north Snohomish County secondary health services planning area. According to the Department's records, there are five planning area providers with OR capacity. Of the five providers, one is a hospital. Of the remaining four providers, two are licensed as ASFs by the Department pursuant to chapter 70.230

⁴ 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.

RCW; one of these licensed ASFs is CN-approved, and the other of these licensed ASFs is CN-exempt. The remaining two providers are unlicensed office-based surgical settings; one of these office-based surgical settings is CN-approved, and the other of these office-based surgical settings is CN-exempt.

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, the most recent utilization survey collected data for year 2023. However, not all providers submitted responses. The data provided in the utilization survey is used, if available.

Table 1 shows the relevant information for the hospital in the planning area. For that hospital, 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 four ASFs and office-based surgical settings in the planning area. Of the four sites shown above, two are located within a solo or group practice (considered CN-exempt ASFs). Therefore, these two sites do not meet the definition of “ambulatory surgical facility” in WAC 246-310-010. For CN-exempt sites, the number of surgeries, but not ORs, is included in the analysis for the planning area. The remaining two sites are CN-approved facilities. However, one of these sites offers only endoscopy services and therefore is excluded from the analysis. For the remaining CN-approved ASF, OR capacity and utilization are included in the analysis.

In summary, data will be used for two CN-exempt ASFs and one CN-approved ASF.

Based on the information above, the numeric need methodology analysis indicates a need for one additional outpatient OR by year 2027.

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 north Snohomish County secondary health services planning area is projected to need one additional outpatient OR by 2027. Please see [Exhibit E](#), Optum Care Washington’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 in the health planning area with needed access to an ASF for outpatient surgical services. Currently, there are no CN-approved ASFs in the north Snohomish County secondary health services planning area that offer general surgery, gynecology, orthopedics, otolaryngology, pain management, physiatry, plastic surgery, podiatry, or urology surgical services. Patients in the planning area need access to these services in the ASF setting. Moreover, because the only CN-approved ASF in the health planning area has no ASF license, its use is limited by the primary purpose test.

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

Table 4

Historical Utilization

	2022	2023	2024	2025 (01.01.25-05.01.2025)
Procedure Volumes	0	0	2,963	2,043

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 5

Projected Utilization

	2026	2027	2028	2029
Procedure Volumes	9,182	10,807	10,851	10,895

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

An inadequate number of available and accessible ORs restricts access to outpatient surgical services in the north Snohomish County secondary health services planning area. There are no CN-approved ASFs in the north Snohomish County secondary health services planning area that offer general surgery, gynecology, orthopedics, otolaryngology, pain management, physiatry, plastic surgery, podiatry, or urology surgical services. The lack of CN-approved ASFs means that patients in the planning area are restricted in the outpatient surgical services available to them.

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.

Optum Care Washington is committed to serving all persons regardless of income, race, ethnicity, gender, disability, or other status protected under applicable law. Please see Exhibit G, Non-discrimination Policy.

For ASF applications, the Department requests that the proposed facility provide charity care at the average of the hospitals in the planning area. According to charity care data produced by the Department, the three-year charity care average for the north Snohomish County region is 0.93% of total revenue.

Consistent with WAC 246-310-270(7), the proposed ASF 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.

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 G, Non-discrimination Policy;
Exhibit H, Ambulatory Surgery Center Patient Rights and Responsibilities Policy;
Exhibit I, Admission and Pre-Procedural Risk Assessment Policy; and
Exhibit J, Financial Hardship 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 5, Projected Utilization, above. Please also see Exhibit K, Pro Forma Revenue and Expense Statement, and Exhibit L, Pro Forma Balance Sheet.

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 Exhibit M, Bylaws, Rules, and Regulations of the Medical Staff of Optum Care Washington, PLLC's Ambulatory Surgery Centers.

Please see Exhibit N, Administrative Services Agreement between The Everett Clinic, PLLC and Everett MSO, Inc. dated December 24, 2017.

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	0.93%
Projected Facility Charity Care as a Percentage of Total Revenue	0.93%

Consistent with WAC 246-310-270(7), the proposed ASF 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 O, Sub-Sublease between Everett MSO, Inc. and The Everett Clinic, PLLC. Markdev-Smokey Point, LLC leases 4011 172nd Street N.E., Arlington, WA 98223 (the “Premises”) to United Healthcare Services, Inc. (“United Healthcare Services”) pursuant to the Lease Agreement dated July 1, 2020 (the “Master Lease”). Under Section 7 of the Master Lease, United Healthcare Services is permitted to sublease the premises to an Affiliate or a healthcare provider. Pursuant to the Sublease dated July 1, 2020, United Healthcare Services subleases the Premises to its affiliate, Everett MSO, Inc. (“Everett MSO”). Everett MSO entered into a Sub-Sublease dated July 1, 2020 (the “Sub-Sublease”), with Optum Care Washington, allowing Optum Care Washington to use and occupy the Premises “24 hours per day, seven days per week, year-round during the Term.” Section 6.5 of the Sub-Sublease.

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

N/A. The ASF is built out and operational.

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	\$0
b. Utilities to Lot Line	\$0
c. Land Improvements	\$0
d. Building Purchase	\$0
e. Residual Value of Replaced Facility	\$0
f. Building Construction	\$0
g. Fixed Equipment (not already included in the construction contract)	\$0
h. Movable Equipment	\$0
i. Architect and Engineering Fees	\$0
j. Consulting Fees	\$0
k. Site Preparation	\$0
l. Supervision and Inspection of Site	\$0
m. Any Costs Associated with Securing the Sources of Financing (include interim interest during construction)	\$0
1. Land	\$0
2. Building	\$0

3. Equipment	\$200,000
4. Other (Freight and Shipping)	\$20,000
n. Washington Sales Tax	\$20,000
Total Estimated Capital Expenditure	\$240,000

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.

Everett MSO, Inc. is responsible for funding the capital expenditure. Please see Exhibit P, letter of financial commitment.

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. The ASF is built out and operational, and the proposed project has no associated start-up costs.

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

N/A. The ASF is built out and operational, and the proposed project has no associated construction costs.

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 ASF will be operated as a free-standing ASF, and rates will not be based on costs. The availability of additional lower-cost freestanding outpatient surgical services is beneficial to the community and will serve to reduce the total cost of health care and potentially reduce total out-of-pocket costs for patients.

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

The proposed ASF will be operated as a free-standing ASF, and rates will not be based on costs. The availability of additional lower-cost freestanding outpatient surgical services is beneficial to the community and will serve to reduce the total cost of health care and potentially reduce total out-of-pocket costs for patients.

Because freestanding ASFs are more efficient and cost-effective in comparison to hospital outpatient surgery departments, the contractual rates for purchasers in the north Snohomish 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	33.1	33.1
Medicaid	4.4	4.4
Other Payers:		
Other Government Payors	0.2	0.2
Worker’s Compensation	3.4	3.4
Commercial Payors	52.4	52.4
Self-pay	6.5	6.5
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.

Payer	Percentage by Patient	Percentage by Revenue
Medicare	39.2	39.2
Medicaid	1.1	1.1
Other Payers:		
Other Government Payors	0.4	0.4
Worker’s Compensation	0.4	0.4
Commercial Payors	56.7	56.7
Self-pay	2.2	2.2
Total	100	100

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 Q.

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.

Everett MSO, Inc. is responsible for funding the capital expenditure. Please see Exhibit P, 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

N/A.

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

Optum Care Washington does not have audited 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.

Optum – Edmonds Surgery Center
21401 72nd Avenue W.
Edmonds, WA 98026
ASF.SF.60701963

Optum – Kemp Surgery Center
3927 Rucker Avenue, Suite 101
Everett, WA 98201
ASF.SF.60100209

Optum – Pumphrey Surgery Center
4011 172nd Street N.E.
Arlington, WA 98223
ASF.SF.61416995

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 6

Proposed ASF Estimated Total Staffing

Position	2025	2026	2027	2028	2029
Registered Nurse (including Nurse Manager)	18.5	22.75	22.75	22.75	22.75
Techs*	8	10.75	10.75	10.75	10.75
Building Services Coordinator	1	2	2	2	2
Medical Assistants	1	1.5	1.5	1.5	1.5
Patient Services Representatives	2.75	2.75	2.75	2.75	2.75
Total	31.25	39.75	39.75	39.75	39.75

*This includes surgical technologists, central service technicians, and gastroenterology technicians

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

The FTEs for the proposed ASF are based on the projected procedures shown in Table 5 above and experience in staffing the existing ASF.

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.

Dhavan A. Parikh, M.D. (MD60538117) is and will continue to be the Medical Director of the proposed ASF. The medical director is an employee.

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

Please see Exhibit R, Facility Medical Director Job Description.

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

Julie A. Jacobson, R.N. (RN00152642) is and will continue to be the Nurse Manager of the proposed ASF.

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 \(5\)](#).

Please see Exhibit S, List of Physicians to Use Proposed ASF.

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

Please see Exhibit T, List of Credentialed Staff.

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 the proposed ASF on a daily, weekly, and monthly basis and utilizing agency staff when necessary.

- a. To recruit staff, Optum Care Washington will create position requisitions for each specific role and required full-time equivalent (FTE). These requisitions will be posted internally and externally across multiple platforms to attract a wide pool of qualified candidates.
- b. Optum Care Washington will monitor staff turnover and compare it to current staffing needs. When replacement positions are identified, the recruitment process outlined in answer to Question 9.a. will be followed. If interim staffing is needed to bridge gaps, agency staff will be requested through outreach to local staffing agencies.
- c. To respond to staffing shortages, Optum Care Washington has per diem staff that it utilizes in addition to a staffing agency that it works with, when needed.
- d. Optum Care Washington does its best to employ sufficient staff to allow for events such as employee medical leaves, vacations, and departures.

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

Please see [Table 7](#) for a list of ancillary and support services that are already in place for Optum - Pumphrey Surgery Center.

Table 7
Contracted Services

Type of Service	Provider
Biomedical	enBio
Courier	Airspace
Environmental	Professional Maintenance Systems
Garbage	Waste Management
Hazardous Waste	Stericycle
Instrument Sharpening	STERIS IMS
Interpreter	ASL and Language Line
Linen Supply	Northwest Healthcare Linen
Laser and Lithotripsy	Agility and NextMed

Pathology	Quest
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Please also see Exhibit U, Patient Transfer Agreement between Cascade Valley Hospital and The Everett Clinic, PLLC dated April 3, 2023.

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

N/A. The ASF is already built out and operational.

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\(2\)](#)

The existing ancillary and support services Optum Care Washington already has in place will not change as a result of this project.

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

Please see answer to Question #10 above.

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\(4\)](#)

The existing working relationships Optum Care Washington has with the healthcare facilities listed above will not change as a result of this project.

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

N/A. The ASF is already built out and operational.

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

Please see Exhibit U, Patient Transfer Agreement between Cascade Valley Hospital and The Everett Clinic, PLLC dated April 3, 2023.

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 north Snohomish County secondary health services planning area residents. Approval of the proposed ASF will allow Optum Care Washington to continue to offer a more convenient, lower-cost alternative to hospital-based outpatient 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 north Snohomish 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. In addition, Optum Care Washington has established and will continue to maintain collaborative relationships with local hospitals, physicians, and healthcare providers in the north Snohomish County secondary health services planning area to ensure continuity of care and strengthen the integration of services within the region's healthcare system. Please see [Exhibit U](#), Patient Transfer Agreement between Cascade Valley Hospital and The Everett Clinic, PLLC dated April 3, 2023.

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 Optum Care Washington 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.

The proposed ASF will improve access to outpatient surgical services, 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.

Optum Care Washington and Optum - Pumphrey Surgery Center have a presence in the north Snohomish County secondary health services planning area, and the proposed ASF will build upon this presence and offer other patients convenient access to outpatient surgical services. Optum Care Washington is committed to providing high-quality, affordable care in the north Snohomish County secondary health services planning area, and the proposed ASF will help accomplish this goal. The proposed project promotes continuity of care with Optum Care Washington's other services, and it offers cost containment as well.

Alternative 1: "Do Nothing"

Optum Care Washington rejected a "do nothing" alternative. Planning area residents are underserved relative to the demand for outpatient surgical services and must travel or wait to obtain care. Currently, there is no CN-approved ASF in the health planning area that offers the following outpatient surgical services: general surgery; gynecology; orthopedics; otolaryngology; pain management; psychiatry; plastic surgery; podiatry; and urology. The proposed ASF will make these services generally available to those in the health planning area.

Optum Care Washington and Optum - Pumphrey Surgery Center have a presence in the north Snohomish County secondary health services planning area and can add value to community health services by extending their 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 outpatient 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. The relocation and expansion of the facility would afford increased access and local choice for the health planning area residents. It would increase patients' ease of access and improve their ability to receive high-quality care. This 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 Optum Care Washington's request for CN approval.

A CN-approved ASF would better serve the interests of the planning area residents and achieve the north Snohomish 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 procedures 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 Optum Care Washington'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 building has the following features:

- EV charging stations in the parking lot are available to patients and staff.
- Loading dock and PAR room are at the rear of the building.
- White roof membrane- reflects sun which lowers heat gain on building.
- The building perimeter has numerous windows, which provide natural light and daylight sensors, and controls are used to conserve energy use.
- Mechanical systems include Variable Refrigerant Flow HVAC systems with heat recovery, variable frequency drives, packaged air handlers with air-to-air energy recovery, and a Building Automation System (BAS) – all of which reduce energy use.



Certificate of Need Program Revised Code of Washington (RCW)and Washington Administrative Code (WAC)

Certificate of Need Program laws [RCW 70.38](#)

Certificate of Need Program rules [WAC 246-310](#)

Commonly Referenced Rules for Ambulatory Surgery Projects:

WAC Reference	Title/Topic
246-310-010	Certificate of Need Definitions
246-310-160	Regular Review Process
246-310-200	Bases for findings and action on applications
246-310-210	Determination of Need
246-310-220	Determination of Financial Feasibility
246-310-230	Criteria for Structure and Process of Care
246-310-240	Determination of Cost Containment
246-310-270	Ambulatory Surgery

Certificate of Need Contact

Information:[Certificate of Need
Program Web Page](#) Phone: (360) 236-
2955
Email: FSLCON@doh.wa.gov

Construction Review Services Resources:

[Construction Review Services Program Web
Page](#)Phone: (360) 236-2944
Email: CRS@doh.wa.gov

Licensing Resources:

[Ambulatory Surgical Facilities Laws, RCW
70.230 Ambulatory Surgical Facilities Rules,
WAC 246-330Ambulatory Surgical Facilities
Program Web Page](#)

Hospital Charity Care and Financial Data (HCCFD) Program Resources

[HCCFD Web Page](#)
Email: CharityCare@doh.wa.gov

EXHIBIT A
AMENDED CERTIFICATE OF FORMATION



WASHINGTON
Secretary of State
Corporations & Charities Division

Overnight address by commercial carrier: 801 Capitol Way S Olympia, WA 98501-1226

Mailing Address (ALL USPS): PO Box 40234 Olympia, WA 98504-0234

Tel: 360.725.0377 | Website: www.sos.wa.gov/corporations-charities

FILED

Secretary of State

State of Washington

Date Filed: 02/15/2024

Effective Date: 04/08/2024

UBI No: 313 001 098

THIS BOX FOR OFFICE USE ONLY

Filing Fee \$30

☒ To Expedite Filing, Add \$100

AMENDED CERTIFICATE OF FORMATION

Limited Liability Company

RCW 25.15

All fields are **REQUIRED** unless otherwise specified

(1) UBI No.: 313 001 098

(2) **NAME OF LIMITED LIABILITY COMPANY:** (as currently recorded with the Office of the Secretary of State)

The Everett Clinic, PLLC

(3) **BUSINESS TYPE:**

Are you changing your business type? (Check one) ☒ Yes ☒ No

If Yes, select the change being made:

WA PROFESSIONAL LIMITED LIABILITY COMPANY

Additional requirements must be submitted if changing the business type, including a change to the name, see instructions for details.

(4) **BUSINESS ENTITY NAME CHANGE:** Are you changing your business name? (Check one) ☒ Yes ☒ No

New Name: Optum Care Washington, PLLC

If a designation is not provided, it will default to LLC

The name must contain the words "Limited Liability Company", "Limited Liability" and abbreviation "Co." or the abbreviation "L.L.C." or "LLC".
For name requirements review the following RCW(s): RCW 23.95.305

Does the business have a name reserved? (Check one) ☒ Yes ☒ No If Yes, provide the Reservation Number

Reservation No.: _____

(5) **PERIOD OF DURATION :** *Required only if changed* Check ONE of the following

☒ This Company shall have a perpetual duration (default) This Company shall have a duration of _____ years.

This Company shall expire on _____

(6) **Has your registered agent or their contact details changed?** (Check one) ☒ Yes ☒ No If Yes, complete page 2

(7) PRINCIPAL OFFICE: *Required only if changed* The location where the business's records are kept

Street Address (required)

Must be a physical address; No PO Box or PMB

Address: _____

Zip: _____ City: _____

State: _____ Country: _____

Mailing Address (optional)

Check if mailing address is the same as street address

Address: _____

Zip: _____ City: _____

State: _____ Country: _____

Phone: _____ Email: _____

(8) GOVERNOR(S): *Required only if changed* A business cannot serve as its own Governor.

Name: _____ Name: _____

Name: _____ Name: _____

Name: _____ Name: _____

(9) EFFECTIVE DATE: Check ONE of the following

Date of filing (default) this is the date that the submission is completed by our office

× Specify a date 4/8/2024 (cannot be more than 90 days following the received date)

(10) RETURN ADDRESS FOR THIS FILING: *(Optional)*

If provided, the confirmation regarding this specific filing will be sent to the address below, in addition to the Registered Agent's address.

Attention: Meghan Huso-Higgins Email: meghan_huso-higgins@uhg.com

Address: 9900 Bren Road East, FL950-1000

City: Minnetonka State: MN Zip: 55343

(11) AUTHORIZED PERSON:

I hereby certify, under penalty of law, that the above information is accurate and complies with the filing requirements of state law.

Ang V. H. Director of sole member, Everett Physicians, Inc. P.S. 02/13/2024
Signature of Authorized Person Printed Name/Title Date



WASHINGTON
Secretary of State
Corporations & Charities Division

Overnight address by commercial carrier:
801 Capitol Way S Olympia, WA 98501-1226
Mailing Address (ALL USPS):
PO Box 40228 Olympia, WA 98504-0234
Tel: 360.725.0377

Front Desk Transaction Request From

☐ Front Desk Wait ☐ Routine ☒ Expedite
(\$100 fee for Immediate Service) (Drop Off - 10-14 business days) (\$100 fee Drop Off - 2-3 Business Days)

Name: O-TOWN FILINGS/C T CORPORATION
Address: 711 CAPITOL WAY S, SUITE 204, OLYMPIA, WA, 98501
Phone: 360-515-0280
Email: OTOWNTEAM@OTOWNFILINGS.COM

UBI Number	Business Entity Name	Type of Request
313001098	THE EVERETT CLINIC, PLLC	B

Type of Transactions:

- ☐ A. Formation/Articles/Registration
☐ B. Amendment
☐ C. Merger, Conversion, Domestication
☐ D. Annual Report, Amended Report, Reinstatement
☐ E. Apostille or Authentication - Country: _____
☐ F. Other: _____
☐ G. Long Form Certificate of Existence
☐ H. Short Form Certificate of Existence
☐ I. Photo Copies ☐ Charter Docs ☐ Other: _____
☐ J. Certified Copies ☐ Charter Docs ☐ Other: _____

SERVICE TYPE	FEE
Filing	
Filing	
APO	
Certificates	
Records	
Other	
Other	
Expedite Fee	
TOTAL DUE:	

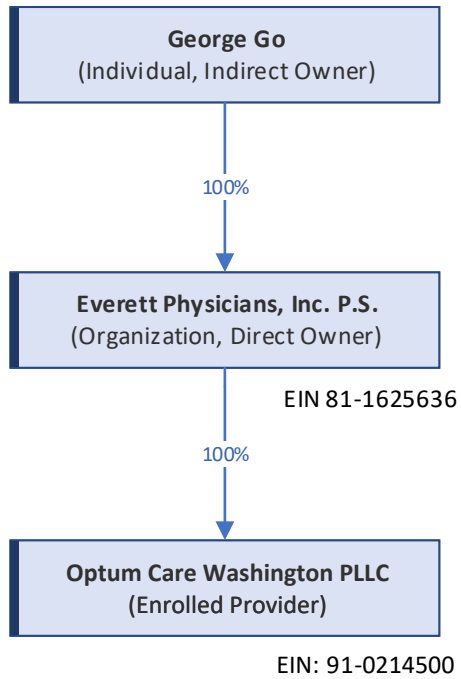
NOTES:

Work Order #: 2024021400121623 - 1

EXHIBIT B
OPTUM CARE WASHINGTON, PLLC - ORGANIZATIONAL CHARTS

Optum Care Washington PLLC
Ownership and Control Information.

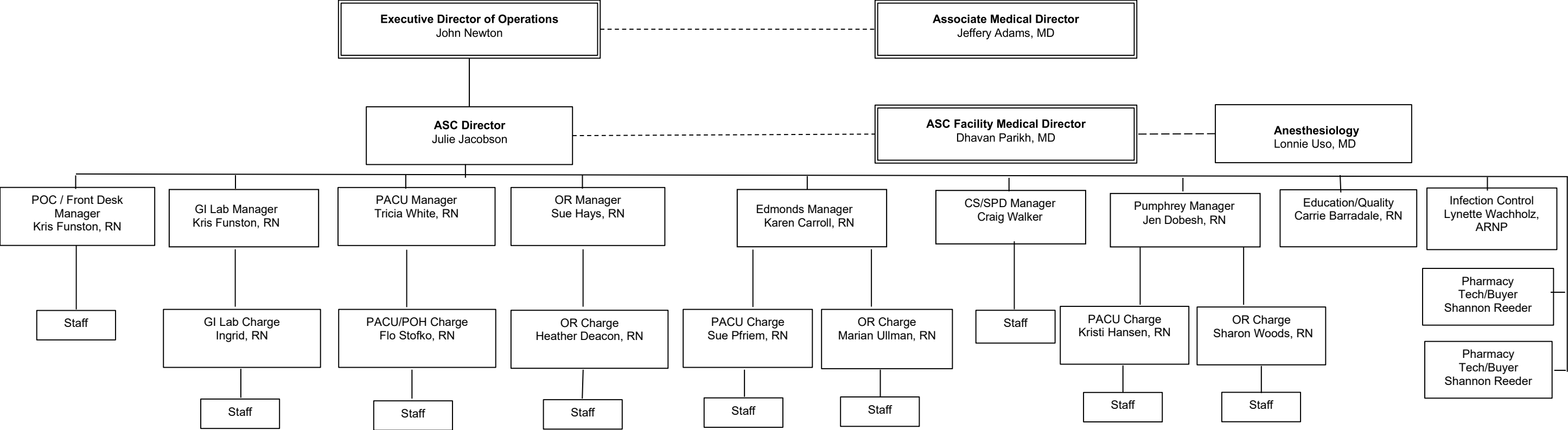
Ownership Diagram:



Officers:

George Go, President
Peter Gill, Treasurer
John George Liethen, Secretary

The Everett Clinic
Ambulatory Surgery Centers
Organizational Structure



Committees attended: ASC Governance, Patient Experience, Code Blue, Emergency Preparedness, Employee Health and Safety, Nursing Shared Governance

EXHIBIT C
LETTER OF INTENT



Optum Care Washington, PLLC

3901 Hoyt Avenue
Everett, WA 98201

P 1-425-259-0966
F 1-425-339-5405

optum.com

May 23, 2025

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

Sent via email: eric.hernandez@doh.wa.gov; fslcon@doh.wa.gov

Re: Letter of Intent
Optum Care Washington, PLLC

Dear Mr. Hernandez:

In accordance with WAC 246-310-080, Optum Care Washington, PLLC ("Optum Care Washington") hereby submits this Letter of Intent proposing to operate a certificate of need approved ambulatory surgical facility ("ASF") in the North Snohomish County secondary health services planning area.

Optum Care Washington submits the following information:

1. *Description of proposed services:* Optum Care Washington proposes to establish an ambulatory surgical facility ("ASF") by seeking certificate of need approval for its currently operational, certificate of need exempt ASF with three ORs.
2. *Estimated cost of proposed project:* The estimated capital expenditure associated with the proposed project is \$240,000.
3. *Identification of service area:* The service area for the proposed project is the North Snohomish 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@studebakernault.com or (425) 279-9929.

Sincerely,


Dr. George Go (05/29/2025 09:42 PDT)

George Go, M.D.

EXHIBIT D
SINGLE LINE DRAWINGS

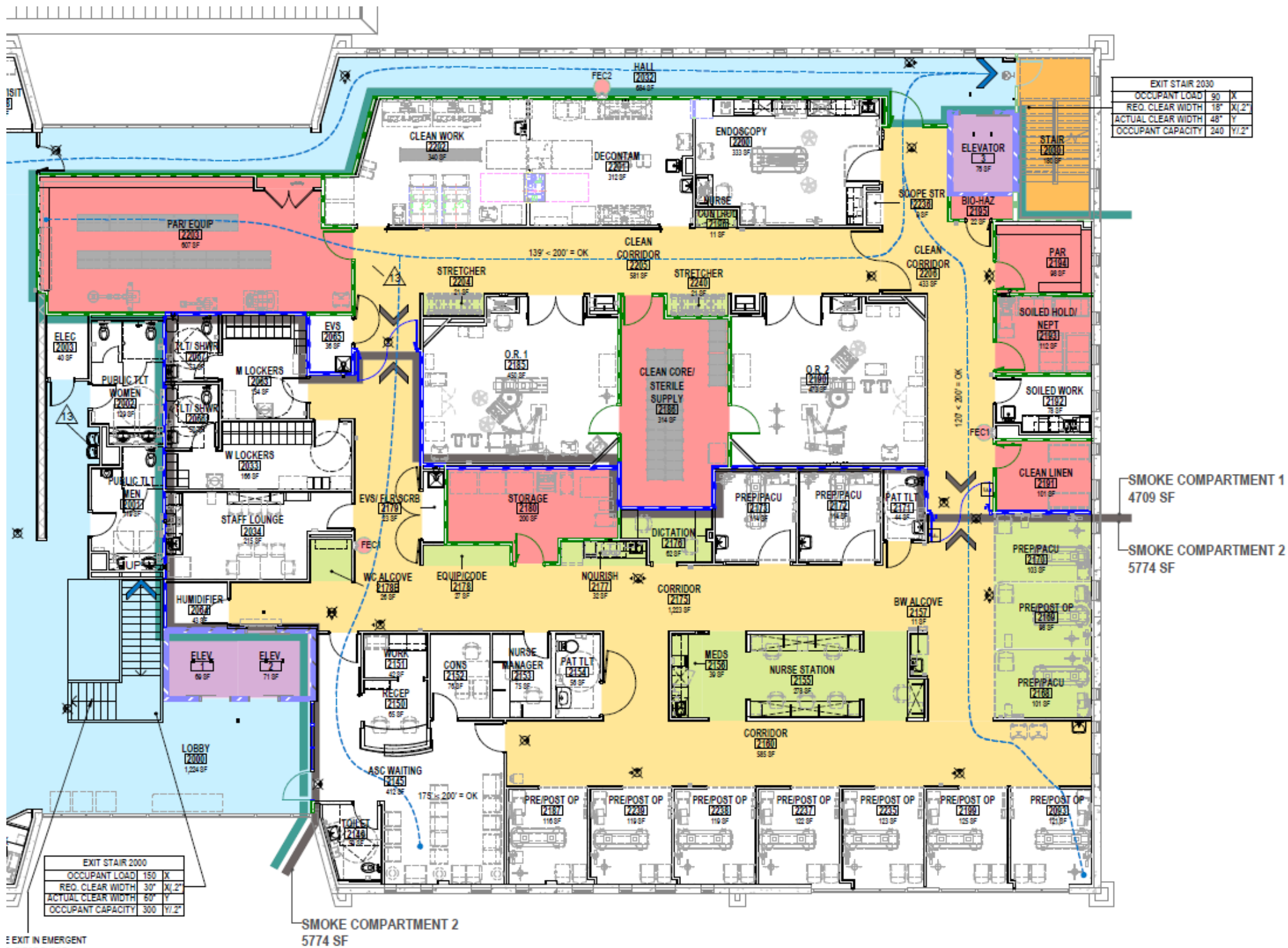


EXHIBIT E
OPTUM CARE WASHINGTON'S
NUMERIC NEED METHODOLOGY ANALYSIS

Need Calculation

7

1

Row	Facility	License Number	Zip Code	CN 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	Arlington Surgery Center	ASF.FS.60651816	98223	No	2				N/A			N/A			CY 2023 Data/2024 Survey
2	Optum - Pumphrey Surgery Center	ASF.FS.61416995	98223	Yes	1		2		N/A			50.00	1,962	98,100	Client provided data
3	Northwest Eye Surgeons	N/A	98223	Yes					N/A			N/A			
4	The Harman Eye Clinic	PENDING	98223	No	1		1		N/A			22.16	2,173	48,154	2019 Certificate of Need Application for Harman
5	Cascade Valley Hospital	HAC.FS.60655126	98223	No				3	81.68	2,725	222,565	N/A			CY 2023 Data/2024 Survey
6	Total				4	-	3	3	81.68	2,725	222,565	35.37	4,135	146,254	

2023 <---Enter the year of the data in the survey
2024

2019 <---Enter the year of the data in the survey

2023 <---Enter the year of the data in the survey

Survey Data Year (1st Year)	2019
Survey Data Year (2nd Year)	2020
Survey Data Year (3rd Year)	2021
Survey Data Year (4th Year)	2022
Survey Data Year (5th Year)	2023
Survey Data Year (6th Year)	2024
Year 1 of Operation	2027
Year 3 of Operation	2029
Total Surgeries	6,860
Area Population 2019 Estimated	99,498
Area Population 2020 Estimated	100,158
Area Population 2021 Estimated	100,822
Area Population 2022 Estimated	101,491
Area Population 2023 Estimated	102,164
Area Population 2024 Estimated	102,841
Use Rate	68.5
Planning Area Projected Population Year: 2029	107,720
% Outpatient of Total Surgeries	60.28%
% Inpatient of Total Surgeries	39.72%

Total Population	Age 15+
2019 99,498	82,030
2020 100,158	82,656
2021 100,822	83,287
2022 101,491	83,922
2023 102,164	84,563
2024 102,841	85,208

Selected Population Data:
Total Population

60 minutes/hour
44 hours/week
51 weeks/year
1.26
0.7
94248

EXHIBIT F
PROJECTED RESIDENTIAL POPULATION STATISTICS FOR
NORTH SNOHOMISH COUNTY SECONDARY HEALTH PLANNING AREA

Trade Area: Aggregate ZIP Codes WA

	2020	2024	2029
	Census	Estimate	Projection
Population	100,158	103,523	108,796
Households	37,896	39,198	41,209
Families	27,087	28,144	29,584
Housing Units	41,906	43,258	45,310
Group Quarters Population	550	497	500

Benchmark: USA

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Trade Area: Aggregate ZIP Codes WA

2020 Census		%	2024 Estimate		%	2029 Projection		%
Population Count Change (%)		11.18	Population Count Change (%)		3.36	Population Count Change (%)		5.09
Household Count Change (%)		10.41	Household Count Change (%)		3.44	Household Count Change (%)		5.13
Family Count Change (%)		9.98	Family Count Change (%)		3.90	Family Count Change (%)		5.12
Housing Unit Count Change (%)		6.89	Housing Unit Count Change (%)		3.23	Housing Unit Count Change (%)		4.74
Group Quarters Population Change (%)		14.58	Group Quarters Population Change (%)		-9.64	Group Quarters Population Change (%)		0.60

Benchmark: USA

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Trade Area: Aggregate ZIP Codes WA

	2020 Census	%	2024 Estimate	%	2029 Projection	%
Population by Age						
Age 0 - 4	5,422	5.41	5,699	5.50	5,942	5.46
Age 5 - 9	5,838	5.83	5,659	5.47	5,833	5.36
Age 10 - 14	6,242	6.23	6,307	6.09	6,194	5.69
Age 15 - 17	3,825	3.82	3,812	3.68	4,001	3.68
Age 18 - 20	3,232	3.23	3,681	3.56	4,029	3.70
Age 21 - 24	3,683	3.68	4,516	4.36	5,244	4.82
Age 25 - 34	11,281	11.26	10,060	9.72	10,310	9.48
Age 35 - 44	12,217	12.20	12,860	12.42	12,542	11.53
Age 45 - 54	12,813	12.79	12,469	12.04	13,296	12.22
Age 55 - 64	15,739	15.71	15,378	14.86	14,333	13.17
Age 65 - 74	12,407	12.39	14,143	13.66	15,897	14.61
Age 75 - 84	5,577	5.57	6,927	6.69	8,794	8.08
Age 85 and over	1,882	1.88	2,012	1.94	2,381	2.19
Age 15 and over	82,656	82.53	82,046	79.25	90,827	83.48
Age 16 and over	81,425	81.30	85,858	82.94	89,494	82.26
Age 18 and over	78,831	78.71	84,589	81.71	86,826	79.81
Age 21 and over	75,599	75.48	78,365	75.70	82,797	76.10
Age 25 and over	71,916	71.80	73,849	71.34	77,553	71.28
Age 65 and over	19,866	19.84	23,082	22.30	27,072	24.88
Median Age	—	43.67	—	44.36	—	45.23
Population by Sex						
Male	49,880	49.80	51,531	49.78	54,041	49.67
Female	50,278	50.20	51,992	50.22	54,755	50.33
Households by Householder Age						
Householder Under 25 Years	792	2.09	874	2.23	959	2.33
Householder Age 25 - 34	4,157	10.97	3,710	9.46	3,755	9.11
Householder Age 35 - 44	5,888	15.54	6,179	15.76	6,001	14.56
Householder Age 45 - 54	6,611	17.45	6,415	16.37	6,826	16.56
Householder Age 55 - 64	8,673	22.89	8,400	21.43	7,768	18.85
Householder Age 65 - 74	7,312	19.30	8,263	21.08	9,253	22.45
Householder Age 75 - 84	3,379	8.92	4,157	10.61	5,247	12.73
Householder Age 85 Years and Over	1,084	2.86	1,200	3.06	1,400	3.40
Median Age of Householder	—	56.82	—	58.04	—	59.13
Pop. by Single-Class. Race by Hispanic/Latino						
Hispanic/Latino	7,313	7.30	8,509	8.22	10,357	9.52
White Alone	1,873	1.87	2,264	2.19	2,854	2.62
Black/African American Alone	60	0.06	78	0.07	97	0.09
American Indian/Alaskan Native Alone	244	0.24	278	0.27	350	0.32
Asian Alone	64	0.06	84	0.08	100	0.09
Native Hawaiian/Pacific Islander Alone	14	0.01	13	0.01	19	0.02
Some Other Race Alone	2,440	2.44	2,812	2.72	3,394	3.12
Two or More Races	2,618	2.61	2,980	2.88	3,543	3.26
Not Hispanic/Latino	92,845	92.70	95,014	91.78	98,439	90.48
White Alone	81,883	81.75	82,630	79.82	83,867	77.09
Black/African American Alone	740	0.74	822	0.79	966	0.89
American Indian/Alaskan Native Alone	1,060	1.06	1,108	1.07	1,166	1.07
Asian Alone	1,943	1.94	2,285	2.21	2,843	2.61
Native Hawaiian/Pacific Islander Alone	295	0.29	319	0.31	354	0.33
Some Other Race Alone	515	0.51	532	0.51	562	0.52
Two or More Races	6,409	6.40	7,318	7.07	8,681	7.98

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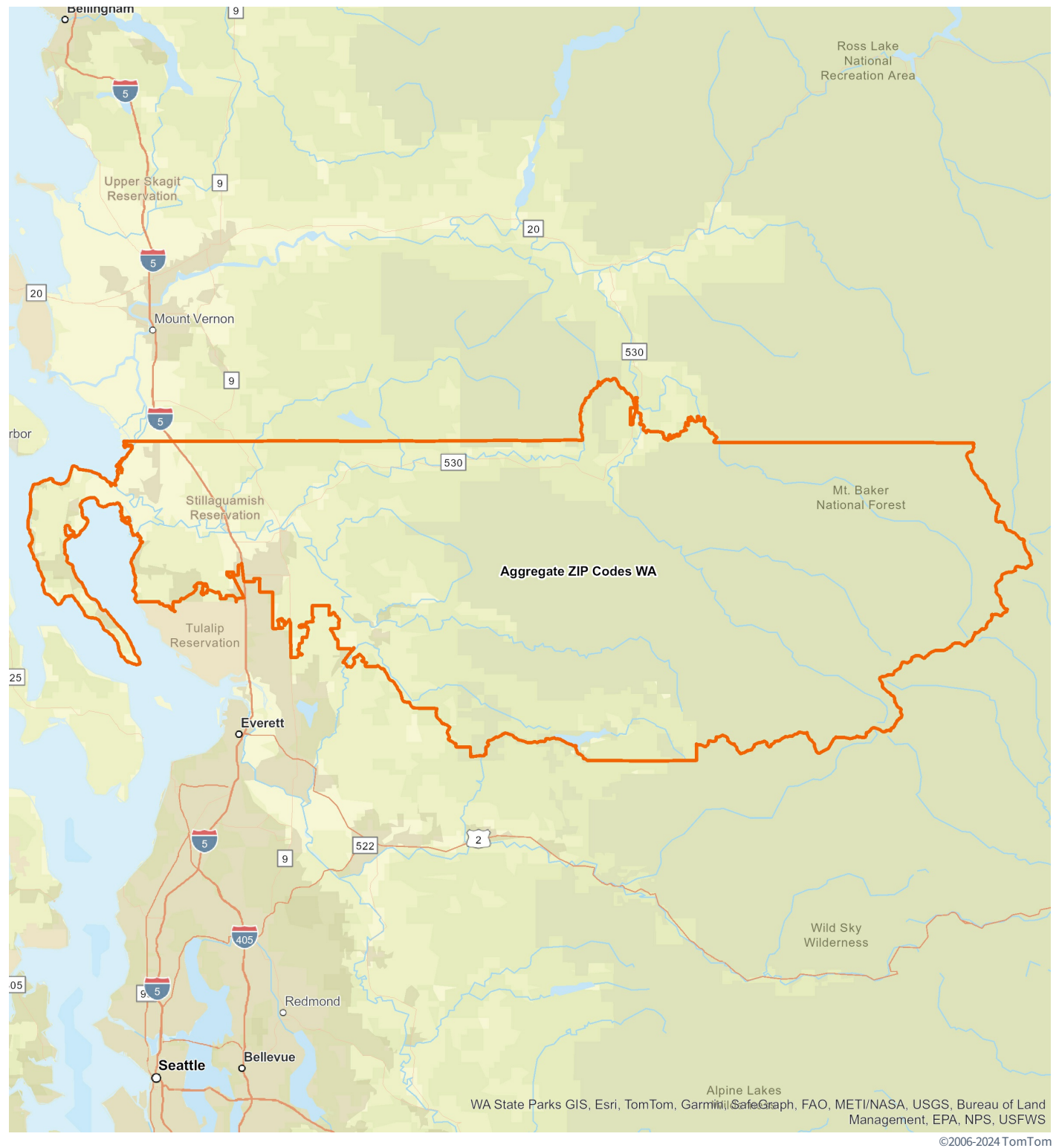
Trade Area: Aggregate ZIP Codes WA

	2024	%	2029	%
	Estimate		Projection	
Households by Household Income				
Income Less Than \$15,000	2,133	5.44	1,991	4.83
Income \$15,000 - \$24,999	1,830	4.67	1,635	3.97
Income \$25,000 - \$34,999	1,865	4.76	1,758	4.27
Income \$35,000 - \$49,999	3,228	8.23	2,890	7.01
Income \$50,000 - \$74,999	5,274	13.46	4,997	12.13
Income \$75,000 - \$99,999	5,138	13.11	4,895	11.88
Income \$100,000 - \$124,999	4,665	11.90	4,595	11.15
Income \$125,000 - \$149,999	4,059	10.36	4,133	10.03
Income \$150,000 - \$199,999	4,764	12.15	5,615	13.63
Income \$200,000 - \$249,999	2,633	6.72	3,440	8.35
Income \$250,000 - \$499,999	2,443	6.23	3,494	8.48
Income \$500,000 or more	1,166	2.98	1,766	4.29
Median Household Income	—	100,666.64	—	113,005.16
Average Household Income	—	128,358.83	—	145,618.25
Median HH Inc. by Single-Classification Race				
White Alone	—	100,951.68	—	113,217.38
Black/African American Alone	—	65,142.32	—	80,451.81
American Indian/Alaskan Native Alone	—	87,651.28	—	94,908.37
Asian Alone	—	94,312.62	—	102,428.13
Native Hawaiian/Pacific Islander Alone	—	112,792.12	—	116,266.90
Some Other Race Alone	—	91,998.45	—	104,834.56
Two or More Races	—	111,398.79	—	125,343.77
Hispanic/Latino	—	91,950.22	—	103,481.52
Not Hispanic/Latino	—	101,275.15	—	113,727.00

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Trade Area: Aggregate ZIP Codes WA



Trade Area: Aggregate ZIP Codes WA

	Count	%
Population		
2010 Census	90,086	100.00
2020 Census	100,158	100.00
2024 Estimate	103,523	100.00
2029 Projection	108,796	100.00
Population Growth		
Percent Change: 2010 to 2020	—	11.18
Percent Change: 2020 to 2024	—	3.36
Percent Change: 2024 to 2029	—	5.09

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Trade Area: Aggregate ZIP Codes WA

	Population	%	Male	%	Female	%
2020 Census Estimate						
2020 Census Estimate	100,158	100.00	49,880	49.80	50,278	50.20
Age 0 - 4	5,422	5.41	2,685	5.38	2,737	5.44
Age 5 - 9	5,838	5.83	2,950	5.91	2,888	5.74
Age 10 - 14	6,242	6.23	3,244	6.50	2,998	5.96
Age 15 - 17	3,825	3.82	1,918	3.85	1,907	3.79
Age 18 - 20	3,232	3.23	1,680	3.37	1,552	3.09
Age 21 - 24	3,683	3.68	1,942	3.89	1,741	3.46
Age 25 - 34	11,281	11.26	5,683	11.39	5,598	11.13
Age 35 - 44	12,217	12.20	6,182	12.39	6,035	12.00
Age 45 - 54	12,813	12.79	6,393	12.82	6,420	12.77
Age 55 - 64	15,739	15.71	7,799	15.63	7,940	15.79
Age 65 - 74	12,407	12.39	6,035	12.10	6,372	12.67
Age 75 - 84	5,577	5.57	2,627	5.27	2,950	5.87
Age 85+	1,882	1.88	742	1.49	1,140	2.27
Age 18+	78,831	78.71	39,083	78.35	39,748	79.06
Age 21+	75,599	75.48	37,403	74.99	38,196	75.97
Age 65+	19,866	19.84	9,404	18.85	10,462	20.81
Median Age	—	43.67	—	42.87	—	44.49
2020 Census Estimate Hispanic or Latino						
2020 Census Estimate Hispanic/Latino	7,313	7.30	3,681	3.67	3,632	3.63
Age 0 - 4	706	9.65	363	9.86	343	9.44
Age 5 - 9	702	9.60	372	10.11	330	9.09
Age 10 - 14	842	11.51	446	12.12	396	10.90
Age 15 - 17	474	6.48	229	6.22	245	6.75
Age 18 - 20	403	5.51	191	5.19	212	5.84
Age 21 - 24	383	5.24	213	5.79	170	4.68
Age 25 - 34	1,028	14.06	531	14.43	497	13.68
Age 35 - 44	1,006	13.76	520	14.13	486	13.38
Age 45 - 54	753	10.30	358	9.73	395	10.88
Age 55 - 64	587	8.03	283	7.69	304	8.37
Age 65 - 74	246	3.36	113	3.07	133	3.66
Age 75 - 84	123	1.68	42	1.14	81	2.23
Age 85+	60	0.82	20	0.54	40	1.10
Age 18+	4,589	62.75	2,271	61.70	2,318	63.82
Age 21+	4,186	57.24	2,080	56.51	2,106	57.98
Age 65+	429	5.87	175	4.75	254	6.99
Median Age	—	26.46	—	25.50	—	27.54
2020 Census Estimate White Alone						
2020 Census Estimate White Alone	83,756	83.62	41,914	41.85	41,842	41.78
Age 0 - 4	4,142	4.95	2,056	4.91	2,086	4.99
Age 5 - 9	4,462	5.33	2,262	5.40	2,200	5.26
Age 10 - 14	4,664	5.57	2,451	5.85	2,213	5.29
Age 15 - 17	2,871	3.43	1,450	3.46	1,421	3.40
Age 18 - 20	2,502	2.99	1,290	3.08	1,212	2.90
Age 21 - 24	2,859	3.41	1,498	3.57	1,361	3.25
Age 25 - 34	9,204	10.99	4,665	11.13	4,539	10.85
Age 35 - 44	10,090	12.05	5,136	12.25	4,954	11.84
Age 45 - 54	10,781	12.87	5,480	13.07	5,301	12.67
Age 55 - 64	13,862	16.55	6,923	16.52	6,939	16.58
Age 65 - 74	11,366	13.57	5,580	13.31	5,786	13.83
Age 75 - 84	5,193	6.20	2,445	5.83	2,748	6.57
Age 85+	1,760	2.10	678	1.62	1,082	2.59
Age 18+	67,617	80.73	33,695	80.39	33,922	81.07
Age 21+	65,115	77.74	32,405	77.31	32,710	78.17
Age 65+	18,319	21.87	8,703	20.76	9,616	22.98
Median Age	—	46.06	—	45.29	—	46.87
2020 Census Estimate Black or African American Alone						
2020 Census Black/African American Alone	800	0.80	440	0.44	360	0.36
Age 0 - 4	52	6.50	21	4.77	31	8.61
Age 5 - 9	50	6.25	16	3.64	34	9.44
Age 10 - 14	82	10.25	40	9.09	42	11.67
Age 15 - 17	50	6.25	29	6.59	21	5.83
Age 18 - 20	40	5.00	27	6.14	13	3.61
Age 21 - 24	53	6.63	30	6.82	23	6.39
Age 25 - 34	120	15.00	69	15.68	51	14.17
Age 35 - 44	98	12.25	76	17.27	22	6.11
Age 45 - 54	93	11.63	61	13.86	32	8.89
Age 55 - 64	69	8.63	27	6.14	42	11.67
Age 65 - 74	58	7.25	30	6.82	28	7.78
Age 75 - 84	25	3.13	11	2.50	14	3.89
Age 85+	10	1.25	3	0.68	7	1.94
Age 18+	566	70.75	334	75.91	232	64.44
Age 21+	526	65.75	307	69.77	219	60.83
Age 65+	93	11.63	44	10.00	49	13.61
Median Age	—	30.88	—	33.28	—	27.80

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Trade Area: Aggregate ZIP Codes WA

	Population	%	Male	%	Female	%
2020 Census Estimate American Indian and Alaskan Native Alone						
2020 Census Estimate American Indian and Alaskan Native Alone	1,304	1.30	623	0.62	681	0.68
Age 0 - 4	84	6.44	31	4.98	53	7.78
Age 5 - 9	75	5.75	43	6.90	32	4.70
Age 10 - 14	122	9.36	51	8.19	71	10.43
Age 15 - 17	70	5.37	34	5.46	36	5.29
Age 18 - 20	54	4.14	23	3.69	31	4.55
Age 21 - 24	62	4.75	32	5.14	30	4.41
Age 25 - 34	153	11.73	81	13.00	72	10.57
Age 35 - 44	158	12.12	88	14.13	70	10.28
Age 45 - 54	198	15.18	91	14.61	107	15.71
Age 55 - 64	181	13.88	80	12.84	101	14.83
Age 65 - 74	97	7.44	43	6.90	54	7.93
Age 75 - 84	42	3.22	24	3.85	18	2.64
Age 85+	8	0.61	2	0.32	6	0.88
Age 18+	953	73.08	464	74.48	489	71.81
Age 21+	899	68.94	441	70.79	458	67.25
Age 65+	147	11.27	69	11.07	78	11.45
Median Age	—	37.11	—	36.93	—	37.34
2020 Census Estimate Asian Alone						
2020 Census Estimate Asian Alone	2,007	2.00	784	0.78	1,223	1.22
Age 0 - 4	68	3.39	35	4.46	33	2.70
Age 5 - 9	71	3.54	38	4.85	33	2.70
Age 10 - 14	79	3.94	35	4.46	44	3.60
Age 15 - 17	83	4.14	39	4.97	44	3.60
Age 18 - 20	59	2.94	31	3.95	28	2.29
Age 21 - 24	83	4.14	37	4.72	46	3.76
Age 25 - 34	239	11.91	107	13.65	132	10.79
Age 35 - 44	293	14.60	105	13.39	188	15.37
Age 45 - 54	353	17.59	100	12.76	253	20.69
Age 55 - 64	357	17.79	119	15.18	238	19.46
Age 65 - 74	198	9.87	70	8.93	128	10.47
Age 75 - 84	84	4.18	46	5.87	38	3.11
Age 85+	40	1.99	22	2.81	18	1.47
Age 18+	1,706	85.00	637	81.25	1,069	87.41
Age 21+	1,647	82.06	606	77.30	1,041	85.12
Age 65+	322	16.04	138	17.60	184	15.04
Median Age	—	45.86	—	41.63	—	47.66
2020 Census Estimate Native Hawaiian and Pacific Islander Alone						
2020 Census Estimate Native Hawaiian and Pacific Islander Alone	309	0.31	166	0.17	143	0.14
Age 0 - 4	17	5.50	8	4.82	9	6.29
Age 5 - 9	24	7.77	19	11.45	5	3.50
Age 10 - 14	41	13.27	27	16.27	14	9.79
Age 15 - 17	9	2.91	3	1.81	6	4.20
Age 18 - 20	16	5.18	9	5.42	7	4.89
Age 21 - 24	7	2.27	4	2.41	3	2.10
Age 25 - 34	54	17.48	29	17.47	25	17.48
Age 35 - 44	39	12.62	17	10.24	22	15.38
Age 45 - 54	46	14.89	23	13.86	23	16.08
Age 55 - 64	40	12.95	18	10.84	22	15.38
Age 65 - 74	7	2.27	5	3.01	2	1.40
Age 75 - 84	6	1.94	2	1.21	4	2.80
Age 85+	3	0.97	2	1.21	1	0.70
Age 18+	218	70.55	109	65.66	109	76.22
Age 21+	202	65.37	100	60.24	102	71.33
Age 65+	16	5.18	9	5.42	7	4.89
Median Age	—	32.64	—	29.90	—	36.10

Benchmark: USA

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Pop-Facts® by Age, Race, Sex | 2020 Detail



Trade Area: Aggregate ZIP Codes WA

	Population	%	Male	%	Female	%
2020 Census Estimate Some Other Race Alone						
2020 Census Estimate Some Other Race Alone	2,955	2.95	1,572	1.57	1,383	1.38
Age 0 - 4	216	7.31	97	6.17	119	8.61
Age 5 - 9	235	7.95	128	8.14	107	7.74
Age 10 - 14	273	9.24	146	9.29	127	9.18
Age 15 - 17	170	5.75	92	5.85	78	5.64
Age 18 - 20	142	4.80	83	5.28	59	4.27
Age 21 - 24	169	5.72	97	6.17	72	5.21
Age 25 - 34	448	15.16	244	15.52	204	14.75
Age 35 - 44	468	15.84	252	16.03	216	15.62
Age 45 - 54	370	12.52	176	11.20	194	14.03
Age 55 - 64	290	9.81	166	10.56	124	8.97
Age 65 - 74	108	3.65	61	3.88	47	3.40
Age 75 - 84	51	1.73	24	1.53	27	1.95
Age 85+	15	0.51	6	0.38	9	0.65
Age 18+	2,061	69.75	1,109	70.55	952	68.84
Age 21+	1,919	64.94	1,026	65.27	893	64.57
Age 65+	174	5.89	91	5.79	83	6.00
Median Age	--	31.15	--	30.89	--	31.46
2020 Census Estimate Two or More Races						
2020 Census Estimate Two or More Races	9,027	9.01	4,378	4.37	4,649	4.64
Age 0 - 4	843	9.34	436	9.96	407	8.76
Age 5 - 9	923	10.22	445	10.16	478	10.28
Age 10 - 14	988	10.95	497	11.35	491	10.56
Age 15 - 17	570	6.31	269	6.14	301	6.47
Age 18 - 20	415	4.60	215	4.91	200	4.30
Age 21 - 24	446	4.94	240	5.48	206	4.43
Age 25 - 34	1,067	11.82	490	11.19	577	12.41
Age 35 - 44	1,071	11.86	511	11.67	560	12.05
Age 45 - 54	971	10.76	462	10.55	509	10.95
Age 55 - 64	943	10.45	464	10.60	479	10.30
Age 65 - 74	563	6.24	242	5.53	321	6.91
Age 75 - 84	179	1.98	78	1.78	101	2.17
Age 85+	48	0.53	29	0.66	19	0.41
Age 18+	5,703	63.18	2,731	62.38	2,972	63.93
Age 21+	5,288	58.58	2,516	57.47	2,772	59.63
Age 65+	790	8.75	349	7.97	441	9.49
Median Age	--	28.04	--	26.64	--	29.28

Benchmark: USA

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Pop-Facts® by Age, Race, Sex | 2024 Detail



Trade Area: Aggregate ZIP Codes WA

	Population	%	Male	%	Female	%
2024 Estimated Total						
2024 Estimated Total	103,523	100.00	51,531	49.78	51,992	50.22
Age 0 - 4	5,699	5.50	2,886	5.60	2,813	5.41
Age 5 - 9	5,659	5.47	2,806	5.45	2,853	5.49
Age 10 - 14	6,307	6.09	3,236	6.28	3,071	5.91
Age 15 - 17	3,812	3.68	1,951	3.79	1,861	3.58
Age 18 - 20	3,681	3.56	1,879	3.65	1,802	3.47
Age 21 - 24	4,516	4.36	2,310	4.48	2,206	4.24
Age 25 - 34	10,060	9.72	5,145	9.98	4,915	9.45
Age 35 - 44	12,860	12.42	6,477	12.57	6,383	12.28
Age 45 - 54	12,469	12.04	6,237	12.10	6,232	11.99
Age 55 - 64	15,378	14.86	7,621	14.79	7,757	14.92
Age 65 - 74	14,143	13.66	6,918	13.43	7,225	13.90
Age 75 - 84	6,927	6.69	3,262	6.33	3,665	7.05
Age 85+	2,012	1.94	803	1.56	1,209	2.33
Age 18+	82,046	79.25	40,652	78.89	41,394	79.62
Age 21+	78,365	75.70	38,773	75.24	39,592	76.15
Age 65+	23,082	22.30	10,983	21.31	12,099	23.27
Median Age	—	44.36	—	43.59	—	45.15
2024 Estimated Hispanic or Latino						
2024 Estimated Hispanic/Latino	8,509	8.22	4,256	4.11	4,253	4.11
Age 0 - 4	839	9.86	433	10.17	406	9.55
Age 5 - 9	776	9.12	415	9.75	361	8.49
Age 10 - 14	936	11.00	490	11.51	446	10.49
Age 15 - 17	527	6.19	254	5.97	273	6.42
Age 18 - 20	514	6.04	243	5.71	271	6.37
Age 21 - 24	543	6.38	288	6.77	255	6.00
Age 25 - 34	1,065	12.52	549	12.90	516	12.13
Age 35 - 44	1,217	14.30	607	14.26	610	14.34
Age 45 - 54	854	10.04	419	9.85	435	10.23
Age 55 - 64	648	7.62	315	7.40	333	7.83
Age 65 - 74	315	3.70	158	3.71	157	3.69
Age 75 - 84	181	2.13	58	1.36	123	2.89
Age 85+	94	1.10	27	0.63	67	1.57
Age 18+	5,431	63.83	2,664	62.59	2,767	65.06
Age 21+	4,917	57.79	2,421	56.88	2,496	58.69
Age 65+	590	6.93	243	5.71	347	8.16
Median Age	—	26.02	—	25.08	—	27.09
2024 Estimated White Alone						
2024 Estimated White Alone	84,894	82.00	42,466	41.02	42,428	40.98
Age 0 - 4	4,238	4.99	2,150	5.06	2,088	4.92
Age 5 - 9	4,176	4.92	2,072	4.88	2,104	4.96
Age 10 - 14	4,527	5.33	2,348	5.53	2,179	5.14
Age 15 - 17	2,790	3.29	1,435	3.38	1,355	3.19
Age 18 - 20	2,714	3.20	1,379	3.25	1,335	3.15
Age 21 - 24	3,380	3.98	1,711	4.03	1,669	3.93
Age 25 - 34	8,009	9.43	4,123	9.71	3,886	9.16
Age 35 - 44	10,339	12.18	5,244	12.35	5,095	12.01
Age 45 - 54	10,281	12.11	5,245	12.35	5,036	11.87
Age 55 - 64	13,350	15.73	6,686	15.74	6,664	15.71
Age 65 - 74	12,832	15.12	6,340	14.93	6,492	15.30
Age 75 - 84	6,390	7.53	3,007	7.08	3,383	7.97
Age 85+	1,868	2.20	726	1.71	1,142	2.69
Age 18+	69,163	81.47	34,461	81.15	34,702	81.79
Age 21+	66,449	78.27	33,082	77.90	33,367	78.64
Age 65+	21,090	24.84	10,073	23.72	11,017	25.97
Median Age	—	47.29	—	46.52	—	48.10
2024 Estimated Black or African American Alone						
2024 Estimated Black or African American Alone	900	0.87	487	0.47	413	0.40
Age 0 - 4	62	6.89	27	5.54	35	8.47
Age 5 - 9	55	6.11	16	3.29	39	9.44
Age 10 - 14	98	10.89	45	9.24	53	12.83
Age 15 - 17	38	4.22	25	5.13	13	3.15
Age 18 - 20	57	6.33	36	7.39	21	5.08
Age 21 - 24	68	7.56	43	8.83	25	6.05
Age 25 - 34	116	12.89	62	12.73	54	13.07
Age 35 - 44	128	14.22	98	20.12	30	7.26
Age 45 - 54	89	9.89	55	11.29	34	8.23
Age 55 - 64	76	8.44	26	5.34	50	12.11
Age 65 - 74	71	7.89	38	7.80	33	7.99
Age 75 - 84	34	3.78	12	2.46	22	5.33
Age 85+	8	0.89	4	0.82	4	0.97
Age 18+	647	71.89	374	76.80	273	66.10
Age 21+	590	65.56	338	69.41	252	61.02
Age 65+	113	12.56	54	11.09	59	14.29
Median Age	—	30.97	—	33.36	—	28.44

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Trade Area: Aggregate ZIP Codes WA

	Population	%	Male	%	Female	%
2024 Estimated American Indian and Alaskan Native Alone						
2024 Estimated American Indian and Alaskan Native Alone	1,386	1.34	665	0.64	721	0.70
Age 0 - 4	91	6.57	31	4.66	60	8.32
Age 5 - 9	74	5.34	45	6.77	29	4.02
Age 10 - 14	132	9.52	53	7.97	79	10.96
Age 15 - 17	73	5.27	36	5.41	37	5.13
Age 18 - 20	90	6.49	41	6.17	49	6.80
Age 21 - 24	69	4.98	35	5.26	34	4.72
Age 25 - 34	130	9.38	75	11.28	55	7.63
Age 35 - 44	176	12.70	105	15.79	71	9.85
Age 45 - 54	183	13.20	77	11.58	106	14.70
Age 55 - 64	181	13.06	76	11.43	105	14.56
Age 65 - 74	126	9.09	58	8.72	68	9.43
Age 75 - 84	52	3.75	30	4.51	22	3.05
Age 85+	9	0.65	3	0.45	6	0.83
Age 18+	1,016	73.30	500	75.19	516	71.57
Age 21+	926	66.81	459	69.02	467	64.77
Age 65+	187	13.49	91	13.68	96	13.31
Median Age	—	37.09	—	36.66	—	37.77
2024 Estimated Asian Alone						
2024 Census Estimate Asian Alone	2,369	2.29	947	0.92	1,422	1.37
Age 0 - 4	77	3.25	45	4.75	32	2.25
Age 5 - 9	83	3.50	43	4.54	40	2.81
Age 10 - 14	90	3.80	40	4.22	50	3.52
Age 15 - 17	92	3.88	45	4.75	47	3.31
Age 18 - 20	82	3.46	38	4.01	44	3.09
Age 21 - 24	121	5.11	59	6.23	62	4.36
Age 25 - 34	254	10.72	119	12.57	135	9.49
Age 35 - 44	369	15.58	130	13.73	239	16.81
Age 45 - 54	378	15.96	112	11.83	266	18.71
Age 55 - 64	407	17.18	139	14.68	268	18.85
Age 65 - 74	252	10.64	86	9.08	166	11.67
Age 75 - 84	123	5.19	71	7.50	52	3.66
Age 85+	41	1.73	20	2.11	21	1.48
Age 18+	2,027	85.56	774	81.73	1,253	88.11
Age 21+	1,945	82.10	736	77.72	1,209	85.02
Age 65+	416	17.56	177	18.69	239	16.81
Median Age	—	45.44	—	41.44	—	47.40
2024 Estimated Native Hawaiian and other Pacific Islander Alone						
2024 Estimated Native Hawaiian and other Pacific Islander Alone	332	0.32	177	0.17	155	0.15
Age 0 - 4	16	4.82	8	4.52	8	5.16
Age 5 - 9	29	8.73	22	12.43	7	4.52
Age 10 - 14	47	14.16	31	17.51	16	10.32
Age 15 - 17	11	3.31	4	2.26	7	4.52
Age 18 - 20	17	5.12	10	5.65	7	4.52
Age 21 - 24	8	2.41	3	1.70	5	3.23
Age 25 - 34	53	15.96	33	18.64	20	12.90
Age 35 - 44	42	12.65	16	9.04	26	16.77
Age 45 - 54	42	12.65	20	11.30	22	14.19
Age 55 - 64	42	12.65	17	9.61	25	16.13
Age 65 - 74	15	4.52	8	4.52	7	4.52
Age 75 - 84	8	2.41	3	1.70	5	3.23
Age 85+	2	0.60	2	1.13	0	0.00
Age 18+	229	68.98	112	63.28	117	75.48
Age 21+	212	63.85	102	57.63	110	70.97
Age 65+	25	7.53	13	7.34	12	7.74
Median Age	—	32.36	—	28.84	—	37.99

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Pop-Facts® by Age, Race, Sex | 2024 Detail



Trade Area: Aggregate ZIP Codes WA

	Population	%	Male	%	Female	%
2024 Estimated Some Other Race Alone						
2024 Estimated Some Other Race Alone	3,344	3.23	1,791	1.73	1,553	1.50
Age 0 - 4	249	7.45	114	6.37	135	8.69
Age 5 - 9	259	7.75	138	7.71	121	7.79
Age 10 - 14	293	8.76	156	8.71	137	8.82
Age 15 - 17	186	5.56	98	5.47	88	5.67
Age 18 - 20	202	6.04	114	6.37	88	5.67
Age 21 - 24	242	7.24	145	8.10	97	6.25
Age 25 - 34	446	13.34	241	13.46	205	13.20
Age 35 - 44	553	16.54	290	16.19	263	16.93
Age 45 - 54	398	11.90	205	11.45	193	12.43
Age 55 - 64	296	8.85	175	9.77	121	7.79
Age 65 - 74	128	3.83	72	4.02	56	3.61
Age 75 - 84	68	2.03	35	1.95	33	2.13
Age 85+	24	0.72	8	0.45	16	1.03
Age 18+	2,357	70.48	1,285	71.75	1,072	69.03
Age 21+	2,155	64.44	1,171	65.38	984	63.36
Age 65+	220	6.58	115	6.42	105	6.76
Median Age	—	30.27	—	30.14	—	30.43
2024 Estimated Two or More Races						
2024 Estimated Two or More Races	10,298	9.95	4,991	4.82	5,307	5.13
Age 0 - 4	973	9.45	515	10.32	458	8.63
Age 5 - 9	984	9.55	468	9.38	516	9.72
Age 10 - 14	1,121	10.89	564	11.30	557	10.50
Age 15 - 17	610	5.92	295	5.91	315	5.94
Age 18 - 20	552	5.36	277	5.55	275	5.18
Age 21 - 24	607	5.89	310	6.21	297	5.60
Age 25 - 34	1,050	10.20	492	9.86	558	10.51
Age 35 - 44	1,249	12.13	588	11.78	661	12.46
Age 45 - 54	1,095	10.63	524	10.50	571	10.76
Age 55 - 64	1,030	10.00	507	10.16	523	9.86
Age 65 - 74	719	6.98	313	6.27	406	7.65
Age 75 - 84	248	2.41	102	2.04	146	2.75
Age 85+	60	0.58	36	0.72	24	0.45
Age 18+	6,610	64.19	3,149	63.09	3,461	65.22
Age 21+	6,058	58.83	2,872	57.54	3,186	60.03
Age 65+	1,027	9.97	451	9.04	576	10.85
Median Age	—	27.57	—	26.12	—	29.00

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Pop-Facts® by Age, Race, Sex | 2029 Detail



Trade Area: Aggregate ZIP Codes WA

	Population	%	Male	%	Female	%
2029 Projected Total						
2029 Projected Total	108,796	100.00	54,041	49.67	54,755	50.33
Age 0 - 4	5,942	5.46	3,038	5.62	2,904	5.30
Age 5 - 9	5,833	5.36	2,942	5.44	2,891	5.28
Age 10 - 14	6,194	5.69	3,088	5.71	3,106	5.67
Age 15 - 17	4,001	3.68	2,033	3.76	1,968	3.59
Age 18 - 20	4,029	3.70	2,056	3.81	1,973	3.60
Age 21 - 24	5,244	4.82	2,686	4.97	2,558	4.67
Age 25 - 34	10,310	9.48	5,274	9.76	5,036	9.20
Age 35 - 44	12,542	11.53	6,366	11.78	6,176	11.28
Age 45 - 54	13,296	12.22	6,618	12.25	6,678	12.20
Age 55 - 64	14,333	13.17	7,154	13.24	7,179	13.11
Age 65 - 74	15,897	14.61	7,803	14.44	8,094	14.78
Age 75 - 84	8,794	8.08	4,032	7.46	4,762	8.70
Age 85+	2,381	2.19	951	1.76	1,430	2.61
Age 18+	86,826	79.81	42,940	79.46	43,886	80.15
Age 21+	82,797	76.10	40,884	75.65	41,913	76.55
Age 65+	27,072	24.88	12,786	23.66	14,286	26.09
Median Age	—	45.23	—	44.30	—	46.19
2029 Projected Hispanic or Latino						
2029 Projected Hispanic/Latino	10,357	9.52	5,148	4.73	5,209	4.79
Age 0 - 4	1,005	9.70	518	10.06	487	9.35
Age 5 - 9	918	8.86	489	9.50	429	8.24
Age 10 - 14	1,063	10.26	544	10.57	519	9.96
Age 15 - 17	643	6.21	305	5.92	338	6.49
Age 18 - 20	645	6.23	315	6.12	330	6.33
Age 21 - 24	743	7.17	387	7.52	356	6.83
Age 25 - 34	1,276	12.32	649	12.61	627	12.04
Age 35 - 44	1,414	13.65	712	13.83	702	13.48
Age 45 - 54	1,085	10.48	537	10.43	548	10.52
Age 55 - 64	733	7.08	362	7.03	371	7.12
Age 65 - 74	411	3.97	201	3.90	210	4.03
Age 75 - 84	280	2.70	86	1.67	194	3.72
Age 85+	141	1.36	43	0.83	98	1.88
Age 18+	6,728	64.96	3,292	63.95	3,436	65.96
Age 21+	6,083	58.73	2,977	57.83	3,106	59.63
Age 65+	832	8.03	330	6.41	502	9.64
Median Age	—	26.07	—	25.20	—	27.04
2029 Projected White Alone						
2029 Projected White Alone	86,721	79.71	43,288	39.79	43,433	39.92
Age 0 - 4	4,238	4.89	2,170	5.01	2,068	4.76
Age 5 - 9	4,108	4.74	2,077	4.80	2,031	4.68
Age 10 - 14	4,227	4.87	2,128	4.92	2,099	4.83
Age 15 - 17	2,805	3.23	1,435	3.31	1,370	3.15
Age 18 - 20	2,852	3.29	1,446	3.34	1,406	3.24
Age 21 - 24	3,760	4.34	1,896	4.38	1,864	4.29
Age 25 - 34	7,938	9.15	4,095	9.46	3,843	8.85
Age 35 - 44	9,684	11.17	4,960	11.46	4,724	10.88
Age 45 - 54	10,604	12.23	5,398	12.47	5,206	11.99
Age 55 - 64	12,111	13.97	6,111	14.12	6,000	13.81
Age 65 - 74	14,208	16.38	7,059	16.31	7,149	16.46
Age 75 - 84	8,011	9.24	3,671	8.48	4,340	9.99
Age 85+	2,175	2.51	842	1.95	1,333	3.07
Age 18+	71,343	82.27	35,478	81.96	35,865	82.58
Age 21+	68,491	78.98	34,032	78.62	34,459	79.34
Age 65+	24,394	28.13	11,572	26.73	12,822	29.52
Median Age	—	48.66	—	47.76	—	49.59
2029 Projected Black or African American Alone						
2029 Projected Black or African American Alone	1,063	0.98	569	0.52	494	0.45
Age 0 - 4	77	7.24	31	5.45	46	9.31
Age 5 - 9	68	6.40	21	3.69	47	9.51
Age 10 - 14	104	9.78	48	8.44	56	11.34
Age 15 - 17	52	4.89	38	6.68	14	2.83
Age 18 - 20	55	5.17	33	5.80	22	4.45
Age 21 - 24	81	7.62	50	8.79	31	6.28
Age 25 - 34	128	12.04	71	12.48	57	11.54
Age 35 - 44	147	13.83	108	18.98	39	7.89
Age 45 - 54	114	10.72	68	11.95	46	9.31
Age 55 - 64	84	7.90	32	5.62	52	10.53
Age 65 - 74	93	8.75	49	8.61	44	8.91
Age 75 - 84	48	4.52	17	2.99	31	6.28
Age 85+	12	1.13	3	0.53	9	1.82
Age 18+	762	71.68	431	75.75	331	67.00
Age 21+	707	66.51	398	69.95	309	62.55
Age 65+	153	14.39	69	12.13	84	17.00
Median Age	—	32.21	—	33.97	—	29.93

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Pop-Facts® by Age, Race, Sex | 2029 Detail



Trade Area: Aggregate ZIP Codes WA

	Population	%	Male	%	Female	%
2029 Projected American Indian and Alaskan Native Alone						
2029 Projected American Indian and Alaskan Native Alone	1,516	1.39	725	0.67	791	0.73
Age 0 - 4	93	6.13	32	4.41	61	7.71
Age 5 - 9	75	4.95	45	6.21	30	3.79
Age 10 - 14	143	9.43	53	7.31	90	11.38
Age 15 - 17	78	5.14	39	5.38	39	4.93
Age 18 - 20	77	5.08	36	4.96	41	5.18
Age 21 - 24	98	6.46	49	6.76	49	6.20
Age 25 - 34	146	9.63	82	11.31	64	8.09
Age 35 - 44	186	12.27	109	15.04	77	9.73
Age 45 - 54	206	13.59	87	12.00	119	15.04
Age 55 - 64	188	12.40	82	11.31	106	13.40
Age 65 - 74	144	9.50	66	9.10	78	9.86
Age 75 - 84	68	4.49	39	5.38	29	3.67
Age 85+	14	0.92	6	0.83	8	1.01
Age 18+	1,127	74.34	566	76.69	571	72.19
Age 21+	1,050	69.26	520	71.72	530	67.00
Age 65+	226	14.91	111	15.31	115	14.54
Median Age	—	37.76	—	37.53	—	38.10
2029 Projected Asian Alone						
2029 Projected Asian Alone	2,943	2.71	1,194	1.10	1,749	1.61
Age 0 - 4	94	3.19	53	4.44	41	2.34
Age 5 - 9	97	3.30	52	4.36	45	2.57
Age 10 - 14	106	3.60	48	4.02	58	3.32
Age 15 - 17	96	3.26	45	3.77	51	2.92
Age 18 - 20	115	3.91	59	4.94	56	3.20
Age 21 - 24	164	5.57	74	6.20	90	5.15
Age 25 - 34	299	10.16	143	11.98	156	8.92
Age 35 - 44	444	15.09	161	13.48	283	16.18
Age 45 - 54	483	16.41	149	12.48	334	19.10
Age 55 - 64	453	15.39	152	12.73	301	17.21
Age 65 - 74	342	11.62	117	9.80	225	12.87
Age 75 - 84	190	6.46	103	8.63	87	4.97
Age 85+	60	2.04	38	3.18	22	1.26
Age 18+	2,550	86.65	996	83.42	1,554	88.85
Age 21+	2,435	82.74	937	78.48	1,498	85.65
Age 65+	592	20.12	258	21.61	334	19.10
Median Age	—	46.19	—	42.63	—	47.90
2029 Projected Native Hawaiian and other Pacific Islander Alone						
2029 Projected Native Hawaiian and other Pacific Islander Alone	373	0.34	200	0.18	173	0.16
Age 0 - 4	19	5.09	10	5.00	9	5.20
Age 5 - 9	34	9.12	24	12.00	10	5.78
Age 10 - 14	48	12.87	32	16.00	16	9.25
Age 15 - 17	17	4.56	10	5.00	7	4.05
Age 18 - 20	14	3.75	7	3.50	7	4.05
Age 21 - 24	8	2.15	4	2.00	4	2.31
Age 25 - 34	57	15.28	35	17.50	22	12.72
Age 35 - 44	52	13.94	21	10.50	31	17.92
Age 45 - 54	58	15.55	28	14.00	30	17.34
Age 55 - 64	39	10.46	17	8.50	22	12.72
Age 65 - 74	14	3.75	7	3.50	7	4.05
Age 75 - 84	10	2.68	2	1.00	8	4.62
Age 85+	3	0.80	3	1.50	0	0.00
Age 18+	255	68.36	124	62.00	131	75.72
Age 21+	241	64.61	117	58.50	124	71.68
Age 65+	27	7.24	12	6.00	15	8.67
Median Age	—	33.33	—	29.31	—	38.91

Benchmark: USA

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Pop-Facts® by Age, Race, Sex | 2029 Detail



Trade Area: Aggregate ZIP Codes WA

	Population	%	Male	%	Female	%
2029 Projected Some Other Race Alone						
2029 Projected Some Other Race Alone	3,956	3.64	2,122	1.95	1,834	1.69
Age 0 - 4	283	7.15	129	6.08	154	8.40
Age 5 - 9	295	7.46	156	7.35	139	7.58
Age 10 - 14	324	8.19	177	8.34	147	8.02
Age 15 - 17	224	5.66	125	5.89	99	5.40
Age 18 - 20	239	6.04	132	6.22	107	5.83
Age 21 - 24	323	8.16	191	9.00	132	7.20
Age 25 - 34	525	13.27	281	13.24	244	13.30
Age 35 - 44	634	16.03	336	15.83	298	16.25
Age 45 - 54	489	12.36	250	11.78	239	13.03
Age 55 - 64	333	8.42	202	9.52	131	7.14
Age 65 - 74	162	4.09	89	4.19	73	3.98
Age 75 - 84	95	2.40	46	2.17	49	2.67
Age 85+	30	0.76	8	0.38	22	1.20
Age 18+	2,830	71.54	1,535	72.34	1,295	70.61
Age 21+	2,591	65.50	1,403	66.12	1,188	64.78
Age 65+	287	7.25	143	6.74	144	7.85
Median Age	—	30.24	—	29.93	—	30.58
2029 Projected Two or More Races						
2029 Projected Two or More Races	12,224	11.24	5,946	5.46	6,278	5.77
Age 0 - 4	1,139	9.32	611	10.28	528	8.41
Age 5 - 9	1,152	9.42	563	9.47	589	9.38
Age 10 - 14	1,242	10.16	603	10.14	639	10.18
Age 15 - 17	725	5.93	355	5.97	370	5.89
Age 18 - 20	678	5.55	335	5.63	343	5.46
Age 21 - 24	813	6.65	418	7.03	395	6.29
Age 25 - 34	1,216	9.95	568	9.55	648	10.32
Age 35 - 44	1,399	11.45	671	11.29	728	11.60
Age 45 - 54	1,346	11.01	646	10.86	700	11.15
Age 55 - 64	1,125	9.20	556	9.35	569	9.06
Age 65 - 74	932	7.62	417	7.01	515	8.20
Age 75 - 84	369	3.02	153	2.57	216	3.44
Age 85+	88	0.72	50	0.84	38	0.60
Age 18+	7,966	65.17	3,814	64.14	4,152	66.14
Age 21+	7,288	59.62	3,479	58.51	3,809	60.67
Age 65+	1,389	11.36	620	10.43	769	12.25
Median Age	—	27.50	—	26.19	—	28.82

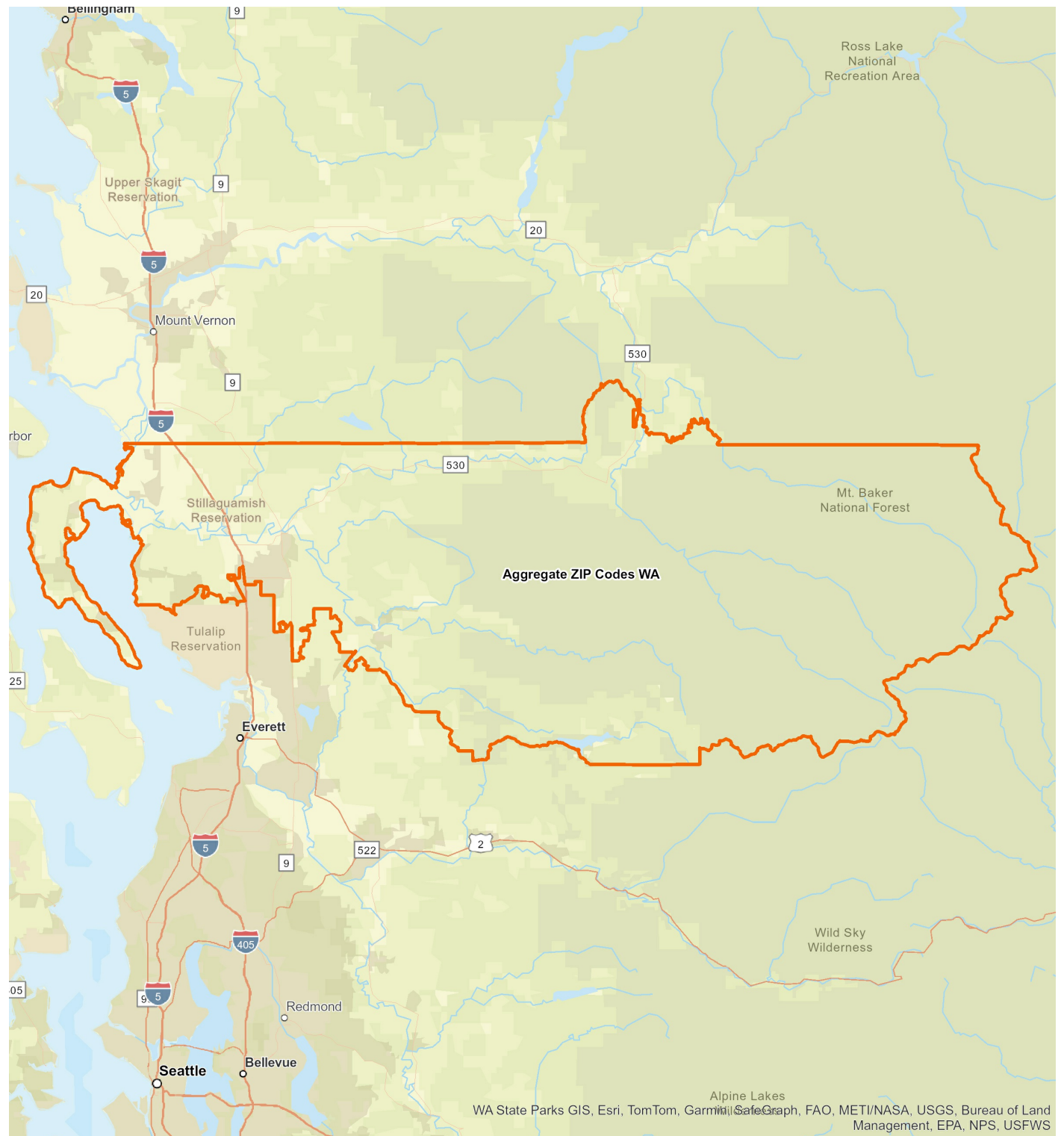
Benchmark: USA

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<https://claritas.easpotlight.com/Spotlight/About/3/2024>

Pop-Facts® by Age, Race, Sex | Map



Trade Area: Aggregate ZIP Codes WA



Benchmark: USA

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Report Details

Name: Executive Dashboard
Date / Time: 10/21/2024 9:08:45 AM
Workspace Vintage: 2024

Trade Area		
Name	Level	Geographies
Aggregate ZIP Codes WA	ZIP Code	98223 (Arlington, WA); 98241 (Darrington, WA); 98252 (Granite Falls, WA); 98282 (Camano Island, WA); 98292 (Stanwood, WA)

Benchmark		
Name	Level	Geographies
USA	Entire US	United States

DataSource		
Product	Provider	Copyright
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SPOTLIGHT Pop-Facts® Premier 2024, including 2010 US Census, 2024 estimates and 2029 projections	Claritas	©Claritas, LLC 2024 (https://claritas.easpotlight.com/Spotlight/About)

EXHIBIT G
NON-DISCRIMINATION POLICY

Date Effective: 1/20/17
Date Revised: 1/20/17, 5/19/21
Date Reviewed: 1/20/17, 3/21/18, 2/20/19, 2/19/20, 5/18/22, 5/17/23, 5/15/24
(no changes made)
Approved by: Julie Jacobson, BSN, ASC Director
Dr. Dhavan Parikh, ASC Facility Medical Director

PURPOSE:

To ensure that all patients and visitors of Optum Care Washington (OCW) Ambulatory Surgery Centers (ASC) are treated with equality, in a welcoming, nondiscriminatory manner, consistent with applicable state and federal law.

To meet the requirements of the nondiscrimination rule implementing Section 1557 of the federal Affordable Care Act (ACA), 45 C.F.R. §§ 92.1-92.303

POLICY:

OCW ASCs are dedicated to providing services to patients and welcoming visitors in a manner that respects, protects, and promotes civil rights. OCW ASCs will provide equal access to their facilities and services irrespective of age, race, color, creed, ethnicity, national origin, marital status, sex, sexual orientation, gender identity or expression, disability, association, veteran or military status, or any other basis prohibited by federal, state, or local law. Equal access includes reasonable physical accommodations for disabled persons, nondiscriminatory delivery of benefits, and reasonable aid in accessing electronic health programs.

PROCEDURE:

1. **Nondiscrimination:** ASC Personnel will treat all patients and visitors receiving services from the ASC with equality in a welcoming manner that is free from discrimination based on age, race, color, creed, ethnicity, national origin, marital status, sex, sexual orientation, gender identity or expression, disability, association, veteran or military status, or any other basis prohibited by federal, state, or local law.
2. **Notice:** ASC Personnel will provide notice to patients regarding this Nondiscrimination Policy and the ASCs' commitment to providing access to and the provision of services in a welcoming, nondiscriminatory manner. OCW ASCs will provide notice pursuant to Section 1557 of the Patient Protection and Affordable Care Act.
3. **Reasonable Accommodations:** ASC Personnel will inform patients of the availability of and make reasonable accommodations for patients consistent with federal and state requirements. OCW ASCs provide free aids and services to people with disabilities to communicate effectively, such as: qualified sign language interpreters; written information in other formats (e.g., large print, audio, accessible electronic formats, other formats); free language services to people whose primary language is not English, including qualified interpreters and information written in other languages. Aids and services will be provided free-of-charge and in a timely manner when such aids and services are necessary to

ensure an equal opportunity to participate to individuals with disabilities or to provide meaningful access to individuals with limited English proficiency.

4. **Provision of Services:** ASC Personnel will determine eligibility for and provide services, financial aid, and other benefits to all patients in a similar manner, without subjecting any individual to separate or different treatment on the basis of age, race, color, creed, ethnicity, national origin, marital status, sex, sexual orientation, gender identity or expression, disability, association, veteran or military status, or any other basis prohibited by federal, state, or local law.
5. **Complaints:**
 - a. Any person who believes he, she, or another person has been subjected to discrimination which is not permitted by this Policy, may file a complaint using OCW ASC's grievance procedure, which will provide prompt and equitable resolutions of grievances.
 - b. Any ASC Personnel receiving a patient or visitor discrimination complaint will advise the complaining individual that they may report the problem to the Chief Value Officer and file a complaint without fear of retaliation:
Director of Compliance, WA
1800 41st Street
Everett, WA 98201
 - c. ASC Personnel are prohibited from retaliating against any person who opposes, complains about, or reports discrimination, files a complaint, or cooperates in an investigation of discrimination or other proceeding under federal, state, or local anti-discrimination law.
 - d. Any person who believes he, she, or another person has been subjected to discrimination which is not permitted by this Policy may also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at <http://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail or phone at:
U.S. Department of Health and Human Services
200 Independence Avenue, SW; Room 509F, HHH Building
Washington, D.C. 20201
6. **Compliance:** OCW Compliance Director or Designee is responsible for coordinating compliance with this Policy, including giving notice to and training all ASC Personnel on this Policy. OCW ASCs will designate at least one employee to coordinate its efforts to comply with and carry out its responsibilities under this policy and Section 1557 of the Patient Protection and Affordable Care Act, including the investigation of any grievance. Complaints can also be sent to OptumCompliance.org email.

REFERENCES: ASC #1220 (Patient Complaint and Grievance Management); CC #701 (Interpretive Services for Deaf/Hard of Hearing and Limited English proficiency Patients); Optum Non-Discrimination Policy; Optum Civil Rights Grievance Policy

Paper copies of this document may not be current and should not be relied on for official purposes. The current version is in PolicyTech on the intranet.

- **Contact:** Julie Jacobson
- **Reviewed by:** Julie Jacobson, Dr. Dhavan Parikh, Tamie Nagrodski, Sarah Silverman
- **Approved By:** ASC Governance on 5/15/24

EXHIBIT H
PATIENT RIGHTS AND RESPONSIBILITIES POLICY

Ambulatory surgery centers patient rights and responsibilities

As a patient of Optum Care Washington Ambulatory Surgery Center, you have the right to confidentiality, privacy, security, complaint resolution, spiritual care and communication without being subjected to discrimination or reprisal. You have the right to:

- Be treated and cared for with dignity and respect.
- Confidentiality, privacy, security, complaint resolution, spiritual care, and communication.
- Be informed of Optum policies, practices and facilities that relate to patient care.
- Be involved in all aspects of your care including being informed and agreeing to your care and treatment, refusing care and treatment, and resolving problems with care decisions.
- Refuse a recommended treatment or plan of care, to the extent permitted by law and to be informed of any medical consequences related to that decision.
- Have family input in care decisions based on your wishes, your existing legal directives or any court-issued legal orders.
- Be protected from abuse and neglect and have access to protective services.
- Have explained to you and your family and be provided documentation of the reason for any communication restrictions that may be necessary for patient care and safety.
- Have unanticipated outcomes explained to you, your family or surrogate.
- Expect that Optum Care Washington (OCW) will treat all information, communications and records relating to your healthcare as confidential. OCW will disclose your healthcare information to others only as allowed by law.
- Request to review your records and receive a copy of them. You may also ask to amend your healthcare record.
- Know the names and responsibilities of your healthcare providers.
- Know that the ambulatory surgery centers are operated by Optum Care Washington, PLLC, a professional limited liability company which is owned by Everett Physicians, Inc. P.S. whose sole member is Dr. George Go.
- Know that the Ambulatory Surgery Centers at OCW have a policy on Advance Directives (described on the reverse side of this form). You should speak with the physician performing your procedure in advance of the procedure if you have any questions about that policy.
- Seek another medical opinion or change health care providers as you see fit.
- Voice complaints about your care and treatment without fear of retribution or denial of care. Your concerns will be addressed in a prompt timeframe. You will receive a response within 14 days unless an extension is requested.

As an OCW patient, you have the responsibility to:

- Provide complete and accurate medical information.
- Participate with providers in making decisions about your care.
- Follow the treatment plan to which you agreed.
- Be on time for scheduled appointments, or to notify OCW staff when you are unable to do so.
- Provide complete insurance information and timely notification of any changes.
- Pay your bill in a timely fashion or seek assistance for discussing payment options.
- Treat our staff and physicians with respect and dignity.
- Respect the rights of others.
- Let your caregivers and OCW administrators know if you have concerns or complaints about any aspect of your care.
- Follow OCW facility policies that prohibit smoking, the use of alcohol or illegal drugs, and carrying firearms or other weapons.

Optum Care Washington ambulatory surgery centers notice of advance directives policy

An advance directive is a document that pertains to treatment preferences and the designation of a surrogate decision-maker in the event that a person should become unable to make medical decisions on their own behalf. Advance directives are generally in the form of a living will, life-prolonging procedures declaration, designation of a health care representative or proxy, and durable power-of-attorney. Advance directives can be revoked or amended at any time.

Be advised that a “do not resuscitate order” contained within an advance directive will not be effective in the event of a medical emergency at the OCW Ambulatory Surgery Centers. However, in the event that transfer to a hospital becomes necessary, your advance directive will be forwarded with you. Due to this policy, you may choose to have your procedure or surgery performed at another facility if you wish. Please notify your physician, scheduling coordinator, and/or the center’s health care staff and they will make every effort to accommodate your request.

For more information on Washington State law regarding Advance Directives please visit the following Web sites: <http://www.uslivingwillregistry.com>

[WA State Medical Association - Advanced Care Planning](#)

Complaints can be directed to Optum Care Washington at:

The Ambulatory Surgery Centers (425-317-3950)

OCW’s Patient Safety Office (425.339.4220)

OCW’s Corporate Compliance Office (425.258.3906)

<http://www.optum.com>

OCW Administration

3901 Hoyt Avenue

Everett, WA 98201

Complaints may also be directed to the Washington State Department of Health and Office of the Medicare Beneficiary Ombudsman or to the Centers for Medicare and Medicaid Services (CMS) at:

Washington State Department of Health

Health Systems Quality Assurance Complaint Intake

PO Box 47857

Olympia, WA 98504-7857

[appeals/](#)

Medicare-rights/get-

help/ombudsman.html

email: HSQAComplaintIntake@doh.wa.gov

Phone: 360.236.4700

Toll-free: 1.800.633.6828

Fax: 360.236.2626

Centers for Medicare & Medicaid Services

<http://www.medicare.gov/claims-and->

Patient/guardian/surrogate name (print) _____ Date Received _____

Patient/guardian/surrogate signature _____ Date _____ Time _____

If not patient, relationship to patient _____

Centers for Medicare & Medicaid Services Office of the Medicare Beneficiary Ombudsman
Website: <http://www.medicare.gov/claims-and-appeals/Medicare-rights/get-help/ombudsman.html>
email: HSQAComplaintIntake@doh.wa.gov

Patient/guardian/surrogate name (print)_____Date Received _____
Patient/guardian/surrogate signature_____Date_____Time_____
If not patient, relationship to patient _____

For internal use only - To be completed by OCW Ambulatory Surgery Center

Date Received by ASC: _____

Please Select One Option:

- ☐ N/A: Pediatric Patient
- ☐ Patient presented with advance directive to be filed in medical record
- ☐ Patient does not have advance directive, requested information on advance directives
- ☐ Patient does not have advance directive, declined information on advance directives

Complaints may also be directed to the Washington State Department of Health and Office of the Medicare Beneficiary Ombudsman or to the Centers for Medicare and Medicaid Services (CMS) at:

Washington State Department of Health

Health Systems Quality Assurance

Complaint Intake

PO Box 47857

Olympia, WA 98504-7857

Phone: 360.236.4700

Toll-free: 1.800.633.6828

Fax: 360.236.2626

Centers for Medicare & Medicaid Services

Office of the Medicare Beneficiary Ombudsman

Website: [http://www.medicare.gov/claims-and-appeals/](http://www.medicare.gov/claims-and-appeals/Medicare-rights/get-help/ombudsman.html)

[Medicare-rights/get-help/ombudsman.html](http://www.medicare.gov/claims-and-appeals/Medicare-rights/get-help/ombudsman.html)

email: HSQAComplaintIntake@doh.wa.gov

Patient/guardian/surrogate name (print) _____ Date Received _____

Patient/guardian/surrogate signature _____ Date _____ Time _____

If not patient, relationship to patient _____

For internal use only – To be completed by OCW Ambulatory Surgery Center

Date Received by ASC: _____

Please Select One Option:

- ☐ N/A: Pediatric Patient
- ☐ Patient presented with advance directive to be filed in medical record
- ☐ Patient does not have advance directive, requested information on advance directives
- ☐ Patient does not have advance directive, declined information on advance directives



Optum Care Washington, PLLC

The company does not discriminate on the basis of race, color, national origin, sex, age, or disability in health programs and activities. We provide free services to help you communicate with us. This includes letters in other languages or large print. Or, you can ask for an interpreter. To ask for help, please call 1-425-382-4790, TTY 711. ATENCIÓN: Si habla español (Spanish), hay servicios de asistencia de idiomas, sin cargo, a su disposición. Llame al 1-425-382-4790, TTY 711. 請注意: 如果您說中文 (Chinese) 我們免費為您提供語言協助服務。請致電: 1-425-382-4790, TTY 711.

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EXHIBIT I
ADMISSION AND PRE-PROCEDURAL RISK ASSESSMENT POLICY

Admission and Pre-Procedural Risk Assessment

Ambulatory Surgery Center 1223

Combined from #1223 and #1200



Date Effective: 7/16/13
Date Revised: 4/15/2016, 2/1/18, 3/21/18, 2/19/20, 2/21/24
Date Reviewed: 6/17/13, 11/23/15, 7/6/16, 2/20/19, 5/19/21, 11/17/21, 11/16/22, 11/15/23
(no changes made)
Approved by: Julie Jacobson, BSN, ASC Director
Dr. Dhavan Parikh, ASC Facility Medical Director

PURPOSE:

To describe appropriate preoperative selection of patients. To outline admission processes for patients undergoing procedures at Optum Care Washington (OCW) Ambulatory Surgery Centers.

To meet requirements of Code of Federal Regulations (C.F.R.) Title 42 Part 416.42 (a) (1): Anesthetic Risk and Evaluation, CFR 416.52 (2): Patient Admission, Assessment and Discharge, as well as WAC Chapter 246-330-205: Patient Care Services.

POLICY:

All patients are assessed to determine if established criteria is met for admission to the ASC. Each patient admitted is assessed according to established criteria to determine readiness for their procedure. All patients will have an identification band placed upon admission to the ASC.

PROCEDURE:

All patients selected for care at the ASC will have equipment and medications appropriate to their age, condition and planned procedure and will be provided appropriate pre-op instructions including dietary restrictions and bathing instructions/supplies to reduce the risk of infection.

All procedures will be limited to those planned to not exceed twenty-three (23) hours and fifty-nine (59) minutes combined pre-operative, operative, and recovery time.

All procedures will be undertaken with the plan to discharge the patient home and not to transfer to a hospital. Patients may return to other low acuity settings such as assisted living, nursing facilities, and convalescent setting with appropriate surgical after care in place.

The surgical site will be marked by both patient and surgeon with the following exclusions:

- Bilateral Sinus Surgery
- Circumcision
- Cystoscopy
- D & C
- Direct Laryngoscopy
- Hysteroscopy
- Procedures involving Female genitalia
- Rectal Procedures
- Routine T & A or Adenoidectomy
- Septo/Rhinoplasty
- TURB
- TURP
- Uvulopalatopharyngoplasty (UPPP)
- Vasectomy

All patients undergoing procedures at OCW ASC's will receive a pre-procedure evaluation by a physician under which they are being directly cared for.

The pre-procedure review will include the following:

- Review of allergies and other adverse reactions to drugs and biologicals
- An exam to determine if the patient's condition has significantly changed since the comprehensive H&P done within 30 days of surgery date
 - Requirement for medical history and physical examination prior to surgery
 - H&P must be completed within 30 days of surgery
 - H&P must include: patient age, diagnosis, type and number of procedures to be performed on same date, known comorbidities and planned anesthesia level.
- A note documenting changes or no changes in the patient's condition since the comprehensive H&P (i.e. "interval note")
- Assessment and documentation of the patient's American Society of Anesthesiologists' (ASA) Physical Status Classification Score (See Form [160-114](#)) and other relevant criteria as an evaluation of anesthetic risk
- Assessment on day of surgery by qualified anesthesia provider with note documenting anesthesia assessment including relevant history, allergies, and physical findings.

An Anesthesia Chart Review may be requested prior to the day of surgery to evaluate for appropriateness of patient's selection in the ASA Class III and IV patient (See Form [160-076](#)). ASA Class V and VI patients are not acceptable at OCW ASCs. Anesthesia Chart Reviews will be conducted by physician anesthesiologists and a note documenting this review will be entered into the medical record.

Patients will be selected for procedures at the ASC according to the Patient Selection Criteria Form (see form [160-115](#)). For a complete list of conditions requiring an Anesthesia Consult for surgical patients, see Anesthesia Questionnaire (see form [160-088](#)), or Anesthesia Requirements for the GI Lab (see form [160-129](#))

REFERENCES:

- Forms:
 - 160-114
 - 160-115
 - 160-076
 - 160-088
 - 160-129

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- **Contact:** Dr. Dhavan Parikh, Julie Jacobson
- **Reviewed by:** Dr. Dhavan Parikh, Julie Jacobson, Tricia White, Jen Dobesh, Sue Pfriem, Karen Carroll
- **Approved by Group:** ASC Governance on 2/21/24

EXHIBIT J
FINANCIAL HARDSHIP POLICY



REVENUE CYCLE STANDARD POLICY

Number: REV 01 **Title:** Financial Hardship

Relevant to: **Dept. Business Service**
Owner: Toni Goff, Senior Director Revenue Cycle

Effective date: **Issue date:** 2/18/2022

Approval date: 2/14/2022	Next Review Date: Yearly – 2/2023
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Purpose

To provide guidance to patients experiencing financial hardship. Patients may apply for a discount or waiver of patient's financial responsibility. Whether or not a discount or waiver is granted shall be based on individual assessment of the patient's financial circumstances and assessment of the CDO and contractual obligations to the third-party payers.

Patients may be referred to this program by physician recommendation, patient/family initiation, individual request, or as identified through Optum Clinic's Business Services Department.

Optum does not discriminate based on sex, race, age, disability, color, creed, national origin or religion, sexual orientation, gender identity or any other grounds unrelated to an individual's need for service.

Policy

Optum is pleased to provide a financial assistance program to serve the needs of our community. As part of this program, patients who reside in the Optum Clinics service area and who meet eligibility requirements may receive reduced minimum payments and/or an adjustment on medical service balances.

Financial Assistance criteria and guidelines will be reviewed annually by the CDO to include any federal updates/changes to this policy.

If a patient is deemed to have no insurance coverage or if the patient has a financial hardship, they should be referred to the CDO's Financial Counselor Department. If the patient does not qualify for coverage or state Medicaid if applicable per state guidelines, the patient must complete a formal application for financial hardship (see Financial Hardship requirements and Applications- Attachment A) must accompany the application. Applications submitted with incomplete information will be denied. Patients will be required to resubmit a completed application with all necessary requirements in order for application to be processed.

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The application and required documentation should be returned to the Financial Counselor Department at the respective CDO within 30 days. The Financial Counselor assigned will verify that the application is complete and include all the necessary attachments to ensure timely processing.

Requirements Attachment A –Financial Assistance Requirements & Application Process
Financial Assistance Application

Responsible Party

- I. CDOs can determine eligibility when they take into account the poverty levels as well as corresponding sliding discount based on their fee schedule and market demographics.
- II. At Optum CDO's discretion, patients above the federal poverty level may be placed on scheduled payments to coincide with their confidential financial statement ability to pay.
- III. Financial Assistance will be available only for medical/mental health services which are reasonable and necessary for the diagnosis and treatment of illness or injury. Financial hardship on retail items and elective services are at the discretion of the CDO.
- IV. Ineligible services: motor vehicle related services, Worker's comp, retail items, and elective procedures (i.e. cosmetic, non-covered infertility treatment, etc.) are not eligible for this program.
- V. Review Process: Applications and other information obtained by Optum Business Services Department will be reviewed. The Customer Services department will notify the applicant of the decision in writing, within thirty (30) business days after the complete application has been received.
- VI. Appeal denial of financial hardship: Patients may appeal within 15 days of financial application denial if patient has a qualifying event could affect the decision. Patients may appeal in writing to Patient Financial services with documentation/evidence of qualifying event such as change in work history, or change in income etc. Patient Financial Services will review the appeal and render a written decision to the patient within 30 days of receipt.
- VII. Self-Pay letters should go on hold once a full application/documentation is received. Hold will remain until determination of Financial application is concluded. Patients will not be sent Bad Debt/Collections while application is in process. Letter hold process is variable depending on CDO/PMS capabilities.
- VIII. Optum reserves the right to amend or discontinue part or all the Financial Assistance Program at any time without notice.

- IX. Financial Hardship approvals will be reflected in the system, including the agreed upon terms discussed with the patient. Monitoring of 6-month approval will vary per CDO.
- X. In cases where financial hardship applications are managed by a vendor outside the organization/market, CDO will share guidelines and hold vendor accountable to operationalizing per the policy with the CDO's patient population.
- XI. If CDO's accept the charity care approval letter from local hospitals, in lieu of the patient completing the CDO's application, agreement will stand. See footnote
- XII. Financial hardship storage and retention of confidential information should be done in accordance with the market's retention policy.
- XIII. All questions concerning this policy should be directed to the Director, Patient Financial Services & Operations.

Footnote

- *Household income and poverty level to be determined by the CDO based on market and contracts.*
- *Pertaining to NY State charity care guidelines. If the patient presents with a current (within 1 year) Charity Care Approval letter from a hospital affiliate, then CDO will not require the patient to go through the Financial Screening process. CDO's to honor specific agreement with hospitals and will mirror the discount percentage the hospital has approved. Documentation regarding approval is provided to CDO.*
- *WA state patients who qualify for the financial assistance program with one of our community partners, is accepted as qualified. The Everett Clinic and Polyclinic will match up to 50% of the award letter from our partners without further documentation required. The shared patient is allowed to request to be assessed independently from the automatic approval to potentially qualify for additional financial assistance but will require all application and documentation requirements are met. The Everett Clinic and Polyclinic will award the greater benefit to the patient.*

EXHIBIT K
PRO FORMA REVENUE AND EXPENSE STATEMENT

Pro Forma Summary

ARLINGTON ASC

Confidential & Proprietary Information of OptumCare WA

Arlington ASC	ACTUALS			FORECASTS				
Income Statement	2022	2023	2024	2025	2026	2027	2028	2029
Case Count	0	11	1962	5302	6081	7157	7186	7215
NET REVENUE	\$0	\$0	\$2,625,971	\$8,700,908	\$12,165,714	\$17,192,884	\$17,622,170	\$18,058,323
Workforce Costs	\$75,517	\$1,025,786	\$2,330,010	\$3,631,330	\$5,009,806	\$7,049,600	\$7,251,790	\$7,459,247
Professional Fees	\$20,427	\$94,935	\$62,117	\$107,106	\$153,997	\$223,437	\$229,985	\$236,706
Supplies		\$112,175	\$362,072	\$1,746,331	\$2,824,137	\$4,596,597	\$4,856,736	\$5,125,442
Maintenance		\$8,432	\$270,086	\$677,848	\$785,158	\$495,202	\$453,142	\$397,695
Occupancy	\$1,787	\$1,323,943	\$2,246,233	\$2,235,846	\$2,285,846	\$2,335,846	\$2,385,846	\$2,435,846
Depreciation		\$0	\$1,017,558	\$1,199,192	\$1,411,052	\$1,579,052	\$1,699,054	\$910,980
Other	\$7,227	\$676,679	\$266,986	\$294,478	\$364,286	\$464,579	\$475,592	\$486,797
EXPENSES	\$104,958	\$3,241,950	\$6,555,061	\$9,892,132	\$12,834,282	\$16,744,313	\$17,352,145	\$17,052,713
DIRECT MARGIN	-\$104,958	-\$3,241,950	-\$3,929,090	-\$1,191,224	-\$668,568	\$448,571	\$270,025	\$1,005,610
FTEs	2	8	18	29	40	56	58	59

Other includes Business & Occupancy tax and general non-clinical site expenses including non-clinical supplies

FINANCIAL CLASS BREAKOUT								
	ACTUALS			FORECASTS				
Breakout by FinClass	2022	2023	2024	2025	2026	2027	2028	2029
Gross Revenue								
Commercial			2,330,120	8,944,481	12,408,639	17,381,854	17,822,958	18,271,146
Healthy Options			39,183	667,232	904,696	1,239,295	1,263,245	1,287,549
Medicaid			4,421	127,739	156,597	196,101	199,150	202,241
Medicare			663,703	1,663,160	2,083,847	2,721,017	2,769,961	2,819,611
Medicare Advantage			946,499	4,248,183	5,802,719	8,162,961	8,385,943	8,612,569
Self Pay			92,767	1,109,828	1,557,462	2,160,660	2,193,029	2,225,830
Tricare			17,287	43,059	60,991	87,917	88,911	89,917
Worker's Comp			14,888	357,953	731,562	1,211,421	1,257,245	1,303,865
Total Gross Revenue	-	-	4,108,869	17,161,635	23,706,513	33,161,227	33,980,444	34,812,729
Procedures								
Commercial			1,681	4,174	4,805	5,667	5,691	5,718
Healthy Options			29	311	350	403	403	403
Medicaid			3	59	60	63	63	63
Medicare			479	776	808	886	885	882
Medicare Advantage			683	1,981	2,247	2,661	2,677	2,695
Self Pay			66	518	604	704	701	696
Tricare			12	20	24	29	29	29
Worker's Comp			11	168	284	394	402	408
Total Procedures	-	-	2,963	8,006	9,182	10,807	10,851	10,895

Assumptions Used in Proforma

Actual Financials (GAAP) was used for financials/case count reporting 2022-2024. Forecast for 2025-2029 in proforma was derived as follows:

A. Case Counts

Case counts forecast from 2025-2029 was provided by ASC Director by specialties (orthopedics, cataract surgery, etc.) who considered facility size, number of available surgeons/specialty, and strategic planning for new services provided.

B. Revenue Forecast

- Gross Revenue by specialties was calculated using the average Dec24 YTD gross revenue rate/case by specialties for total TEC ASC (including other ASC sites at Gunderson and Edmonds). Gross revenue/case also assumed 1% increase year/year.
- Net Revenue calculation used the same net revenue % by specialty and financial class for total 2024 for all of TEC ASC. It was assumed there would be no changes in contractual disallowances % by financial class by specialties year/year.
- Anesthesia gross and net revenue was calculated using the average Dec24 YTD anesthesia revenue/minute and applying this rate to the number of minutes the cases would require each year. Again gross revenue/case rate also assumed 1% increase year/year.

B. Expense Forecast

- Variable expenses forecast was based on Dec24 YTD actuals for expenses and variablecost/minutes metric was calculated for the ASC. Minutes calculation was based on Dec24YTD minutes for all ASC cases by specialties and total minutes needed was forecasted using the case count mix for each year.
- Non-variable costs were added to the proforma and included depreciation, implant costs, B&O taxes, equipment service agreements/maintenance and repairs costs, and occupancy costs.
- Cost rate assumed to increase 2% year/year except for costs that remain flat such as depreciation or B&O taxes (1.85% of net revenue).

EXHIBIT L
PRO FORMA BALANCE SHEET

Pro Forma Summary

ARLINGTON ASC

Confidential & Proprietary Information of OptumCare WA

Note: The ASC activity represents one component of a legal entity's activity such that it does not have a stand-alone balance sheet; therefore, these balance sheets are estimated using the actual and forecated P&L activity and other assumptions.

	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029
Assets								
<u>Current Assets</u>								
Cash and cash equivalents	\$ 101,227	\$ 134,496	\$ 110,879	\$ 186,601	\$ 344,584	\$ 996,405	\$ 2,436,918	\$ 3,965,211
Accounts Receivable	-	-	328,246	1,087,613	1,520,714	2,149,110	2,202,771	2,257,290
Total Current Assets	101,227	134,496	439,125	1,274,215	1,865,298	3,145,516	4,639,689	6,222,501
<u>Fixed Assets</u>								
Property, Plant, & Equipment	-	-	3,799,242	5,778,647	5,778,647	6,018,647	6,018,647	6,018,647
Accumulated Depreciation	-	-	(714,813)	(1,593,017)	(2,714,638)	(3,860,259)	(5,029,880)	(5,569,949)
Total Fixed Assets	-	-	3,084,429	4,185,630	3,064,009	2,158,388	988,767	448,698
Total Assets	101,227	134,496	3,523,554	5,459,845	4,929,307	5,303,904	5,628,456	6,671,199
Liabilities and Owner Equity								
<u>Current Liabilities</u>								
Accounts Payable	1,227	92,340	133,646	210,900	267,226	338,153	350,054	361,770
Payroll Accrual	-	42,156	108,225	179,079	260,784	115,884	158,509	183,927
Total Current Liabilities	1,227	134,496	241,870	389,980	528,010	454,036	508,563	545,697
<u>Long Term Liabilities</u>								
Long Term Debt	-	-	-	-	-	-	-	-
Total Long Term Liabilities	-	-	-	-	-	-	-	-
Total Liabilities	1,227	134,496	241,870	389,980	528,010	454,036	508,563	545,697
System Contributed Capital	204,958	3,346,908	10,557,683	13,537,088	13,537,088	13,537,088	13,537,088	13,537,088
Retained Earnings	(104,958)	(3,346,908)	(7,275,998)	(8,467,222)	(9,135,791)	(8,687,220)	(8,417,195)	(7,411,585)
Net Assets (Equity)	100,000	-	3,281,684	5,069,865	4,401,297	4,849,868	5,119,892	6,125,502
Total Liabilities and Equity	\$ 101,227	\$ 134,496	\$ 3,523,554	\$ 5,459,845	\$ 4,929,307	\$ 5,303,904	\$ 5,628,456	\$ 6,671,199

EXHIBIT M
BYLAWS, RULES, AND REGULATIONS OF THE MEDICAL STAFF OF OPTUM CARE
WASHINGTON, PLLC'S AMBULATORY SURGERY CENTERS

**BYLAWS, RULES, AND REGULATIONS OF THE
MEDICAL STAFF OF
OPTUM CARE WASHINGTON, PLLC'S AMBULATORY SURGERY CENTERS**

PREAMBLE

Optum Care Washington, PLLC ("OCW") formerly known as The Everett Clinic, PLLC owns and operates multiple licensed, specialty care, ambulatory surgery facilities a.k.a. ambulatory surgery centers.

These Bylaws, Rules and Regulations, together with OCW Coordinated Quality Improvement Program ("CQIP") and its adopted Patient Safety and Quality Improvement Program ("PSO") govern the Medical Staff of the following OCW ambulatory surgery centers: The Kemp Surgery Center; The Edmonds Surgery Center; and the Helen Holm Pumphrey Surgery Center, which are each individually referred to herein as the "OCW Facility" or "Facility" and collectively, the "OCW Facilities."

The Medical Staff practicing in the Facility ("Medical Staff" or "Staff") is hereby organized and shall carry out the functions delegated to the Medical Staff by the ASC Governance Committee in conformity with the Bylaws, Rules, and Regulations hereinafter stated.

These Bylaws ("Bylaws") and Rules and Regulations ("Rules") do not create a contractual relationship between the Medical Staff, or any Member thereof, and OCW or the Facility.

**ARTICLE I
NAME**

The name of this organization shall be the Medical Staff of Optum Care Washington Ambulatory Surgery Centers.

**ARTICLE II
PURPOSE**

The purposes of the Medical Staff, in cooperation with the Facility, are:

1. To improve availability, accessibility, and equity of quality medical care to the entire community in the most reasonable manner with the least possible cost to the patient;
2. To seek to ensure medical and podiatric care meets the applicable quality standards for all patients admitted to the Facility;
3. To further the education of all professional personnel;
4. To provide organized input into Medical Staff aspects of Facility operations in accordance with the policies of the ASC Governance Committee;
5. To facilitate compliance with the Facility's Coordinated Quality Improvement Program (the "Program") pursuant to applicable Washington State laws governing a coordinated quality improvement program ("CQIP"), which may include RCW 43.70.510 and RCW 70.230 as applicable and pursuant to the Patient Safety and Quality Improvement Act ("PSQIA") (42 U.S.C. 299 et seq.); and
6. To provide a means whereby problems of a medical administrative nature may be discussed among the Medical Staff, Administration, and the ASC Governance Committee.

ARTICLE III DEFINITIONS

As used in these Bylaws and Rules, the following terms shall have the following meanings:

1. "Advanced Practice Clinician" means a physician assistant or advanced registered nurse practitioner licensed under Washington law, or other health care professional categories as approved by the ASC Governance Committee.
2. "ASC Governance Committee" or "AGC" or its designee means the ASC Governance Committee and OCW entity that is responsible for oversight of the Facility's operations, quality improvement, privileging, and governance. ASC Governance Committee means OCW's ASC Governance Committee or its designee responsible for Facility oversight and governance pursuant to that certain Policy titled "Governance at Optum Care Washington Ambulatory Surgery Centers," as set forth at **Exhibit A**.
3. "Director" is the chief administrative officer of the Facility who is appointed by and responsible to the ASC Governance Committee for the supervision of the Facility and its employees.
4. "Medical Director" means a Physician who shall be appointed by the ASC Governance Committee and act as the Medical Staff liaison to the ASC Governance Committee.
5. "Medical Staff Member" or "Member" shall mean the Physicians, Podiatrists, and Advanced Practice Clinician who are privileged to attend to patients in the Facility.
6. "Physician" means a person licensed to practice medicine under Ch. 18.71 RCW or Ch. 18.57 RCW.
7. "Podiatrist" means a person licensed to practice podiatric medicine under Ch. 18.22 RCW.
8. "Program" means Coordinated Quality Improvement Program which includes the evaluation of quality, safety, and effectiveness of professional care services and implementation of quality improvement initiatives pursuant to WA laws governing a CQIP and the Patient Safety and Quality Improvement Act.

ARTICLE IV MEMBERSHIP

Membership on the Medical Staff of the Facility is a privilege, which may be extended to those Physicians, Podiatrists, and Advanced Practice Clinicians (collectively, "Practitioners") who are credentialed pursuant to that certain Credentialing of Professional Healthcare Practitioners Policy of OCW set forth at **Exhibit B**, and who meet the standards and requirements set forth in these Bylaws. Membership is granted pursuant to that certain Ambulatory Surgery Centers Privileging Process Policy, which is set forth at **Exhibit C**. Criteria for credentialing, membership, and privileges shall be uniformly applied and shall not be withheld, denied, revoked, or limited on grounds of sex, gender, sexual orientation, race, color, creed, mental or physical disability, national origin, financial interest or any other criterion unrelated to the delivery of quality patient care in the Facility, professional qualifications, the Facility's purpose, needs and capabilities, or community need.

SECTION 1: Member Expectations

All Members of the Medical Staff must:

1. Be competent in their respective fields and worthy in character and in matters of professional ethics to the satisfaction of ASC Governance Committee standards;
2. Participate fully in the quality improvement functions of the Program as specified in Article VI;

3. Work cooperatively with the ASC Governance Committee and Facility committees, to meet and practice within the guidelines established by the Facility, its Medical Staff, and local professional review organizations;
4. Practice a branch of health care or a specialty which is consistent with the purposes, treatment, philosophy, methods, and resources of the Facility and for which the Facility has a current need.

SECTION 2: Ethics and Ethical Relationships

1. The professional conduct of Members shall be governed by principles of ethics adopted by the Medical Staff and approved by the ASC Governance Committee.
2. Each Member shall abide by the code of ethics adopted by the American Medical Association, the American Podiatry Association, the American Osteopathic Association, the American Association of Nurse Practitioners, the American Academy of Physician Associates, or other professional society, as applicable.

ARTICLE V ORGANIZATION OF THE MEDICAL STAFF

SECTION 1: Medical Director of the Medical Staff

1. The Medical Director shall be a Physician appointed by the ASC Governance Committee and shall serve at the discretion of the ASC Governance Committee.
2. The responsibilities of the Medical Director include, but are not limited to:
 - a. Perform such duties as are ASC Governance Committee set forth in the OCW Facility Medical Director Job Description, attached hereto as **Exhibit D**, which the ASC Governance Committee may revise with regards to the OCW Facilities in its discretion;
 - b. Serve as the official liaison between the Medical Staff and the ASC Governance Committee;
 - c. Act as the Executive Officer of the Medical Staff in all activities, within limitations set by the ASC Governance Committee;
 - d. Oversee the maintenance of the quality of professional care within the Facility;
 - e. Assist with the development of such programs as may be necessary or beneficial to the purposes of the Facility.
3. The Medical Director shall have the delegated authority in an emergency to provide critical oversight and medical direction in the professional care of any patient in the interest of the patient and to maintain the professional standards of the Facility. The Medical Director shall also report and provide information to OCW quality committees in a manner consistent with the Program and applicable OCW policies and procedures.

SECTION 2: Committees of the Medical Staff

With AGC approval, the Medical Director shall have the delegated authority to form ad hoc subcommittees to carry out the work of the Medical Staff. Any such subcommittees shall operate under the supervision of the AGC, as applicable. The AGC shall take steps to ensure that reports and other information created by an ad hoc committee on behalf of the AGC is protected and kept confidential to the greatest extent permitted by law.

SECTION 3: The Medical Staff

1. The Medical Staff shall be comprised of the Medical, Podiatric, and Advanced Practice Clinician divisions.
2. The Medical Staff has the responsibility for the establishment, maintenance, and improvement of high professional standards within the Facility.
3. The Medical Staff shall have the delegated authority to formulate proposals to amend these Bylaws as well as the general operating policies of the Facility for the consideration of the AGC, and for ultimate consideration by the ASC Governance Committee.
4. Except for meetings of the AGC involving peer review, corrective action processes, or other quality-related activity, Medical Staff Members may, upon written request, have access to copies of minutes of regular AGC meetings to the extent that the minutes do not contain privileged information and such access is permitted by applicable law.
5. The Medical Staff shall meet annually to review a report of the AGC regarding its activities during the year and make recommendations for the consideration of the AGC and ASC Governance Committee.

ARTICLE VI

COORDINATED QUALITY IMPROVEMENT PROGRAM

SECTION 1: Role of the Program

As set forth in the Program attached hereto as **Exhibit E**, the ASC Governance Committee has the ultimate authority and responsibility for quality health care at the Facility. The ASC Governance Committee has delegated accountability for Facility operations, management, and quality assurance to the AGC. All Medical Staff Members are required to comply with the requirements of the Program.

SECTION 2: Responsibilities of the AGC

In a manner consistent with the Program, applicable OCW policies and procedures, state and federal law, the AGC is responsible for:

- Overseeing the Facility's quality improvement and medical malpractice prevention program;
- Ongoing review of the services rendered in the Facility, both retrospectively and prospectively, in order to improve the quality of medical care of patients and to prevent medical malpractice;
- Ensuring that information related to the Facility gathered pursuant to the Program is used to review and to revise the policies and procedures of the Facility;
- Ongoing review of Medical Staff Member credentials, physical and mental capacity, professional conduct, and competence in delivering health care services as part of an evaluation of Medical Staff Privileges;
- Maintaining and collecting information concerning the Facility's experience with negative health care outcomes and incidents injurious to patients, patient grievances, professional liability premiums, settlements, awards, costs incurred by the Facility for patient injury prevention, and safety improvement activities;
- Maintaining relevant and appropriate information gathered pursuant to this Section concerning individual Medical Staff Members within such individuals' personnel or credential file maintained by the Facility;
- Providing education programs dealing with quality improvement, patient safety, medication errors, injury prevention, staff responsibility to report professional misconduct, the legal aspects of patient care, improved communication with patients, and causes of malpractice claims for Facility staff personnel engaged in patient care activities;

- Reviewing and implementing policies to ensure compliance with the reporting requirements of this Article VI;
- Submitting a report to the ASC Governance Committee on at least a quarterly basis related to the quality improvement activities conducted by the AGC and any actions taken as a result of those activities. The AGC may request submission of patient safety work product, as defined at 42 C.F.R. § 3.20, a summary of the Facility's compliance with PSQIA and CQIP requirements, the Program's quality improvement initiatives, current legal risks to the Facility and OCW related to health care quality issues, and other information relevant to the Program; and
- Ensuring that the Facility complies with all legal requirements related to the Program, including, but not limited to any confidentiality obligations.

Documentation of provider concerns, reviews and actions will be protected from discovery as permitted under applicable law and shall be kept in confidence according to OCW policies and procedures.

SECTION 3: Mandatory Reporting

Actions taken pursuant to Article VI and the Program shall be reported as required by law to the appropriate regulatory and/or accreditation agency, including, without limitation, reporting to the NPDB, the Washington State Department of Health, and the Accreditation Association for Ambulatory Health Care.

ARTICLE VII ADOPTION AND AMENDMENT OF BYLAWS

These Bylaws have been adopted and approved by action of the ASC Governance Committee. Hereafter, amendments to these Bylaws can be proposed by the Medical Staff or by the AGC for consideration by the ASC Governance Committee. The Medical Staff and AGC shall exercise such responsibility and authority in good faith and in a reasonable, timely, and responsible manner, so as to have Bylaws of generally recognized quality, to provide a basis for acceptance by accreditation agencies, and to provide a system of ongoing effective professional review.

When amendments to the Bylaws are initially proposed by the AGC, they shall be presented to the full Medical Staff. When amendments to the Bylaws are initially proposed by Members of the Medical Staff, they shall be presented first to the AGC and, on approval by the AGC by majority vote, to the full Medical Staff. Amendments may be adopted at any regular or special meeting of the Medical Staff by a majority vote of the Medical Staff provided that at least ten (10) days written notice, accompanied by the proposed Bylaws and/or amendment(s), has been given to the Medical Staff Members and to the ASC Governance Committee. If the Medical Staff and AGC vote to amend the Bylaws, the AGC shall communicate the decision to the ASC Governance Committee. New additions to the Bylaws or any other amendments or repeals of these Bylaws shall become effective only upon the approval of the ASC Governance Committee.

All members of the Medical Staff shall be notified by mail or electronic mail of changes to the Bylaws within two (2) weeks after approval by the ASC Governance Committee.

Adopted and Effective 8/7/24.

Medical Staff of Optum Care Washington Ambulatory Surgery Centers

By: 
Name: Steve English, MD
Title: Executive Medical Director

ASC Governance Committee of Optum Care Washington, PLLC

By: 
Name: Dhavan Parikh
Title: ASC Medical Director

EXHIBITS

EXHIBIT A

**Governance at Optum Care Washington Ambulatory Surgery Center(s) Policy
ASC-1007: ASC Governance**

EXHIBIT B

**Credentialing of Professional Healthcare Practitioners
ASC-1027: Ongoing Professional Practice Evaluation**

EXHIBIT C

**Ambulatory Surgery Centers Privileging Process Policy
ASC-1028: ASC Privileging Process**

EXHIBIT D

Optum Care Washington Facility Medical Director Job Description

EXHIBIT E

**Optum Care Washington Coordinated Quality Improvement Program
AD126 – Optum Care Washington Coordinated Quality Improvement Program**

**RULES AND REGULATIONS OF THE
MEDICAL STAFF OF
OPTUM CARE WASHINGTON AMBULATORY SURGERY CENTERS**

**SECTION A
ADMISSION**

1. The Facility shall admit patients only for those surgical procedures, including relevant diagnostic and therapeutic procedures, included on the list of procedures for which privileges may be granted at the Facility. The procedure list may be amended from time to time by the ASC Governance Committee as recommended by the ASC Governance Committee ("AGC").
2. Patients shall be admitted, treated and attended throughout their stay by members of the Medical Staff of this Facility.
3. No patient shall be admitted to the Facility for general anesthesia unless and until it has been determined that the physical, mental, emotional or other characteristics of the patient make the patient an appropriate candidate for surgical treatment on an ambulatory basis.
4. Patients will be admitted to the Facility in accordance with the following policies and procedures:
 - a. The patient must be recommended as an appropriate candidate for ambulatory surgery by a Member of the Medical Staff.
 - b. The Medical Director and/or anesthesia practitioner of the Facility shall have discretionary authority to cancel scheduled surgery on review of any medical records examined which, in their judgment, suggest that the patient may be physically, mentally, or emotionally unsuitable for ambulatory surgery, or that the patient's socio/environmental situation is such that the appropriate post-surgical care requirements cannot be adequately met.
 - c. On the scheduled day of the surgery, the patient receiving general, regional, or monitored anesthesia care must be personally interviewed by the anesthesia practitioner who, following review of the patient's medical records and pre-admission test results, will determine whether to approve the patient for surgery.
 - d. Patients referred to the Facility shall be supplied with necessary instructions, rules, and explanations relating to ambulatory surgical procedures. Such patient information materials shall be made available to the offices of the Members of the Medical Staff of the Facility, so that they may be provided to patients at the time of scheduling.
 - e. The criteria for patient scheduling set forth in Section G.4 of these Rules shall be followed when any patient is scheduled for surgery.
5. Patients shall be admitted to the Facility and treated equally without regard to age, race, color, religion, marital status, sex, national origin, handicap, sexual preference, or any other protected status.
6. Unless other arrangements have been approved by the attending Medical Staff Member, patients to have

general anesthesia, or patients to have local anesthesia who are premedicated via the IV or IM route, must be accompanied, upon admission to and discharge from the Facility, by a responsible adult capable of providing necessary assistance to the patient.

7. It is the responsibility of the admitting Medical Staff Member to obtain written informed consent from the patient, parent, or authorized representative for any procedure to be performed at the Facility. The ASC-1211 Informed Consent Form template, attached hereto as Exhibit A, signed by the patient, parent, or authorized representative, shall be obtained prior to pre-operative medication and admission to the operating room. Such completed form shall include a statement that the nature of ambulatory surgery has been explained and understood by the patient, parent, or authorized representative.
8. A medical history and physical examination by a physician which contains a provisional diagnosis and information about current medications and any known allergies shall be provided for all patients with the following exceptions:
 - a. Patients admitted for laser surgeries who are to receive only topical anesthesia. A laser operative report will be used in place of the minor surgery flow sheet or the nursing flow sheet.
 - b. Patients admitted for minor surgeries who are to receive only local anesthesia. A minor surgery assessment will be completed on the minor surgery flow sheet or the nursing flow sheet.

A medical clearance may be required from the patient's physician at the discretion of the surgeon or anesthesia practitioner when such patient has a history of cardiac pathology or other underlying medical conditions that might affect the successful outcome of the planned procedure.

When a medical clearance, if necessary, or history and physical examination is not available at the time of admission for surgery, the procedure will be canceled.

9. Laboratory tests may be required for selected patients in the discretion of the surgeon or anesthesia practitioner.
10. Medical records supplied prior to surgery by the patient's physician will remain on file at the Facility, appropriately supplemented by the results of laboratory and X-ray tests and examinations, and complete reports of the surgical procedure(s) performed, for the following periods of time: ten (10) years from the date of the Facility's last contact with the patient; twenty-one (21) years from the date of a minor patient's birth; or six (6) years from the date of a patient's death if known to the Facility, whichever is longest. The Director may determine that records shall be maintained for a longer period of time if the records are potentially relevant to possible or existing litigation or for other reasons in the discretion of the Director.
11. The admitting Medical Staff Member shall have the responsibility for assuring that all relevant medical records are available at the Facility prior to surgery. Such records shall be reviewed, before the patient's arrival for presurgical examination, by the pre-operative registered nurse and by the anesthesia practitioner if deemed appropriate under the circumstances. At a minimum, the medical records submitted by the attending surgeon shall include a history and a physical examination as required.
12. In regard to patients who are the wards of court appointed guardians, Medical-Legal responsibility will be placed upon the appropriate guardian.

13. The Facility and all Medical Staff Members shall comply with the 160-115 ASC Patient Selection Criteria – Adult & Pediatrics Policy set forth at Exhibit B and the 160-092 ASC Patient Rights Policy set forth at Exhibit C.

SECTION B ANESTHESIA

1. Procedures are performed under the following categories of anesthesia:
 - General anesthesia
 - Regional anesthesia
 - Monitored anesthesia
 - Topical anesthesia
 - Local anesthesia with and without pre-medication and/or intraoperative medications. The amount of local anesthesia and intraoperative medication shall not exceed toxic levels.
2. The administration of local, topical, and/or infiltrate anesthesia for local cases shall be the sole responsibility of the surgeon or anesthesia practitioner.
3. Anesthesia will not be started until the surgeon is present in the Facility.
4. No explosive or flammable agents will be available at the Facility. The prevention of explosive anesthetic agents from being used in the operating room suite is the responsibility of the anesthesia practitioner.
5. The Facility and all Medical Staff Members shall comply with ASC-1002 Attending Physician and Anesthesia Provider Responsibilities Policy set forth at Exhibit D, the 160-088 ASC Surgical Patient - Anesthesia Consult Policy, set forth at Exhibit E, and the 160-129 ASC Anesthesia Chart Review Guidelines, set forth at Exhibit F.

SECTION C DRUGS

1. Drugs will be available to patients only for use in the Facility as prescribed. The Facility will not dispense drugs or fill outpatient prescriptions.
2. Drugs used shall meet the standard of the U.S. Pharmacopeia, National Formulary and New and Non-Official Remedies with the exception of drugs for bona fide clinical investigations.
3. All medications administered to patients shall be among those listed in the latest edition of the U.S. Pharmacopeia, the National Formulary, the American Hospital-Formulary Service, or the A.M.A. Drug Evaluations.

SECTION D DISCHARGE

1. Patients shall be discharged only on written order of a Physician.

2. Surgeons and/or anesthesia practitioners shall see patients requiring recovery room observation at least once before the patient leaves the Facility.
3. Discharge from the Facility is based on the patient's ability to leave the Facility safely upon meeting the discharge criteria.
4. In the case of a transfer of a patient to a hospital for admission, either a copy of the chart, descriptive narrative of the events leading to the need for hospitalization, or both, must accompany the patient to the hospital.
5. Should the patient leave the Facility against the advice of the surgeon or the anesthesia practitioner, the Director shall be promptly notified. Notation of the incident shall be made in the patient's medical record. The patient will be asked to sign the SW ASC-4213 Patient Discharge Against Medical Advice, set forth at Exhibit G, before leaving the Facility.
6. At the time of discharge, the patient and any responsible adult accompanying the patient shall be provided with complete, written post-operative instructions, which have been personally reviewed and explained to the patient and/or the responsible adult, as appropriate. The written post-operative instructions shall be signed by the patient and/or responsible adult accompanying the patient, to signify their acceptance of the instructions given.
7. The surgeon shall be responsible for determining to his/her reasonable satisfaction that adequate resources for provision of post-surgical care are available to the patient.
8. Should circumstances arise during the course of treatment or post-surgical recovery which, in the opinion of the attending Medical Staff Member or the anesthesia practitioner, indicate the need for hospitalization, immediate notification will be provided to the Medical Director or Clinical Director or their designee, who will promptly implement standing procedures for transport and hospital admission of the patient, according to existing arrangements. The attending Medical Staff Member shall be responsible for arranging hospital admission. The attending Medical Staff Member or the Medical Director shall also be responsible for notifying the patient's responsible family member or companion of the need for and circumstances relating to the transfer and hospitalization. All transfers will be reported to the AGC.
9. In the event of death of a patient during a surgical procedure, or during the post-surgical recovery period, proper notification shall be promptly made to the medical examiner's office and/or other appropriate authorities by the Medical Director or the Director. The attending Medical Staff Member shall be responsible for notification to the patient's family of the circumstances resulting in death.

SECTION E MEDICAL RECORDS

1. The admitting Medical Staff Member shall be responsible for ensuring the preparation of a complete medical record for each patient, with assistance from nurses on the care team.

The patient's medical record must contain a medical history, including specific diagnosis(es) and

reason for surgery, physical examination, documentation of any known allergies, any medication reactions, a list of current medications and dosages, an assessment of mental status and an operative summary with a complete description of the operative procedure(s), any complications, condition upon discharge, and the surgeon's signature. Prognosis and infection classification, when appropriate, should be included.

2. All orders for treatment shall be in writing. An order shall be considered to be in writing if dictated to a registered nurse and signed by the attending or other Medical Staff Member at his/her next visit, but not longer than seventy-two (72) hours after the order is dictated, unless extenuating circumstances exist in which case the order shall be signed as soon as possible.

Orders dictated over the telephone shall be signed by the person to whom dictated and shall include the name of the Medical Staff Member who dictated the order. At the next visit, but not longer than seventy-two (72) hours after the order is dictated, the attending Medical Staff Member shall sign such orders, unless extenuating circumstances exist in which case the order shall be signed as soon as possible.

3. The attending Medical Staff Member shall see the record is complete and signed within thirty (30) days from the date of the procedure. Medical records remaining incomplete for one (1) month following the patient's discharge may be considered delinquent.

Medical Staff Members with charts delinquent will be notified by registered letter, return receipt requested, within thirty (30) days of impending suspension. Unless charts are completed within thirty (30) days after receipt of this letter, surgical privileges will be suspended until all delinquent records are completed.

4. All surgical procedures performed shall be fully described by the Medical Staff Member in the patient's chart.
5. All tissue removed during the operative procedure shall be sent to the Facility's Pathologist (with the exception of those exempted by Facility policy).

The Pathologist's signed report shall become a part of the permanent medical record.

6. All records remain the property of the Facility and shall not be removed from Facility premises for offsite storage without the express written permission of the Medical Director or the Director.

In the case of readmission of a patient, all previous records from the past twelve (12) months shall be made available for the use of the attending Medical Staff Member and anesthesia practitioner. This shall apply whether the patient was attended by the same or another Medical Staff Member. Previous records will be retrieved from archives as necessary, if requested by the attending Medical Staff Member or anesthesia practitioner.

7. Free access to medical records of all patients under the care of Members shall be afforded to Members who are in good standing. Records shall be accessed only for treatment or other purposes authorized by state and federal laws governing the privacy of patient information, including, without limitation, the Health Insurance Portability and Accountability Act ("HIPAA").

8. Subject to the discretion of the Medical Director and Director of the Facility, former members of the Medical Staff shall be permitted free access to information from the medical records of their patients covering all procedures in which they attended such patients in the Facility, to the extent the information is needed for treatment purposes or other purposes authorized by state or federal law, including HIPAA.
9. Only those abbreviations listed on the "Abbreviations Approved for Use by the Medical and Nursing Staffs" may be used in the medical report.
10. Identifying errors in the course of documentation within the medical record shall be done in the proper manner. The method shall include: (a) single line through the part to be corrected; (b) labeled "error"; (c) insertion of correct documentation; and d) date, time and initials of person correcting.
11. The medical records of all patients receiving general anesthesia, monitored anesthesia care, or regional anesthesia shall include the following:
 - Identification data
 - Chief complaint, present illness, including specific diagnosis(es) and reason for surgery, and surgical plan
 - Personal and family history
 - Physical examination and assessment of mental status
 - Known allergies
 - Any medication reaction
 - List of current medications and dosages
 - Practitioners' orders
 - Pre-surgical test results as required
 - Consent forms
 - Pre-operative assessment
 - Operative report (including the condition of the patient at the conclusion of the procedure)
 - Anesthesia record
 - Nursing flow sheets
 - Discharge instructions
 - Discharge summary and diagnosis
 - Physician orders
 - Post-operative nursing assessment
 - Special reports, such as consultations
 - Pathology report, when applicable

The medical record of each patient having "local only" or no anesthesia shall include the following:

- Identification date
- Description of the medical problem, including specific diagnosis(s) and reason for surgery
- Significant medical history

- Physical examination and assessment of mental status
- Known allergies
- Any medication reactions
- List of current medications and dosages
- Practitioner's orders
- Presurgical test results as required
- Consent forms
- Pre-operative assessment
- Nursing flow sheets
- Brief operative report (including condition of patient at the conclusion of the procedure)
- Discharge instructions
- Discharge summary and diagnosis
- Physician orders
- Post-operative nursing assessment
- Pathology report, when applicable

12. If the patient has been discharged by transfer from the Facility to another health care facility, a transfer report shall be completed, a copy of which will accompany the patient to the receiving facility, the original to become a part of the medical record at the Facility.
13. Each consultative report shall show evidence of a review of the patient's record by the consultant, and shall have documented pertinent findings on examination of the patient, the consultant's opinion and recommendations. It shall be signed and made a part of the patient's medical record. Consultant reports shall be written or dictated. Except in cases of emergencies, consultation notes shall be recorded prior to the performance of the operative procedure.

SECTION F RECOVERY ROOM

1. The recovery room will be under the general supervision of the Clinical Director with input and direction from anesthesia practitioners as appropriate.
2. The Facility will not provide accommodations for overnight observation. Any patients requiring prolonged or overnight observation (due to unforeseen complications) must be transferred to a hospital by the admitting Medical Staff Member.

SECTION G SCHEDULING

1. All treatment provided at the Facility shall be on an elective and pre-scheduled basis. This may include same-day scheduled cases.
2. The admitting Medical Staff Member shall be responsible for providing information, as may be necessary, to secure the protection of other patients and Facility staff from those who are a source of danger from any cause whatsoever.
3. Patients for surgical procedures shall be admitted no less than one (1) hour before the scheduled

operation, or within a prearranged time frame in order to allow adequate time for pre-operative preparation.

4. Patients' Criteria for Scheduling

a. Patients who are candidates for outpatient surgery must meet the following criteria:

- The patient must be in good health (ASA Class I) or with mild systematic disease which is under control and does not require special management (ASA Class II). ASA Class III and IV patients must have recent tests considered significant to document control, as indicated, and their reports must accompany the patients at the time of admission; e.g., medical clearance from their private physician.
- The patient and/or person signing the consent for surgery must agree with the concept of outpatient surgery/anesthesia and must exhibit the ability to use judgement and follow instruction.
- The patient's post-operative care environment must be conducive to a successful outcome.

b. Patients not acceptable for admission to the Facility are as follows:

- Infection: Patients having infections or communicable diseases which require isolation and additional professional help in surgical or recovery room services. These patients shall be referred to the hospital for care. Surgery will be canceled automatically if patient shows any evidence of respiratory disease or infection.
- Infants with significant oro-facial anomalies.
- Children under age one (1) year must have prior approval of the anesthesia practitioner.

5. Criteria for Scheduling Procedures: Procedures are recommended by the Medical Staff and approved by the ASC Governance Committee.

**SECTION H
ADOPTION AND AMENDMENT OF RULES AND REGULATIONS**

These Rules and Regulations have been adopted and approved by action of the ASC Governance Committee of Optum Care Washington, PLLC.

Hereafter, amendments to these Rules can be proposed by the Medical Staff or by the AGC for consideration by the ASC Governance Committee. The Medical Staff and AGC shall exercise such responsibility and authority in good faith and in a reasonable, timely, and responsible manner, so as to have Rules of generally recognized quality, to provide a basis for acceptance by accreditation agencies, and to provide a system of on-going effective professional review.

When amendments to the Rules are initially proposed by the AGC, they shall be presented to the full Medical Staff. When amendments to the Rules are initially proposed by Members of the Medical Staff, they shall be presented first to the AGC and, on approval by the AGC by majority vote, to the full Medical Staff. Amendments may be adopted at any regular or special meeting of the Medical Staff by a majority vote of the Medical Staff provided that at least ten (10) days written notice, accompanied by the proposed amendment(s), has been given to the Medical Staff Members and to the ASC Governance Committee. If

the Medical Staff and AGC vote to amend the Rules, the AGC shall communicate the decision to the ASC Governance Committee. New additions to the Rules or any other amendments or repeals of these Rules shall become effective only upon the approval of the ASC Governance Committee.

All Members of the Medical Staff shall be notified by mail of changes to the Rules, or Regulations within two (2) weeks after approval by the ASC Governance Committee.

Adopted and Effective 8/7/24.

Medical Staff of Optum Care Washington Ambulatory Surgery Centers

By: 
Name: Steve English, MD
Title: Executive Medical Director

Approved by the ASC Governance Committee on 8/21/24.

ASC Governance Committee of Optum Care Washington, PLLC

By: 
Name: Dhavan Parikh
Title: ASC Medical Director

EXHIBITS

EXHIBIT A

**Informed Consent Form
ASC-1211 Informed Consent**

EXHIBIT B

**ASC Patient Selection Criteria – Adult & Pediatrics Policy
160-115: ASC Patient Selection Criteria – Adult & Pediatrics Policy**

EXHIBIT C

**ASC Patient Rights Policy
160-092 ASC Patient Rights Policy**

EXHIBIT D

**Attending Physician and Anesthesia Provider Responsibilities Policy
ASC-1002 Attending Physician and Anesthesia Provider Responsibilities Policy**

EXHIBIT E

**160-088 ASC Surgical Patient - Anesthesia Consult Policy
ASC Surgical Patient - Anesthesia Consult Policy**

EXHIBIT F

**160-129 ASC Anesthesia Chart Review Guidelines
ASC Anesthesia Chart Review Guidelines**

EXHIBIT G

**SW ASC-4213 Patient Discharge Against Medical Advice
Patient Discharge Against Medical Advice**

EXHIBIT N
ADMINISTRATIVE SERVICES AGREEMENT BETWEEN THE EVERETT
CLINIC, PLLC AND EVERETT MSO, INC.

ADMINISTRATIVE SERVICES AGREEMENT

Between

THE EVERETT CLINIC, PLLC,
a Washington professional limited liability company

And

EVERETT MSO, INC
a Washington corporation

DATED: DECEMBER 24, 2017

ADMINISTRATIVE SERVICES AGREEMENT

THIS ADMINISTRATIVE SERVICES AGREEMENT (the “*Agreement*”) is made and entered into effective as of the December 24, 2017 (the “*Effective Date*”), by and between **Everett MSO, Inc.** a Washington corporation (“*Administrator*”), and **The Everett Clinic, PLLC**, a Washington professional limited liability company (“*Medical Group*”).

RECITALS

A. Administrator is in the business of providing administrative, management, consulting, and other support services to physicians and physician organizations.

B. Medical Group is a Washington professional limited liability company, whose physician employees are all duly licensed and authorized to practice medicine in the State of Washington.

C. Medical Group desires to engage Administrator to provide certain administrative services, as described in more detail in Section 5.

D. Medical Group and Administrator desire to enter into this written agreement to provide a full statement of each party’s respective rights and responsibilities during the term of this Agreement.

NOW, THEREFORE, in consideration of the above recitals, the terms and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for their mutual reliance, the parties hereto agree as follows:

1. NATURE OF RELATIONSHIP.

Medical Group hereby engages Administrator to provide the Administrative Services described in Section 5 below to and on behalf of Medical Group, and Administrator hereby accepts such engagement to provide the Administrative Services to and on behalf of Medical Group in accordance with the terms and conditions contained in this Agreement.

2. TERM OF AGREEMENT.

The initial term of this Agreement commences as of the Effective Date and will continue thereafter for a period of twenty (20) years, unless earlier terminated in accordance with Section 11 below. Thereafter, this Agreement will automatically renew upon the same terms and conditions for successive one (1) year terms, unless either party provides to the other party at least one hundred eighty (180) days’ written notice prior to the end of the initial or renewal term, as applicable, of such party’s desire to terminate this Agreement as of the end of such term. The initial 20 year term plus any renewal terms of one (1) year will, collectively, be referred to as the “Term”.

3. DUTIES AND RESPONSIBILITIES OF MEDICAL GROUP.

3.1 Qualifications and Credentials. At all times hereunder, each physician employee of Medical Group must (a) be duly licensed and authorized to practice medicine in the states in which Medical Group operates, including the State of Washington, (b) maintain a valid, unrestricted DEA registration, (c) maintain valid medical staff membership and/or privileges at any facility, (d) not be convicted of any crime punishable as a felony under applicable state law or of any other crime involving moral turpitude or immoral conduct, and (e) not be excluded, debarred, suspended or otherwise ineligible to participate in any federal health care program, federal procurement or nonprocurement programs, or convicted of a criminal offense that falls within the scope of 42 U.S.C. § 1320a-7(a). During the term of this Agreement, Medical Group covenants and agrees to notify Administrator within two (2) business days after Medical Group knew or reasonably should have known of any breach of this Section 3.1 or of any other termination occurrence under Sections 11.1(e)(i)-(vii) of this Agreement.

3.2 Standards of Practice. Medical Group and each physician employee of Medical Group must at all times comply with all applicable laws and governmental regulations concerning the licensure and practice of medicine, including within the State of Washington and any other state where Medical Group operates.

3.3 Hours of Operation. The hours of operation of the locations where Medical Group provides medical and clinical services to its patients (the “*Practice Sites*”), including the Kemp Ambulatory Surgery Center, will be Monday through Friday, excluding holidays, during such hours as may be mutually agreed to by Medical Group and Administrator, as well as such additional weekend and holiday hours as reasonably determined by Medical Group after discussing with Administrator; provided that Medical Group will retain the ultimate responsibility for the staffing of its medical professionals.

3.4 Non-Physician Clinical Personnel. Medical Group will employ, at its sole expense, all necessary non-physician clinical personnel, including physician’s assistants, nurse practitioners, and any other non-physician health professionals who bill for their professional services and will ensure their proper licensure or other certification and supervision by physicians as required by law. Medical Group will also employ and supervise all clinical department personnel, including clinical management staff, registered nurses, medical assistants, receptionists, call center staff and other clinical department support staff.

3.5 Licenses and Certifications. All licenses, approvals and certifications necessary for Medical Group to conduct its practice operations and to provide medical and/or clinical services will be obtained and maintained by Medical Group, at Medical Group’s expense, in the name of and on behalf of Medical Group, including, without limitation, Medicare and Medicaid certifications, NPIs, the state operating room licenses necessary for the ambulatory surgery center operated by Medical Group, and other state licenses.

3.6 Material Contracts. During the term of this Agreement, except as otherwise set forth herein, and in accordance with Section 5.8 below, Medical Group will not enter into any material agreement with any person or entity relating to the provision of any of the Administrative Services or any services similar to the services set forth in this Agreement.

3.7 License. During the term of this Agreement, Medical Group hereby grants to Administrator a perpetual and irrevocable license to use the trade name "The Everett Clinic" and any and all derivations thereof in connection with the provision of the Administrative Services.

4. INDEPENDENT CONTRACTORS.

Administrator and Medical Group are now and will remain as to each other separate and independent contractors. In the performance of this Agreement, it is mutually understood and agreed that each party is at all times acting and performing under this Agreement as an independent contractor, and not as an employee, joint venturer or partner of the other party. Neither party will have any right, authority or duty to act for the other party, except as otherwise agreed to in this Agreement.

5. ADMINISTRATOR'S OBLIGATIONS.

Except as otherwise set forth in Section 5.8 below, and subject to applicable law, Medical Group hereby appoints Administrator as its sole and exclusive administrator for all Administrative Services (defined below) and Administrator agrees to accept responsibility for such administration of Administrative Services to the extent that such services are required for and directly relate to the non-clinical business aspects of Medical Group's practice and operations at the Practice Sites. During the term of this Agreement, Administrator, directly or indirectly, through its or its subcontractor's employees and agents, will provide, as determined to be necessary by and at the request of Medical Group, the following non-clinical support services (not including office space, leaseholds and lease improvements) (collectively, the "*Administrative Services*") in a competent, efficient and commercially reasonable manner, including, without limitation, the following:

5.1 Equipment, Furniture, Improvements, and Computer Hardware and Software.

(a) Administrator will furnish for use by Medical Group certain medical equipment, office equipment, fixtures and furniture and improvements thereon (collectively, the "*Equipment*") that are deemed by Administrator with input from Medical Group to be reasonably necessary for the operation of the Practice Sites. Administrator and Medical Group may mutually agree to the selection of any replacements, additions, or improvements in or to the Equipment for the Practice Sites. Any replacements, additions or improvements to the Equipment will thereafter be deemed to be the Equipment for purposes of this Agreement.

(b) Administrator will maintain the Equipment in good repair, condition and working order, ordinary wear and tear excepted, and will furnish all parts, mechanisms, devices and servicing required therefor, including, without limitation, all preventive and routine maintenance as necessary to maintain the Equipment in a proper state of repair and serviceability.

(c) The Equipment provided by Administrator under this Agreement will at all times be and remain the sole property of Administrator. Medical Group will not cause or permit the Equipment to become subject to any lien, levy, attachment, encumbrance or charge, or to any judicial process of any kind whatsoever, and will not remove any Equipment from the

Practice Sites, except to the extent permitted by written rules and procedures adopted from time to time by Administrator.

(d) Subject to Section 5.4, Administrator will provide Medical Group with all computer hardware (including, but not limited to, any and all necessary related wiring), software and telephone, facsimile and pager equipment necessary for the proper operation of Medical Group's practice (collectively, the "*Computer Equipment*"). Administrator may upgrade or replace such Computer Equipment from time to time, at its sole reasonable discretion. All Computer Equipment, including upgrades to software, will remain the property of Administrator during and following the term of this Agreement, and must be returned immediately by Medical Group to Administrator upon the termination of this Agreement. Medical Group is hereby granted a license to use such software during the term of this Agreement.

5.2 Administrative and Other Services.

(a) Records Maintenance. The maintenance, custody and supervision of business records, papers, documents, ledgers, journals and reports relating to the business operations of the Practice Sites. All such records, papers, documents, ledgers, journals and reports will be and remain the property of Medical Group.

(b) Accounting. The administration of accounting procedures, controls, forms and systems, including making recommendations regarding check signature approvals and banking procedures.

(c) Financial and Tax Reporting. The preparation of monthly, quarterly and annual financial reports, as appropriate, reflecting the operations conducted at the Practice Sites. Such statements will not be audited statements. Administrator agrees to cooperate as reasonably necessary with the accountants in connection with the annual audit conducted by an independent public accountant selected by Medical Group, at Medical Group's sole cost and expense. In addition, Administrator will, on Medical Group's behalf, prepare and file, or cause to be prepared and filed by qualified professionals, all necessary local, state and federal income tax returns. In addition, Administrator may prepare and file all necessary business tax returns, including but not limited to sales, use and personal property tax returns relating to Medical Group. All amounts payable with respect to any such taxes will be the responsibility of and will be for the account of Medical Group. At Administrator's request, Medical Group will assist Administrator or Administrator's tax preparation consultant with the preparation of said returns.

(d) Financial and Tax Planning. The financial and tax planning for the business operations conducted at the Practice Sites, including preparing and delivering quarterly and annual budgets and financial reports, and preparing written reports as requested by Medical Group. At the request of Medical Group, Administrator will assist in establishing policies related to cash investment and tax planning and other financial policies of Medical Group. Administrator will also assist Medical Group in developing strategic short, medium and long-range objectives with respect to Medical Group, including, and subject to Medical Group's approval, identification of new types of services, professional relationships, application of services, development of clinical protocols, outcomes reporting and modeling of innovations in those areas.

(e) Accounts Payable Processing. The processing and payment of accounts payable.

(f) Accounts Receivable Processing. The processing and collection of accounts receivable including the preparation, distribution and recordation of all bills and statements for professional medical and ancillary services rendered on behalf of Medical Group as described in greater detail in Section 5.6(a) below, and including the billing, processing and completion of any reports and forms that may be required by insurance companies, governmental agencies or other third party payors.

(g) Employee Records and Payroll Processing. The provision and processing of all employee record keeping, payroll accounting, including social security and other payroll tax reporting and insurance for all employees of Medical Group, and for all other persons rendering services on behalf of Medical Group at the Practice Sites.

(h) Employee Benefits Administration. The administration of payroll taxes, workers' compensation insurance, unemployment insurance, qualified retirement plans, group insurance benefits, and any other benefit programs adopted by Medical Group for its employees. Notwithstanding the foregoing, Medical Group's personnel files will be and remain the property of Medical Group.

(i) Office Space and Maintenance. The Administrator, on behalf of Medical Group, will negotiate rates and arrange for the procurement of all medical and administrative office space, provided that such office space and improvements will be paid for separately by Medical Group pursuant to Medical Group's separate leases or subleases for such space. The Administrator, on behalf of Medical Group, will acquire for the benefit of Medical Group all leasehold improvements reasonably necessary for the operation of the Practice Sites and repair, maintain and replace such leasehold improvements. In addition, Administrator will provide or arrange for the proper maintenance and cleanliness of (including refuse and medical waste disposal) the Practice Sites.

(j) Insurance. Administrator will, from time to time, evaluate and advise Medical Group regarding the professional liability, general liability and other insurance needs of Medical Group and its employees, taking into consideration coverage customarily obtained by similar enterprises, health plan requirements, hospital requirements and general availability of coverage in the market. Administrator will procure the minimum insurance required for Medical Group set forth in Section 9 of this Agreement and will pay the amount of all premiums for and any costs and expenses related thereto on behalf of Medical Group.

(k) Enhancement of Care Delivery. Administrator will assist Medical Group with the assessment of the effects and efficiencies of Medical Group's evolving care delivery model, including collaborating with health plans in the market to explore new concepts and improvements in processes and care delivery. Administrator will provide training to clinical personnel regarding all administrative and clinical policies and procedures and will provide physician leadership training developed by Administrator and approved by Medical Group.

(l) Marketing. Administrator will assist Medical Group with marketing and public relations functions on behalf of Medical Group, including without limitation, periodic marketing and sales plan support, graphics and printed material support, advertising, sales and promotion services.

(m) Clinical Personnel. With respect to clinical personnel, Medical Group will consult with Administrator, with Medical Group having the exclusive authority to make all final decisions, and Administrator will assist Medical Group with (i) identifying and soliciting participation of health care providers identified by Medical Group as necessary for Medical Group operations; (ii) reviewing and making recommendations regarding the business terms of agreements between Medical Group and clinical personnel, including compensation; (iii) making recommendations for the development, in conjunction with Medical Group, of guidelines for the selection, hiring or firing of clinical personnel; (iv) making recommendations regarding the definition of primary, specialty and ancillary services; (v) assisting Medical Group in developing Medical Group policies and procedures, including without limitation, patient acceptance policies and procedures, except with respect to the professional aspects of Medical Group to the extent the same constitute or directly affect the practice of medicine which are required by applicable law to be decided by a physician; (vi) instructing all clinical personnel and their office staff regarding established Medical Group policies and procedures at least annually during the term of this Agreement; and (vii) coordinating the preparation, negotiation and renewal of agreements between the clinical personnel and Medical Group. Administrator will monitor performance of the respective parties to such agreements for compliance with the terms and conditions set forth therein, as well as all applicable federal and state laws, rules and regulations.

(n) Recruitment. Medical Group will consult with Administrator and Administrator will assist Medical Group with locating and recruiting clinical personnel candidates for consideration by Medical Group. Decisions as to the professional abilities and suitability for admission into Medical Group and the engagement of such providers by Medical Group will exclusively be within the authority of Medical Group.

(o) Membership Eligibility and Support. Administrator will administer the member eligibility process, including, but not limited to, maintaining and updating a current eligibility list to plan members under all plan agreements, administering a system for retroactive eligibility determination and assisting Medical Group in identifying outstanding accounts receivable from ineligible patients, and verifying eligibility on claims and referrals based on the most current information provided by plans. Administrator will also administer necessary membership, plan and provider telephone and other support services consistent with Medical Group's applicable policies and procedures and plan agreements.

(p) Utilization Management. With respect to utilization, Medical Group will consult with Administrator, with Medical Group having the exclusive authority to adopt all policies and make all final decisions, and Administrator will assist Medical Group with (i) developing a proposal outlining the structure and functions of Medical Group utilization and quality management plan after reviewing the requirements of each plan. Medical Group agrees, following review of Administrator's recommendations, to adopt a Medical Group utilization and quality management plan which includes a list of appropriate services for which Administrator has received authority from Medical Group to authorize services provided; (ii) implementing

systems, programs and procedures necessary for Medical Group and clinical personnel to perform utilization management; (iii) recommending procedures for prior authorization of elective, urgent and emergency outpatient ambulatory surgery and hospital procedures; (iv) assisting Medical Group with prospective, current and retrospective review of medical procedures in accordance with Medical Group policies and plan requirements; (v) providing data regarding the use of outpatient and inpatient services by providers to Medical Group; and (vi) providing data regarding the use of providers who are not clinical personnel; provided, however, that any of the utilization management services provided under this Section 5.2(p) will not include services that relate to the professional aspects of Medical Group to the extent that such services constitute or impermissibly impinge upon the practice of medicine under applicable law.

(q) Quality Improvement. Consistent with the Health Care Quality Improvement Act of 1986, 42 U.S.C. § 11101, Administrator will assist Medical Group with developing and maintaining programs to improve the quality of care provided by Medical Group's clinical personnel; provided, however, that Medical Group has exclusive decision-making authority to adopt policies and make all final decisions with respect thereto. Administrative Services provided by Administrator under this Section 5.2(q) will not include services that relate to the professional aspects of Medical Group to the extent that such services constitute or impermissibly impinge upon the practice of medicine under applicable law. Specifically, Administrator will assist Medical Group in implementing:

(i) Peer Review. Upon a request for peer review from an officer or clinical personnel of Medical Group, Administrator will provide administrative support to Medical Group to arrange for such review by a qualified professional or professionals in the same or similar specialty as the clinical personnel under review ("*Review Panel*"). The Review Panel will report the results of such review to the officer or agent of Medical Group and provide assistance to Medical Group to implement recommendations and fulfill reporting obligations, if any.

(ii) Development and Monitoring of Quality Improvement Programs. Administrator will assist Medical Group with developing and monitoring the implementation and success of programs designed to improve the quality of care provided by clinical personnel and encourage identification and adoption of best demonstrated processes.

(iii) Reporting. Medical Group will consult with Administrator and Administrator will assist Medical Group with preparing annual reports, or more frequent reports as the parties deem necessary, using data provided by Administrator for Medical Group's exclusive use in evaluating Medical Group's quality outcomes and medical economics of clinical personnel for purposes related to maintaining a high level of patient quality and improving the efficiencies of clinical personnel.

(r) Licensing and Credentialing. Administrator will apply for and use its reasonable efforts to obtain and maintain in the name and at the expense of Medical Group, all licenses and permits required or appropriate in connection with the operation of Medical Group; provided, however, that Medical Group is ultimately responsible the licenses described in Section 3.5. Medical Group will cooperate with Administrator in applying for, obtaining, and

maintaining such licenses and permits. Without limiting the generality of the foregoing, Medical Group will promptly execute and deliver any certificates, applications, and other documents necessary, appropriate or otherwise reasonably requested by Administrator in connection with the foregoing. In addition, Administrator will provide administrative support to Medical Group at Medical Group's expense regarding credentialing and credentialing criteria; provided that Medical Group has exclusive decision making authority to adopt policies and make final decisions with respect thereto. Administrator will assist Medical Group with collecting, assembling and assessing primary source verification information in order for Medical Group to determine whether to extend or deny credentials in accordance with applicable approved standards and processes.

(s) Compliance and Privacy Program. Administrator shall design and implement a compliance plan, including applicable privacy and security regulatory requirements, approved by the Medical Group (the "Compliance Plan"), including that Administrator shall make available a compliance officer, compliance hotline and compliance training program for the Medical Group's employees and contractors and other individuals or entities performing functions or services related to Medical Group's activities to facilitate compliance by the Medical Group with Laws impacting its business. Administrator shall provide a reporting process that permits the anonymous submission of questions and concerns related to the Medical Group's Activities to the Medical Group's compliance officer. Administrator shall alert the Medical Group to any report for probable violations of applicable Law and assist the Medical Group in reporting such probable violations of law to an appropriate law enforcement agency. Administrator shall assist the Medical Group with respect to periodic updates to the Medical Group's Compliance Plan, if any. The Medical Group and Administrator acknowledge that, in connection with such compliance initiatives or clinical reports, it may be necessary to provide Administrator with protected health information and electronic protected health information and the Medical Group and Administrator agree to treat such information in accordance with the Business Associate Addendum.

5.3 Regulatory Submissions. Administrator shall assist Medical Group in connection with the preparation and submission of all data, reports, and other information the Medical Group is required to submit to Governmental Authorities, including all data, reports and other information required to be submitted to the payors, whether under a payor contract or applicable Law.

5.4 Supplies. Administrator will furnish such supplies as may be deemed reasonably necessary by Administrator for the proper and efficient operation of the Practice Sites, including, but not limited to, stationery, statement forms or invoices, office supplies, copier paper, postage, freight, printing and medical supplies (including providing or arranging for the provision of pharmaceuticals, after consultation with Medical Group and in accordance with applicable federal and state law). Notwithstanding the foregoing, Administrator will consult with Medical Group from time to time as appropriate in connection with the purchase of such supplies.

5.5 Patient Records. Administrator will provide all services related to the maintenance of patient medical records, including record retrieval services, located at the Practice Sites. Except as set forth in Section 8 below, all patient medical records located at the Practice Sites are Medical Group's property, and Administrator will maintain the confidentiality

of all such patient medical records in accordance with applicable laws. With respect to electronic medical records (“EMR”), The Everett Clinic’s EPIC EMR system will be utilized for a five (5) year period beginning on the Effective Date unless otherwise approved by Medical Group.

5.6 Billing and Collection.

(a) Billing and Collection. To relieve Medical Group of the administrative burden of handling the billing and collection of fees for professional medical and ancillary services rendered by or on behalf of Medical Group during the term of this Agreement, Administrator is responsible, on behalf of Medical Group and on the billhead of Medical Group, as its agent, for billing, collecting and depositing the charges made with respect to all professional medical and ancillary services rendered by or on behalf of Medical Group during the term of this Agreement. All billings for services rendered to patients of Medical Group will be made under Medical Group’s name and provider number(s).

(b) Documentation. Medical Group agrees to keep and provide to Administrator all documents, opinions, diagnoses, recommendations, and other evidence and records necessary for the purpose of supporting fees charged for professional medical and ancillary services from time to time. Administrator will maintain complete and accurate records, consistent with the historical practices of Medical Group, of all fees, charges and billings of all services contemplated hereby. It is expressly understood that the extent to which Administrator will endeavor to collect such fees, the methods of collecting, the settling of disputes with respect to charges and the writing off of fees that may be or appear to be uncollectible will at all times be at the reasonable discretion of Administrator, and Administrator does not guarantee the extent to which any fees billed will be collected. Medical Group or Medical Group’s duly authorized agent will have access to and the right at all reasonable times and upon the giving of reasonable notice to examine, inspect and copy the records of Administrator pertaining to such fees, charges, billings, costs and expenses.

(c) Fee Schedule. Prior to or concurrent with the execution of this Agreement, Medical Group will deliver to Administrator an initial schedule of fees for all of Medical Group’s charges (the “*Fee Schedule*”), which Fee Schedule will not exceed the reasonable, usual and customary charges for professional medical and ancillary services provided in the community surrounding the Practice Sites. Thereafter, Medical Group will consult with Administrator at least thirty (30) days prior to making any changes in or additions to such Fee Schedule, and all such changes or additions to the Fee Schedule must be in writing to Administrator.

(d) Bank Accounts. Medical Group will open a bank account (“*Medical Group’s Bank Account*”) at a bank or other suitable financial institution (the “*Agent*”) to be mutually agreed to by the parties to be used solely for depositing the collected “*Revenues*” (as defined in Section 6.1(a) below) and transferring such Revenues as hereinafter provided. Medical Group will instruct the Agent to transfer, at the end of each business day, all Revenues deposited into Medical Group’s Bank Account to such separate second bank account established by Administrator (the “*Sweep Account*”) as Administrator may designate to the Agent from time to time. Medical Group will at all times have sole control over Medical

Group's Bank Account and may at any time or from time to time make withdrawals from Medical Group's Bank Account or otherwise change the disposition instructions Medical Group may have given to the Agent; *provided, however*, that in the event that Medical Group makes any withdrawals from Medical Group's Bank Account or changes the disposition instructions given to the Agent without the prior written consent of Administrator or otherwise in contravention of this Agreement, Administrator will have the right to terminate this Agreement in accordance with Section 11.1(e) below. Medical Group will execute such documents as the Agent may reasonably require, including without limitation a limited power of attorney, to permit the Agent to receive the Revenues, endorse or sign any checks, drafts, notes, money orders, cash, insurance payments, and other instruments relating to such Revenues, stop payment on any checks drawn on behalf of Medical Group, deposit the Revenues into Medical Group's Bank Account, and transfer the Revenues from Medical Group's Bank Account into the Sweep Account.

(e) Disbursements. During the term of this Agreement and for a period of six (6) months thereafter, Administrator is expressly authorized to disburse to itself, from the Sweep Account, all amounts, including all reimbursable expenses, owed by Medical Group from the preceding month. Such disbursement may occur no earlier than the fifteenth (15th) day of the month subsequent to the month in which the expenses arise.

(f) Monthly Report. During the term of this Agreement and for a period of six (6) months thereafter, Administrator will furnish Medical Group with a monthly statement of all collected Revenues for the previous calendar month. Such statement will be provided no later than the fifteenth (15th) day of the month subsequent to the month to which the statement relates.

(g) Survival of Collection Obligation. For a period of six (6) months following the termination of this Agreement, Administrator will continue to bill the charges made with respect to professional medical and ancillary services rendered by or on behalf of Medical Group during the term of this Agreement, and to collect such charges as well as the collected Revenues billed by Administrator prior to the termination of this Agreement in accordance with Section 5.6(a) of this Agreement; *provided, however*, that Administrator will have no obligation to bill or collect the charges for any professional medical and ancillary services rendered by or on behalf of Medical Group after the effective date of the termination of this Agreement.

5.7 Non-Physician Employees. Administrator will, on behalf of Medical Group, hire and/or contract with such non-physician and administrative personnel as may be reasonably necessary to enable Medical Group to carry out and perform its professional medical services at the Practice Sites, subject to the following:

(a) Administrator will, on behalf of Medical Group, employ or contract with all non-clinical support personnel, including, without limitation, all, management and purchasing personnel, janitorial and maintenance personnel, and such other personnel as may be reasonably necessary for the proper and efficient operation of the Practice Sites (collectively, the "*Support Personnel*"). All such Support Personnel will be direct employees of the Administrator.

(b) Administrator will, on behalf of Medical Group and subject to Medical Group's policies and procedures: (i) train, manage and supervise the Support Personnel; (ii)

recruit, hire and dismiss, as necessary, the Support Personnel; (iii) determine the salaries, fringe benefits, bonuses, health and disability insurance, workers' compensation insurance and any other benefits for the Support Personnel; and (iv) be responsible for any appropriate disciplinary action required to be taken against the Support Personnel. Notwithstanding the foregoing, Administrator will consult with Medical Group from time to time as appropriate in connection with the hiring, performance appraisal, and termination of the Support Personnel.

5.8 Managed Care, Legal and Other Contracting.

(a) Administrator will, on behalf of and under the direction of and subject to the final approval of and execution by Medical Group, negotiate the terms and conditions of all managed care agreements with all health maintenance organizations, prepaid health plans, preferred provider organizations, self-insured employers, insurance companies and other payors.

(b) Administrator may enter into, or modify, supplement, amend, or terminate, or grant waivers or releases of obligations under, such contracts, leases, licenses, instruments and other agreements ("*Contracts*"), in the name of and at the expense of Medical Group, as may be reasonably necessary or advisable for the furnishing of all professional services, including without limitation, legal, actuarial and marketing services, supplies, equipment or other products, goods, and services as may be reasonably necessary or appropriate from time to time for the maintenance and operation of Medical Group. Administrator is hereby expressly authorized, as Medical Group's agent, to execute and deliver any of such Contracts in the name of and on behalf of Medical Group.

5.9 Administrator's Right to Subcontract. Administrator is hereby expressly authorized to subcontract with any other persons or entities for all or any portion of Administrative Services and any other the services that Administrator is required to provide or furnish to Medical Group pursuant to this Agreement; *provided, however*, that Administrator will remain responsible for all services performed by such other persons or entities, and, *provided, further*, that if Medical Group delivers to Administrator a good faith objection to any such other person or entity, Administrator will use commercially reasonable efforts to accommodate or otherwise address such objection. Administrator may disclose any term of this Agreement to any subcontractor of Administrator who performs services for Administrator on behalf of Medical Group.

6. MANAGEMENT FEE.

6.1 Compensation of Administrator. Medical Group will pay to Administrator, as full and complete compensation for the provision of the Administrative Services described in this Agreement, the following amounts:

(a) Management Fee. During the Term, Medical Group will pay to Administrator on a monthly basis, on or before the fifteenth (15th) day of each month, a management fee equal to twenty-four percent (24%) of the Revenues earned by Medical Group during the preceding calendar month (the "*Management Fee*") as compensation for the Administrative Services. As used herein, the term "*Revenues*" means all amounts earned by Medical Group on a GAAP basis during a calendar month relating to all professional medical

services and ancillary services, net of contractual and other allowances, rendered by the physicians and other allied health professionals employed by or under contract with Medical Group, regardless where such professional medical services and ancillary services were rendered, and regardless whether such amounts will be paid by patients, private or prepaid insurance, or any other third-party payors for such professional medical services and ancillary services. The parties agree to review the Management Fee on an annual basis and any modification thereto will be made in a written amendment to this Agreement in accordance with Section 19.

(b) Additional Compensation. On a semi-annual basis, Medical Group will meet to determine an appropriate bonus to be paid to Administrator, if any, based upon the quality, efficiency and satisfaction of the Administrative Services rendered by Administrator for and on behalf of Medical Group during the preceding six (6) month period.

6.2 Deferred Compensation. Notwithstanding any amounts that may be owing to Administrator pursuant to Section 6.1 above, in the event that in any calendar month collected Revenues are insufficient to cover Medical Group's costs to pay compensation and benefits to those physicians and others who are employed by or under contract to Medical Group (including without limitation, base compensation, incentive compensation, FICA, unemployment taxes and any other employment taxes, malpractice, group life, accident and health insurance premiums and other similar benefits such as license fees, professional organization dues and professional publication subscriptions, and other direct expenses), Medical Group will be entitled to retain sufficient collected Revenues to cover such foregoing Medical Group costs and expenses. If the foregoing retention of collected Revenues by Medical Group results in the nonpayment of any amounts owed by Medical Group to Administrator under Section 6.1 above in any month during the term of this Agreement, such unpaid amounts ("*Shortfall Funding*") will be deferred by Administrator and will be repaid by Medical Group to Administrator in subsequent months in which the collected Revenues exceed the amounts necessary to cover Medical Group's costs and expenses to pay amounts owed to Administrator pursuant to Section 6.1 above (the "*Surpluses*"). Such deferred management fees will be treated in accordance with Section 6.3 below.

6.3 Shortfall Funding. All Shortfall Funding will be repaid by Medical Group to Administrator out of Surpluses in collected Revenues in subsequent months. To the extent such Shortfall Funding is not repaid in full out of Surpluses in collected Revenues in subsequent months by the termination of this Agreement, Medical Group will pay to Administrator the full amount of the unpaid Shortfall Funding (plus interest accruing at the then-prevailing Prime Rate, as published in the "Money Rates" section of the *Wall Street Journal*, plus two percent (2%)) within thirty (30) days following the termination of this Agreement. To secure the repayment of all Shortfall Funding owed by Medical Group to Administrator pursuant to this Section 6, Medical Group will grant to Administrator a security interest in all of Medical Group's assets, including without limitation a first priority security interest in: (a) all present and future accounts receivable of Medical Group, and the proceeds therefrom, and other rights of Medical Group relating to the payment of money for services rendered by or on behalf of Medical Group, no matter how evidenced, all chattel paper, instruments and other writings evidencing any such right, and all goods repossessed or returned in connection therewith, including all proceeds from the sale or disposition of the foregoing, (b) all of Medical Group's fixtures and appurtenances thereto, and (c) such other goods, general intangibles, chattels, fixtures, equipment (of every

nature and description), furniture and personal property that is now owned or may hereafter be acquired by Medical Group (the “*Collateral*”). In the event any Shortfall Funding is not paid when due, or upon any default as defined herein, Administrator may, with or without terminating this Agreement, exercise all rights and remedies afforded under the Uniform Commercial Code of the state(s) in which the Collateral is located. Medical Group hereby covenants and agrees to execute and deliver any and all financing statements or other documents which may be necessary in Administrator’s reasonable judgment to evidence and perfect Administrator’s security interest hereunder, if such security interest is ever granted. All rights and remedies of Administrator are cumulative and may be exercised successively or concurrently. Notwithstanding anything in this Section 6.3 to the contrary, Administrator’s security interest in the Collateral, if granted, will be junior to any credit facility between Administrator and Medical Group, or between any affiliate of Administrator and Medical Group. In addition, Administrator has the right to pay-off any amounts owing under any such credit facility directly from amounts collected by Administrator on behalf of Medical Group pursuant to this Agreement.

6.4 Expense Reimbursement. Except as otherwise expressly provided in this Agreement, Medical Group will be solely, fully and individually financially responsible for all internal and external costs, expenses and liabilities arising out of the ownership, operation or maintenance of Medical Group (including, without limitation, the Management Fee and any other amounts due to Administrator arising out of or in connection with this Agreement). Medical Group will, on demand, reimburse Administrator for all internal and external costs, expenses and liabilities paid, incurred or satisfied by Administrator in connection with its performance of its obligations under this Agreement or otherwise arising out of the operation, ownership or maintenance of Medical Group.

7. CONDUCT OF MEDICAL PRACTICE.

Medical Group will be solely and exclusively in control of all aspects of the practice of medicine and the provision of professional medical and ancillary services to its patients, including all medical training and medical supervision of licensed personnel, and Administrator will neither have nor exercise any control or discretion over the methods by which Medical Group practices medicine. Administrator’s sole function is to provide the Administrative Services to Medical Group in a competent, efficient and reasonably satisfactory manner. The rendition of all professional medical and ancillary services, including but not limited to, diagnosis, treatment and the prescription of medicine and drugs, and the supervision and preparation of medical records and reports are the sole responsibility of Medical Group. For the avoidance of doubt, Administrator will not exercise any control over or otherwise interfere in any manner with the professional medical services provided by Medical Group or any of its physicians or other Medical Group medical personnel. Administrator is not engaged in the practice of medicine or the provision of professional medical and ancillary clinical services.

8. PATIENT RECORDS.

All patient records and charts created in connection with the professional medical services provided by Medical Group at the Practice Sites are and will remain Medical Group’s sole property. Notwithstanding the foregoing, Administrator will have a continuing right to inspect and copy (at Administrator’s expense) all records pertaining to Medical Group’s patients,

subject to all applicable federal and state laws. The parties and their employees and agents will maintain and safeguard the confidentiality of all records, charts and other information generated in connection with the professional services provided hereunder in accordance with all applicable federal and state laws, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder by the United States Department of Health and Human Services, as amended (“*HIPAA*”). To this end, the parties agree to abide by the HIPAA Business Associate Agreement attached hereto as **Exhibit A**.

9. INSURANCE.

9.1 Administrator’s Required Coverage. Administrator will maintain, all times during the term of this Agreement, (i) workers’ compensation coverage in accordance with statutory requirements for Administrator’s employees who provide services under this Agreement, (ii) commercial property insurance written based on full replacement value and for Administrator’s assets, and (iii) medical professional and general liability covering Administrator’s employees who perform any work or duties in connection with this Agreement against claims for bodily injury or death and property damage, which insurance will provide coverage on either a claims-made or occurrence basis with a per occurrence limit of not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) per annual aggregate as respects general liability and not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) per annual aggregate as respects medical professional liability (medical malpractice). Such insurance coverage may be satisfied by any combination of primary and excess, risk retention group coverage or other self-insurance and/or umbrella policies. Medical Group may carry any insurance required by this Agreement under a blanket policy. Administrator will implement and maintain policies regarding risk management which are consistent with policies maintained by Administrator for its wholly-owned medical centers.

9.2 Medical Group’s Required Coverage. Medical Group will maintain, at all times during the term of this Agreement, (i) workers’ compensation coverage in accordance with statutory requirements for Medical Group’s employees who provide services under this Agreement, (ii) commercial property insurance written on full replacement value basis and for Medical Group’s assets, and (iii) medical professional and general liability insurance covering Medical Group’s employees who perform any work, duties, or obligations in connection with this Agreement against claims for bodily injury or death and property damage, which insurance will provide coverage on either a claims-made or occurrence basis with a per occurrence limit of not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) per annual aggregate as respects general liability and not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) per annual aggregate as respects medical professional liability (medical malpractice). Such insurance coverage may be satisfied by any combination of primary and excess, risk retention group coverage or other self-insurance and/or umbrella policies. Medical Group may carry any insurance required by this Agreement under a blanket policy.

9.3 Waiver of Subrogation. Each party hereby releases the other party, and such party’s agents and employees, from responsibility for, and waives its entire claim of recovery for any loss or damage arising from any cause covered by the liability insurance required to be

carried herein. Each party will provide notice to its liability insurance carrier or carriers of this waiver of subrogation, and will cause its respective liability insurance carrier(s) to waive all rights of subrogation against the other party hereto. This waiver will not apply to the extent of the deductible amounts for the liability insurance policies or to the extent of liabilities exceeding the limits of such liability insurance policies.

10. INDEMNIFICATION.

10.1 Medical Group hereby agrees to indemnify, defend and hold harmless the Administrator, its affiliates, and its and their officers, employees, shareholders, successors and assigns from any and all liability, loss, claim, lawsuit, injury, cost, damage or expense whatsoever (including reasonable attorneys' fees and court costs) (collectively, "*Losses*") to the extent arising out of, incident to or in any manner occasioned from (i) the ownership or operation of its business, except to the extent such Losses were caused by Administrator's gross negligence or willful misconduct, or (ii) any breach by Medical Group of any of its representations, warranties, covenants, obligations or duties under this Agreement. The parties understand and agree that Administrator will not have, except as specifically stated herein, any liability (nor be deemed to have assumed any liability) in connection with the ownership or operation of Medical Group's business. All such liabilities will remain with Medical Group.

10.2 Administrator hereby agrees to indemnify, defend and hold harmless Medical Group, its affiliates, and it and their officers, employees, shareholders, successors and assigns from and against any and all Losses to the extent caused by Administrator's gross negligence or willful misconduct related to the provision of Administrative Services hereunder.

10.3 For purposes of clarity, Medical Group agrees that Administrator will have no liability for any breach of any obligation under this Agreement unless such breach constitutes gross negligence or willful misconduct; it being understood that in such case of a breach of an obligation that does not constitute gross negligence or willful misconduct, Medical Group's sole remedy is to terminate this Agreement.

11. TERMINATION.

11.1 Events of Termination. In addition to the termination of this Agreement in accordance with Section 2 above, this Agreement may be terminated upon the occurrence of any of the following events:

(a) Mutual Written Agreement. Mutual written agreement of the parties.

(b) Material Breach. A material breach of this Agreement by either party remains uncured (if able to be cured) to the non-breaching party's reasonable satisfaction after thirty (30) days following receipt of written notice of such breach by the non-breaching party. In the event of a material breach that is uncured or incurable, the non-breaching party may terminate this Agreement upon giving written notice to the breaching party.

(c) Insolvency. If either party applies for or consents to the appointment of a receiver, trustee or liquidator of itself or of all or a substantial part of its assets, files a voluntary petition in bankruptcy, or admits in writing its inability to pay its debts as they become due,

makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangement with creditors or takes advantage of any insolvency law, or if an order, judgment or decree is entered by a court of competent jurisdiction or an application of a creditor, adjudicating such party to be bankrupt or insolvent, or approving a petition seeking reorganization of such party or appointing a receiver, trustee or liquidator of such party or of all or a substantial part of its assets, and such order, judgment or decree continues unstayed and in effect for a period of thirty (30) consecutive days or more, then the other party may terminate this Agreement upon ten (10) days' prior written notice to such party.

(d) Unrecouped Shortfall Funding. Administrator may terminate this Agreement upon at least thirty (30) days' prior written notice to Medical Group if Administrator is unable to recoup the Shortfall Funding from Surpluses, and Medical Group does not otherwise repay to Administrator the Shortfall Funding amount under Section 6.2 within twelve (12) calendar months after the calendar month in which such amount of Shortfall Funding was first provided by Administrator to Medical Group.

(e) Immediate Termination. Notwithstanding and in addition to any other termination rights that Administrator may have based on the occurrence of any of the following events, this Agreement may be terminated by Administrator for cause, upon at least one (1) business day's prior written notice to Medical Group, upon the occurrence of any of the following events:

(i) In the event of the termination or suspension of the license to practice medicine in the states in which Medical Group operates, including the State of Washington, or the termination or suspension of the DEA registration, of any physician employee of Medical Group who is not then immediately removed by Medical Group from providing patient care services on behalf of Medical Group;

(ii) In the event of the termination or suspension of the medical staff membership and/or privileges at any facility, for a medical disciplinary cause or reason, of any physician employee of Medical Group who is not then immediately removed by Medical Group from providing patient care services on behalf of Medical Group;

(iii) In the event of the conviction of any physician employee of Medical Group of any crime punishable as a felony under applicable state law or of any other crime involving moral turpitude or immoral conduct, who is not then immediately removed by Medical Group from providing patient care services on behalf of Medical Group;

(iv) In the event any physician employee of Medical Group (a) is excluded from participation in any federal health care program, as defined under 42 U.S.C. Section 1320a-7b, (b) is excluded, debarred, suspended, or otherwise ineligible to participate in federal procurement or nonprocurement programs, or (c) is convicted of a criminal offense that falls within the scope of 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible, and such physician employee is not then immediately removed by Medical Group from providing patient care services on behalf of Medical Group;

(v) In the event that any act or omission on the part of Medical Group (or its physician employees) results in the cancellation of Medical Group's medical malpractice insurance, and Medical Group does not obtain new or substitute malpractice insurance that complies with Section 9 above, effective as of the cancellation date of such prior malpractice insurance;

(vi) In the event of any withdrawal by Medical Group from either Medical Group's Bank Account without the written consent of Administrator, or any change by Medical Group in the disposition instructions relating to Medical Group's Bank Account, in contravention of Section 5.6(d) of this Agreement; or

(vii) In the event of the attempted assignment or other unauthorized delegation of any of Medical Group's rights or obligations under this Agreement.

(f) Termination Based on Violation of Law. In the event that legal counsel for either party determines that this Agreement is likely to result in a violation of any federal statute, rule or regulation, or any applicable state statute, rule or regulation, including, but not limited to, any federal and applicable state health care programs, fraud and abuse or applicable state laws governing referral fees and fee-splitting, and where such violation has a material impact on the respective party's ability to perform its obligations under this Agreement (and be duly compensated), then the parties agree to negotiate, in good faith, amendments to this Agreement to conform to such statute, rule or regulation. If the parties are unable to reach agreement on the terms of such amendment within sixty (60) days after good faith negotiations have commenced, then this Agreement may then be terminated by either party upon at least thirty (30) days' prior written notice to the other party.

11.2 Effect of Termination. Termination of this Agreement will not release or discharge either party from any obligation, debt or liability which has previously accrued and remain to be performed upon the date of termination. Following termination, Medical Group has the right to offer employment to any of Administrator's employees or independent contractors whom Medical Group reasonably deems essential to the continued operation of Kemp Ambulatory Surgery Center.

12. ASSIGNMENT.

Nothing contained in this Agreement will be construed to permit assignment by either party of any rights or duties under this Agreement, and such assignment is expressly prohibited without prior written consent of the other party; provided, that Administrator may assign this Agreement without consent to any entity that controls, is under common control with, or is controlled by Administrator. Any attempted assignment by either party in violation of this Section 12 will be null and void and of no force or effect.

13. CONFIDENTIAL AND PROPRIETARY INFORMATION.

13.1 Confidential Proprietary Information. Medical Group recognizes that due to the nature of this Agreement, Medical Group (and its physician employees) will have access to information of a confidential and/or proprietary nature owned by Administrator, including, but not limited to, any and all documents bearing an Administrator form number or other identifying

mark of Administrator, any and all computer programs (whether or not completed or in use), any and all operating manuals or similar materials that constitute the non-medical systems, policies and procedures, methods of doing business developed by Administrator, administrative, advertising or marketing techniques, financial affairs and other information utilized by Administrator. Consequently, Medical Group acknowledges and agrees that Administrator has a proprietary interest in all such information and that all such information constitutes confidential and proprietary information and the trade secret property of Administrator. Medical Group hereby expressly and knowingly waives any and all rights, title and interest in and to such trade secrets and confidential and proprietary information and agree to return or destroy (at Administrator's election) all copies of such trade secrets and confidential and proprietary information related thereto to Administrator at Medical Group's expense, upon the termination of this Agreement.

13.2 Nondisclosure. Medical Group further acknowledges and agrees that Administrator is entitled to prevent Administrator's competitors from obtaining and utilizing its trade secrets and confidential and proprietary information. Therefore, Medical Group agrees to hold Administrator's trade secrets and confidential and proprietary information in strictest confidence and to not disclose them or allow them to be disclosed, directly or indirectly, to any person or entity other than those persons or entities that are employed by or affiliated with Administrator or Medical Group, without the prior written consent of Administrator. During the term of this Agreement, Medical Group will not disclose to anyone, other than persons or entities who are employed by or affiliated with Administrator or Medical Group, any confidential or proprietary information or trade secret information obtained by Medical Group from Administrator, except as otherwise required by law. The parties agree that this Agreement and the terms thereof will be considered confidential and proprietary information of the Administrator and will not be disclosed by either party to a third party, except as otherwise required by law, without the prior written consent of the other party. After the termination of this Agreement, Medical Group (and its physician employees) will not disclose to anyone any confidential or proprietary information or trade secret information obtained from Administrator, except as otherwise required by law or upon the prior written consent of Administrator.

13.3 Notice of Process. If requested by legal process to disclose any confidential or proprietary information or trade secret information of Administrator, Medical Group will promptly give notice of such request or requirement to Administrator so that Administrator may, at its own cost and expense, seek an appropriate protective order or, in the alternative, waive compliance to the extent necessary to comply with such request if a protective order is not obtained. If a protective order or waiver is granted, Medical Group may disclose such information that is required by such court order or to the extent permitted by such waiver.

13.4 Equitable Relief. Medical Group acknowledges and agrees that a breach of this Section 13 will result in irreparable harm to Administrator and that Administrator cannot be reasonably or adequately compensated in damages, and therefore, Administrator is entitled to equitable remedies, including, but not limited to, injunctive relief, to prevent a breach and to secure enforcement thereof in addition to any other relief or award to which Administrator may be entitled, without the necessity of posting any bond or security whatsoever.

14. FORCE MAJEURE.

Notwithstanding any provision contained herein to the contrary, Administrator will not be deemed to be in default hereunder for failing to perform or provide the Administrative Services pursuant to this Agreement if such failure is the result of any labor dispute, act of God, inability to obtain labor or materials, governmental restrictions or any other event which is beyond the reasonable control of Administrator; *provided, however*, that if such event continues for a period in excess of thirty (30) days, either party will have the right to terminate this Agreement by providing the other party with a written notice of its desire to terminate this Agreement at least thirty (30) days prior to the effective date of any such termination.

15. DISPUTE RESOLUTION.

15.1 Agreement to Arbitrate. In the event that any material controversy or dispute arises between the parties hereto with respect to the enforcement or interpretation of this Agreement, or of any specific terms and provisions set forth herein, the parties will use their best efforts and due diligence to reach an agreement for the resolution of such controversy or dispute. In the event that the parties are unable to resolve any such controversy or dispute within thirty (30) days, such controversy or dispute will, at the request of either party, be determined by binding arbitration in Seattle, Washington, in accordance with the provisions of this Section 15.1 and the arbitration rules of the American Health Lawyers Association Dispute Resolution Service (“AHLADRS”) in effect on the date of this Agreement, by a single arbitrator who is selected as provided in Section 15.2 below. The arbitrator will base the award on this Agreement and applicable law and judicial precedent and will accompany the award with a written explanation of the reasons for the award. The arbitration will be governed by the substantive and procedural laws of the State of Washington applicable to contracts made and to be performed therein. The decision of the Arbitrator will be binding upon the parties and enforceable in the courts of the State of Washington.

15.2 Selection of Arbitrator. The arbitrator will be mutually selected by the parties hereto and in the event the parties cannot agree on an arbitrator, then the arbitrator will be selected in accordance with the rules of the AHLADRS in effect on the date of this Agreement.

15.3 Authority of Arbitrator. The arbitrator will have the exclusive authority to decide the scope of issues to be arbitrated. Any challenge to the arbitrability of any issue related in any way to the matters or claims in dispute between the parties will be determined solely by the arbitrator. Also, any challenge to the validity of this arbitration provision or any subpart thereof will be determined and decided exclusively by the arbitrator.

15.4 Discovery; Arbitration Hearing. Rule 4.02 of the arbitration rules of the AHLADRS is hereby modified to provide that discovery is limited to (1) the production, by all parties to the arbitration, to the other parties thereto of all documents and electronic or computer records relevant or pertaining to any of the matters at issue; and (2) to allow each party to the arbitration to take five depositions, none of which may last more than four hours (exclusive of breaks and adjournments). These limits may be relaxed only upon the express agreement of each of the parties to the arbitration and the arbitrator. Rule 4.04 of the AHLADRS arbitration rules is modified to provide that once the evidentiary hearing commences, it will continue day-to-day until completed, with the exception of Saturdays, Sundays and legal holidays. Otherwise, the

evidentiary hearing can only be adjourned by agreement of all of the parties and of the arbitrator for a period of time agreed upon by all of them.

16. COMPLIANCE WITH LAW.

Each party agrees to comply with all applicable federal and state laws relating to the exercise of its rights and performance of its responsibilities under this Agreement.

17. GOVERNING LAW.

This Agreement is governed solely by and interpreted under the laws of the State of Washington, without regard to conflict of law principles.

18. ENTIRE AGREEMENT.

This Agreement and the exhibit attached hereto constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior documents, representations and understandings of the parties which may relate to the subject matter of this Agreement. No other understanding, oral or otherwise, regarding the subject matter of this Agreement will bind either party.

19. AMENDMENT.

No modification, amendment or addition to this Agreement, nor waiver of any of its provisions, will be valid or enforceable unless in writing and signed by both parties.

20. HEADINGS.

The headings set forth herein are for the purpose of convenient reference only, and have no bearing whatsoever on the interpretation of this Agreement.

21. NOTICES.

All notices, requests, demands or other communications hereunder must be in writing and must be given and will be deemed to have been given upon receipt if delivered by Federal Express, on the date of delivery if delivered in person, or three (3) days after mailing if sent by certified or registered mail with first-class postage prepaid, as follows:

If to Medical Group:	The Everett Clinic, PLLC 3901 Hoyt Avenue Everett, Washington 98201 Attention: President
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If to Administrator:	Everett MSO, Inc. 1423 Pacific Avenue Tacoma, Washington 98402-4203 Attention: Chief Executive Officer
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with a copy to:

2000 16th Street
Denver, CO 80202
Attention: General Counsel, HealthCare Partners
Facsimile: Provided upon request by phone

or to such other person(s) or address(es) as may be designated by the parties in accordance with the provisions of this Section 21.

22. WAIVER.

Any waiver of any provision hereof will not be effective unless expressly made in writing executed by the party to be charged. The failure of any party to insist on performance of any of the terms or conditions of this Agreement will not be construed as a waiver or relinquishment of any rights granted hereunder or of the future performance of any such term, covenant or condition, and the obligations of the parties with respect thereto will continue in full force and effect.

23. NO THIRD PARTY BENEFICIARY.

None of the provisions contained in this Agreement is intended by the parties, nor will any be deemed, to confer any benefit on any person not a party to this Agreement.

24. COUNTERPARTS.

This Agreement may be executed in two or more counterparts, all of which will, in the aggregate, be considered one and the same instrument. Signatures sent by facsimile or electronic transmission will be deemed to be originals for all purposes of this Agreement.

25. SEVERABILITY.

In the event that any one or more of the provisions contained herein is, for any reason, held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provisions of this Agreement, but this Agreement will be construed as if such invalid, illegal or unenforceable provisions had never been contained herein, unless the deletion of such provision or provisions would result in such a material change so as to cause completion of the transactions contemplated herein to be unreasonable.

26. ADDITIONAL DOCUMENTS.

Each of the parties hereto agrees to execute any document or documents that may be requested from time to time by the other party to implement or complete such party's obligations pursuant to this Agreement and to otherwise cooperate fully with such other party in connection with the performance of such party's obligations under this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement through their duly authorized representatives effective as of the date first written above.

ADMINISTRATOR:

Everett MSO, Inc.
a Washington corporation

By: 
Print: Richard Cooper
Title: CEO/Market President

MEDICAL GROUP:

The Everett Clinic, PLLC, a Washington
professional limited liability company

By: 
Print: Shawn Slack MD
Title: President

EXHIBIT O
SUB-SUBLEASE AGREEMENT BETWEEN EVERETT MSO, INC. AND
THE EVERETT CLINIC, PLLC

SUB-SUBLEASE

by and between

Everett MSO, Inc., a Washington corporation

("Sub-Sublandlord")

and

The Everett Clinic, PLLC, a Washington professional limited liability company

("Sub-Subtenant")

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SUB-SUBLEASE AGREEMENT

This **SUB-SUBLEASE AGREEMENT** (this "**Sub-Sublease**") is entered into to have effect as of July 1, 2020 (the "**Sub-Sublease Date**"), between Everett MSO, Inc., a Washington corporation ("**Sub-Sublandlord**"), and The Everett Clinic, PLLC, a Washington professional limited liability company ("**Sub-Subtenant**"). Sub-Sublandlord is the "Subtenant" under that certain Sublease dated July 1, 2020, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference (as amended, the "**Sublease**"), pursuant to which Sub-Sublandlord subleases certain premises located at 4003, 4007 and 4011 172nd Street NE, Arlington, Washington (the "**Subleased Premises**"), from United HealthCare Services, Inc., a Minnesota corporation ("**Sublandlord**"). Sublandlord is the "Tenant" under that certain Lease Agreement dated July 1, 2020, a copy of which is attached as Exhibit A to the Sublease, and incorporated herein by this reference (as amended, the "**Master Lease**"), pursuant to which Sublandlord leases the Subleased Premises from MARKDEV-SMOKEY POINT, LLC, a Washington limited liability company ("**Master Landlord**"). Capitalized terms used but not defined in this Sub-Sublease have the meanings given in the Master Lease.

1. **Basic Sub-Sublease Information.**

- | | | |
|-----|---|---|
| (a) | Building | As depicted on <u>Exhibit B</u> attached hereto. |
| (b) | Subleased Premises | As described in the Sublease. |
| (c) | Building Area | Approximately 37,407 rentable square feet. |
| (d) | Base Rent | Amounts of Base Rent (as defined in the Sublease) payable from time to time under the Sublease. |
| (e) | <i>Intentionally Omitted</i> | |
| (f) | Permitted Use | The Permitted Use as provided in the Master Lease, in compliance with <u>Section 6</u> of this Sub-Sublease. |
| (g) | Operating Expenses | All amounts payable by Sub-Sublandlord for Sublease Additional Rent under the Sublease (as defined in Sublease), together with all costs and expenses of any other kind or description whatsoever incurred or accrued each calendar year by Sub-Sublandlord with respect to the Subleased Premises. |
| (h) | Sub-Subtenant's Proportionate Share | 100% |
| (i) | Excluded Provisions of the Master Lease | Sections 2, 3 (except for the definition of Base Rent), 4 (except that if Sublandlord exercises a renewal option under the Master Lease, then the Renewal Term shall be considered part of the Term, defined in Section 5 of this Sub-Sublease), 5, 7, 8.4, 9, 11 (as to consent requirements only), 12 (except the 12.1, 12.2 and the second paragraph |

of 12.5), 13, 14, 16, 17, 18, 20.1, 21, 23, 24 (as to the last paragraph only), 28, 29, 30, 32, 34, 36, 38, 49, 51, and 52.

(j) Rent Payment Address Jones Lang LaSalle Americas, Inc.
c/o United HealthCare Svs Inc.
9900 Bren Road East
MN008-W310
Minnetonka, MN 55343
Attn: Lease Administration – (#USAWA[____])

(k) Sub-Sublandlord Address Jones Lang LaSalle Americas, Inc.
c/o United HealthCare Svs Inc.
9900 Bren Road East
MN008-W310
Minnetonka, MN 55343
Attn: Lease Administration – (#USAWA[____])

with a concurrent copy to:
Lease.Administration@UHC.com with subject:
Occupation ID# [____]

(l) Sub-Subtenant Address The Everett Clinic
3901 Hoyt Ave
Everett, WA 98201
Attention: TEC Administration

Jones Lang LaSalle Americas, Inc.
c/o United HealthCare Svs Inc.
9900 Bren Road East
MN008-W310
Minnetonka, MN 55343
Attn: Lease Administration – (#USAWA[____])

with a concurrent copy to:
Lease.Administration@UHC.com with subject:
Occupation ID# [____]

(m) Master Landlord Address c/o MARKDEV-Smokey Point, LLC
5930 Granite Lake Drive, Ste 110
Granite Bay, CA 95746
Attn: Charles E. Smyth

2. **Sub-Sublease; Master Lease Terms.**

2.1 Sub-Sublease. On and subject to all of the terms and conditions of this Sub-Sublease, Sub-Sublandlord subleases the Subleased Premises to Sub-Subtenant, and Sub-Subtenant subleases the Subleased Premises from Sub-Sublandlord. Except as may be specifically excluded under this Sub-Sublease, (a) Sub-Subtenant shall keep and observe (i) in favor of Sub-Sublandlord and Master Landlord all of the obligations and covenants under the Master Lease applicable to the lessee of the Premises and (ii) in favor of Sublandlord all of the

obligations and covenants under the Sublease applicable to the sublessee of the Subleased Premises (as defined in the Sublease), (b) Sub-Sublandlord shall have with respect to Sub-Subtenant all of the rights under the Master Lease applicable to the lessor of the Premises and under the Sublease applicable to the sublessor of the Subleased Premises, and (c) unless specifically set forth herein, Sub-Sublandlord shall have no obligation or liability to perform any of the obligations or liabilities of Master Landlord under the Master Lease as the lessor of the Premises. Sub-Subtenant acknowledges and agrees that Master Landlord shall be solely responsible for providing all services and performing all duties and obligations of the Master Landlord under the Master Lease with respect to the Premises.

2.2 Master Lease.

2.2.1 This Sub-Sublease is subject to all of the terms and conditions of the Master Lease and Sublease, and all of the covenants, agreements, provisions and conditions of the Master Lease and Sublease, as applicable, are made a part of and incorporated into this Sub-Sublease as if fully set forth herein; provided, that with respect to the payment of Base Rent and Operating Expenses, Sub-Subtenant's obligations shall be governed by the terms of this Sub-Sublease. As between Sub-Sublandlord and Sub-Subtenant only, if a conflict exists between the terms of the Sublease and/or Master Lease and the terms of this Sub-Sublease, the terms of this Sub-Sublease shall control. Sub-Subtenant shall not commit, or permit to be committed, any act or omission that would violate any term or condition of the Sublease or the Master Lease or constitute cause for termination of the Sublease by Sublandlord or the Master Lease by Master Landlord.

2.2.2 Any provision of the Master Lease granting Sub-Sublandlord rights regarding expansion of the Premises or extension of the term of the Master Lease are expressly excluded from this Sub-Sublease. Any provision of the Sublease granting Subtenant rights regarding expansion of the Subleased Premises (as defined in the Sublease) or extension of the term of the Sublease are expressly excluded from this Sub-Sublease. Unless expressly set forth in or modified under this Sub-Sublease, Sub-Subtenant shall have no rights or obligations under or with respect to any of the Excluded Provisions.

2.2.3 Sub-Subtenant shall not commit or permit the commission of any act that requires Master Landlord's consent under the Master Lease without first obtaining the consent of Master Landlord, Sublandlord and Sub-Sublandlord. Notwithstanding anything to the contrary herein or in any other agreement between Sub-Sublandlord and Sub-Subtenant, Sub-Sublandlord shall have no obligation to obtain Master Landlord's or Sublandlord's consent on behalf of Sub-Subtenant, and shall not be liable for any failure of Master Landlord or Sublandlord to grant their consents.

This Sub-Sublease is subordinate to the Master Lease and to all matters to which the Master Lease is now or hereafter made subordinate. Sub-Subtenant's interest in the Subleased Premises and rights under this Sub-Sublease are derivative of Sub-Sublandlord's rights under the Sublease, which are in turn derivative of Sublandlord's rights under the Master Lease, and, notwithstanding anything to the contrary in this Sub-Sublease, Sub-Subtenant's rights hereunder and with respect to the Subleased Premises shall be no greater than those of Sub-Sublandlord as sublessee of the Premises pursuant to the Sublease and no greater than those of Sublandlord as lessee of the Premises pursuant to the Master Lease.

3. **Subleased Premises.** Sub-Subtenant has inspected the Subleased Premises, is satisfied with their condition and hereby accepts the Subleased Premises in their "AS IS" condition.

4. **Rent.**

4.1 **Base Rent.** The Base Rent shall be due and payable on the Commencement Date as defined in the Sublease (the "**Commencement Date**"), and thereafter Sub-Subtenant shall pay to Sub-Sublandlord in advance, without demand, abatement, deduction or set-off, monthly installments of Base Rent on or before the first day of each calendar month during the Term, in lawful money of the United States of America, at the Rent Payment Address, or to such other Person or at such other place as Sub-Sublandlord may from time to time designate in a Notice, payments of Base Rent for any fractional calendar month, including any partial calendar month in which the Commencement Date or Expiration Date occurs, shall be prorated. Notwithstanding anything to the contrary contained in this Sub-Sublease, in the event the square footage of the Subleased Premises under this Sub-Sublease, or Premises or Building under the Sublease or under the Master Lease is re-measured or otherwise adjusted, then the square footage of the Subleased Premises, Premises or Building shall be adjusted to equal the amount as so determined, and the Base Rent, Additional Rent (as defined below), and any other items specified in this Sub-Sublease as a function of square footage shall be adjusted proportionately. Any amendments to the Sublease or Master Lease reflecting any square footage adjustments shall be incorporated automatically into this Sub-Sublease and made a part hereof, including without limitation, with respect to any defined terms.

4.2 **Intentionally Omitted.**

4.3 **Additional Rent.** In addition to Base Rent, Sub-Subtenant shall pay to Sub-Sublandlord as additional rent ("**Additional Rent**" and together with Base Rent, "**Rent**"): (a) the amounts described in Section 4.4 below, and (b) any and all other amounts Sub-Subtenant is or becomes obligated to pay under this Sub-Sublease.

4.4 **Other Charges.**

4.4.1 **Operating Expenses.**

(a) Sub-Subtenant shall pay to Sub-Sublandlord, Sub-Subtenant's Proportionate Share of all Operating Expenses during the Term.

(b) If and to the extent Master Landlord or Sublandlord notifies Sub-Subtenant of an adjustment in Operating Expenses payable by Sublandlord under the Master Lease or by Sub-Sublandlord under the Sublease, as the case may be, appropriate adjustments will be made to Operating Expenses payable by Sub-Subtenant. If Master Landlord or Sublandlord delivers a statement in accordance with the Master Lease or Sublease, as the case may be, reflecting that excess Operating Expenses have been paid, then Sub-Subtenant shall receive a credit against Operating Expenses next coming due under this Sub-Sublease in an amount equal to such overpayment by Sub-Subtenant. If Master Landlord or Sublandlord delivers a statement in accordance with the Master Lease or Sublease, as the case may be, reflecting that Operating Expenses have been underpaid, Sub-Subtenant shall pay all such additional amounts within ten (10) Business Days of delivery to Sub-Subtenant of a statement setting forth the appropriate amount of Operating Expenses payable by Sub-Subtenant hereunder.

4.4.2 **Intentionally Omitted.**

4.4.3 Sub-Subtenant Taxes. Sub-Subtenant shall pay, prior to delinquency, all taxes, levies, assessments and governmental charges (collectively, "**Sub-Subtenant Taxes**") imposed by any federal, state, regional, municipal, local or other governmental authority or agency or quasi-public agencies (including business improvement districts) (each a "**Governmental Authority**") on any personal property or trade fixtures placed by Sub-Subtenant on the Subleased Premises. Upon Notice from Sub-Sublandlord, Sub-Subtenant shall instead pay such Sub-Subtenant Taxes directly to Sub-Sublandlord within ten (10) Business Days of delivery to Sub-Subtenant of a statement setting forth the amount thereof, and Sub-Sublandlord shall cause such Sub-Subtenant Taxes to be satisfied with the applicable Governmental Authority.

4.4.4 Extraordinary Charges and Utilities. Sub-Subtenant shall pay to Sub-Sublandlord within ten (10) Business Days after receipt of an invoice therefor, the amount Sub-Sublandlord is required to pay to Sublandlord under the Sublease which is that which Sub-Sublandlord is required to pay to Master Landlord pursuant to the Master Lease, other than with respect to the Operating Expenses, with respect to utilities, services, and other miscellaneous items provided directly to Sub-Subtenant or the Subleased Premises and any amounts paid by Sub-Sublandlord pursuant to Section 8 of the Master Lease.

5. Term. The "**Term**" of this Sub-Sublease shall commence on the Sub-Sublease Date and shall continue through the expiration or earlier termination of the term of the Sublease (the "**Expiration Date**"). Sub-Sublandlord shall have no liability to Sub-Subtenant in connection with any early termination of the Master Lease or of the Sublease.

6. Use.

6.1 Laws. The Subleased Premises shall be used for the Permitted Use in compliance with all laws, statutes, ordinances, regulations, codes, orders, judgments, directives, permits, licenses, directives and requirements of Governmental Authorities (collectively, "**Laws**") applicable to the Subleased Premises or the use and occupancy thereof. Within three (3) days after Notice from Sub-Sublandlord, Sublandlord, or Master Landlord, Sub-Subtenant shall discontinue any use of the Subleased Premises that has been declared by a Governmental Authority to be in violation of applicable Laws.

6.2 Restrictions. Sub-Subtenant shall use the Subleased Premises in a careful, safe and proper manner and shall not commit waste or subject the Subleased Premises to uses that would damage the Subleased Premises. Sub-Subtenant shall not use or permit the Subleased Premises to be used for any purpose or in any manner that would void Sub-Subtenant's, Sub-Sublandlord's, Sublandlord's or Master Landlord's insurance. Sub-Subtenant shall reimburse Sub-Sublandlord within ten (10) days after written demand for any additional premium charged under any insurance policy applicable to the Subleased Premises by reason of Sub-Subtenant's failure to comply with the provisions of this Section or otherwise caused by Sub-Subtenant's use and/or occupancy of the Subleased Premises.

6.3 Modifications under Laws. Sub-Subtenant, at its sole cost and expense, shall make or cause to be made any alterations or modifications to the Subleased Premises that are required by applicable Laws and arise out of Sub-Subtenant's use or occupancy of the Subleased Premises. Sub-Subtenant shall be responsible for all demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages or judgments, and all reasonable expenses incurred in investigating or resisting the same (including reasonable attorneys' fees, charges and disbursements and costs of suit) (collectively, "**Claims**") arising out of or in connection with Laws applicable to the Subleased Premises and Sub-Subtenant's use and occupancy of thereof. Sub-

Subtenant indemnifies and agrees to defend, hold, and save Sub-Sublandlord, Sublandlord and Master Landlord harmless from and against any and all Claims arising out of the failure of the Subleased Premises to comply with Laws applicable to the Subleased Premises and Sub-Subtenant's use and occupancy of thereof.

6.4 Abatement. If, through no fault of Sub-Subtenant or any of Sub-Subtenant's officers, directors, employees, constituent owners, managers, agents, invitees, licensees, and contractors (together with Sub-Subtenant, collectively, "**Sub-Subtenant Parties**"), Sub-Subtenant is prevented from using all or a portion of the Subleased Premises as a result of (a) a failure in the provision of services, utilities or access to the Subleased Premises as required under this Sub-Sublease; (b) a Casualty or a Taking; or (c) the presence of Hazardous Materials at or under the Subleased Premises other than as a result of an act or omission of a Sub-Subtenant Party (each an "**Abatement Event**"), then Rent shall be abated in such amount and for such period of time that Sub-Sublandlord's rental obligations are abated under the Master Lease.

6.5 Access. Sub-Subtenant shall have exclusive access to and use of the Subleased Premises 24 hours per day, seven days per week, year round during the Term.

7. Utilities; Services.

7.1 Services. Except to the extent it is the obligation of the Master Landlord under the Master Lease, (a) Sub-Sublandlord shall, at Sub-Subtenant's cost, activate and maintain electric, water and sewage utilities (collectively, "**Utilities**") from the appropriate providers in at least such amounts as required for the performance of Sub-Subtenant's obligations under this Sub-Sublease and the lessee's obligations under the Master Lease and the sublessee's obligations under the Sublease, and (b) Sub-Subtenant shall be solely responsible for, at Sub-Subtenant's sole cost, such telephone, telecommunications, janitorial, refuse, landscape and property maintenance and repair services and any other service as required for the performance of Sub-Subtenant's obligations under this Sub-Sublease and, the lessee's obligations under the Master Lease and the sublessee's obligations under the Sublease (collectively, "**Services**").

7.2 Payment. Except to the extent it is the obligation of the Master Landlord under the Master Lease, Sub-Subtenant shall pay directly to the applicable provider thereof, and prior to delinquency, all charges for Utilities and Services furnished to Sub-Subtenant at the Subleased Premises.

8. Alterations and Sub-Subtenant's Property.

8.1 Alterations. All alterations, additions, or improvements to the Subleased Premises made by or on behalf of Sub-Subtenant ("**Alterations**") shall be subject to (a) Sub-Sublandlord's prior written consent, which consent may be given or withheld in Sub-Sublandlord's sole discretion, (b) to the extent required under the Sublease, Sublandlord's prior written consent, and (c) to the extent required under the Master Lease, Master Landlord's prior written consent.

8.2 Intentionally Omitted.

8.3 Compliance with Requirements. Sub-Subtenant shall cause, at its sole cost and expense, all Alterations to comply with the terms of this Sub-Sublease, insurance requirements and applicable Laws and shall implement at its sole cost and expense all alterations and modifications inside or outside the Building required by applicable Laws as a result of Alterations. Sub-Subtenant shall reimburse Sub-Sublandlord for, and indemnify and hold Sub-Sublandlord,

Sublandlord, and Master Landlord harmless from, all Claims arising out of faulty work done by Sub-Subtenant or its contractors.

8.4 Additional Alteration Obligations. In addition to complying with all requirements under the Master Lease and under the Sublease applicable to Alterations, Sub-Subtenant shall (a) complete all Alterations free and clear of liens, and (b) on completion of an Alterations project, deliver to Sub-Sublandlord "as built" plans for such Alterations.

8.5 Removal and Restoration Obligations.

8.5.1 "Sub-Subtenant's Property" means and includes all trade fixtures, furniture, machinery, equipment, millwork, cabinets, files and other personal property of Sub-Subtenant that may be removed from the Subleased Premises without material damage to the Subleased Premises. Sub-Subtenant shall remove Sub-Subtenant's Property immediately following the expiration or earlier termination of the Term (each, a "**Termination**").

8.5.2 All (a) property not consisting of Sub-Subtenant's Property that is built into the Subleased Premises so as to become an integral part of the Subleased Premises (collectively, "**Installations**"), and (b) personal property of Sub-Sublandlord located at the Subleased Premises, shall not be removed by Sub-Subtenant at any time during the Term, and shall remain on or be surrendered with the Subleased Premises as a part thereof following a Termination and in accordance with, in the case of Installations, the Master Lease.

8.5.3 Sub-Subtenant shall be required to remove or restore Alterations and Installations to the extent required in the Master Lease and in any consent of Sub-Sublandlord, Sublandlord, or Master Landlord to the applicable Alterations or Installations.

8.5.4 Sub-Subtenant shall restore all damage caused by or arising as a result of Sub-Subtenant's property removal or surrender activities at the Subleased Premises. If any such activities extend beyond a Termination, Sub-Subtenant shall pay Rent (at the rate in effect immediately prior to the Termination) from the date of the Termination through the date such activities are completed.

9. Inspection and Access.

9.1 Each of Master Landlord and its officers, directors, employees, constituent owners, managers, members, agents, invitees, licensees, and contractors (together with Master Landlord, collectively, "**Master Landlord Parties**"), Sublandlord and its officers, directors, employees, constituent owners, managers, members, agents, invitees, licensees, and contractors (together with Sublandlord, collectively, "**Sublandlord Parties**"), and Sub-Sublandlord and its officers, directors, employees, constituent owners, managers, agents, invitees, licensees, and contractors (together with Sub-Sublandlord, collectively, "**Sub-Sublandlord Parties**"), shall have the right to enter the Subleased Premises during all reasonable hours and upon at least 24 hours' prior notice (except in cases of emergency) to perform its obligations under the Master Lease, Sublease and this Sub-Sublease, examine the Subleased Premises or, in the six month period immediately preceding the Expiration Date, to exhibit the Subleased Premises to potential tenants.

9.2 Sub-Subtenant, at its sole cost and expense, shall have the right to escort the Master Landlord Parties while the same are in the Subleased Premises.

9.3 Sub-Sublandlord, Sublandlord, and Master Landlord shall not enter any areas of the Subleased Premises designated by Sub-Subtenant as locations where patient medical records are kept or stored or where such entry is prohibited by applicable state or federal health care privacy Laws unless escorted by Sub-Subtenant at all times.

9.4 Sub-Sublandlord acknowledges that Sub-Subtenant or affiliates of Sub-Subtenant are subject to the provisions of the Health Insurance Portability and Accountability Act of 1996 and related regulations ("**HIPAA**") and that in order for Sub-Subtenant to comply with HIPAA, the portions of the Subleased Premises where patient medical records are kept or stored shall be secured areas. All other areas of the Subleased Premises where entry by any Master Landlord Party, Sublandlord Party, or Sub-Sublandlord Party is prohibited by applicable state or federal health care privacy Laws shall also be secured areas. Sub-Sublandlord shall comply, and shall cause the other Sub-Sublandlord Parties to comply, with the provisions of HIPAA and all applicable medical privacy Laws in connection with entry into the Subleased Premises.

10. Repairs and Maintenance.

10.1 Sub-Sublandlord's Obligations. Sub-Sublandlord shall have no obligation to operate, maintain, or repair the Subleased Premises or the Building, except to the extent the specific obligation of Sub-Sublandlord as sublessee under the Sublease. Sub-Subtenant shall have the right to notify Sub-Sublandlord of any needed maintenance or repairs that are the obligation of Master Landlord under the Master Lease or the obligation of Sublandlord under the Sublease, and Sub-Sublandlord shall notify Sublandlord of such items as provided for under the Sublease or under the Master Lease. Unless specifically provided in this Sub-Sublease, there shall be no abatement of Rent with respect to, and Sub-Sublandlord shall not be liable for, any injury to or interference with Sub-Subtenant's business arising from any repairs, maintenance, alteration, or improvement in or to any portion of the Subleased Premises, including the Building, or in or to the fixtures, appurtenances, or equipment therein. Sub-Sublandlord shall have no obligation to alter, remodel, improve, repair, decorate, or paint the Subleased Premises or any part thereof in connection with Sub-Subtenant's occupancy thereof.

10.2 Sub-Subtenant Obligations. Except for any obligations of Sub-Sublandlord under this Sub-Sublease and of Master Landlord under the Master Lease that are specifically assumed by Sub-Sublandlord in this Sub-Sublease, Sub-Subtenant, at its expense, shall repair, replace and maintain in good condition and as required under the Master Lease all portions of the Subleased Premises, subject to ordinary wear and tear and insured damage (collectively, "**Sub-Subtenant Repairs**"). If (a) Sub-Sublandlord determines that any maintenance and/or repair of the Subleased Premises is required under the Master Lease or under the Sublease, or (b) any maintenance and/or repair to the Subleased Premises or the Building is required by reason of the negligent act or omission or willful misconduct of a Sub-Subtenant Party, and Sub-Sublandlord, Sublandlord or Master Landlord performs the required maintenance or repair work, Sub-Subtenant shall pay to Sub-Sublandlord, Sublandlord or Master Landlord (as applicable) the Actual Cost of such maintenance and repair. "**Actual Cost**" means the actual out-of-pocket cost, exclusive of any overhead or administrative markup, of the applicable item, task, or service.

11. Mechanic's Liens. Within ten (10) Business Days after Sub-Subtenant receives Notice of the filing thereof, Sub-Subtenant shall discharge, by bond or otherwise, any mechanic's lien filed against the Subleased Premises for work claimed to have been done for, or materials claimed to have been furnished to, Sub-Subtenant, and Sub-Subtenant shall otherwise keep the Subleased Premises free from any liens arising out of work performed, materials furnished, or

obligations incurred by, or alleged to have been performed or furnished to, Sub-Subtenant. If Sub-Subtenant fails to discharge any lien described as and when required herein, Sub-Sublandlord shall have the right, but not the obligation, to pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against the Subleased Premises and the cost thereof shall be due from Sub-Subtenant on written demand therefor. If Sub-Subtenant leases or finances the acquisition of equipment, furnishings, or other personal property of a removable nature, any Uniform Commercial Code Financing Statement in connection with such financing shall reflect that such financing statement is applicable only to removable personal property of Sub-Subtenant located within the Subleased Premises.

12. Insurance.

12.1 Sub-Sublandlord's Insurance. During the Term, Sub-Sublandlord shall procure and maintain in full force and effect with respect to the Subleased Premises such insurance as is required of the lessee under the Master Lease. Sub-Subtenant shall reimburse Sub-Sublandlord for the commercially reasonable cost of such insurance, not to exceed the cost of insurance premiums charged by third party commercial providers, as Additional Rent. Any additional insurance obtained by Sub-Subtenant shall be at Sub-Subtenant's sole cost and expense.

12.2 Sub-Subtenant's Insurance. Sub-Subtenant shall obtain and keep in force with respect to the Subleased Premises and Sub-Subtenant's use thereof commercial general liability insurance in a minimum amount of \$1,000,000.00 per occurrence and \$3,000,000.00 in the aggregate for both bodily injury and property damage. Sub-Subtenant covenants and agrees to keep Sub-Subtenant improvements and Sub-Subtenant's contents in the Subleased Premises insured for full replacement value, under a Special Form 'All Risk' policy. In no event shall Sub-Subtenant's insurance provide coverage or indemnity to Sub-Sublandlord for any claim, loss, suit, action, or other legal proceeding in which any Sub-Sublandlord Party bears responsibility. Rather, it is the intent of this Section to provide general liability coverage to Sub-Sublandlord, as an additional insured, when it is made a party to a claim, loss, suit, action or other legal proceeding for which it bears no responsibility. In the event that both Sub-Sublandlord and Sub-Subtenant bear responsibility for the claim, loss, suit, action or other legal proceeding, then each party will look to its own insurance for coverage. Sub-Subtenant may carry any insurance required by this Sub-Sublease under a blanket policy or under a policy containing a self-insured retention.

12.3 General Requirements. All policies of insurance required to be carried by Sub-Subtenant under this Sub-Sublease shall be written by companies rated A- VII or better in Best's Key Rating Guide. Upon written request, Sub-Sublandlord and Sub-Subtenant shall each furnish to the other a certificate evidencing the insurance required to be maintained pursuant to this Sub-Sublease. Sub-Subtenant and Sub-Sublandlord shall endeavor to give to any party listed as insured or an additional insured thirty (30) days written notice prior to any cancellation of the applicable policy. If Sub-Subtenant fails to procure and maintain insurance as required by this Sub-Sublease, Sub-Sublandlord may obtain that insurance and keep it in effect. If Sub-Sublandlord procures insurance on Sub-Subtenant's behalf, then Sub-Subtenant shall pay to Sub-Sublandlord the premium cost for that insurance, upon demand and as Additional Rent.

12.4 Subrogation.

12.4.1 Sub-Sublandlord releases each Sub-Subtenant Party, to the extent of the parties' property insurance coverage hereunder, from any and all liability for any loss or damage that may be inflicted upon the property of Sub-Sublandlord even if such loss or damage shall be brought about by the fault or negligence of a Sub-Subtenant Party.

12.4.2 Sub-Subtenant releases each Sub-Sublandlord Party, and each Sublandlord Party, to the extent of the parties' property insurance coverage hereunder, from any and all liability for any loss or damage that may be inflicted upon the property of Sub-Subtenant even if such loss or damage shall be brought about by the fault or negligence of a Sub-Sublandlord Party or a Sublandlord Party.

12.4.3 The releases in this Section 12.4 shall be effective only with respect to loss or damage occurring during such time as the appropriate policy of insurance shall contain a clause to the effect that this release shall not affect said policy or the right of the insured to recover thereunder. If any policy does not permit such a waiver, and if the party to benefit therefrom requests that such a waiver be obtained, the other party agrees to obtain an endorsement to its insurance policies permitting such waiver of subrogation if it is commercially available and if such policies do not provide therefor. If an additional premium is charged for such waiver, the party benefiting from the waiver, if it desires to have the waiver, shall pay the amount of such additional premium promptly upon being billed therefor.

13. Casualty; Condemnation.

13.1 Casualty.

13.1.1 If the Subleased Premises are damaged or destroyed by fire or other insured casualty ("**Casualty**"), (a) Sub-Subtenant shall have no right to share in any proceeds from an insurance policy maintained by Master Landlord, Sublandlord or Sub-Sublandlord, and (b) the continuation of this Sub-Sublease shall be subject to the rights of Sub-Sublandlord, Sublandlord and Master Landlord under the Master Lease and under the Sublease, as applicable, and this Sub-Sublease shall continue if and to the extent that the Master Lease and the Sublease, as applicable, continue; provided that Sub-Sublandlord shall have no obligation to cause the Master Lease or the Sublease to continue.

13.1.2 If this Sub-Sublease continues following a Casualty, then (a) Rent shall be abated in the manner provided in the Master Lease, and except for such abatement, if any, Sub-Subtenant shall have no claim against Sub-Sublandlord for any losses suffered by reason of any Casualty, and (b) Sub-Subtenant shall be responsible, at its sole expense, for all repairs and restoration to the Subleased Premises not required to be performed by Sub-Sublandlord, Sublandlord, or Master Landlord.

13.1.3 This Section 13.1 constitutes an express agreement between Sub-Sublandlord and Sub-Subtenant with respect to any and all damage to, or destruction of, all or any part of the Subleased Premises and any statute or regulation that is now or hereafter in effect shall have no application to this Sub-Sublease or any damage or destruction to all or any part of the Subleased Premises, the parties hereto expressly agreeing that this Sub-Sublease sets forth their entire understanding and agreement with respect to such matters.

13.2 Condemnation.

13.2.1 If all or any part of the Subleased Premises is taken for any public or quasi-public use under Laws or by right of eminent domain, or by private purchase in lieu thereof (a "**Taking**"), (a) Sub-Subtenant shall have no right to share in any price or award from such Taking to Sub-Sublandlord, Sublandlord or Master Landlord and Sub-Subtenant assigns to Sub-Sublandlord Sub-Subtenant's interest, if any, in such award; provided that Sub-Subtenant shall have the right, to the extent the same shall not diminish Sub-Sublandlord's, Sublandlord's or

Master Landlord's award, to make a separate claim against the condemning authority (but not Sub-Sublandlord, Sublandlord, or Master Landlord) for such compensation as may be separately awarded or recoverable by Sub-Subtenant for moving expenses and damage to Sub-Subtenant's Property, and (b) the continuation of this Sub-Sublease shall be subject to the rights of Sub-Sublandlord and Sublandlord under the Sublease, and of Sublandlord and Master Landlord under the Master Lease, provided that Sublandlord shall have no obligation to cause the Master Lease to continue and Sub-Sublandlord shall have no obligation to cause the Sublease to continue.

13.2.2 If this Sub-Sublease continues following a Taking, then (a) Rent shall be abated in the manner provided in the Master Lease, and except for such abatement, if any, Sub-Subtenant shall have no claim against Sub-Sublandlord or Sublandlord for any losses suffered by reason of any Taking, and (b) Sub-Subtenant shall be responsible, at its sole expense, for all repairs and restoration to the Subleased Premises not required to be performed by Sub-Sublandlord, Sublandlord or Master Landlord.

14. Sub-Subtenant Default. Each of the following events shall be a "**Default**" by Sub-Subtenant under this Sub-Sublease. Any Notice required to be given in connection with a Default shall specify the alleged default and the required cure.

14.1 Sub-Subtenant shall fail to pay any installment of Rent when due.

14.2 Sub-Subtenant or any guarantor or surety of Sub-Subtenant's obligations hereunder (a) makes a general assignment for the benefit of creditors; (b) commences any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively, a "**Proceeding for Relief**"); (c) becomes the subject of any Proceeding for Relief that is not dismissed within ninety (90) days of its filing or entry; or (d) is dissolved or otherwise fails to maintain its legal existence.

14.3 The occurrence of any breach or default of the terms of the Sublease or the Master Lease by Sub-Subtenant, beyond applicable cure periods, if any, under the Sublease or Master Lease, as applicable, with respect to such breach or default.

14.4 Sub-Subtenant fails timely to perform or comply with, as applicable, any provision of this Sub-Sublease other than those specifically referred to in Sections 14.1, 14.2 and 14.3, and, except as otherwise expressly provided herein, such failure continues for thirty (30) days after Notice thereof from Sub-Sublandlord to Sub-Subtenant; provided that if the nature of Sub-Subtenant's default is such that it cannot be cured by the payment of money and reasonably requires more than thirty (30) days to cure, then no Default shall have occurred so long as Sub-Subtenant commences such cure within such 30-day period and thereafter diligently prosecutes the same to completion on or before the earlier of (a) ninety (90) days after the date of the original Notice thereof, or (b) such earlier date as is required under the Master Lease.

15. Sub-Sublandlord's Remedies.

15.1 Payment By Sub-Sublandlord; Default Rate. Following a Default by Sub-Subtenant, Sub-Sublandlord or Sublandlord may, without waiving or releasing any obligation of Sub-Subtenant under this Sub-Sublease, make such payment or perform such act that is the subject of the Default. All sums so paid or incurred by Sub-Sublandlord, together with interest

thereon from the date such sums were paid or incurred at the annual rate equal to five percent (5%) per annum or the highest rate permitted by Laws (the "**Default Rate**"), whichever is less, shall be payable to Sub-Sublandlord or Sublandlord, as applicable, on demand.

15.2 Late Payment Amounts. Late payment by Sub-Subtenant to Sub-Sublandlord of Rent will cause Sub-Sublandlord to incur costs not contemplated by this Sub-Sublease, the exact amount of which will be extremely difficult and impracticable to ascertain. Therefore, if any installment of Rent is not received within five (5) days after the date due, Sub-Subtenant shall pay to Sub-Sublandlord an additional sum equal to two percent (2%) of the overdue Rent as a late charge; provided that, so long as no other Default is continuing, no such late charge shall be payable on the first late payment of Rent in any twelve (12) month period. The parties agree that this late charge represents a fair and reasonable estimate of the costs Sub-Sublandlord will incur by reason of late payment by Sub-Subtenant. In addition to the late charge, Rent not paid when due shall bear interest at the Default Rate from the fifth (5th) day after the date due until paid.

15.3 Remedies. The occurrence of a Default by Sub-Subtenant under this Sub-Sublease shall also entitle Sub-Sublandlord to each and all of the rights and remedies afforded Master Landlord upon the occurrence of a default or breach under the Master Lease, or afforded Sublandlord upon the occurrence of a default or breach under the Sublease, or otherwise available at law or in equity.

15.4 Effect of Exercise. Exercise by Sub-Sublandlord of any remedies hereunder or otherwise available shall not be deemed to be an acceptance or surrender of the Subleased Premises and/or a Termination except to the extent Sub-Sublandlord has specifically elected to terminate this Sub-Sublease, it being understood that a Termination can be effected only by the express written agreement of Sub-Sublandlord and, if applicable, Sub-Subtenant. Receipt by Sub-Sublandlord or Sublandlord of Rent or other payment shall not be deemed a waiver of any breach, and no waiver by Sub-Sublandlord of any provision of this Sub-Sublease shall be deemed to have been made unless in writing and signed by Sub-Sublandlord. Neither Sub-Sublandlord nor Sublandlord shall be liable for, nor shall Sub-Subtenant's obligations hereunder be diminished because of, Sub-Sublandlord's or Sublandlord's failure to relet the Subleased Premises or collect rent due in respect of such reletting or otherwise to mitigate any damages arising by reason of a Default.

16. Sub-Subtenant's Remedies.

16.1 Sub-Sublandlord Default. Sub-Sublandlord shall not be in default hereunder unless Sub-Sublandlord fails to perform any of its obligations hereunder within thirty (30) days after Notice from Sub-Subtenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of thirty (30) days, then after such period of time as is reasonably necessary so long as Sub-Sublandlord commences to cure within such thirty (30) day period and thereafter diligently prosecutes such cure to completion).

16.2 Intentionally Omitted.

16.3 Limitation on Sub-Sublandlord's Liability. All obligations of Sub-Sublandlord under this Sub-Sublease will be binding on Sub-Sublandlord only during the period it is the sublessee under the Sublease. The term "**Sub-Sublandlord**" in this Sub-Sublease means the then sublessee under the Sublease. On the transfer by a sublessee of its interest in the Sublease, such transferring entity shall be released and discharged from all obligations of "**Sub-Sublandlord**" under this Sub-Sublease accruing after such transfer, and all such obligations shall

then be binding on the new sublessee under the Sublease for the duration of such entity's position as sublessee.

17. Assignment and Subletting.

17.1 General Prohibition. Without (a) Sub-Sublandlord's prior written consent, which shall not be unreasonably withheld or conditioned, and (b) if required by the terms of the Master Lease, the consent and approval of Master Landlord pursuant to the terms thereof (each a "**Transfer Consent**"), Sub-Subtenant shall not, directly or indirectly, voluntarily or by operation of law, assign this Sub-Sublease or further sublease the Subleased Premises or any part thereof or grant any concession or license within the Subleased Premises (each, a "**Transfer**"), and any attempted Transfer without all required Transfer Consents shall be void and of no effect. If Sub-Subtenant is a legal entity and its ownership interests are not actively traded on a public stock exchange or in the over-the-counter market, a transfer or series of transfers within any twelve (12) month period whereby more than fifty percent (50%) of the voting control of Sub-Subtenant is transferred to Persons who were not owners of ownership interests of the entity comprising Sub-Subtenant at the commencement of such twelve (12) month period shall be deemed a Transfer requiring Transfer Consents. Sub-Subtenant shall reimburse Sub-Sublandlord on demand as Additional Rent for all of Sub-Sublandlord's reasonable out-of-pocket expenses in connection with Sub-Sublandlord's and Master Landlord's consideration of any proposed Transfer.

17.2 Intentionally Omitted.

17.3 Discretionary Transfers. If Sub-Subtenant desires to Transfer this Sub-Sublease (a "**Discretionary Transfer**"), then:

17.3.1 At least ten (10) Business Days, but not more than sixty (60) Business Days, before the date Sub-Subtenant desires the Discretionary Transfer to be effective (a "**Transfer Date**"), Sub-Subtenant shall give Sub-Sublandlord a Notice (a "**Transfer Notice**") containing (a) details about the proposed assignee or sublessee, including the proposed use of the Subleased Premises, the Transfer Date and the material terms of such Discretionary Transfer, (b) a copy of the proposed assignment or sublease document substantially in its final form, and (c) such other information as Sub-Sublandlord or Master Landlord may reasonably require to evaluate the Discretionary Transfer. Sub-Sublandlord shall approve or disapprove the proposed Discretionary Transfer in writing within twenty (20) days after Sub-Sublandlord's receipt of the Transfer Notice. If Sub-Sublandlord fails timely to notify Sub-Subtenant of such approval or disapproval, Sub-Sublandlord shall be deemed to have disapproved the Discretionary Transfer.

17.3.2 Notwithstanding anything to the contrary in this Section 17.3, with respect to each Discretionary Transfer for which Master Landlord's consent is a required Transfer Consent, the Transfer Date shall be not less than ten (10) days prior to the date required under the Master Lease for delivery of request for Master Landlord's consent and the Transfer Notice shall comply with all applicable requirements of the Master Lease. In no event shall Sub-Subtenant deliver a Transfer Notice to Master Landlord.

17.4 Additional Conditions. With respect to any Transfer, whether or not Transfer Consents are required, Sub-Sublandlord shall have the right to require that the assignee or subtenant agree in writing that if Sub-Sublandlord gives such party notice that Sub-Subtenant is in Default, such party shall thereafter make all payments otherwise due to Sub-Subtenant directly to Sub-Sublandlord, which payments will be received by Sub-Sublandlord without any liability except to credit such amounts against those due from Sub-Subtenant under this Sub-Sublease.

17.5 No Release of Sub-Subtenant. Notwithstanding any Transfer, Sub-Subtenant and any guarantor or surety of Sub-Subtenant's obligations under this Sub-Sublease shall at all times remain fully and primarily responsible and liable for the payment of Rent and for compliance with all of Sub-Subtenant's other obligations under this Sub-Sublease.

17.6 No Waiver. The consent by Sub-Sublandlord or Master Landlord to a Transfer shall not relieve Sub-Subtenant or any assignees of this Sub-Sublease or any sub-sublessees of the Subleased Premises from obtaining the consent of Sub-Sublandlord or Master Landlord to any further Transfer nor shall it release Sub-Subtenant from full and primary liability under this Sub-Sublease. The acceptance by Sub-Sublandlord of Rent, or the acceptance of performance of any other term, covenant, or condition hereof, from any Person other than Sub-Subtenant shall not be deemed to be a waiver of any of the provisions of this Sub-Sublease or a consent to any Transfer.

17.7 Occupancy by Others. To the extent permitted under the Master Lease, Sub-Subtenant shall have the right without the need to obtain Sub-Sublandlord's consent to permit the occupancy of portions of the Subleased Premises to Persons providing services to Sub-Subtenant or an affiliate of Sub-Subtenant ("**Sub-Subtenant's Occupants**"); provided that such occupancy shall not shall not relieve Sub-Subtenant of any liability under this Sub-Sublease, and Sub-Subtenant shall indemnify and hold Sub-Sublandlord harmless from, all Claims arising out of the use or occupancy of the Subleased Premises by Sub-Subtenant's Occupants.

17.8 Transfer by Sub-Sublandlord or Sublandlord. Sub-Sublandlord shall have the right to transfer all or any part of its interest in the Subleased Premises or the Sublease to the extent permitted by the Sublease. In the event of any such transfer, Sub-Sublandlord shall be relieved of any and all obligations and liabilities hereunder accruing from and after the date of such transfer. Sublandlord shall have the right to transfer all or any part of its interest in the Subleased Premises or the Master Lease to the extent permitted by the Master Lease. In the event of any such transfer, Sublandlord shall be relieved of any and all obligations and liabilities hereunder accruing from and after the date of such transfer.

18. Holding Over.

18.1 If Sub-Subtenant retains possession of the Subleased Premises after a Termination with Sub-Sublandlord's written consent, (a) unless otherwise agreed in such written consent, such possession shall be as a month-to-month tenant, (b) Sub-Subtenant shall pay Base Rent in the amount of 150% of the Base Rent in effect on the date of such Termination, and (c) all other terms and provisions of this Sub-Sublease shall remain in full force and effect (excluding any expansion or renewal option or other similar right or option) during such holdover period.

18.2 If Sub-Subtenant remains in possession of the Subleased Premises after a Termination without the written consent of Sub-Sublandlord, Sub-Subtenant shall immediately become a tenant at sufferance under the terms of this Sub-Sublease except that the monthly rental shall be equal to 150% of the Rent in effect during the last thirty (30) days of the Term.

19. Surrender. On a Termination, Sub-Subtenant shall surrender the Subleased Premises to Sub-Sublandlord (a) in good condition and repair, subject to any Alterations or Installations permitted to remain in the Subleased Premises under the terms of this Sub-Sublease and otherwise in accordance with Section 8.5 of this Sub-Sublease, the Sublease, and the Master Lease, and (b) broom clean, ordinary wear and tear and Casualty and Takings excepted, and otherwise as required by the Master Lease and Sublease. Any of Sub-Subtenant's Property,

Alterations or Installations or other property not removed by Sub-Subtenant as and when required herein shall be deemed abandoned if Sub-Subtenant fails to remove the same on or prior to the date of Termination.

20. Estoppel Certificates.

20.1 Sub-Subtenant Estoppel. Sub-Subtenant shall, within ten (10) Business Days after Notice from Sub-Sublandlord, execute and deliver a certificate certifying (a) that this Sub-Sublease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Sub-Sublease as so modified is in full force and effect) and the dates to which Rent has been paid, (b) that there are no uncured defaults on the part of Sub-Sublandlord hereunder, or specifying such defaults if any are claimed, and (c) such further factual information as may be requested thereon with respect to the status of this Sub-Sublease or the Subleased Premises that is not reflected in this Sub-Sublease. Sub-Subtenant's failure timely to deliver such statement shall constitute a Default, and shall be conclusive on Sub-Subtenant that this Sub-Sublease is in full force and effect and without modification except as may be represented by Sub-Sublandlord in any certificate prepared by Sub-Sublandlord and delivered to Sub-Subtenant for execution.

20.2 Sub-Sublandlord Estoppel. Sub-Sublandlord shall, within ten (10) Business Days after Notice from Sub-Subtenant, execute and deliver a certificate certifying (a) that this Sub-Sublease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Sub-Sublease as so modified is in full force and effect) and the dates to which Rent has been paid, (b) that there are no uncured defaults on the part of Sub-Subtenant, or specifying such defaults if any are claimed, and (c) such further factual information as may be requested thereon with respect to the status of this Sub-Sublease or the Subleased Premises that is not reflected in this Sub-Sublease.

21. Subordination. This Sub-Sublease and Sub-Subtenant's interest and rights hereunder are and shall be subject and subordinate at all times to the lien of any deeds of trust, mortgages, security instruments, and financing statements and any other encumbrances on the Subleased Premises or the Sublease or the Master Lease now existing or hereafter created on or against the Subleased Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments, and extensions thereof as and to the extent required under the Master Lease or under the Sublease.

22. Environmental Requirements.

22.1 Prohibition/Compliance. Except for Hazardous Materials contained in products customarily used for or otherwise generated, handled or transported in connection with the Permitted Use, Sub-Subtenant shall not cause or knowingly permit any party to bring Hazardous Materials on the Subleased Premises or use, store, handle, treat, generate, manufacture, transport, release, or dispose of Hazardous Materials in, on or from the Subleased Premises without Sub-Sublandlord's prior written consent, which may be withheld in Sub-Sublandlord's sole discretion. Sub-Subtenant, at its sole cost and expense, shall operate its business in the Subleased Premises in strict compliance with all Environmental Requirements and shall remove or remediate in compliance with applicable Laws and the Master Lease all Hazardous Materials released on or from the project by any Sub-Subtenant Party in violation of Environmental Requirements. "**Environmental Requirements**" means all applicable Laws regulating or relating to the environment or the health, safety or environmental conditions on, under, or about the Subleased Premises. "**Hazardous Materials**" means asbestos, petroleum products, natural gas

liquids, liquefied natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas) and any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, or regulated by reason of its adverse impact on persons, animals and/or the environment under any Environmental Requirements. As defined in Environmental Requirements, Sub-Subtenant is and shall be deemed to be the **"operator"** of Sub-Subtenant's **"facility"** and the **"owner"** of all Hazardous Materials brought on the Subleased Premises by any Sub-Subtenant Party, and the wastes, by-products, or residues generated, resulting, or produced therefrom. Sub-Sublandlord shall be and remain responsible to Sub-Subtenant for any Hazardous Materials introduced to the Subleased Premises or generated by any Sub-Sublandlord Party.

22.2 Environmental Indemnity. Sub-Subtenant indemnifies and shall defend and hold the Sub-Sublandlord Parties, Sublandlord Parties and the Master Landlord Parties harmless from any and all Claims, damages (including punitive damages and damages based on diminution in value of the Subleased Premises or the project, or the loss of, or restriction on, use of the Subleased Premises or any portion of the project), expenses (including reasonable attorneys', consultants', and experts' fees, court costs and amounts paid in settlement of any claims or actions), civil, administrative, or criminal penalties, and costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any Government Authority, or liabilities or losses (collectively, **"Environmental Claims"**) that arise during or after the Term as a result of (a) contamination in, on or from the Subleased Premises during the Term, unless such contamination is introduced or generated by any Sub-Sublandlord Party, Sublandlord Party or Master Landlord Party, as applicable, and (b) contamination, in on or about the Subleased Premises caused by any Sub-Subtenant Party. Without limiting the foregoing, if the presence of any Hazardous Materials on the Subleased Premises or any adjacent property caused or knowingly permitted by any Sub-Subtenant Party results in any contamination of the Subleased Premises or any adjacent property, Sub-Subtenant shall promptly take all actions at its sole cost and expense as are required by Environmental Requirements and the Master Lease with respect to the Subleased Premises or such adjacent property as a result of such presence of Hazardous Materials.

22.3 Survival. Sub-Subtenant's obligations under this Section 22 shall survive a Termination. During any period after a Termination required by Sub-Subtenant or Sub-Sublandlord to complete the removal from the Subleased Premises of any Hazardous Materials as a result of (a) contamination in on or about the Subleased Premises or any portion thereof during the Term, except to the extent introduced or generated by any Sub-Sublandlord Party or Master Landlord Party, as applicable, and (b) contamination in, on or about the Subleased Premises caused by any Sub-Subtenant Party that prevents Sub-Sublandlord or Master Landlord from reletting or otherwise using the Subleased Premises, Sub-Subtenant shall continue to pay Rent for any portion of the Subleased Premises not relet, which Rent shall be prorated daily.

22.4 Notices. Sub-Sublandlord and Sub-Subtenant shall each promptly deliver to the other copies of all notices delivered to or received from any state, county, municipal or other agency having authority to enforce any Environmental Requirements or from the United States Occupational Safety and Health Administration or the local equivalent in the state where the Subleased Premises are located (each, an **"Enforcement Agency"**) concerning Hazardous Materials or Environmental Claims with respect to the Subleased Premises.

23. Regulatory Compliance. Sub-Sublandlord represents and warrants to Sub-Subtenant that Sub-Sublandlord is not a "referring physician" or a "referral source" as to Sub-Subtenant for services paid for by Medicare or a state health care program, as the terms are defined under any

federal or state health care anti-referral or anti-kickback, regulation, interpretation or opinion (“**Referral Source**”). Sub-Sublandlord covenants, during the Term, it will not knowingly (i) take any action that would cause it to become a Referral Source as to Sub-Subtenant, or (ii) sell, exchange, or transfer the Subleased Premises to any individual or entity who is a Referral Source as to Sub-Subtenant without complying with all other provisions of this Sub-Sublease.

Each party represents and warrants that: (1) it is not currently excluded from participation in any federal health care program, as defined under 42 U.S.C. Section 1320a-7b; (2) it is not currently excluded, debarred, suspended, or otherwise ineligible to participate in federal procurement and non-procurement programs; or (3) it has not been convicted of a criminal offense that falls within the scope of 42 U.S.C. Section 1320a-7(a), but has not yet been excluded, debarred, suspended or otherwise declared ineligible (each, an “**Exclusion**”), and agrees to notify the other party within two Business Days of learning of any such Exclusion or any basis therefore. In the event of learning of such Exclusion, either party shall have the right to immediately terminate this Sub-Sublease without further liability. Sub-Sublandlord agrees that Sub-Subtenant may screen Sub-Sublandlord against applicable Exclusion databases on an annual basis.

In the event Sub-Sublandlord, or Sub-Sublandlord’s successors or assigns, become a Referral Source as described in this Section 23 above, the following Sections 23.1 and 23.2 shall apply but shall have no effect until such time:

23.1 Compliance. Sub-Sublandlord and Sub-Subtenant agree that it is not the purpose of this Sub-Sublease to exert any influence over the reason or judgment of any party with respect to the referral of patients or other business between Sub-Sublandlord and Sub-Subtenant, but that it is the parties’ expectation that any referrals which may be made between the parties shall be and are based solely upon the medical judgment and discretion of the patient’s physician. The parties further agree and acknowledge that (a) Base Rent is (i) set forth in advance; (ii) consistent with fair market value in an arms-length transaction; (iii) does not take into account the volume or value of any referrals or other business generated between the parties; and (iv) would be reasonable even if no referrals were made between the parties, and (b) the square footage of the Building does not exceed the reasonable square footage needed for the legitimate business plans of Sub-Subtenant.

23.2 Compliance with Law. The parties enter into this Sub-Sublease with the intent of conducting their relationship in full compliance with applicable federal, state and local Laws, including, without limitation, the Anti-Kickback Statute and agree and certify that neither party shall violate the Anti-Kickback Statute in performing under this Sub-Sublease. Notwithstanding any unanticipated effect of any provisions of this Sub-Sublease, neither party will intentionally conduct itself under the terms of this Sub-Sublease in a manner that would violate any such Law. Sub-Sublandlord agrees not to request an advisory opinion related to the legality of this Sub-Sublease without the concurrence and approval of Sub-Subtenant. Sub-Subtenant shall have the right to terminate this Sub-Sublease if a change in applicable health care Laws or reimbursement systems affects the legality of this Sub-Sublease. Sub-Sublandlord shall notify Sub-Subtenant of, and cooperate with, any request from a duly authorized government representative (e.g., Secretary of Health and Human Services, Comptroller General) for access to books, documents and/or records related to this Sub-Sublease, and to indemnify Sub-Subtenant from any liability arising out of the party’s refusal to grant such access.

24. Indemnification. Sub-Subtenant indemnifies and agrees to defend and hold the Master Landlord Parties, the Sublandlord Parties, and the Sub-Sublandlord Parties harmless from and against any and all Claims for injury or death to persons or damage to property occurring within or about the Subleased Premises, arising out of the use or occupancy of the Subleased Premises or a breach or default by Sub-Subtenant in the performance of its obligations hereunder, except to the extent caused by the willful misconduct or gross negligence of the applicable indemnified party.

25. Limitation on Liability. At no time shall either Master Landlord, Sublandlord or Sub-Sublandlord be responsible or liable to Sub-Subtenant for any lost profits, lost economic opportunities or any other form of consequential or punitive damages (collectively, "**Consequential Damages**") as the result of any actual or alleged breach by Master Landlord, Sublandlord or Sub-Sublandlord of its obligations under the Master Lease, the Sublease or this Sub-Sublease, as applicable; provided that this provision shall not limit or otherwise affect liability with respect to claims of gross negligence, fraud or willful misconduct.

26. Miscellaneous.

26.1 Notices. All notices, consents, approvals, requests, invoices, or statements provided for or permitted to be given under this Sub-Sublease ("**Notices**") shall (a) be in writing unless oral notice is specifically permitted, and (b) be delivered to the addresses for the applicable party in the Basic Sub-Sublease Information, or such replacement or additional address as such party designates from time to time on not less than thirty (30) days prior Notice. Notices shall be (i) sent by certified U.S. Mail with return receipt requested; (ii) delivered via FedEx, UPS, or other nationally recognized overnight courier; or (iii) personally delivered (including delivery by private courier services). All delivery charges must be satisfied by the sending party. Notices shall be deemed duly given when received or delivery is refused; provided that if the day of receipt or refusal is not a Business Day, such Notice shall be deemed duly given as of the next succeeding Business Day.

Notwithstanding anything contained in this Sub-Sublease to the contrary, any written notice by either Sub-Sublandlord or Sub-Subtenant to the other party may be transmitted by electronic transmission, and that the electronic copies of such party's signature shall have the same effect as if it were an original signature.

26.2 Quiet Enjoyment. So long as no Default exists, Sub-Subtenant shall, subject to the terms of this Sub-Sublease, at all times during the Term, have peaceful and quiet enjoyment of the Subleased Premises against any Person claiming by, through or under Sub-Sublandlord.

26.3 Confidential and Protected Information.

26.3.1 Nondisclosure. Sub-Subtenant and Sub-Sublandlord acknowledge that the contents of this Sub-Sublease and any related documents are confidential information. Except to the extent disclosure is required by Laws, court order or is otherwise required to enforce the terms of this Sub-Sublease, the parties shall keep such confidential information strictly confidential and shall not disclose such confidential information to any Person other than their respective financial, legal, and property consultants, and insurance brokers and insurers, provided, that Sub-Subtenant may disclose the terms to prospective subtenants or assignees under this Sub-Sublease and Sub-Sublandlord, may disclose the terms to any prospective lender or purchaser of the Subleased Premises.

26.3.2 Protected Health Information. Each of Sub-Sublandlord and Sublandlord acknowledge and agree that from time to time during the Term, the Sub-Sublandlord Parties and the Sublandlord Parties may be exposed to, or have access to, Protected Health Information, as defined by HIPAA, 45 CFR Parts 160 and 164 ("**PHI**"). Sub-Sublandlord and Sublandlord shall not use or disclose, and Sub-Sublandlord and Sublandlord shall cause the other Sub-Sublandlord Parties and Sublandlord Parties, as applicable, not to use or disclose, PHI for any purpose unless in accordance with the requirements of HIPAA and all other applicable medical privacy Laws.

26.3.3 Sub-Subtenant Information. Sub-Sublandlord shall preserve, and cause the other Sub-Sublandlord Parties to preserve, all business, financial, personal, or technical information relating to Sub-Subtenant and the business or other activities of Sub-Subtenant and affiliates of Sub-Subtenant at the Subleased Premises that Sub-Sublandlord obtains in connection with this Sub-Sublease (collectively, "**Sub-Subtenant Information**"). Without first obtaining Sub-Subtenant's prior written consent, Sub-Sublandlord shall not, and shall cause the other Sub-Sublandlord Parties not to, disclose to any Person, or use for its own benefit, any Sub-Subtenant Information during and after the Term, unless such Sub-Subtenant Information is required to be disclosed by a court of competent jurisdiction or by a Governmental Authority.

26.4 Consent. Except to the extent expressly stated to the contrary herein, whenever Sub-Sublandlord's or Sub-Subtenant's consent is required under this Sub-Sublease, such consent shall not be unreasonably withheld, conditioned or delayed.

26.5 Prorations. All prorations required or permitted to be made hereunder shall be made on the basis of a 365-day year and if for a calendar month, then based on the actual number of days in such month ("**Prorated**" or "**Prorations**").

26.6 Force Majeure. Other than in connection with the obligation to pay money, no party shall be held responsible for delays in the performance of its obligations hereunder when caused by strikes, lockouts, labor disputes, weather, natural disasters, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, delay in issuance of permits, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of such party ("**Force Majeure**"). Force Majeure shall not include any events or causes that can be avoided or minimized by the payment of commercially reasonable amounts.

26.7 Brokers.

26.7.1 Sub-Sublandlord represents and warrants that it has not dealt with any broker, agent or other Person (collectively, "**Broker**") in connection with this Sub-Sublease and that no Broker brought about this Sub-Sublease on behalf of Sub-Sublandlord. Sub-Sublandlord indemnifies and agrees to hold Sub-Subtenant harmless from and against any Claims by any Broker claiming a commission or other form of compensation by virtue of having dealt with Sub-Sublandlord with regard to this lease transaction.

26.7.2 Sub-Subtenant represents and warrants that it has not dealt with any Broker in connection with this Sub-Sublease and that no Broker brought about this Sub-Sublease on behalf of Sub-Subtenant. Sub-Subtenant indemnifies and agrees to hold Sub-Sublandlord harmless from and against any Claims by any Broker claiming a commission or other form of compensation by virtue of having dealt with Sub-Subtenant with regard to this lease transaction.

26.8 Entire Agreement, Amendment. This Sub-Sublease constitutes the complete agreement of Sub-Sublandlord and Sub-Subtenant with respect to the subject matter hereof and supersedes any and all prior representations, inducements, promises, agreements, understandings and negotiations that are not contained herein. This Sub-Sublease may not be amended except by an instrument in writing signed by both Sub-Sublandlord and Sub-Subtenant and, if required by the Master Lease, consented to in writing by Master Landlord.

26.9 Recordation. Neither this Sub-Sublease nor any memorandum hereof shall be filed or recorded in any public record.

26.10 Interpretation. Sub-Sublandlord and Sub-Subtenant have jointly prepared this Sub-Sublease, each with access to counsel, and (a) none of the provisions hereof shall be construed against one party on the ground that such party is the author of this Sub-Sublease or any part hereof; and (b) the usual rule of contract construction that resolves ambiguities against the drafter shall not apply. All defined terms have the meanings given them for all purposes, and such meanings are equally applicable to both the singular and plural forms of the terms defined. Any agreement, instrument or applicable Laws defined or referred to herein (i) means such agreement or instrument or applicable Laws as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of applicable Laws) by succession of comparable successor applicable Laws; and (ii) includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein. References to a Person are also to its successors and permitted assigns. The word "**or**" is deemed to mean "**and/or**". Any term defined in this Sub-Sublease by reference to any other agreement or instrument has such meaning whether or not such agreement or instrument is in effect. Regardless of the referenced gender, pronouns used in this Sub-Sublease shall include Persons of every kind and character. References to "**\$**" or to "**dollars**" shall mean the lawful currency of the United States of America. The words "**including**" and "**includes**" and terms of similar import shall be deemed to mean "**including, without limitation**". "**Business Days**" means all days other than Saturday, Sunday and other days on which neither banks nor the U.S. postal service are open for business in the state where the Subleased Premises are located. "**Person**" means a natural person or a legal entity.

26.11 Limitations on Interest. It is expressly the intent of Sub-Sublandlord and Sub-Subtenant at all times to comply with applicable Laws governing the maximum rate or amount of any interest payable on or in connection with this Sub-Sublease. If applicable Laws are ever judicially interpreted so as to render usurious any interest called for under this Sub-Sublease, or contracted for, charged, taken, reserved, or received with respect to this Sub-Sublease, then it is Sub-Sublandlord's and Sub-Subtenant's express intent that all excess amounts theretofore collected by Sub-Sublandlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Sub-Subtenant), and the provisions of this Sub-Sublease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable Laws, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

26.12 Choice of Law. Construction and interpretation of this Sub-Sublease shall be governed by the internal laws of the state in which the Subleased Premises are located, excluding any principles of conflicts of laws.

26.13 Severability. If any clause or provision of this Sub-Sublease is illegal, invalid or unenforceable under present or future laws, then the remainder of this Sub-Sublease shall not be affected thereby. In lieu of each clause or provision of this Sub-Sublease that is illegal, invalid, or unenforceable, there shall be added, as a part of this Sub-Sublease, a clause or provision as similar in effect to such illegal, invalid, or unenforceable clause or provision as shall be legal, valid and enforceable.

26.14 Time. Time is of the essence under this Sub-Sublease.

26.15 Incorporation by Reference. All exhibits, schedules and addenda attached to this Sub-Sublease are incorporated into this Sub-Sublease and made a part hereof. If there is any conflict between such exhibits, schedules or addenda and the terms of this Sub-Sublease, the terms of this Sub-Sublease shall control.

26.16 No Third Party Beneficiaries. Sub-Sublandlord and Sub-Subtenant do not intend for any Person to be a third party beneficiary of this Sub-Sublease, and the provisions of this Sub-Sublease shall not impart any legal or equitable right, remedy or claim enforceable by any Person other than the parties that are signatories to this Sub-Sublease and their successors and permitted assigns. Master Landlord's rights with respect to this Sub-Sublease are as provided for in the Master Lease.

26.17 No Waiver. Failure or forbearance by any party to exercise any of its rights or remedies under this Sub-Sublease shall not constitute a waiver of such rights or remedies in that or other instance. Neither party shall be deemed to have waived any right or remedy resulting from such failure to perform unless it has made such waiver specifically in writing.

26.18 Counterparts; Imaged Documents. This Sub-Sublease may be executed in one or more counterparts, each of which shall be an original but all of which, taken together, shall constitute only one legal instrument. It shall not be necessary in making proof of this Sub-Sublease to produce or account for more than one counterpart. The delivery of an executed counterpart of this Sub-Sublease electronically or by facsimile shall be deemed to be valid delivery thereof with the same effect as delivery of an original executed counterpart. This Sub-Sublease may be imaged and stored electronically and (a) such imaged Sub-Sublease may be introduced as evidence in any proceeding as if it was an original, and (b) no party shall contest the admissibility of such imaged document as evidence in any proceeding.

26.19 Cooperation with Sub-Sublandlord's Cost Reporting Responsibilities. Sub-Subtenant's full cooperation with applicable authorities in connection with cost reporting is essential for Sub-Sublandlord's continued operation of its business. Therefore, Sub-Subtenant agrees to provide to Sub-Sublandlord, within thirty (30) days of Sub-Sublandlord's request, any and all information that is reasonably necessary for Sub-Sublandlord to fulfill its cost reporting requirements to such applicable authorities.

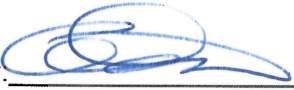
26.20 Waiver of Jury Trial. SUB-SUBTENANT AND SUB-SUBLANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN SUB-SUBLANDLORD AND SUB-SUBTENANT ARISING OUT OF THIS SUB-SUBLEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED HERETO.

[Signatures on next page]

IN WITNESS WHEREOF, Sub-Sublandlord and Sub-Subtenant have executed this Sub-Sublease as of the day and year first above written.

SUB-SUBLANDLORD:

Everett MSO, Inc.,
a Washington corporation

By: 

Printed Name: Chris B. Olson

Title: V.P. Real Estate Services

Date: 06/26/2020

State of Minnesota

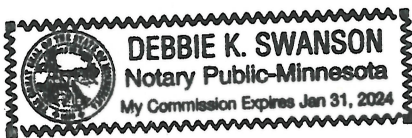
County of Hennepin

I certify that I know or have satisfactory evidence that Chris B. Olson is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the V.P. Real Estate Services of the Everett MSO, Inc. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: June 26, 2020


(Signature)

(Seal or Stamp)



Notary Public - MN
Title

My appointment expires 1/31/2024

SUB-SUBTENANT:

The Everett Clinic, PLLC,
a Washington professional limited liability company

By: [Signature]
Printed Name: Alka Atal-Barrio
Title: Chief Medical Officer
Date: 6/30/2020

State of WASHINGTON
County of SNOHOMISH

I certify that I know or have satisfactory evidence that ALKA ATAL-BARRIO is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the of The Everett Clinic, PLLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 6/30/20

[Signature]
(Signature)

(Seal or Stamp)



ADMINISTRATIVE ASSISTANT
Title

My appointment expires 11/22/21

Exhibit A

Sublease

(attached)

SUBLEASE

THIS SUBLEASE (this "**Sublease**") is made and entered into as of July 1, 2020 (the "**Effective Date**"), by and between United HealthCare Services, Inc., a Minnesota corporation ("**Sublandlord**"), and Everett MSO, Inc., a Washington corporation ("**Subtenant**").

W I T N E S S E T H:

WHEREAS, that certain Lease Agreement dated July 1, 2020 was entered into by and between MARKDEV-SMOKEY POINT, LLC, a Washington limited liability company ("**Landlord**"), and Sublandlord, as tenant, attached hereto as Exhibit A (the "**Lease**"), whereby Sublandlord leases from Landlord approximately 37,407 rentable square feet (the "**Premises Rentable Area**"), with an address of 4003, 4007 and 4011 172nd Street NE, Arlington, Washington (the "**Premises**") in the to-be-constructed building (the "**Building**"); and

WHEREAS, Sublandlord has agreed to sublease to Subtenant approximately 37,407 rentable square feet of the Premises (the "**Subleased Premises**"), and Subtenant has agreed to sublease the Subleased Premises from Sublandlord, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublandlord and Subtenant hereby agree as follows:

1. Incorporation of Recitals. The above recitals are true and correct and are incorporated herein as if set forth in full.
2. Sublease. On and subject to all of the terms and conditions of this Sublease, Sublandlord hereby subleases to Subtenant, and Subtenant hereby subleases from Sublandlord, the Subleased Premises, as depicted on the site plan attached hereto and made a part hereof as Exhibit B. Except as may be specifically excluded under this Sublease, (a) Subtenant shall keep and observe in favor of Sublandlord and Landlord all of the obligations and covenants under the Lease applicable to the lessee of the Premises, (b) Sublandlord shall have with respect to Subtenant all of the rights under the Lease applicable to the lessor of the Premises, and (c) unless specifically set forth herein, Sublandlord shall have no obligation or liability to perform any of the obligations or liabilities of Landlord under the Lease as the lessor of the Premises. Subtenant acknowledges and agrees that Landlord shall be solely responsible for providing all services and performing all duties and obligations of the Landlord under the Lease with respect to the Subleased Premises.
3. Lease. Sublandlord and Subtenant agree that at all times this Sublease is and shall be subject and subordinate to all of the terms, covenants, conditions, and provisions of the Lease. Subtenant hereby acknowledges that it has received a copy of the Lease and has examined and approved same. All of the terms, covenants, conditions, and provisions of the Lease are incorporated herein by reference, and shall, as between Sublandlord and Subtenant, constitute the terms, covenants, conditions, and provisions of this Sublease, except to the extent that they are inapplicable to, inconsistent with, or modified by the provisions of this Sublease. If either Sublandlord or Subtenant receives any notice or demand from Landlord under the Lease, the recipient shall promptly deliver a copy thereof to the other party hereto. All defined terms in this Sublease shall have the same meaning as in the Lease, except if otherwise noted. Sublandlord and Subtenant shall not do or permit to be done any act or thing which will constitute a breach or violation of any of the terms, covenants, conditions, or provisions of the Lease.
4. Sublease Term. The term of this Sublease (the "**Sublease Term**") shall commence on the Commencement Date (as defined in the Lease) (the "**Sublease Commencement Date**"), and shall continue through the expiration or earlier termination of the term of the Lease, unless terminated sooner pursuant to the provisions of the Lease or this Sublease.
5. Base Rent. Subtenant shall pay to Sublandlord amounts of base rent as set forth in Section 3 of the Lease (the "**Base Rent**") for the Sublease Term payable from time to time under the Lease. Notwithstanding anything to the contrary contained in this Sublease, in the event the square footage of the Subleased Premises under this Sublease, or Premises or Building under the Lease is re-measured or otherwise adjusted, then the square footage of the Subleased

Premises, Premises or Building shall be adjusted to equal the amount as so determined, and the Base Rent, Sublease Additional Rent (as defined below), and any other items specified in this Sublease as a function of square footage shall be adjusted proportionately. Any amendments to the Lease reflecting any square footage adjustments shall be incorporated automatically into this Sublease and made a part hereof, including without limitation, with respect to any defined terms.

6. Additional Rent. It is in the intent of the parties that the Sublandlord pass directly through to Subtenant all of Sublandlord's costs of operating the Subleased Premises as Tenant under the Lease. In addition to the Base Rent, Subtenant shall be responsible for and shall pay to Sublandlord (i) Subtenant's proportionate share of the Operating Expenses (as defined in the Lease), (ii) Impositions (as defined in the Lease), (iii) the cost of all utilities and other services necessary in the operation of the Subleased Premises, including but not limited to, gas, fuel oil, electrical, telephone, water and sewer, and other utility charges, and janitorial services (if Tenant shall contract for such services), (iv) Landlord's insurance in accordance with Section 18.2 of the Lease, and (v) all other sums deemed Additional Rent under the Lease (collectively, the "**Sublease Additional Rent**") in accordance with the applicable provisions of the Lease. Subtenant's proportionate share shall be equal to the ratio which the square footage of the Subleased Premises bears to the square footage of the Premises, which is one hundred percent (100%).

7. Payments. The Base Rent, Sublease Additional Rent, and any other sums of money as shall become due hereunder or under the Lease, are sometimes collectively referred to as "**Rent.**" If the period running from the Sublease Commencement Date to the end of the first calendar month is less than a full calendar month, the following month's Rent shall be appropriately apportioned. Rent shall be paid promptly when due, without notice or demand therefor, and without deduction, abatement, counterclaim, or setoff of any amount or for any reason whatsoever. Rent shall be paid to Sublandlord in lawful money of the United States of America at Sublandlord's address of set forth in this Sublease or to such other person, or at such address, or both, as Sublandlord may from time to time designate by notice to Subtenant.

8. Alterations. Subtenant may make any Alterations (as defined in the Lease) which Sublandlord, as Tenant, is permitted to make under the Lease; provided, however, Subtenant shall obtain Landlord's consent for any Alterations made by Subtenant which require Landlord's consent under the Lease prior to making such Alterations.

9. Use. Subtenant shall use and occupy the Subleased Premises only for such purposes as are permitted pursuant to the Lease and for no other purpose or purposes whatsoever.

10. Insurance. Subtenant shall maintain, at Subtenant's sole cost and expense, throughout the Sublease Term, the same insurance required to be maintained by Sublandlord pursuant to Section 18 of the Lease, with Sublandlord and Landlord named as additional insureds (as their respective interests may appear), with limits of not less than those amounts required pursuant to the Lease. Subtenant shall procure and pay for renewals of such insurance from time to time before the expiration thereof.

11. Casualty. In the event of any casualty of all or any portion of the Subleased Premises, such casualty shall be governed by the applicable provisions of the Lease, including, without limitation, Section 13 of the Lease.

12. Condemnation. In the event of any condemnation of all or any portion of the Subleased Premises, such condemnation shall be governed by the applicable provisions of the Lease, including, without limitation, Section 14 of the Lease.

13. Defaults. The rights and remedies of Sublandlord and Subtenant hereunder shall be the same as the respective rights and remedies of Landlord and Sublandlord under the Lease, including, without limitation, that the provisions for defaults by Subtenant and Sublandlord shall be as provided in Section 17 of the Lease. In addition, if Subtenant shall at any time fail to make any payment or to perform any other obligation of Subtenant hereunder, Sublandlord shall have the right, but not the obligation, upon five (5) business days' notice to Subtenant, or without notice to Subtenant in the case of any circumstances that Sublandlord reasonably believes to be an emergency, and without waiving or releasing Subtenant from any obligation of Subtenant hereunder, to make such payment or perform such other obligation of Subtenant in such manner and to such extent as Sublandlord shall deem necessary, and, in exercising any such right, to pay any reasonable cost or expense, to employ attorneys, and to incur and pay attorneys' fees and disbursements. Subtenant shall pay

to Sublandlord upon demand all sums so paid by Sublandlord (including attorneys' fees and costs), together with interest thereon at an annual rate equal to the then-maximum lawful interest rate, from the date of the making of such expenditure.

14. Estoppel Certificate. Subtenant shall be required to provide estoppel certificates upon request by Sublandlord and/or Landlord in the manner provided in Section 30 of the Lease.

15. Parking. Commencing on the Sublease Commencement Date, Subtenant shall have the right to utilize the parking spaces on the Property as depicted on Exhibit B of the Lease, on the terms and conditions set forth in the Lease, including without limitation, Section 23 of the Lease.

16. Notices. All notices, demands and requests which may be or are required to be given by either party to the other shall be in writing and shall be either (i) sent by registered or certified mail, return receipt requested, postage prepaid or (ii) delivered, by hand, or (iii) sent by overnight courier such as FedEx. All notices to Sublandlord should be addressed to Sublandlord at Jones Lang LaSalle Americas, Inc., c/o United HealthCare Svs Inc., 9900 Bren Road East, MN008-W310, Minnetonka, MN 55343 Attn: Lease Administration [Occupation ID #], with a concurrent copy to: Lease.Administration@UHC.com, Subject: Occupation ID# [] or at such other place as Sublandlord may from time to time designate in written notice to Subtenant. All notices to Subtenant shall be addressed to Subtenant at Jones Lang LaSalle Americas, Inc., c/o United HealthCare Svs Inc., 9900 Bren Road East, MN008-W310, Minnetonka, MN 55343 Attn: Lease Administration [Occupation ID #], with a concurrent copy to: Lease.Administration@UHC.com, Subject: Occupation ID# [] or to any such other place as Subtenant may from time to time designate in written notice to Sublandlord. Notwithstanding anything contained in this Sublease to the contrary, any written notice by either Sublandlord or Subtenant to the other party may be transmitted by electronic transmission, and that the electronic copies of such party's signature shall have the same effect as if it were an original signature.

17. Regulatory Compliance. Sublandlord represents and warrants to Subtenant that Sublandlord is not a "referring physician" or a "referral source" as to Subtenant for services paid for by Medicare or a state healthcare program, as the terms are defined under any federal or state healthcare anti-referral or anti-kickback, regulation, interpretation or opinion ("**Referral Source**"). Sublandlord covenants, during the Sublease Term, it will not knowingly (i) take any action that would cause it to become a Referral Source as to Subtenant, or (ii) sell, exchange or transfer the Subleased Premises to any individual or entity who is a Referral Source as to Subtenant without providing Subtenant with prior written notice of the sale, exchange or transfer and the name of the buyer or assignee.

- a. Each party represents and warrants that: (1) it is not currently excluded from participation in any federal healthcare program, as defined under 42 U.S.C. Section 1320a-7b; (2) it is not currently excluded, debarred, suspended, or otherwise ineligible to participate in federal procurement and non-procurement programs; or (3) it has not been convicted of a criminal offense that falls within the scope of 42 U.S.C. Section 1320a-7(a), but has not yet been excluded, debarred, suspended or otherwise declared ineligible (each, an "**Exclusion**"), and agrees to notify the other party within two (2) business days of learning of any such Exclusion or any basis therefore. In the event of learning of such Exclusion, either party shall have the right to immediately terminate this Sublease without further liability. Sublandlord agrees that Subtenant may screen Sublandlord against applicable Exclusion databases on an annual basis.

In the event Sublandlord, or Sublandlord's successors or assigns, become a Referral Source as described in this Section 17 above, the following Sections 17(b) and 17(c) shall apply but shall have no effect until such time:

- b. Compliance. Sublandlord and Subtenant agree that it is not the purpose of this Sublease to exert any influence over the reason or judgment of any party with respect to the referral of patients or other business between Sublandlord and Subtenant, but that it is the parties' expectation that any referrals which may be made between the parties shall be and are based solely upon the medical judgment and discretion of the patient's physician. The parties further agree and acknowledge that (a) Base Rent is (i) set forth in advance; (ii) consistent with fair market value in an arms-length transaction; (iii) does not take into account the volume or value of any referrals or other business generated between the

parties; and (iv) would be reasonable even if no referrals were made between the parties, and (b) Subtenant's proportionate share under this Sublease does not exceed Subtenant's proportionate share of expenses and the Subleased Premises Rentable Area does not exceed the reasonable square footage needed for the legitimate business plans of Subtenant.

- c. Compliance with Law. The parties enter into this Sublease with the intent of conducting their relationship in full compliance with applicable federal, state and local laws, including, without limitation, the Anti-Kickback Statute and agree and certify that neither party shall violate the Anti-Kickback Statute in performing under this Sublease. Notwithstanding any unanticipated effect of any provisions of this Sublease, neither party will intentionally conduct itself under the terms of this Sublease in a manner that would violate any such law. Sublandlord agrees not to request an advisory opinion related to the legality of this Sublease without the concurrence and approval of Subtenant. Subtenant shall have the right to terminate this Sublease if a change in applicable healthcare laws or reimbursement systems affects the legality of this Sublease. Sublandlord shall notify Subtenant of, and cooperate with, any request from a duly authorized government representative (*e.g.*, Secretary of Health and Human Services, Comptroller General) for access to books, documents and/or records related to this Sublease, and to indemnify Subtenant from any liability arising out of the party's refusal to grant such access.

18. Waiver; Partial Invalidity. If either Sublandlord or Subtenant excuses or condones any default by the other of any obligation under this Sublease, this shall not be a waiver of such obligation in respect of any continuing or subsequent default and no such waiver shall be implied. If any provision of this Sublease is held or rendered illegal or unenforceable it shall be considered separate and severable from this Sublease and the remaining provisions of this Sublease shall remain in force and bind the parties as though the illegal or unenforceable provision had never been included in this Sublease.

19. Successors. The rights and liabilities created by this Sublease extend to and bind the successors and assigns of Sublandlord and the permitted successors and assigns of Subtenant.

20. Captions and Section Numbers. The captions and section numbers appearing in this Sublease are inserted only as a matter of convenience and in no way affect the substance of this Sublease.

21. Extended Meanings. The words "hereof," "hereto," "hereunder," and similar expressions used in this Sublease relate to the whole of this Sublease and not only to the provisions in which such expressions appear. This Sublease shall be read with all changes in number and gender as may be appropriate or required by the context. Any reference to Subtenant includes, when the context allows, the employees, agents, invitees, and licensees of Subtenant and all others over whom Subtenant might reasonably be expected to exercise control. This Sublease has been fully reviewed and negotiated by each party and their counsel and shall not be more strictly construed against either party.

22. Entire Agreement; Governing Law; Time. This Sublease and its Exhibits, if any, attached hereto are incorporated herein and set forth the entire agreement between Sublandlord and Subtenant concerning the Subleased Premises and there are no other agreements or understandings between them. This Sublease may not be modified except by agreement in writing executed by Sublandlord and Subtenant. This Sublease shall be construed in accordance with and governed by the laws of the State of Washington. Time is of the essence of this Sublease.

23. No Partnership. Nothing in this Sublease creates any relationship between the parties other than that of sublessor and sublessee and nothing in this Sublease constitutes Sublandlord a partner of Subtenant or a joint venturer or member of a common enterprise with Subtenant.

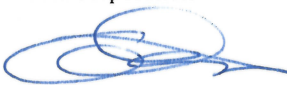
24. Brokerage. Sublandlord and Subtenant each represent and warrant one to the other that neither of them has employed any broker in connection with the negotiations of the terms of this Sublease or the execution hereof. Sublandlord and Subtenant hereby agree to indemnify and to hold each other harmless against any loss, expense, or liability (including, without limitation, reasonable attorneys' fees and costs) with respect to any claims for commissions or brokerage fees arising from or out of any breach of the foregoing representation and warranty.

[signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the Effective Date.

SUBLANDLORD:

United HealthCare Services, Inc.,
a Minnesota corporation

By: 
Name: Chris B. Olson
Title: V.P. Real Estate Services

State of Minnesota

County of Hennepin

I certify that I know or have satisfactory evidence that Chris B. Olson is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the V.P. Real Estate Services of UNITED HEALTHCARE SERVICES, INC., to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

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

Given under my hand and seal of office this 26th day of June, 20 20.

Notary Public residing at 9900 Bren Road East, Minnetonka, MN

Printed Name: Debbie K. Swanson

My Commission Expires: 1/31/2024

Debbie K. Swanson



SUBTENANT:

Everett MSO, Inc.,
a Washington corporation

By: 

Name:

CHRIS B. OLSON

Title:

V.P. REAL ESTATE SERVICES

State of Minnesota

County of Hennepin

I certify that I know or have satisfactory evidence that Chris B. Olson is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the V.P. Real Estate Services of EVERETT MSO, INC., to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

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

Given under my hand and seal of office this 26th day of June, 2020.

Notary Public residing at 9900 Bren Road East, Minnetonka, MN

Printed Name: Debbie K. Swanson

My Commission Expires: 1/31/2024

Debbie K. Swanson

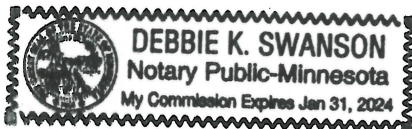


EXHIBIT A

LEASE

LEASE AGREEMENT
(Single Tenant; Build-to-Suit)
BY AND BETWEEN

MARKDEV-SMOKEY POINT, LLC (“LANDLORD”)

AND

UNITED HEALTHCARE SERVICES, INC. (“TENANT”)

4011 172ND STREET NE
ARLINGTON, WASHINGTON 98223

Dated: July 1, 2020

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EXHIBITS AND SCHEDULES

EXHIBIT A	-	LEGAL DESCRIPTION
EXHIBIT B	-	BUILDING SITE PLAN
EXHIBIT C	-	FORM OF COMMENCEMENT DATE MEMORANDUM
EXHIBIT D	-	DIRECT DEPOSIT INSTRUCTIONS
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EXHIBIT G	-	THE WORK LETTER
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EXHIBIT I	-	COVENANTS, CONDITIONS, AND RESTRICTIONS APPLICABLE TO THE PREMISES
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EXHIBIT K	-	FORM OF ESTOPPEL CERTIFICATE
EXHIBIT L	-	FORM OF MEMORANDUM OF LEASE
 SCHEDULE 2	-	 RENT CALCULATION

DATA SHEET

Landlord: MARKDEV-SMOKEY POINT, LLC,
a Washington limited liability company

Address of Landlord: c/o MARKDEV-Smokey Point, LLC
Attn: Charles E. Smyth
5930 Granite Lake Drive, Ste 110
Granite Bay, CA 95746

and to c/o MARKDEV-Smokey Point, LLC
Attn: Sheldon Anderson
1602 Colby Avenue
Everett, WA 98201

Address for Payment of Rent: MARKDEV-Smokey Point, LLC
1602 Colby Avenue
Everett, WA 98201

Tenant: UNITED HEALTHCARE SERVICES, INC.,
a Minnesota corporation

Address of Tenant: Jones Lang LaSalle Americas, Inc.
c/o United HealthCare Svs Inc.
9900 Bren Road East, MN008-W310
Minnetonka, MN 55343
Attn: Lease Administration – USAWA_____

with a concurrent copy to:
Lease.Administration@UHC.com with subject:
Occupation ID# _____

Premises Address: 4011 172nd Street NE
Arlington, WA 98223

Building Area: Approximately 37,407 rentable square feet

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "**Lease**"), made and entered into as of the _____ July 1, 2020 _____ (the "**Effective Date**") by and between MARKDEV-SMOKEY POINT, LLC, a Washington limited liability company ("**Landlord**"), and UNITED HEALTHCARE SERVICES, INC., a Minnesota corporation ("**Tenant**").

WITNESSETH:

WHEREAS, Landlord has entered into a purchase agreement (as amended from time to time, the "**Purchase Agreement**") to acquire that certain real property composed of Tax Parcels #31052100306500 ("**Parcel A**"), #31502100306600 ("**Parcel B**"), #31052100306700 ("**Parcel C**"), with an address to be assigned of 4011 172nd Street NE, Arlington, Washington (the "**Address**") (collectively, the "**Property**"), as more particularly described on Exhibit A, together with all improvements thereon and appurtenant rights thereto including, without limitation, parking areas, easements, declarations and rights of way; and

WHEREAS, subject to Landlord's acquisition of the Property (the "**Acquisition**"), Landlord desires to demise, lease and rent unto Tenant, and Tenant desires to rent and lease from Landlord the Property, together with a to-be-constructed building (the "**Building**") and all improvements thereon and appurtenant rights thereto including, without limitation, parking areas, easements, declarations and rights of way as shown on the site plan attached as Exhibit B; and

WHEREAS, Tenant shall lease and occupy the entire Property and Building (collectively, the "**Premises**") which Building shall consist of approximately 37,407 rentable square feet (the "**Building Area**") and includes without limitation, all heating, venting, air conditioning, mechanical, electrical, elevator and plumbing systems, roofs, walls, foundations, fixtures, an overhead dock door and that certain number of parking spaces per square foot of the Premises, including handicapped-striped spaces, as set forth in Section 23 and as may be required by applicable Laws (as defined in Section 12); and

WHEREAS, Landlord shall complete all of Landlord's Work (as defined in Section 9) in accordance with the terms of the Work Letter attached as Exhibit G (the "**Work Letter**").

NOW, THEREFORE, for and in consideration of the mutual covenants, promises and agreements herein contained, Landlord does hereby demise, lease and rent unto Tenant and Tenant does hereby rent and lease from Landlord the Premises, under and pursuant to the following terms and conditions:

1. Demise; Premises. Landlord hereby leases to Tenant, and Tenant hereby hires from Landlord, the Premises and all easements and appurtenances related thereto, for the rents, covenants and conditions (including limitations, restrictions and reservations) hereinafter provided. In the event an address or addresses other than the

Address is designated for the Property, Landlord and Tenant shall enter into an amendment to this Lease setting forth the new address(es).

2. Term and Delivery of Premises.

2.1 **Term.** Subject to any early termination provisions set forth in this Lease, the initial term of this Lease shall be for 180 months (the "**Term**") and subject to Epidemic Governmental Response Delays and delays caused by Force Majeure, shall commence upon the earlier to occur of the following two events (the "**Commencement Date**"): (a) the date which is 30 days following the date that Tenant obtains the necessary certificate of occupancy from the applicable municipality for the Premises; or (b) that date which is the 240th day following the Actual Possession Date (as defined below). The expiration date of the Term shall be the last day of the 180th month following the Commencement Date (the "**Termination Date**"), unless the Term is renewed in which event the Termination Date shall extend to the end of such exercised renewal period(s) or is otherwise terminated as provided herein. Each full 12-month period beginning on the first day of the month in which the Commencement Date occurs or any anniversary thereof shall be called a "**Lease Year**." Upon determination of the Actual Possession Date and Commencement Date, Landlord shall complete, execute and forward a Commencement Date Memorandum in the form attached as Exhibit C to Tenant for Tenant's approval and execution and a lease amendment in the form attached as Exhibit E to Tenant for Tenant's approval and execution.

2.2 **Estimated Possession Date; Delay in Delivery.**

(a) Landlord shall deliver possession of the Premises to Tenant upon "substantial completion" (as such phrase is defined in Section 11 of the Work Letter) of Landlord's Work. The date on which Landlord actually delivers possession of the Premises to Tenant with all of Landlord's Work substantially complete is the "**Actual Possession Date**". The term "**Actual Possession Date**" is sometimes also referred to herein as the "**Possession Date**".

(b) Within 90 days after all necessary planning approvals required by applicable Law with respect to designing the site and shell have been issued or granted by the appropriate governmental authorities, Landlord, at Landlord's expense, shall deliver to Tenant the building plans for Tenant's approval, which shall not be unreasonably withheld, conditioned or delayed. The building plans shall include the Building, and all improvement to the Property which may be required by any governing jurisdiction or agency, including but not limited to, improvements to curbs, gutters, paving, striping, landscaping and irrigation systems, retaining walls, driveways, walkways, parking areas, driveway aprons and lighting facilities (the "**Property Improvements**").

(c) Subject to extension in accordance with Section 8 of the Work Letter, Section 2.2(d) of this Lease and Section 45 of this Lease, if the Actual Possession Date does not occur on or before November 23, 2021 (the "**Estimated Possession Date**"), then Tenant may elect to exercise one of the following rights: (i) if after Tenant

delivers written notice to Landlord that Landlord has failed to substantially complete Landlord's Work by the Estimated Possession Date and Landlord fails to cure the same within 180 days of delivery of Tenant's notice, then Tenant shall have the right to terminate this Lease by written notice to Landlord at any time prior to the Actual Possession Date; or (ii) Tenant shall have the right to receive a rent credit in an amount equal to two days Rent and Additional Rent (in an amount equal to the applicable rate for periods following any rent abatement) for each day or part thereof delay in substantial completion of Landlord's Work and delivery of the Premises beyond the Estimated Possession Date. Tenant may, but shall not be obligated to, accept possession of the Premises prior to the Estimated Possession Date. Furthermore, in no event shall the time period used for calculating the Commencement Date begin to accrue prior to the Actual Possession Date.

(d) Notwithstanding anything to the contrary in this Lease, conditioned upon Tenant's receipt of a permit from the applicable governmental entity for the Tenant Improvements (as defined below), Landlord shall permit Tenant access to the Building during all times during construction of the Building as is feasible without adversely impacting Landlord's Work ("**Early Access**") to install its Tenant Improvements, including without limitation trenching for, and installation of, its electrical and plumbing systems prior to Landlord pouring the Building's slab. Tenant's Early Access hereunder shall not in any way impact calculation of the Possession Date. During periods of Early Access the parties shall work cooperatively so as not to interfere with or delay the construction of the Tenant Improvements or the completion of Landlord's Work. During periods of Early Access, Tenant shall be bound by the provisions of this Lease, except that neither Rent nor Additional Rent shall be due and payable during any period of Early Access. If Landlord denies Early Access to Tenant during times in which it could be feasible to provide such access or if Landlord fails to complete Landlord's Work in accordance with the Project Schedule (as defined in the Work Letter) and attached as Schedule B of Exhibit G, due to no fault of Tenant and such delay causes a delay in Tenant's completion of its Tenant Improvements, then Tenant shall have a credit against Rent and Additional Rent hereunder equal to one (1) day's Rent and Additional Rent for each one (1) day that Early Access is delayed or denied. In the event that Tenant's Early Access delays Landlord's ability to substantially complete Landlord's Work, as required herein, the Estimated Possession Date shall be extended by one day for each day Landlord's Work is so delayed.

3. Rent. Beginning on the Commencement Date, Tenant shall pay as initial annual base rent ("**Rent**") \$1,333,803.00, based on an approximately \$35.66 per square foot amount for each square foot of Building Area, as finally determined under this Section 3. Tenant shall pay such Rent in monthly installments in the amount of \$111,150.25, in advance, on the first day of each calendar month during the Term, pursuant to the deposit instructions attached hereto as Exhibit D, such monthly installment and any Additional Rent or other charges to be prorated for any partial calendar month in which the Commencement Date or Termination Date occurs. On the fifth (5th) and tenth (10th) anniversary of the Commencement Date, the Rent shall be increased by ten percent (10%) over the Rent for the prior Lease Year. All amounts (unless otherwise provided herein) other than Rent and the adjustments thereto described in this Section 3 and

Section 4 below owed by Tenant to Landlord hereunder shall be deemed Additional Rent. As a condition to payment of Rent or Additional Rent, Landlord shall provide Tenant with an executed Commencement Date Memorandum in the form attached as Exhibit C. Tenant shall have no obligation to pay Rent due under this Lease until it receives or mutually agrees upon a Commencement Date Memorandum executed by Landlord. Landlord represents that its current, completed Form W-9 Request for Taxpayer Information and Certification is attached hereto as Exhibit E. Upon any assignment by Landlord of its rights, title and interest in and to this Lease, Landlord shall cause such successor landlord to deliver a completed Form W-9 to Tenant.

Actual Building Area will be determined with all measurements computed in accordance with *Office Buildings: Standard Methods of Measurement* (ANSI/BOMA Z65.1-2010), as promulgated by The Building Owners and Managers Association International. Tenant and/or Landlord may elect to have the space measured prior to the Commencement Date or during the first Lease Year. If the rentable square footage is found to be greater or less than the rentable square footage shown in this Lease, Rent, Additional Rent and other provisions of this Lease which are based on the Building Area shall be adjusted accordingly; provided, however, if there is a dispute between Landlord and Tenant with respect to the rentable square footage, then the parties shall select an independent architect, approved by Landlord and Tenant to make the final determination of the rentable square footage and the cost thereof shall be split equally between the parties.

Landlord and Tenant acknowledge that the initial Rent hereunder is calculated as a percentage (i.e., a pre-established rent multiplier constant) of the estimated total hard and soft costs incurred by Landlord in connection with Landlord's acquisition of the Property and development thereof, including Landlord's Work (collectively, the "**Project Costs**"), and the initial Rent shown above in this Section 3 has been calculated as shown on Schedule 2 attached to this Lease. Upon completion of Landlord's Work, the parties shall recalculate the initial Rent based on the final actual Project Costs and the rent multiplier constant as shown on Schedule 2 and shall enter into an amendment to this Lease in the form of Exhibit F attached to this Lease to document any necessary changes in the initial Rent which shall be retroactive and effective as of the Commencement Date.

Except as otherwise provided in this Lease, it is the intention of the parties that Landlord shall receive Rent, Additional Rent and all other sums payable by Tenant under this Lease free of all taxes, expenses, charges, damages and deductions of any nature whatsoever (except as otherwise provided herein). Tenant shall, however, be under no obligation to pay principal or interest on any mortgage on the fee of the Premises, penalties or interest for late or partial payment nor any income, franchise, margin, inheritance, estate, transfer, excise, gift or capital gain taxes, that are or may be payable by Landlord or that may be imposed against Landlord or against the rents payable hereunder, or succession tax by reason of any present, future or retroactive law which may be enacted during the Term.

If Landlord does not receive any payment of Rent or Additional Rent on or before the fifth business day following the day it is due, then Tenant shall pay a late fee ("**Late Fee**") equal to 5% of the amount overdue, to compensate Landlord for the loss of the use of the

amount not paid and the administrative costs caused by the delinquency. Notwithstanding the foregoing, Landlord will not impose a Late Fee as to the first late payment in any Lease Year, unless Tenant fails to pay the late payment to Landlord within five days after the delivery of a written notice from Landlord to Tenant demanding the late payment be paid. However, Landlord may impose a Late Fee without advance notice to Tenant on any subsequent late payment in the same Lease Year. Interest shall accrue on all sums not paid when due hereunder at the lesser of: (a) the highest rate allowed by law or (b) an interest rate equal to the Prime Rate as published in The Wall Street Journal from time to time plus 2%, from the due date until paid; provided that interest shall not be assessed on any Late Fee.

Upon request from Tenant, Landlord shall provide to Tenant electronically, true and accurate records of items that constitute Additional Rent, including without limitation repair and replacement costs, insurance, taxes and other “**Impositions**” (as defined in Section 8 below). Tenant or its duly authorized representative shall have the right to request and inspect such records from time to time for a period of two years after the close of each calendar year. If any audit of Landlord’s submitted reports shall disclose an overcharge, Landlord shall promptly pay to Tenant, within 30 days, the amount of such overcharge, and if such audit discloses an overcharge of more than 5%, Landlord shall reimburse Tenant its actual costs incurred in connection with such audit. The provisions of this paragraph shall survive the termination or expiration of this Lease.

“**Tenant’s Proportionate Share**” is 100%. In the event that new space which is not occupied by Tenant is added to the Building or additional buildings are constructed on the Property (“**Future Development**”), then Tenant’s Proportionate Share shall be adjusted so that it equals the quotient obtained by dividing the Building Area set forth herein by the total rentable area of the Building, including the new space and/or the total rentable area of any additional buildings constructed on the Property, as applicable (collectively, the “**New Building Area**”) and such adjustments shall be set forth in an amendment to this Lease. The New Building Area will be determined without exclusions or reference to whether such area is actually leased, leasable, occupiable or occupied. Notwithstanding the foregoing, no Future Development shall occur without the prior written consent of Tenant, which Tenant may withhold in its sole discretion during the Term.

4. Renewals. Tenant shall have the right and option to renew this Lease for three additional periods of five years each (each, a “**Renewal Term**”), next immediately ensuing after the expiration of the initial Term and the subsequent renewal period by notifying Landlord in writing not less than nine months before the expiration of the immediately preceding initial Term or subsequent Renewal Term of Tenant’s intention to exercise its option to renew. In the event Tenant so elects to extend this Lease, then, for such extended period of the Term, all of the terms, covenants and conditions of this Lease shall continue to be, and shall be, in full force and effect during such extended period of the Renewal Term, except for Rent. Rent for each Renewal Term shall be the annual fair market rental value (“**Renewal Term FMRV**”) of the Premises.

Tenant shall include with its renewal notice a Rent proposal for the Renewal Term. Landlord shall respond to Tenant's Rent proposal within thirty (30) days after receiving Tenant's renewal notice. If Landlord does not respond to Tenant's Rent proposal within thirty (30) days, the Rent for the Renewal Term will be the Rent proposed by Tenant. If Landlord timely objects to Tenant's Rent proposal, the parties will work in good faith to agree on Rent for the applicable Renewal Term. If, despite good faith efforts, Landlord and Tenant cannot agree on Rent within thirty (30) days of Landlord's objection to Tenant's proposal, then the Renewal Term FMRV shall be determined by two real estate brokers or appraisers with at least ten years full-time commercial real estate experience in the Arlington, Washington area, one selected by Landlord and one selected by Tenant within thirty (30) days from receipt of Landlord's objection notice. If either party fails to appoint such broker or appraiser within such timeframe, the broker or appraiser appointed by such other party shall make the Renewal Term FMRV determination. The brokers or appraisers shall issue their reports within ten (10) days of appointment. If the higher of the two determinations is less than or equal to 110% of the lower, then the Renewal Term FMRV shall be the average of the two; if not, then within ten (10) days after the date of the latest report, the two brokers or appraisers shall mutually select a third broker or appraiser who shall, within ten (10) days after appointment, determine which of the original two determinations is closest to the Renewal Term FMRV and such determination shall be deemed to be the Renewal Term FMRV of the applicable Renewal Term's Rent. Landlord shall pay the cost of the report by the broker or appraiser selected by Landlord and Tenant shall pay the cost of the report by the broker or appraiser selected by Tenant. Landlord and Tenant shall equally bear the cost of the third report.

5. Condition of Premises. Landlord warrants to Tenant, for a period of one year after the Commencement Date that the existing systems and equipment constituting a part of Landlord's Work (as defined in the Work Letter attached as Exhibit G) will be in good order and condition ordinary wear and tear excepted (the "**Warranty Period**"). Tenant shall give written notice to Landlord no later than 30 days prior to the expiration of the Warranty Period of any condition with the systems and equipment of the Premises which Tenant reasonably determines to be defective or other than as represented by Landlord herein. Landlord will, upon receipt of such notice from Tenant, promptly repair such defective condition, at Landlord's cost and expense. In addition, Landlord shall be responsible for repairing, at Landlord's sole cost and expense, any latent, patent or structural defects with respect to the Premises that may be discovered at any time during the Term. Such repair work shall be in compliance with all applicable Laws and subject to Tenant's prior approval not to be unreasonably withheld, conditioned or delayed.

6. Use of Premises. Tenant may exclusively use the Premises during the Term for the provision of medical services necessary or desirable to render a complete program of treatment to patients (the "**Medical Use**") and such other uses as may be permitted by applicable Laws (collectively, the "**Permitted Use**"). The Medical Use may include, without limitation, the operation of a medical office, ambulatory surgery center, walk-in urgent care center, outpatient medical care clinic, clinical or pathology laboratories, pharmacy, education and conference space, medical spa, infusion suites, phlebotomy draw stations, diagnostic radiology and imaging, and other retail and/or

administrative office uses incidental thereto as may be required or desired by Tenant to provide Tenant's patients medical services, which services may include, without limitation, family care, primary care, internal medicine and medical, surgical and/or specialty care and which may include dispensing pharmaceuticals and medications to Tenant's patients. Tenant may use the Premises and any portion thereof for any one or more of the Permitted Uses concurrently or separately and may elect to change its use of the Premises or any portion thereof at any time during the Term without the consent of Landlord, provided that such new use or uses are Permitted Uses. Tenant may operate during such days and hours as Tenant may determine, without the imposition of minimum or maximum hours of operation by Landlord, and Tenant shall have exclusive use of and full-time access to the Premises and may operate up to twenty-four (24) hours per day, seven (7) days per week, year-round.

Landlord shall not lease space any portion of the Premises for any of the following uses: funeral establishment, pawn shop, adult bookstore, club or store, massage parlor (not to include therapeutic massage), dance hall, "head shop" or store which sells drug paraphernalia, a retailer, distributor or cultivator of marijuana, cannabis or cannabis containing substances (provided that this restriction shall not prohibit the legal distribution or sale of any drugs in connection with the Medical Use), a vape or tobacco shop, skating rink, bowling alley, pool or billiard establishment, shooting gallery, theater, including, but not limited to, an X-rated theater, drug or alcohol rehabilitation center or behavioral health facility, governmental office, place of religious worship such as a church, temple, synagogue, mosque or the like, industrial or manufacturing uses, auction or bankruptcy sale, pawn shop, flea market, off-track betting business or any business that involves loud noises, strong food or chemical odors, or is otherwise a nuisance.

Landlord shall not sell or rent any portion of the Premises or any portion of any other property owned, leased or controlled by Landlord or any affiliate of Landlord within a radius of three miles from the Premises to a Competitor (as defined below) or permit the same to be occupied or used by a Competitor. "**Competitor**" means any one or more of the following: (i) any healthcare company other than Tenant or an Affiliate (as defined below); or (ii) any party other than Tenant or an Affiliate that intends to use its premises or any portion of the Property for the Medical Use. Landlord shall not display or permit to be displayed upon any such property within such radius any advertisement for any such business, other than Tenant's advertisement(s) for Tenant's business(es) nor shall Landlord name either or both the Building or the Property for any one or more Competitors. Landlord further covenants that it will provide notice of such radius restriction to any third parties with whom Landlord conducts business within the restricted radius. In the event the radius restrictions are violated and Landlord fails to promptly commence an action or proceeding (or arbitration, if applicable) against the violating owner, tenant or occupant or at any point in such action or proceeding (or arbitration, if applicable) fails to use commercially reasonable and good faith efforts to seek and obtain a temporary restraining order, preliminary injunction, permanent injunction or other court order or judgment enjoining or stopping such violation, then, in addition to all other rights at law and in equity, Tenant may, while such violation is continuing abate Rent and Additional Rent.

7. Assignment/Subletting. Except for a Permitted Transfer or Permitted License (as such terms are defined below), Tenant shall not assign this Lease, or sublet the Premises, or any part thereof, without Landlord's prior written consent which consent shall not be unreasonably withheld, conditioned or delayed. Any denial by Landlord of such sublease or assignment by Tenant must be predicated upon a commercially reasonable basis for such denial. In considering a proposed assignment or sublet and Landlord's consent thereto, it shall not be unreasonable for Landlord to consider (i) the financial condition of the proposed assignee or subtenant as applicable, relative to the financial obligations under the Lease; (ii) the business reputation of the assignee or subtenant, as applicable; (iii) the proposed use of the Premises by the proposed assignee or subtenant, as applicable; and (iv) whether an event of default shall have occurred and be continuing as of the date on which Tenant shall request Landlord's consent to such assignment or subletting, subject to all applicable notice and cure periods.

Except with regard to a Permitted Transfer or Permitted License, in which case no prior notice to Landlord is required, prior to any sublease or assignment Tenant shall first notify Landlord in writing of its election to sublease all or a portion of the Premises or to assign this Lease or any interest hereunder. At any time within 30 days after service of such notice, Landlord shall notify Tenant that it consents or refuses to consent to the sublease or assignment. If Landlord fails to respond within such 30 day period, Tenant shall deliver a second written notice, and a failure by Landlord to respond within ten days after such second notice shall be deemed to be a consent.

Notwithstanding the foregoing, no consent of or notice to Landlord is required for Tenant to assign, sublet or otherwise transfer (by operation of law or otherwise) this Lease or any of its rights hereunder to: (a) any person, corporation, partnership or other entity which acquires all or substantially all of either or both of the business or assets of Tenant or equity in Tenant; (b) any person, corporation, partnership or other entity which controls, is controlled by or is under common control with Tenant; (c) any affiliate (within the meaning of such term as set forth in Rule 501 of Regulation D under the Federal Securities Act of 1933, as amended) of Tenant; (d) any corporation, partnership or other entity merging with, or surviving reorganization of, Tenant; (e) any corporation, partnership or other entity merging with or acquired by any Affiliate (as defined below) or subsidiary of Tenant's ultimate parent company; or (f) any service or other healthcare provider or physician or physician group, person, corporation, partnership or other entity subleasing a portion of the Premises for purposes consistent with Tenant's Medical Use provided such sublease is subject to the terms of this Lease (each a **"Permitted Transfer"**). An **"Affiliate"** or **"Affiliates"** means any person or entity described in subsections (b) – (e) above. Tenant shall also have the right, without the consent of or notice to, Landlord, to grant a license to use all or a portion of the Premises to a service provider, physician or physician group, or other healthcare provider (each a **"Permitted License"**).

No assignment, sublease or other transfer, in whole or in part, of any Tenant's rights or obligations under this Lease shall release Tenant hereunder and Tenant shall remain responsible for performing Tenant's obligations hereunder should Tenant's assignee,

subtenant or transferee fail to perform any such obligations, unless specifically provided otherwise by Landlord in writing. Landlord shall have no right to recapture any sublease or assignment space.

Notwithstanding anything contained herein to the contrary, Tenant may pledge this Lease as part of a financing transaction in which all or substantially all of its real estate assets are pledged, provided that, in the event Tenant's lender succeeds to Tenant's interest in this Lease through foreclosure or otherwise, such successor's use of the Premises shall be limited to Tenant's then current use of the Premises without Landlord's consent.

8. Taxes and Utilities.

8.1 Tenant shall promptly pay all real estate taxes, assessments and other governmental levies ("**Impositions**") imposed against the Premises. The amount to be paid by Tenant on account of taxes during the first and last calendar years in which any portion of the Term falls shall be prorated per diem so that Tenant is liable only for so much of such taxes as the portion of the Term which falls within such calendar year bears to a full calendar year. In case of special taxes which may be payable in installments, only the amount of each installment payable during a calendar year shall be included in taxes for that calendar year, and any one time (as opposed to on-going) special assessments for public improvements having a useful economic life exceeding the remaining term of this Lease shall be prorated between Landlord and Tenant using a straight-line method, based on the proportion of that economic life falling within the remaining Term. Taxes shall not include any penalties or interest for late or partial payment if not caused by Tenant nor any income, franchise, margin, inheritance, estate, transfer, excise, gift or capital gain taxes, that are or may be payable by Landlord or that may be imposed against Landlord or against the rents payable hereunder. Landlord shall provide to Tenant a copy of all final tax bill(s) for each calendar year within ten days after Landlord's receipt of such tax bill(s), and in any event at least 30 days before the same are due and payable.

8.2 Tenant shall pay the third party provider thereof for the cost of all utilities and other services necessary in the operation of the Premises, including but not limited to, gas, fuel oil, electrical, water and sewer, and other utility charges, telephone, and janitorial services (if Tenant shall contract for such services). Tenant shall contract directly with all utility providers such that all utilities for the Premises shall be in Tenant's name.

8.3 Tenant may contest the amount or validity of any Imposition described in this Section 8 by appropriate proceedings. However, Tenant shall promptly pay such Imposition unless such proceedings shall operate to prevent or stay the collection of the Imposition so contested. The Landlord, at the Tenant's sole cost and expense, shall join in any such contestation proceedings if any Laws shall so require.

8.4 Tenant shall pay "**Tenant's Proportionate Share**" (as defined in Section 3) of actual maintenance charges for the Property incurred by Landlord pursuant

to its obligations in Section 20.2 below as "**Operating Expenses**". As used herein, all Operating Expenses shall be net of all rebates, fees and incentives that are paid by a provider or vendor to Landlord. Tenant's payments shall be based on Landlord's annual estimate of the Operating Expenses for the applicable calendar year in question. Promptly after the actual Operating Expenses for a calendar year are determined by Landlord, but in no event later than one hundred twenty (120) days from the end of each calendar year, Landlord shall provide Tenant with a statement of such actual Operating Expenses for such calendar year (the "**Annual Reconciliation Statement**"). If the actual Operating Expenses for such calendar year are greater than the amount of Tenant's Proportionate Share of Operating Expenses previously paid by Tenant, Tenant, within thirty (30) days of receipt of such Annual Reconciliation Statement, shall pay to Landlord any deficiency. If such statement shows an overpayment by Tenant, then any surplus paid by Tenant shall be credited to Tenant's next monthly installments of Rent and Operating Expenses or, if this Lease has expired or been terminated for reasons other than Tenant's breach or default, be paid to Tenant within thirty (30) days after the end of the Term. The reconciliation obligations under this Section 8.4 shall survive the termination or expiration of this Lease.

8.5 Landlord shall make available for audit by Tenant or Tenant's authorized representatives during normal business hours, on reasonable prior notice to Landlord, true and accurate records of items that constitute Operating Expenses, calculated in accordance with generally accepted accounting principles ("**GAAP**") and prudent real estate management practices, consistently applied. Such records shall be open for inspection from time to time by Tenant or its duly authorized representative for a period of three (3) years after receipt of Landlord's Annual Reconciliation Statement for such calendar year or such additional time as such Annual Reconciliation Statement remains in controversy. If any audit of Landlord's submitted reports discloses an overcharge, Landlord shall promptly pay to Tenant, within thirty (30) days demand by Tenant, the amount of such overcharge, and if such audit discloses an overcharge of more than three percent (3%), Landlord shall reimburse Tenant its actual costs and expenses incurred in connection with Tenant's review or audit.

8.6 Notwithstanding anything to the contrary contained in this Lease, Operating Expenses shall not include the following:

(a) the portion of Operating Expenses which relate to more than one building or project to the extent that cost should be allocated to a building or project which is not occupied by Tenant, including, but not limited to, employee costs, office costs, and Parking Area maintenance and repairs unless such costs are allocated among the buildings or projects which benefit therefrom based upon the extent of benefit and are equitably allocated on a square footage basis;

(b) depreciation or amortization of the Property or the Building, or the Property's or Building's contents or components, and any equipment, fixtures, improvements or facilities used in connection therewith;

(c) expenses for the preparation of space or other work which Landlord performs for any tenant or prospective tenant of the Building or the Property;

(d) expenses for repairs or restoration due to damage by fire, windstorm, casualty or any other insurable occurrence, including costs subject to Landlord's insurance deductible, or which is due to property being taken in condemnation;

(e) expenses incurred in leasing or obtaining new tenants or retaining existing tenants (or any subleasing or assignments), including, without limitation, leasing commissions, legal expenses, advertising, marketing or promotional costs;

(f) except as otherwise provided in Section 50, expenses incurred in enforcing the terms of any lease or costs incurred by Landlord relating to any violation by Landlord or any other tenant of the Building or the Property of the terms and conditions of any Laws or any lease covering any portion of the Building or Property;

(g) principal, interest, amortization or other costs, including, but not limited to, legal fees associated with any mortgage, loan or refinancing or any other debt Landlord may have incurred or will incur in the future related to the ownership, operation, maintenance or sale of all or any part of the Building or the Property;

(h) expenses incurred for any maintenance, repair or replacement of any item to the extent that it is covered under warranty or service contract; provided, however, the cost of any service contract shall be an Operating Expense;

(i) the cost of any item or service for which Tenant separately reimburses Landlord or pays to third parties, or that Landlord provides selectively to one or more other tenants of the Building or the Property whether or not Landlord is reimbursed by such other tenant(s);

(j) the actual cost of any special electrical or HVAC required by any other tenant that exceeds normal building standards, and the cost of any special purpose HVAC supplied to any other tenant;

(k) the cost of light tubes, bulbs, fixtures and ballasts if the same are not supplied to all tenants of the Building on a no additional cost basis;

(l) the cost of any work or service performed for any tenant in the Building or the Property (other than Tenant) to a materially greater extent or in a materially more favorable manner than furnished generally to tenants (including Tenant) in the Building or the Property;

(m) accounting and legal fees relating to the ownership, construction, leasing or sale of the Building and the Property and accounting and legal fees paid or imputed to full time employees of Landlord or any management agent;

(n) any interest or penalty incurred due to the late payment or nonpayment by Landlord or any other tenant of any Operating Expense;

(o) any amount paid to an entity or individual related to Landlord which exceeds the amount which would be paid for similar goods or services on an arms-length basis between unrelated parties;

(p) the cost of correcting defects (latent, patent or otherwise) in the construction of the Building or the Property;

(q) any management, administrative or similar fees (excluding any fee charged by a property manager or property management company, which fee shall be considered an Operating Expense provided however, any such fee shall not exceed three percent (3%) of Rent on an annual basis);

(r) the initial cost or the replacement cost of any permanent landscaping greater than that in place on the Commencement Date unless required by any governmental authority with jurisdiction;

(s) any ground rent, air space rent or other rent incurred for any portion of the Building or the Property;

(t) the cost of correcting any applicable building or fire code violation(s) or violation(s) of any other Laws;

(u) any costs (including any damages or future claims asserted against Landlord in connection with the same) incurred to test, survey, cleanup, contain, abate, remove, remediate or otherwise remedy Hazardous Substances from the Building or the Property which were present at the Building or the Property prior to the Possession Date or brought onto the Building or the Property after the Possession Date by a party other than Tenant or by those for whom Tenant is responsible for under this Lease;

(v) any personal property taxes of Landlord for equipment or items not used directly in the operation or maintenance of the Building or the Property;

(w) all overhead expenditures pertaining to the administration of the Building or the Property, including, without limitation, any and all costs of Landlord's office and office operations, materials and supplies, except to the extent expressly authorized under this Lease;

(x) any costs or expenses for sculpture, paintings, or other works of art, including costs incurred with respect to the purchase, ownership, leasing, repair and/or maintenance of such works of art or specialty services (e.g., observatory, broadcasting facility, luncheon club, retail stores, newsstands or recreational club) and any expenses for the use of any portions of the Building or the Property to accommodate

events, including, but not limited to, shows, promotions, kiosks, displays, filming, photography, private events or parties, ceremonies and advertising;

(y) contributions to Operating Expense reserves;

(z) the cost of overtime or other expense to Landlord in performing work to be performed at Landlord's expense, except in an emergency and then only to the extent necessary to deal with the emergency unless otherwise expressly a Tenant's cost under this Lease;

(aa) all bad debt loss, rent loss or reserve for bad debt or rent loss;

(bb) any other cost or expense which, under GAAP, would not be considered to be an operating cost of the Building or the Property;

(cc) any additional costs incurred to operate or maintain the Building or the Property or costs directly incurred by Landlord due to the nature of the business conducted by any tenant(s) within the Building or the Property, for example, any retail, child care or food service tenants;

(dd) cost of any "tap fees," impact fees or any sewer or water connection fees for the benefit of any tenants in the Building or the Property;

(ee) any validated parking for any entity;

(ff) the cost of any capital improvement, repair or replacement which would be required to be capitalized under GAAP, including without limitation the cost of renting any equipment or materials, and other related costs which cost would be so capitalized if the equipment or materials were purchased, not rented;

(gg) the costs and expenses of any item included in Operating Expenses to the extent that Landlord is actually reimbursed for such cost by an insurance company, a condemning authority, another tenant or any other party;

(hh) wages, compensation and benefits of all persons at or above the level of property manager (or equivalent) engaged in the operation, maintenance or security of the Building or the Property, 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;

(ii) any entertainment, dining or travel expenses of Landlord for any purpose;

(jj) all ad valorem taxes paid or payable by Tenant or other tenants in the Building of the Property for personal property and on the value of the leasehold improvements in the Premises, the Building or the Property (in this connection it is

agreed that Tenant shall be responsible for the payment of ad valorem taxes on Tenant's own leasehold improvements);

(kk) the cost of any item which is an expense or cost to Landlord in connection with Landlord's Work or any other work by Landlord to prepare the Premises for occupancy by Tenant including any allowances or credits granted to Tenant in lieu of a payment by Landlord;

(ll) parking area replacement; provided, the parties agree that this exclusion is limited to replacement of the parking area only and that maintenance and repair of the parking area shall be considered Operating Expenses;

(mm) any costs or expense which is expressly stated in this Lease to be at Landlord's cost and/or expense; and

(nn) any item which is included in the Operating Expenses which, but for this provision, would be included twice.

8.7 All sums (other than the Rent) which may be due and payable under this Lease shall be deemed to be "**Additional Rent**" hereunder and in the event that Rent shall be prorated or shall abate pursuant to the terms of this Lease then such Additional Rent shall be prorated or abate to the same extent and in the same manner, unless otherwise specifically provided for in this Lease. Notwithstanding anything to the contrary contained herein and if the Landlord is actually performing such tasks, in no event shall any Landlord operating expenses for which Tenant is liable under this Lease (excluding taxes, insurance and utilities) increase more than 5% percent annually over such expenses for the immediately preceding calendar year.

8.8 Landlord appoints Tenant the attorney-in-fact of Landlord for the purpose of making all payments to be made by Tenant pursuant to any of the provisions of this Lease to persons other than Landlord. In case any person to whom any sum is directly payable by Tenant under any of the provisions of this Lease shall refuse to accept payment of such sum from Tenant, Tenant shall thereupon give written notice of such fact to Landlord and shall pay such sum directly to Landlord, who shall thereupon pay such sum to such person.

9. Landlord's Work. Landlord shall complete all of the work described in Exhibit G and any work required by any governmental agency or otherwise necessary for the completion of the construction of the work set forth in Exhibit G, including, but not limited to, all offsite work (including work in areas outside of the Property) or work required in order to satisfy permit requirements and all other applicable Laws related to Landlord's Work, as Landlord acknowledges, agrees and expressly assumes the risk that such work may not be expressly set forth or described in Exhibit G (collectively, "**Landlord's Work**"). All Landlord's Work shall be done in a good and workmanlike manner and in compliance with all applicable Laws, ordinances, building and safety codes, regulations and orders of the federal, state, county or other governmental authorities having jurisdiction thereof.

Without in any way limiting any obligation of Landlord under this Lease, Landlord shall indemnify, defend and hold harmless Tenant from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of Landlord's Work, which indemnity shall survive termination or expiration of this Lease.

10. Tenant Improvements/Signage. Tenant may construct its tenant improvements to the Premises (the "**Tenant Improvements**") in accordance with the terms of the Work Letter. Tenant may contract for the installation of Tenant Improvements with a contractor and with architects, engineers, subcontractors and materialmen of Tenant's choice. Landlord shall not charge Tenant a fee or other charges for the supervision and/or overhead associated with the construction of the Tenant Improvement, nor shall Landlord provide such services unless agreed to by Landlord and Tenant pursuant to a separate written agreement. Tenant shall not be obligated to pay Landlord any fees or charges for the use by Tenant of loading docks, freight elevators, shipments, elevator pads or similar items. Tenant Improvements shall not, but Landlord's Work shall, include the work involved with bringing electrical and water utilities to a point in the Premises designated by Tenant pursuant to the plans and specification approved in accordance with the Work Letter.

Tenant shall have the right to place a generator, trash compactor, trash container and biomedical waste container outside of and in close proximity to the Building that comply with all legal requirements in locations on the Property mutually agreed upon by Landlord and Tenant. In the event the generator is located within the Premises, Tenant, at Tenant's cost and expense, shall have the right to install exhaust venting for such generator from the interior of the Building to the outside of the Building and a transfer switch to service the generator.

Tenant shall have the right to, for no additional fee, at its sole election (i) install roof top equipment screens in order to conceal HVAC units and equipment as is necessary to comply with applicable Laws, including without limitation roof screens of six (6) feet high off the roof structure or as otherwise required to comply with applicable Laws, (ii) remove, relocate, replace or modify existing HVAC unit(s) as needed to meet HVAC code requirements and design layout requirements, and (iii) install, relocate, replace or modify supplemental HVAC units and/or split system condensers on the Building's roof. Throughout the Term, Tenant shall have access and easement rights to, on, over and through, as necessary, the roof and conduits, ducts and other such areas within the Building in order to install, maintain, repair, replace, relocate, modify and remove such improvements. Landlord shall permit Tenant, at Tenant's discretion, to apply translucent film to the existing windows in accordance with manufacturer's recommendations and to install roller shades in exterior windows.

To the maximum extent permitted by applicable Laws, Landlord hereby waives any rights which Landlord may have, as to any of Tenant's furniture, fixtures, equipment, personal property, tenant improvements and alterations, in the nature of a landlord's lien, security

interest or otherwise and further waives the right to enforce any such lien or security interest.

Tenant and its subtenants, Affiliates and assignees shall have the right to erect, affix and display such signage as Tenant may consider necessary or desirable on the exterior and interior walls, doors and windows of the Premises (including directional and designated parking signage in the Parking Area (as defined in Section 23) and on the exterior of the Building and its rooftop and on any monument and/or pylon signs, as well as wayfinding signage on the Property, in accordance with Tenant's reasonable specifications in such locations as are compliant with Law. Such signage shall be designed, manufactured and installed by Tenant, at Tenant's sole cost and expense, in compliance with all Laws and shall not require the prior written consent of Landlord. Landlord, at Landlord's cost and expense, shall timely provide space for Tenant's and its subtenants, Affiliates and assignees designated name(s) on any directory boards located in the Building or the Property. Tenant can install such signage in a size as large as the maximum signage permitted by Law for such signage. Tenant shall have the right to name the Building. At any time during the Term, Tenant may, without Landlord's consent, replace its signage to update, replace, or otherwise modify branding, logos and or names by installing, at Tenant's sole cost and expense, in accordance with all Laws.

11. Alterations. Tenant shall not make any alterations, additions and improvements to the Premises following its Tenant Improvements ("**Alterations**"), without Landlord's prior written consent in each and every instance, such consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Tenant shall have the right, without Landlord's consent, (i) to make non-structural Alterations to the Premises that do not exceed in cost Fifty Thousand Dollars and No Cents (\$50,000.00) in the aggregate during each Lease Year; provided that any such Alterations shall not diminish the value of the Premises nor impair the structural integrity of or adversely affect any system serving the Premises or the Building or (ii) to paint, replace flooring (above slab) or carpeting, or replace other similar finishes within the interior of the Premises which do not impair the structural integrity of or adversely affect any system servicing the Premises or the Building. Such Alterations, additions or improvements shall be in conformance to applicable governmental codes.

12. Environmental.

12.1 Tenant shall not cause or permit any hazardous or toxic substances, materials or waste, including, without limitation, medical waste and asbestos ("**Hazardous Substances**") to be used, generated, stored or disposed of in, on or under, or transported to or from, the Premises in violation of any applicable local, state, and federal laws, ordinances, statutes, rules, regulations, executive orders, judgments, decrees, case law, and/or other determination of an arbitrator or a court or other governmental authority, in each case applicable to or binding upon such person or any of its property or to which such person or any of its property is subject (collectively, the "**Laws**"), whether now in existence or hereafter adopted, relating to Hazardous Substances or otherwise pertaining to the environment (the "**Environmental Laws**").

Tenant shall periodically cause to be removed from the Premises such Hazardous Substances placed thereon by Tenant or Tenant's agents, servants, employees, guests, invitees or independent contractors in accordance with good business practices, such removal to be performed by persons or entities duly qualified to handle and dispose of Hazardous Substances. Upon the expiration or earlier termination of this Lease, Tenant shall cause all Hazardous Substances placed on the Premises by Tenant to be removed from the Premises, at Tenant's cost and expense and disposed of in strict accordance with Environmental Laws.

12.2 Tenant shall indemnify, defend (by counsel reasonably acceptable to Landlord) and hold Landlord harmless, from and against any and all claims, liabilities, penalties, fines, judgment, forfeitures, losses, costs (including clean-up costs) or expenses (including reasonable attorney's fees, consultant's fees and expert's fees) for the death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by (a) the presence after the Commencement Date in, on, under or about the Premises of any Hazardous Substances caused by Tenant or its agents, servants, employees, guests, invitees or independent contractors; (b) any discharge or release by Tenant or its agents, servants, employees, guests, invitees or independent contractors after the Commencement Date in or from the Premises of any Hazardous Substances; (c) Tenant's use, storage, transportation, generation, disposal, release or discharge after the Commencement Date of Hazardous Substances to, in, on, under, about or from the Premises; or (d) Tenant's failure after the Commencement Date to comply with any Environmental Law (other than to the extent caused by or related to Landlord's use, generation, storage or disposal of Hazardous Substances in, on or under the Premises). Tenant agrees to remediate at Tenant's expense immediately upon receipt of notice from Tenant any condition described in (a) through (d) of the previous sentence.

12.3 Landlord shall indemnify, defend (by counsel reasonably acceptable to Tenant) and hold Tenant harmless, from and against any and all claims, liabilities, penalties, fines, judgment, forfeitures, losses, costs (including clean-up costs) or expenses (including reasonable attorney's fees, consultant's fees and expert's fees) for the death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by (a) the presence on or prior to the Commencement Date in, on, under or about the Premises, Building or the land on which the Building is located of any Hazardous Substances; (b) any discharge or release on or prior to the Commencement Date in or from the Premises or Building of any Hazardous Substances; (c) the use, storage, transportation, generation, disposal, release or discharge of Hazardous Substances by Landlord or its agents, servants, employees, guests, invitees, or independent contractors to, in, on, under, about or from the Premises, Building or the land on which the Building is located; (d) Landlord's failure to comply with any Environmental Law (other than to the extent caused by or related to Tenant's use, generation, storage or disposal of Hazardous Substances in, on or under the Premises); or (e) any Hazardous Substances to the extent not due to any act or omission of Tenant or its agents, servants, employees, guests, invitees or independent contractors. Landlord agrees to remediate, at Landlord's cost and expense, immediately upon receipt of notice

from Tenant any condition described in (a) through (e) of the previous sentence. The indemnities set forth in this Section 12 shall survive termination or expiration of this Lease.

12.4 Landlord represents and warrants to Tenant that (a) to the best of its knowledge after due inquiry and investigation, there are no Hazardous Substances in, on, under or about the Premises, Building or the land on which the Building is located, including without limitation asbestos or mold, and (b) Landlord has received no notice from any governmental or private entity relating to Hazardous Substances in, on, under or about the Premises, Building or the land on which the Building is located.

Landlord hereby covenants and agrees that if Tenant discovers mold at the Premises attributable to the period on or prior to the Possession Date or which has been caused by anything other than by the acts or omissions of Tenant or Tenant's agents, servants, employees, guests, invitees or independent contractors, Landlord shall, upon written notice from Tenant, promptly remediate the mold. If Landlord shall not commence such remediation within five days following written notice from Tenant, and Tenant determines, in Tenant's sole discretion, that such remediation is necessary for the safety of Tenant's patients and employees, Tenant may, at its option, cause such remediation work to be performed, at Landlord's cost and expense. Upon the completion of the remediation work, Tenant shall furnish Landlord with a written statement of the cost of the remediation work, and Landlord shall reimburse Tenant for such cost of such remediation work within ten days of Landlord's receipt of Tenant's statement. Should Landlord fail to reimburse Tenant within the ten-day period, then Tenant may, at its option, offset such amount against Rent and Additional Rent. Notwithstanding the foregoing, in the event that the remediation work cannot be substantially completed or is not completed within 60 days of Tenant's written notice of the mold to Landlord and Tenant, in Tenant's reasonable discretion, is unable to utilize the Premises, Tenant may elect, at its sole discretion, to receive two days of Rent and Additional Rent abatement for each day from the date Landlord received the mold notice until the date of substantial completion of the mold remediation.

12.5 Tenant shall promptly deliver to Landlord copies of all notices made by Tenant to, or received by Tenant from, any state, county, municipal or other agency having authority to enforce any Environmental Law or from the United States Occupational Safety and Health Administration ("**Enforcement Agency**") concerning environmental matters or Hazardous Substances at the Premises, Building or the land on which the Building is located. Landlord shall promptly deliver to Tenant copies of all notices received by Landlord from any Enforcement Agency concerning environmental matters or Hazardous Substances at the Premises, Building or the land on which the Building is located.

13. Damage to Premises by Fire or Casualty. In the event the Premises shall be damaged by fire or other casualty during the Term, then:

13.1 if the damage to the Premises is so substantial that either: (a) the repair, restoration or rehabilitation of such damage cannot reasonably be expected to be

commenced within 120 days from the date of such casualty and substantially completed within 365 days from the date of such casualty or (b) so much of the Premises is destroyed or rendered untenable by such fire or other casualty as to make use of the Premises for the Medical Use then operating in at least twenty-five percent (25%) of such facility prior to the fire or casualty impracticable, then Tenant may elect to terminate this Lease by giving written notice to Landlord within 30 days of the date of such fire or casualty; or

13.2 if (a) the damage to the Premises is so substantial that the estimated repair costs exceed \$100,000.00 in 2021 dollars as adjusted by the Consumer Price Index, and such damage has occurred within the final 180 days of the then current Term and Tenant has not exercised its next available renewal option, if any or (b) the Building is damaged to the extent of 50% or more of the monetary value thereof, then Landlord may elect to terminate this Lease by giving written notice to Tenant within 30 days of the date of such fire or casualty.

If not so terminated, Landlord shall proceed with all due diligence to repair, restore or rehabilitate the Premises, to substantially its former condition immediately prior to such damage or destruction, at Landlord's cost and expense, in which latter event this Lease shall not terminate.

If the Premises are rendered untenable by fire or other casualty, there shall be an abatement of Rent and Additional Rent due Landlord by Tenant for the period of time during which the Premises is untenable. If the restoration has not commenced within 120 days after the date of the casualty or is not substantially completed within 365 days from the date of such damage, Tenant shall have the option to terminate this Lease by written notice to Landlord; provided, however, if the restoration is substantially completed prior to the date Tenant delivers any such termination notice, then the termination notice shall be null and void, and this Lease shall continue in effect. In the event of any termination of this Lease, Rent and Additional Rent shall be paid only to the date of such fire or casualty.

In the event that the Premises are partially but not substantially damaged by fire or other casualty, then Landlord shall immediately proceed with all due diligence to repair and restore the Premises to substantially its former condition immediately prior to such damage and Rent and Additional Rent shall abate in proportion to that portion of the Premises that is untenable during the period of restoration.

Notwithstanding the foregoing provisions of this Section 13, in the event regulatory changes occurring on or after the Effective Date, applicable to Tenant's business, require changes to the Premises in order for Tenant to continue operating its business, then if Landlord proceeds to repair the Premises, Landlord shall incorporate such changes into the repair and restoration of the Premises. Additionally, in the event that insurance proceeds applicable to Alterations or Tenant Improvements constructed by Tenant at its expense are made available to Tenant, Tenant shall be responsible for restoring such Alterations or Tenant Improvements; provided, however, that Rent and Additional Rent abatement shall continue during such period of restoration so long as Tenant is diligently

pursuing the completion of such restoration, but in no event for a period longer than ten months following substantial completion of Landlord's repairs and restoration. In the event that Landlord does not restore the Premises, Tenant may retain all insurance proceeds applicable to Alterations and Tenant Improvements constructed by Tenant at its expense. Landlord shall be responsible for restoring improvements constructed by Landlord in all events and Tenant shall be responsible for restoring improvements constructed by Tenant in all events.

14. Eminent Domain.

14.1 Taking. If by any lawful authority through condemnation or under the power of eminent domain: (a) the whole of the Premises shall be permanently taken; (b) less than the entire Premises shall be permanently taken, but the remainder of the Premises are not, in Tenant's sole judgment, fit for Tenant to carry on the normal operation of Tenant's business therein; (c) Tenant determines, in its reasonable judgment, that after such taking adequate parking space will not be available near the Premises; (d) there is any substantial impairment of ingress or egress from or to or visibility of the Premises; or (e) all or any portion of the Property shall be taken resulting in a material interference with the operations of or access to Tenant's business, then in any such event, Tenant may terminate this Lease by written notice, effective as of the date of such taking, and Rent and Additional Rent shall be prorated as of the date of such termination.

14.2 Rent Adjustment. Unless this Lease is terminated as provided in Section 14.1, commencing on the date possession is acquired by a condemning authority, Rent and Additional Rent shall be reduced by the then applicable per rentable square foot Rent and Additional Rent multiplied by the number of rentable square feet taken, and Landlord shall restore the Premises, including but not limited to the areas outside of the Building on the Property and the Parking Area, at Landlord's cost and expense, to a complete architectural unit. During such period of restoration Rent and Additional Rent shall be abated to the extent the Premises are rendered untenable.

14.3 Awards. All compensation awarded or paid in any such eminent domain proceeding shall belong to and be the property of Landlord without any participation by Tenant, except that nothing contained herein shall preclude Tenant from prosecuting any claim directly against the condemning authority in such eminent domain proceeding for its relocation costs, its unamortized leasehold improvements and trade fixtures, loss of business and the like provided that any such award to Tenant shall not reduce the award otherwise payable to Landlord.

15. Right of Entry by Landlord. Subject to Landlord's obligations under Section 35, Landlord, or any of its agents, shall have the right to enter the Premises during all reasonable hours and upon at least 24 hours prior notice (except in cases of emergency) to perform its obligations under this Lease, examine the Premises or, in the six month period immediately preceding the Expiration Date, to exhibit the Premises to potential tenants. Any work done by Landlord to Premises shall be performed during hours that

Tenant is not open for business (except in emergencies) unless Tenant, in the exercise of its reasonable discretion, otherwise agrees. Any restoration work or alteration work at the Premises which is necessitated by or results from Landlord's entry in its capacity as Landlord, including, without limitation, any work necessary to conceal any element whose presence is permitted hereunder, shall be performed by Landlord at its expense or, at Tenant's election, by Tenant on Landlord's behalf and at Landlord's cost and expense. Landlord shall be liable for all loss, damage or injury to persons or property and shall indemnify and hold Tenant harmless from all claims, losses, costs, expenses and liability, including reasonable attorney's fees resulting from Landlord's entry except to the extent caused by the negligent or intentional act of Tenant or its contractors, agents, employees or licensees. In the exercise of Landlord's rights pursuant to this Section, Landlord shall make all reasonable efforts to minimize interference with Tenant's operations. If Landlord's entry into the Premises interferes with the conduct by Tenant of its business to such an extent that Tenant, in the exercise of its reasonable business judgment, must close the Premises or is unable to use 75% of the Premises for business for three or more days, then Rent and Additional Rent shall totally abate for each day or portion thereof that such interference continues.

Landlord acknowledges that Tenant is subject to the provisions of the Health Insurance Portability and Accountability Act of 1996 and related regulations ("HIPAA") and in order for Tenant to comply with HIPAA, Tenant must restrict access to the portions of the Premises where patient medical records are kept or stored. Landlord hereby agrees that, notwithstanding the rights granted to Landlord pursuant to this Lease including this Section 15, except when accompanied by an authorized representative of Tenant, neither Landlord nor its employees, agents, representatives or contractors shall be permitted to enter those areas of the Premises designated by Tenant as locations where patient medical records are kept and/or stored or where such entry is prohibited by applicable state or federal health care privacy Laws. Landlord further agrees to comply with the provisions of HIPAA and all applicable medical privacy Laws in connection with Landlord's entry into the Premises.

16. Indemnity. Tenant agrees to indemnify Landlord and save Landlord harmless from any and all liability, claims and loss for personal injury or property damage, or both, sustained or claimed to have been sustained by any person or persons, or property in, upon or about the Premises caused or brought about by the act or neglect of Tenant or its agents, servants or employees. Landlord agrees to indemnify Tenant and save Tenant harmless from any and all liability, claims and loss for personal injury or property damage, or both, sustained or claimed to have been sustained by any person or persons, or property in, upon or about the Premises caused or brought about by the act or neglect of Landlord or its agents, servants or employees. The indemnities set forth in this Section 16 shall survive termination or expiration of this Lease.

17. Default and Remedies.

17.1 Tenant Default and Landlord Remedies. In the event that (a) Tenant defaults in the payment of Rent or Additional Rent hereunder and such Rent or

Additional Rent remains due and unpaid for five business days following written notice of such default from Landlord to Tenant; (b) Tenant defaults in the performance of any other provisions of this Lease and such default is not cured within 30 days following written notice from Landlord specifying such default (unless such default is not reasonably capable of being cured within such 30 day period and Tenant is diligently prosecuting such cure to completion); (c) a petition in bankruptcy is filed by or against Tenant (provided Tenant shall have 90 calendar days to stay any involuntary proceeding); (d) Tenant makes an assignment for the benefit of its creditors, or a receiver is appointed for Tenant and such receiver is not dismissed within 60 days of its appointment, (e) Tenant enters into an assignment or sublet in violation of Section 7 above; then, in any of these events, Landlord may, at its option (x) proceed for past due installments of Rent or Additional Rent, reserving its right to proceed later the remaining installments when due; or (y) declare the rights of Tenant under this Lease terminated and, thereafter, recover possession of the Premises through legal process. Notwithstanding the remedy Landlord may seek, the foregoing cure periods shall be applicable.

Upon and after termination of this Lease, Tenant shall pay to Landlord the Rent up to the time of such termination, in addition to any amounts payable by Tenant to Landlord pursuant to the immediately following paragraph.

In the event of any such termination, Landlord may: (A) choose to have Tenant remain liable for, and pay on the days originally fixed for such payment hereunder, the full amount of all Rent and Additional Rent as if this Lease had not been terminated; provided, however, if Landlord relets the Premises there shall be credited against such obligation the amount actually received by Landlord as a result of such reletting after deducting all costs and expenses incurred by Landlord in connection with reletting the Premises including, without limitation, all repossession costs, brokerage commissions, legal expenses, reasonable attorneys' fees, alteration costs, and expenses of preparation for such reletting; or (B) demand Tenant pay to Landlord on such demand, as and for liquidated and agreed damages for Tenant's default, the present value (based on a discount rate then established by the Federal Reserve closest to the Premises) of the amount by which the aggregate Rent that would have been payable under this Lease by Tenant from the date of such termination until what would have been the last day of the Term but for such termination exceeds the fair market rental value of the Premises for the same period.

Landlord shall make commercially reasonable efforts to mitigate any damages Landlord incurs as a result of Tenant's breach of this Lease. If the consideration collected by Landlord upon reletting the Premises pursuant to this Section is not sufficient to pay the full monthly amount of Rent and Additional Rent provided for in this Lease to be paid by Tenant, Tenant shall pay to Landlord the amount of each monthly deficiency upon demand. Whether or not this Lease is terminated by Landlord or by any provision of Law, Tenant has no obligation to pay any Rent or Additional Rent until the date it would otherwise have become due in the absence of any event of default. Landlord agrees that it shall have no right to accelerate (i.e. declare the same immediately due and payable) any Rent or Additional Rent which would have become due in the future; provided,

however, that upon termination of this Lease by Landlord, Tenant shall pay Landlord for the then unamortized out-of-pocket costs of leasing commissions and a tenant allowance (if any).

17.2 Landlord Default and Tenant Remedies. Subject to the terms and provisions below, and in addition to any other remedy expressly available to Tenant pursuant to this Lease or at law or in equity, should Landlord fail to perform any term or covenant under this Lease (each and any such failure, a “**Landlord Default**”) and if any such Landlord Default is not cured and continues for 30 days (unless a shorter notice and cure period is expressly provided herein, in which case such shorter period shall govern) following written notice by Tenant to Landlord (and to any “**Mortgagee**” (as defined in Section 26 below) that has delivered written notice to Landlord requesting notice of a Landlord Default and a right to cure and of which Landlord has provided written notice to Tenant) of such Landlord Default (unless a different period is expressly provided for in any other provision of this Lease or such default is not reasonably capable of being cured within such expressed period and Landlord or Mortgagee is diligently prosecuting such cure to completion, but in no event to extend beyond 90 days), then Tenant shall have the option, (at Tenant’s sole discretion), of (a) abating or withholding Rent and/or Additional Rent or (b) remedying such Landlord Default and, in connection therewith, incurring expenses for the account of Landlord, and any and all such sums expended or obligations incurred by Tenant in connection therewith shall be paid by Landlord to Tenant upon demand, and if Landlord fails to immediately reimburse and pay same to Tenant, Tenant may, in addition to any other right or remedy that Tenant may have under this Lease, deduct such amount (together with interest thereon at the maximum rate permitted by applicable Law from the date of any such expenditure by Tenant until the date of repayment thereof by Landlord to Tenant) from subsequent installments of Rent and Additional Rent that from time to time become due and payable by Tenant to Landlord hereunder. In all events Tenant shall have the right to remedy any Landlord Default without prior notice in the event of an emergency (so long as Tenant gives notice within a reasonable period of time thereafter) and invoice Landlord and abate Rent and Additional Rent in the manner set forth in the preceding sentences of this Section 17.2.

If Landlord is or becomes a Referral Source (as defined in Section 33) and if this Lease is terminated for any reason before the first anniversary of the Commencement Date, then Landlord and Tenant shall not enter into any similar lease agreement with each other for the Premises before the first anniversary of the Commencement Date.

18. Insurance.

18.1 Tenant’s Insurance. Tenant shall maintain in full force and effect during the Term (a) “all-risk” commercial property insurance for personal property and tenant’s betterments and improvements in the amount of the full replacement values thereof, as the values may exist from time to time and (b) commercial general liability insurance written on Insurance Services’ Office Form # CG 00 01 or equivalent, with limits of liability of not less than \$1,000,000 per occurrence and \$3,000,000 general aggregate for injuries, losses, claims, or damages to persons or property and contractual tort liability

occurring in or on the Premise(s). Landlord shall be named as an additional insured under Tenant's commercial general liability insurance policy.

Unless otherwise approved by Landlord, Tenant's insurance must be issued by duly licensed or approved non-admitted insurers in the state where the Premises are located, with an "A.M. Best" rating of not less than A- VII. Upon written request therefore, Tenant shall provide a certificate(s) of insurance to Landlord providing satisfactory evidence that Tenant has complied with all insurance requirements, including Landlord's status as an additional insured under Tenant's commercial general liability insurance policy. Tenant shall endeavor to provide thirty (30) days prior written notice to Landlord in the event of cancellation of such insurance. Insurance may be arranged under separate policies for the full minimum limits of liability required or by a combination of underlying policies and umbrella or excess Liability policy(ies). Any umbrella or excess liability insurance policy(ies) evidenced must be adequate to satisfy the insurance requirements of this Lease. Tenant's commercial general liability insurance shall be primary insurance, and not excess over, or contributing with, all other available sources. Any insurance and/or self-insurance maintained by Landlord shall not contribute with the insurance or benefit Tenant in any way. Tenant's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability. Tenant reserves the right to self-insure any of its obligations under this Lease or carry any insurance required by this Lease under a blanket policy or self-insured retention.

18.2 Landlord's Insurance. During the Term, Landlord shall procure and maintain, at Tenant's sole cost and expense, unless otherwise agreed to in this Lease, in full force and effect:

(a) "all-risk" commercial property insurance in the amount of the full replacement values thereof, as the values may exist from time to time for the Property. Insurance shall include coverage for the Property's: real property/building(s), landlord's personal property, landlord's betterments and improvements, equipment breakdown and rental income; the insurance shall also include coverage for earthquake, flood and/or windstorm if the Premises is in an area where such hazards are known risks and such insurance is reasonably available, subject to reasonably customary deductibles and sub-limits; and

(b) commercial general liability insurance with limits of liability of not less than \$1,000,000 per occurrence and \$3,000,000 general aggregate to apply on a per location basis for injuries, losses, claims or damages to persons or property and contractual tort liability occurring in or on the Property Tenant shall be named as an additional insured under Landlord's commercial general liability insurance policy.

Unless otherwise approved by Tenant, Landlord's insurance must be issued by duly licensed or approved non-admitted insurers in the state where the Premises are located, with an "A.M. Best" rating of not less than A- VII. Tenant in no way warrants that the above-required minimum insurer rating is sufficient to protect Landlord from potential

insurer insolvency. Upon written request therefore, Landlord shall provide a certificate(s) of insurance to Tenant, providing satisfactory evidence that Landlord has complied with all insurance requirements, including Tenant's status as an additional insured under Landlord's commercial general liability insurance policy. Landlord shall endeavor to give thirty (30) days prior written notice to Tenant in the event of cancellation of such insurance. Failure to maintain the insurance policies as required by this Lease is a material breach of contract. Insurance may be arranged under separate policies for the full minimum limits of liability required or by a combination of underlying policies and umbrella or excess liability policy(ies). Any umbrella or excess Liability insurance policy(ies) evidenced must be adequate to satisfy the insurance requirements of this Lease. Landlord's insurance shall be primary insurance, and not excess over, or contributing with, all other available sources. Any insurance and/or self-insurance maintained by Tenant shall not contribute with the insurance or benefit Landlord in any way. Landlord's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability. Such insurance shall not derogate Landlord's indemnity obligations to Tenant set forth in this Lease. Approval or acceptance of such by Tenant will not in any way represent that such insurance is sufficient or adequate to protect Landlord's interests or liabilities and such insurance shall be considered the minimum acceptable coverage.

19. Waiver of Claims; Subrogation. Notwithstanding anything to the contrary set forth in this Lease, Landlord and Tenant do hereby waive any and all claims against one another for damage to or destruction of real or personal property to the extent such damage or destruction is subject to coverage by the "all risks" property insurance of the type required by this Lease. The risk to be borne by each party shall also include the satisfaction of any deductible amounts required to be paid under the applicable "all risks" fire and casualty insurance carried by the party whose property is damaged, and each party agrees that the other party shall not be responsible for satisfaction of such deductible. These waivers shall apply if the damage would have been covered by a customary "all risks" insurance policy, even if the party fails to obtain such coverage. The intent of this provision is that each party shall look solely to its insurance with respect to property damage or destruction which can be covered by "all risks" property insurance of the type required by this Lease. Each such policy shall include a waiver of all rights of subrogation by the insurance carrier against the other party, its agents and employees with respect to property damage covered by the applicable "all risks" fire and casualty insurance policy.

20. Maintenance Responsibilities.

20.1 Landlord's Maintenance, Repair, and Replacement Obligations at Landlord's Sole Cost. Landlord shall, at its sole cost and expense, timely maintain and keep in first class order and repair and in compliance with all applicable Laws and promptly make any necessary replacements, unless the damage is caused by Tenant or Tenant's agents, servants, employees, guests, invitees, or independent contractors, to: (i) all structural components of the Building and the envelop of the Building, including, but not limited to, exterior walls (excluding building washing), lintels, (excluding doors which

are addressed in Section 20.2 below and notwithstanding the foregoing, walls shall include only structural walls of and within the Building) and the Building's roof, roof membrane (excluding cleaning and inspection per any applicable roof warranty), concrete slab, footings, foundation and concrete flooring (excluding floor covering) (collectively, the "**Building Structure**"), (ii) the Parking Area (replacement and compliance with applicable Laws thereof only, as maintenance and repair of the Parking Area are addressed in Section 20.2 below), (iv) the Property's retaining walls, storm water systems, and septic or sewer systems, (v) all utility lines serving the Property and the Building up to and including the point of connection into the Building or on other portions of the Property or improvements thereon or otherwise, (vi) all electric, water, gas, plumbing and sewer, life-safety, mechanical, lighting and other systems serving the Property and Building located outside of the Building (except for the HVAC, the fire alarm, control, suppression and sprinkler system located within the Building, which is address in Section 20.3 below), and (vii) access to, and egress from, the Property and the Building including, but not limited to, the parking spaces provided by Landlord to Tenant, twenty four (24) hours per day, seven (7) days per week.

20.2 Landlord's Maintenance, Repair, and Replacement Obligations Subject to Tenant Reimbursement. Unless otherwise Landlord's obligation pursuant to Section 20.1, Landlord shall maintain and keep in first class order and repair, and replace as necessary, all areas outside of the Building located on the Property, including but not limited to the Parking Area, sidewalks, driveways, parking lot, drive aisles, ramps and loading areas, landscaped areas, pathways, grass plots, ornamental planting, direction, monument and pylon signs, exterior lighting (including but not limited to all exterior lighting required by applicable Laws) and shall provide snow removal, de-icing, lawn care and other landscaping and security (as necessary) and such costs shall be considered Operating Expenses in accordance with Section 8, unless such maintenance, repairs, and replacements are excluded from the definition of Operating Expenses in Section 8 or if otherwise such costs are at Landlord's sole cost and expense as provided under this Lease. Furthermore, Landlord shall maintain and keep in first class order and repair, and replace as necessary, all exterior doors and windows and the roof covering, and shall inspect and clean the roof and roof membrane, and such costs shall be considered Operating Expenses in accordance with Section 8, unless such maintenance, repairs, and replacements are excluded from the definition of Operating Expenses in Section 8 or if otherwise such costs are at Landlord's sole cost and expenses as provided under this Lease.

20.3 Tenant's Maintenance, Repair, and Replacement Obligations at Tenant's Sole Cost. Except for Landlord's obligations set forth above, except for any damage caused by the acts of negligence by Landlord or its agents, representatives, employees or contractors and except as may otherwise be set forth in this Lease, Tenant shall at its sole cost and expense (i) maintain the interior, non-structural portions of the Building in good order and repair, excepting normal wear and tear arising from the use thereof and damage by fire or other casualty and repair and replace the same as needed, (ii) maintain, repair and replace all utility lines serving the Building within the Building after the point of connection into the Building, (iii) maintain and repair all electric, hot water,

water heater(s), gas, plumbing and sewer, fire alarm, control, suppression and sprinkler system located within the Building, and (iv) maintain and repair mechanical, lighting and other systems serving the Building located inside the Building and the HVAC system serving the Building whether located within the Building or on the roof of the Building; provided, however, that Landlord shall make any necessary replacements to items (i) – (iii) above. Except for Landlord's obligations set forth above and except for any damage caused by the acts of negligence by Landlord or its agents within the Premises, Tenant shall maintain the HVAC systems in the same condition, order and repair as they are at the commencement of the Term, excepting normal wear and tear arising from the use thereof and damage by fire or other casualty. Tenant shall maintain a contract for the routine and periodic maintenance and regular inspection of such HVAC systems servicing the Premises, the replacement of filters as recommended and the performance of other recommended periodic servicing in accordance with applicable manufacturer's standards and recommendations.

20.4 Tenant's Self-Help Rights. If Landlord shall not commence the foregoing maintenance, repairs, or replacements required by Landlord under this Section 20 within the fifteen (15) days following written notice from Tenant that such repairs are necessary and if Tenant's use of the Premises is materially and adversely affected by the need for such maintenance, repairs, or replacements then Tenant may, at its option, cause such Landlord's repairs to be made and shall furnish Landlord with a statement of the cost of such repairs upon substantial completion thereof. Landlord shall reimburse Tenant for the reasonable and actual cost of such repairs plus a service charge to cover Tenant's expenses in an amount equal to 10% of the cost of such repairs within ten (10) days of the date of the statement from Tenant setting forth the amount due, provided, however, should Landlord fail to reimburse Tenant with said ten (10) day period, then Tenant may, at its option, offset such amount against subsequent Rent and additional rent due under this Lease.

21. Brokers. Landlord and Tenant each represent and warrant to the other that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease. The party who breaches this warranty shall defend, hold harmless, and indemnify the other party from any loss, damage or expense, including, but not limited to, reasonable attorney's fees, arising from the breach.

22. Emergency. If Landlord is unable or unwilling to take action which it is obligated to take hereunder where an emergency has occurred with respect to the Premises, then Tenant may take such action as is reasonably necessary to protect the Premises and persons or property in the Premises and Landlord shall, within 15 days after written notice thereof from Tenant reimburse Tenant for its reasonable out-of-pocket expenses incurred in curing such emergency; provided, however, should Landlord fail to reimburse Tenant within the 15 day period, then Tenant may, at its option, offset such amount against Rent and Additional Rent due under this Lease.

23. Title and Parking. Landlord hereby represents to Tenant that Landlord is (or will be as of the Possession Date) the owner in fee simple of the Premises, including

the Building and all improvements thereon and has the right and authority to enter into this Lease. Except as otherwise identified on Exhibit I attached to this Lease, Landlord hereby represents to Tenant that no covenants, restrictions, liens or other encumbrances affecting the real property upon which the Building is constructed shall interfere with or adversely affect Tenant's Medical Use of the Premises. Landlord shall not enter into any covenants, restrictions, liens or other encumbrances which may impact Tenant's use of the Property or the Building or impose any additional monetary or non-monetary obligations on Tenant without Tenant's prior written approval. Landlord further represents that Landlord and those signatories executing this Lease on behalf of Landlord have full power and authority to execute this Lease.

Landlord agrees that Landlord shall not make any modifications to the Premises (including, without limitation, the Parking Area, driveways and walks) that materially adversely affects Tenant's use of the Premises for the Medical Uses or materially adversely affects Tenant's access to the Premises or use of or access to the Parking Area without Tenant's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed.

Throughout the Term, at no additional cost to Tenant, Tenant shall be entitled to the exclusive use of all of the parking areas on the Property, as further depicted on Exhibit B (the "**Parking Area**") in accordance with a parking ratio as shown in Exhibit B or such greater amount as may be required by applicable Laws related to the use of the Premises for the Medical Use or by local code or other applicable Laws (including accessible parking spaces). All parking spaces within the Premises shall be striped, compliant with all applicable Laws and available and accessible to Tenant for Tenant's use twenty-four (24) hours per day, seven (7) days a week, year round. The Parking Area must be paved and striped and lighted in compliance with all Laws.

Landlord shall provide to Tenant proposed revisions to clarify in the "Common Access and Parking Area" section no. 3 of the Amended 3905 172nd Building Binding Site Plan No. PLN 418 (the "**Site Plan**") that Declarant, its successors, assigns, business invitees, licensees, tenants and their guests shall have common access and use for ingress and egress purposes over and across Parcel A, Parcel B, Parcel C including the Parking Area, but shall not have any right to park in Parcel A, Parcel B or Parcel C or any portion of the Parking Area. Upon Tenant's approval of such proposed revisions, Landlord shall use its best efforts to cause the Tenant approved revised Site Plan to be approved, executed, and recorded in the public records of Snohomish County, Washington.

24. Compliance with Laws. Both parties shall comply with all applicable Laws throughout the Term. Landlord represents and warrants to Tenant that as of the Possession Date the Premises, the Building and the Parking Area are in compliance with all Laws, including, without limitation, applicable zoning Laws and with all applicable instruments affecting title to the Premises. Landlord further represents that it has received no notices or communications from any public authority having jurisdiction alleging violation of any Laws relating to the Premises, the Building or the Property and has received no notices alleging violation of any title instrument. Without limiting the

generality of the foregoing, Landlord represents and warrant that as of the Commencement Date (a) the use of the Premises and the Building and improvements thereon for the Medical Uses and related medical and business offices is permitted by and will not violate private restrictions or applicable Laws, including without limitation zoning Laws, and does not constitute a “non-conforming use” thereunder, or if such use is a “non-conforming use” thereunder then such use is permitted pursuant to a conditional use permit or other variance issued by the appropriate governmental agency or authority, (b) no party other than Landlord has air rights that permit development of the air above the Premises; (c) the Premises, the Building, and the Parking Area comply with all applicable Laws relating to handicapped accessibility, including, without limitation, the Americans with Disabilities Act (ADA) of 1990, as amended, 42 U.S.C. §§12101 *et seq.* (1990), and (d) the Building enjoys, and Landlord will provide for the Term, ingress and egress from the Parking Area to the adjoining public streets and highways.

Landlord represents and warrants to Tenant, as of the Possession Date, that no portion of the Land is located in a flood zone or area of potential flooding, including, but not limited to, a Special Flood Hazard Area as defined by the Federal Emergency Management Agency, that Landlord has not received any notice from any public agency that any portion of the Property is within a flood hazard zone or area of potential flooding, that Landlord’s mortgagee does not require Landlord to maintain flood insurance for any portion of the Premises, that Landlord does not maintain flood insurance for any portion of the Premises, and that the floor elevation of the Building and Premises is above the 100 year floodplain.

If at any time or from time to time any Alterations, including, without limitation, structural Alterations, are required in order for the Premises or Building or Parking Area to comply with any generally applicable Laws from time to time applicable to the Premises, Landlord shall immediately make such Alterations at its sole cost and expense. If at any time or from time to time any Alterations, including, without limitation, structural Alterations, are required in order for the Premises to comply with any Laws specifically applicable to the Premises due to Tenant’s use for the Medical Use and not due to any act by Landlord, Tenant shall immediately make such Alterations, at its sole cost and expense.

25. Intentionally Omitted.

26. Tenant to Subordinate. Tenant shall, upon written request of the holder of a mortgage or deed of trust in the nature of a mortgage, which holder is a commercial or institutional lender, on the Premises (“**Mortgagee**”) subordinate any interest which it has by virtue of this Lease, and any extensions and renewals thereof to any mortgages or deeds of trust placed upon the Premises by Landlord, if and only if such Mortgagee shall execute, deliver and record in the appropriate registry of deeds a recognition and non-disturbance agreement in form and content substantially similar to Exhibit J or such other commercially reasonable form as may be agreed upon by the parties. Tenant shall respond to any such requests within 15 business days following receipt of the Mortgagee’s written request. If Tenant fails to respond within such initial 15 business day period, then Landlord may deliver a second written request, and if Tenant fails to respond

within ten business days following receipt of the second written request, such failure shall be a default under this Lease, provided that Landlord's second notice states in bolded and capitalized font that a failure to respond within ten business days of receipt is the basis for a default under the Lease. Such agreements shall provide by their terms that notwithstanding any foreclosure of such mortgage or deed of trust Tenant may continue to occupy the Premises during the Term or any extensions or renewals thereof under the same terms, conditions and provisions of this Lease unless Tenant shall be in default beyond any applicable grace periods provided for herein. Landlord shall, at or prior to the Possession Date, secure from Landlord's present Mortgagee of the Premises a non-disturbance agreement in a form reasonably acceptable to Tenant. Landlord shall also secure from any future Mortgagee or lienholders of Landlord non-disturbance agreements during the Term. If Landlord shall not obtain such non-disturbance agreement, then this Lease shall not be subordinate to any such future lien, mortgage, or refinancing.

27. Quiet Enjoyment. Tenant shall, upon payment of the Rent and Additional Rent, subject to all applicable notice and cure periods and subject to all of the terms and covenants of this Lease, on Tenant's part to be kept, observed and performed, shall quietly have and enjoy the Premises during the Term. Landlord agrees that Tenant shall have continuous, peaceful, uninterrupted and exclusive possession and quiet enjoyment of the Premises during the Term.

28. Memorandum of Lease. Landlord agrees to enter into a recordable memorandum or notice of this Lease in the form attached as Exhibit K or in form otherwise reasonably satisfactory to Tenant. Tenant shall be responsible for the preparation thereof, recording and the cost of recording the same.

29. Notices. All notices, demands and requests which may be or are required to be given by either party to the other shall be in writing and shall be either (a) sent by registered or certified mail, return receipt requested, postage prepaid, (b) delivered, by hand, or (c) sent by overnight courier such as Federal Express. All notices to Landlord should be addressed to Landlord at 1602 Colby Avenue, Everett, WA 98201; Telephone: (206) 658-5922; Email: Sheldon@marketstreetdev.com or at such other place as Landlord may from time to time designate in written notice to Tenant. All notices to Tenant shall be addressed to Tenant at Jones Lang LaSalle Americas, Inc., c/o United HealthCare Svs Inc., 9900 Bren Road East, MN008-W310, Minnetonka, MN 55343, Attn: Lease Administration – USAWA____ or to any such other place as Tenant may from time to time designate in written notice to Landlord. All notices, demands and requests which shall be served upon Landlord and Tenant in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder. Notwithstanding anything contained in this Lease to the contrary, any written notice by either Landlord or Tenant to the other party may be transmitted by facsimile or electronic transmission, and that the facsimile or electronic copies of such party's signature shall have the same effect as if it were an original signature, provided that the party providing such notice obtains a confirmation page or delivery confirmation email and further provided that within three business days after the electronic transmission of any such notice, Landlord or Tenant

shall execute and deliver to the other party an original copy of the notice via one of the methods provided in this Section.

30. Estoppel Certificate. Each of Landlord and Tenant agrees at any time and from time to time upon not less than 15 business days' prior written request by the other to execute, acknowledge and deliver to the other an estoppel certificate in the form attached as Exhibit L certifying that (a) this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications), (b) the dates to which Rent and other charges have been paid in advance, if any (c) all of the defaults of Landlord or Tenant hereunder, if any (and if there are no defaults a statement to that effect), and (d) any other information reasonably requested, it being intended that any such estoppel certificate delivered pursuant to this Section 30 may be relied upon by any prospective purchaser of the Premises or any mortgagee or assignee of any mortgage upon the fee or leasehold of the Premises or by any prospective assignee of this Lease or subtenant of the whole or any portion of the Premises and/or by other party interested in the Premises or any part thereof. If either party fails to execute, acknowledge and deliver an estoppel certificate within 15 business days following its receipt of the initial written request, as required in this Section 30, the requesting party may send a second written request, and if the recipient party shall thereafter fail to execute, acknowledge and deliver the estoppel certificate within ten business days following receipt of the second request, such failure shall be a default under this Lease, provided that the second notice states in bolded and capitalized font that a failure to respond within ten business days of receipt is the basis for a default under the Lease.

31. Landlord's Sale of the Building. Landlord may, at any time, without the prior consent of Tenant, contract to and/or perform any of the following transactions with respect to an interest in Landlord, the Lease, the Premises, the realty underlying the Premises, and/or any portion of or interest in the realty or improvements owned or hereafter acquired by Landlord: sale, purchase, exchange, transfer, assignment, lease, conveyance (collectively referred to herein as "**Sale**"); and/or encumbrance, pledge, mortgage, deed of trust, hypothecation or sale and leaseback transaction (collectively referred to herein as "**Mortgage**"). From and after a Sale, Landlord shall be released from all liability to Tenant and Tenant's successors and assigns arising from this Lease because of any act, occurrence or omission of Landlord occurring after such Sale, and Tenant shall look solely to Landlord's successor in connection with the same; provided however, that Landlord shall not be released from liability to Tenant and Tenant's successors and assigns from this Lease because of any act, occurrence or omission of Landlord occurring prior to such Sale, unless such liability is expressly assumed by Landlord's successor-in-interest in the Building and Premises. Within 30 days following the effective date of a Sale, Landlord shall notify Tenant whether Landlord's successor-in-interest and assignee to this Lease would or would not be a Referral Source as described in Section 33 below. Upon any Sale entered into between Landlord and an unaffiliated third party, any lease or other arrangement entered into between Landlord's successor and a Competitor prior to the effective date of the Sale that would otherwise be a violation of the terms of Section 6 above shall not be deemed a violation of the

restrictions set forth therein if entered into prior to the effective date of the Sale. Upon a Sale, Landlord agrees to give complete copies of all records affecting Operating Expenses for the two-year period prior to the Sale, to the subsequent owner, and this obligation shall survive Landlord's assignment of this Lease.

32. Tenant's Satellite and Cable Rights. Tenant shall have the right to place a satellite dish on the roof and run appropriate electrical cabling from the Premises to such satellite dish and/or install cable service to the Premises at no additional fee, provided all such work shall be performed in accordance with all applicable Laws and so as not to invalidate any then effective roof warranty for the Building. Landlord shall reasonably cooperate with Tenant's satellite or cable provider to ensure there is no delay in acquiring such services. Tenant shall also have the right to run appropriate electrical cabling from the Premises to connect its electrical generator and associated transfer switch. Tenant shall be responsible for any damage to the roof caused by Tenant's installation or removal of any such satellite dish or cabling.

33. Regulatory Compliance. Landlord represents and warrants to Tenant that Landlord is not a "referring physician" or a "referral source" as to Tenant for services paid for by Medicare or a state health care program, as the terms are defined under any federal or state health care anti-referral or anti-kickback, regulation, interpretation or opinion ("**Referral Source**"). Landlord covenants, during the Term, it will not knowingly (i) take any action that would cause it to become a Referral Source as to Tenant, or (ii) sell, exchange or transfer the Premises to any individual or entity who is a Referral Source as to Tenant without complying with all other provisions of this Lease.

Each party represents and warrants that: (i) it is not currently excluded from participation in any federal health care program, as defined under 42 U.S.C. Section 1320a-7b; (ii) it is not currently excluded, debarred, suspended, or otherwise ineligible to participate in Federal procurement and non-procurement programs; or (iii) it has not been convicted of a criminal offense that falls within the scope of 42 U.S.C. Section 1320a-7(a), but has not yet been excluded, debarred, suspended or otherwise declared ineligible (each, an "**Exclusion**"), and agrees to notify the other party within two (2) business days of learning of any such Exclusion or any basis therefore. In the event of learning of such Exclusion, either party shall have the right to immediately terminate this Lease without further liability. Landlord agrees that Tenant may screen Landlord against applicable Exclusive databases on an annual basis.

In the event Landlord, or Landlord's successors or assigns, become a Referral Source as described in this Section 33 above, the following Sections 33.1 and 33.2 shall apply but shall have no effect until such time:

33.2 **Compliance.** Landlord and Tenant agree that it is not the purpose of this Lease to exert any influence over the reason or judgment of any party with respect to the referral of patients or other business between Landlord and Tenant, but that it is the parties' expectation that any referrals which may be made between the parties shall be and are based solely upon the medical judgment and discretion of the patient's

physician. The parties further agree and acknowledge that (a) Rent is (i) set forth in advance; (ii) consistent with fair market value in an arms-length transaction; (iii) does not take into account the volume or value of any referrals or other business generated between the parties; and (iv) would be reasonable even if no referrals were made between the parties, and (b) Tenant's Proportionate Share does not exceed Tenant's pro-rata share for expenses and the Building Area does not exceed the reasonable square footage needed for the legitimate business plans of Tenant.

33.3 Compliance with Law. The parties enter into this Lease with the intent of conducting their relationship in full compliance with applicable federal, state and local laws, including, without limitation, the Anti-Kickback Statute and agree and certify that neither party shall violate the Anti-Kickback Statute in performing under this Lease. Notwithstanding any unanticipated effect of any provisions of this Lease, neither party will intentionally conduct itself under the terms of this Lease in a manner that would violate any such law. Landlord agrees not to request an advisory opinion related to the legality of the Lease without the concurrence and approval of Tenant. Tenant shall have the right to terminate the Lease if a change in applicable health care laws or reimbursement systems affects the legality of the Lease. Landlord shall notify Tenant of, and cooperate with, any request from a duly authorized government representative (e.g., Secretary of HHS, Comptroller General) for access to books, documents and/or records related to the Lease, and to indemnify Tenant from any liability arising out of the party's refusal to grant such access.

34. Cooperation with Tenant's Cost Reporting Responsibilities. Landlord's full cooperation with applicable authorities in connection with cost reporting is essential for Tenant's continued operation of its business. Therefore, Landlord agrees to provide to Tenant, within 30 days of Tenant's request, any and all information that is reasonably necessary for Tenant to fulfill its cost reporting requirements to such applicable authorities.

35. Protected Health Information.

35.1 Landlord acknowledges and agrees that from time to time during the Term, Landlord and/or its employees, representatives or assigns may be exposed to, or have access to, Protected Health Information ("PHI"), as defined by HIPAA, 45 CFR Parts 160 and 164. Landlord agrees that it will not use or disclose, and Landlord shall cause its employees, or assigns not to use or disclose, PHI for any purpose unless in accordance with the requirements of HIPAA and all other applicable medical privacy Laws. Landlord further agrees that, notwithstanding the rights granted to Landlord pursuant to this Lease, including without limitation Section 15, Tenant has the right to restrict access to the portions of the Premises where patient medical records are kept or stored or where such entry is prohibited by applicable healthcare Laws, such areas to be deemed Secured Areas (as defined below), and Tenant may install locks at Tenant's expense on areas within the Premises as required for operation of its business, such as areas containing patient records or regulated narcotics and pharmaceuticals. Landlord further agrees that notwithstanding the rights granted to Landlord pursuant to this Lease,

including, without limitation, Section 15, Tenant may designate certain portions of the Premises as “Secured Areas” if designation of such areas does not violate any applicable Laws or prohibit Landlord free access to any fan room, mechanical room or other portion of the Premises which is necessary to enter in connection with the repair, maintenance, operation or upgrading obligations of Landlord under this Lease. Tenant shall not be required to furnish Landlord with door keys or other entry devices to the Secured Areas. Landlord agrees not to access or enter, nor allow its employees, agents, representatives or contractors to access or enter the Secured Areas, unless and until Tenant has been given three business days’ prior written notice and then Landlord may only access the Secured Areas with an authorized representative of Tenant, which Tenant shall provide. If Landlord reasonably determines that it is necessary for Landlord to enter the Secured Areas in an emergency situation, Tenant must immediately permit such entry. If Tenant is unavailable to provide such consent or if Tenant refuses to permit Landlord to enter into the Secured Areas, Landlord may use such force as Landlord deems reasonably necessary to obtain entry into the Secured Areas and Landlord shall not be responsible for any damage to Tenant’s property or the Premises caused by Landlord’s forced entry.

35.2 Landlord shall preserve, and cause any of its employees, agents and representatives to preserve, any “**Confidential Information**” of or pertaining to Tenant and shall not, without first obtaining Tenant’s prior written consent, disclose to any person or organization, or use for its own benefit, any Confidential Information of or pertaining to Tenant during and after the Term, unless such Confidential Information is required to be disclosed by a court of competent jurisdiction or by any governmental authority. As used herein, the term “**Confidential Information**” shall mean any business, financial, personal or technical information relating to the business or other activities of Tenant that Landlord obtains in connection with this Lease or the economics of, negotiations for, or the terms, conditions or provisions included in this Lease. Landlord shall not advertise or publicize the entering by Tenant into this Lease, or that Tenant is an occupant of the Premises, without Tenant’s prior written consent, which consent if not provided in writing is not deemed to have been given. Tenant may advertise or publicize its occupancy and ongoing operations. Landlord and Tenant shall each inform its respective broker of the restrictions set forth in this Section 35.2 and require it to comply with the same.

36. Landlord's Consent. Unless otherwise expressly stated herein, whenever Landlord’s consent is required under this Lease, such consent shall not be unreasonably withheld, conditioned or delayed, and Landlord’s reasonable satisfaction shall be sufficient for any matters under this Lease.

37. Surrender of Premises. At the expiration of the Term, whether by expiration of time or otherwise, Tenant shall surrender the Premises to Landlord or its agents, representative, employees or contractors, in broom clean condition free of debris and rubbish, excepting damage caused by ordinary wear and tear, fire, acts of God, Landlord, condemnation, and/or other casualty or the elements. All Alterations which may be made by Tenant shall be the property of Tenant and Tenant shall be entitled to remove from the Premises during the Term all Tenant Improvements and any and all furniture, trade fixtures, equipment, self-contained HVAC system, and personal property (“**Fixtures**”)

installed or located on or in the Premises provided that Tenant repair any and all damage caused by the removal of the foregoing. Any Tenant Improvements or Fixtures which Tenant does not elect to remove at or prior to the expiration of the Term shall be surrendered with the Premises at the termination of this Lease.

38. Holding Over. In the event Tenant remains in possession of the Premises after the expiration of the Term, or any extensions hereof without the written consent of Landlord, this Lease shall continue on a month-to-month basis, terminable by either party upon 30 days' prior written notice and Tenant shall be obligated to pay Rent at 100% the then current rate (including all adjustments) for the first 90 days of such holdover and 115% of the then current rate (including all adjustments) for any holdover period beyond 90 days, with all other sums then payable hereunder prorated on a daily basis for each day that Landlord is kept out of possession of the Premises. Notwithstanding the foregoing, in the event that applicable Law, including without limitation applicable health care Law, limits the period of any such holdover, both parties shall comply with such applicable Law. Tenant shall during any such holdover period continue to pay any Additional Rent that would otherwise be payable under this Lease.

39. Binding Effect. All covenants, agreements, stipulations, provisions, conditions and obligations set forth herein shall extend to, bind and inure to the benefit of, as the case may require, the successors and assigns of Landlord and Tenant respectively, as fully as if any such successor or assign was referenced to wherever reference to Landlord or Tenant, as the case may be, occurs in this Lease.

40. Severability. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by Law.

41. Applicable Law. The Laws of the State where the Premises are located shall govern the validity, performance and enforcement of this Lease, without regard to such State's conflict-of-law principles.

42. Waiver of Consequential or Special Damages. Neither Landlord nor Tenant is liable to the other under, or in connection with, this Lease for any consequential or special damages, and both Landlord and Tenant waive, to the full extent permitted by law, any claim for consequential or special damages.

43. Non-Discrimination. Landlord and Tenant shall not discriminate on the basis of race, age, color, religion, sex, national origin, disability, or veteran's status in the use or occupancy of the Premises or the Building, or in their employment or choice of contractors, subcontractors, or suppliers of materials for, or to be used for, the installation of any improvements in the Premises.

44. Tobacco. Landlord shall use good faith efforts to prohibit tobacco use of any kind, including smokeless tobacco products, within the Building or anywhere else on the Property, including the Parking Area and any outside space, by posting "no smoking" or similar signage on the Property in areas mutually agreed to by Landlord and Tenant.

45. Force Majeure; Epidemic Governmental Response Delay. Whenever a day is appointed herein on which, or a period of time is appointed within which, either party hereto is required to do or complete any act, matter or thing (excluding payments of amounts due hereunder), the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from, or is interfered with, the doing or completion of such act, matter or thing because of strikes, lock-outs, embargoes, shortages of labor or materials, wars, terrorist acts, bioterrorism, insurrections, rebellions, civil disorder, declaration of local, state or national emergencies, incidence of disease or other illness that reaches outbreak, epidemic and/or pandemic proportions (including, without limitation, the COVID-19 pandemic or any other public health crisis and/or outbreaks and declared local, state or national emergencies arising therefrom), acts of God, fire or other casualty, or other causes beyond such party's reasonable control. The term "**Epidemic Governmental Response Delays**" as used in this Lease shall mean any delay which is attributable to any Epidemic Governmental Response (as hereinafter defined). The Epidemic Governmental Response Delay shall include, without limitation, any period of delay due to the inability of (a) architects and/or engineers to complete and/or revise and process plans for approval or (b) contractors or subcontractors from performing work due to an Epidemic Governmental Response. "**Epidemic Governmental Response**" shall mean any governmental moratorium or other governmental action (including, without limitation, the passing of any law, rule or regulation or inaction due to the incidence of disease or other illness that reaches outbreak, epidemic and/or pandemic proportions (including, without limitation, COVID-19) resulting in (i) the failure or refusal to issue, or delay in issuing, any permit, approval, consent, authorization and/or certificate of occupancy, (ii) the failure or refusal to perform, or delay in performing, any inspection, or (iii) any national, state or locally imposed or declared state of emergency, or (iv) the imposition or declaration by federal, state or local governmental authorities of "shelter in place" or quarantine requirements, or other similar restrictions and prohibitions.

46. Complete Agreement. Any stipulations, representations, promises or agreements, oral or written, made prior to or contemporaneously with this agreement shall have no legal or equitable consequences and the only agreement made and binding upon the parties with respect to the leasing of the Premises is contained herein, and it is the complete and total integration of the intent and understanding of Landlord and Tenant with respect to the leasing of the Premises. No amendment or modification of this Lease shall be valid or binding unless reduced to writing and executed by the parties hereto in the same manner as the execution of this Lease.

47. Counterparts. This Lease may be executed in any number of counterparts via facsimile or electronic transmission or otherwise, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

48. Incorporation of Recitals, Riders, Exhibits and Schedules. This Lease is subject to the Recitals set forth above, the provisions of the attached Rider 1, Exhibits A-L, inclusive, and Schedule 2 which recitals, rider, exhibits and schedule are hereby made a part of this Lease.

49. Conditions Precedent; Early Termination. Notwithstanding anything to the contrary set forth in this Lease, the effectiveness of this Lease shall be contingent upon Landlord's Acquisition of the Property. In the event Tenant delivers to Landlord (or its permitted successors or assigns), a Development Termination Notice as defined in Section 3.3 of the Developer Agreement by and between Landlord and Tenant dated on or about a date concurrent with the date of this Lease (the "**Developer Agreement**") prior to the Commencement Date, this Lease shall automatically be terminated as of the date of termination set forth in the Developer Termination and be of no further force or effect, and neither party shall have any further obligations hereunder, except that Landlord shall return forthwith any sums which Tenant has previously furnished to Landlord under this Lease or the Work Letter.

50. Costs of Enforcement. If Landlord or Tenant defaults under this Lease or there is a dispute under this Lease, then the defaulting party or the party not prevailing in such dispute shall pay, on demand, the out-of-pocket costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

51. Options.

51.1 Tenant's Option to Purchase Premises. In the event that prior to the Commencement Date and after the Acquisition of the Property by Landlord, the Developer Agreement is terminated as a result of a material default by the "**Developer**" thereunder with respect to the Premises that is not cured by "**Developer**" within sixty (60) days after written notice of such default from Tenant, Tenant shall have the option to purchase the Premises (together with all improvements thereon and appurtenant rights thereto including, without limitation, parking areas, easements, declarations and rights of way) pursuant to the terms of a commercially reasonable purchase contract to be mutually agreed upon by the parties (the "**Purchase Option**") which Purchase Option is exercisable by Tenant by providing Landlord a written notice of its election to purchase the Premises within 30 days after the effective date of the termination of the Developer Agreement (the "**Purchase Notice**"). The purchase price for the Premises shall be equal to the then fair market value of the Premises ("**FMRV**") determined as follows: on or before the 30th day after the date of Tenant's Purchase Notice, Landlord and Tenant shall negotiate in good faith to determine the FMRV. If Landlord and Tenant fail to agree upon the FMRV within such period, then FMRV shall be determined by two appraisers, one selected by Landlord and one selected by Tenant within 30 days from receipt of Tenant's notice of renewal. If either party fails to appoint such appraiser within such timeframe, the appraiser appointed by such other party shall make the FMRV determination. The appraisers shall issue their reports within ten days of appointment. If the higher of the two appraisals is less than or equal to 110% of the lower, then FMRV shall be the average

of the two; if not, then within ten days after the date of the latest report, the two appraisers shall mutually select a third appraiser who shall, within ten days after appointment, determine which of the original two appraisers' determination is closest to FMRV and such determination shall be deemed to be the FMRV. Landlord shall pay the cost of the appraisal by the appraiser selected by Landlord and Tenant shall pay the cost of the appraisal by the appraiser selected by Tenant. Landlord and Tenant shall equally bear the cost of the third appraisal. The appraisers selected above, shall be MAI appraisers with a minimum of 10 years of experience in the appraisal of commercial real estate properties and the values in the area of the Premises. Landlord and Tenant shall each act in good faith throughout the process of determining the FMRV of the Premises. In no event shall the purchase price be less than the Developer's actual costs expended to develop the Property which shall include the Land Costs, Hard Costs and Soft Costs but shall not include Financing Costs, Developer Fee or Contingencies as such terms are defined in the Developer Agreement.

(b) If the effective date of the termination of the Developer Agreement as a result of a material default by the Developer thereunder, occurs prior to the Acquisition, Tenant may elect to have Landlord assign all of its rights, title and interest, in and to the Purchase Agreement within 60 days after the effective date of the Developer Agreement termination. To give effect to such assignment, Landlord and Tenant shall enter into an assignment agreement in form and substance mutually agreeable to the parties thereto.

51.2 Tenant's Right of First Offer. In the event that during the Term, Landlord decides to market the Premises for sale (the "**Offer to Sell**"), Tenant shall have a right of first offer ("**Right of First Offer**") to purchase the Premises and Landlord shall give Tenant written notice in accordance Section 29 of this Lease of the listing price and any other terms and conditions of the Offer to Sell, enclosing a copy of all other information and documentation reasonably necessary for Tenant's consideration of such offer (the "**Offer Package**"). In order to exercise this Right of First Offer, Tenant must provide Landlord with written notice of Tenant's interest in purchasing the Premises within thirty (30) days after Landlord's delivery to Tenant of the Offer Package (the "**Acceptance Deadline**"). Landlord shall promptly provide Tenant with any other information reasonably requested by Tenant prior to the Acceptance Deadline for Tenant's consideration of such offer and Tenant shall have until the later to occur of the Acceptance Deadline or five days after Tenant's receipt of such additional information to exercise such option. If Tenant accepts the Right of First Offer, Landlord and Tenant shall execute a purchase agreement pursuant to the terms and conditions of the Offer Package provided, however, that the purchase price to Tenant shall be reduced by any real estate commissions Landlord would be obligated to pay by contract pursuant to a sale to a third party but which Landlord shall not be obligated to pay upon a sale to Tenant or as otherwise agreed upon by the parties within thirty (30) days after Tenant's delivery to Landlord of Tenant's written notice of its exercise of the Right of First Offer. The failure of Tenant to exercise the Right of First Offer shall in no way release or relieve Landlord from Landlord's obligation to provide Tenant with notice of any future Offer to Sell or if the purchase price set forth in the original Offer Package delivered to Tenant is reduced. The parties hereby agree that if Tenant exercises its Right of First Offer and purchases the

Premises, Landlord shall assign this Lease to the purchaser of the Premises. For purposes of this Section only, the term “**Tenant**” includes any person, corporation, partnership or other entity which controls, is controlled by or is under common control with Tenant.

52. Financing Contingency. Landlord shall prior to the closing of the Acquisition or within thirty (30) days after the closing of the Acquisition, time being of the essence (“**Financing Contingency Deadline**”) deliver to Tenant evidence reasonably satisfactory to Tenant that Landlord has adequate financial resources to complete Landlord's Work by way of either immediately available funds or a secured loan within the time period contemplated by this Lease. If by the Financing Contingency Deadline, Landlord has not provided said evidence which is satisfactory to Tenant, then Tenant shall have the option to terminate this Lease by delivering to Landlord written notice thereof anytime thereafter. If Tenant exercises such termination option pursuant to this Section, this Lease shall terminate as of the date of such notice as if such date was the date originally set forth in the Lease as the Termination Date.

[Signature pages follow]

IN TESTIMONY WHEREOF, Landlord and Tenant have caused this Lease to be executed as a sealed instrument, effective as of the day and year first above written.

LANDLORD:

MARKDEV-SMOKEY POINT, LLC,
a Washington limited liability company

By: Market Street Development, LLC,
a Washington limited liability company,
its managing member

By: *SA*

Name: Sheldon Anderson

Title: Managing Member

Date: *July 3, 2020*

State of Washington

County of Snohomish

I certify that I know or have satisfactory evidence that Sheldon Anderson is the person who appeared before me, and said person acknowledged that Sheldon Anderson signed this instrument, on oath stated that Sheldon Anderson was authorized to execute the instrument and acknowledged it as the Managing Member of **Market Street Development, LLC**, a Washington limited liability company, the management member of MARKDEV-SMOKEY POINT, LLC, a Washington limited liability company to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

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

Given under my hand and seal of office this *3rd* day of *July*,
20*20*.

Notary Public residing at *Starwood, WA*

Printed Name: *Caren Manhardt*

My Commission Expires: *9/16/2021*



TENANT:

UNITED HEALTHCARE SERVICES,
INC., a Minnesota corporation

By: 
Name: CHRIS B. OLSON
Title: V.P. REAL ESTATE SERVICES
Date: 06/26/2020

State of Minnesota

County of Hennepin

I certify that I know or have satisfactory evidence that Chris B. Olson is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the V.P. Real Estate Services of **United HealthCare Services, Inc.**, a Minnesota corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

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

Given under my hand and seal of office this 26th day of June, 2020.

Notary Public residing at 9900 Bren Road East, Minnetonka, MN

Printed Name: Debbie K. Swanson

My Commission Expires: 1/31/2024

Debbie K. Swanson

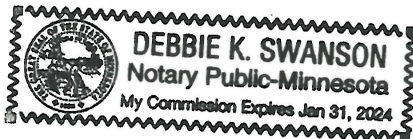


EXHIBIT A
LEGAL DESCRIPTION

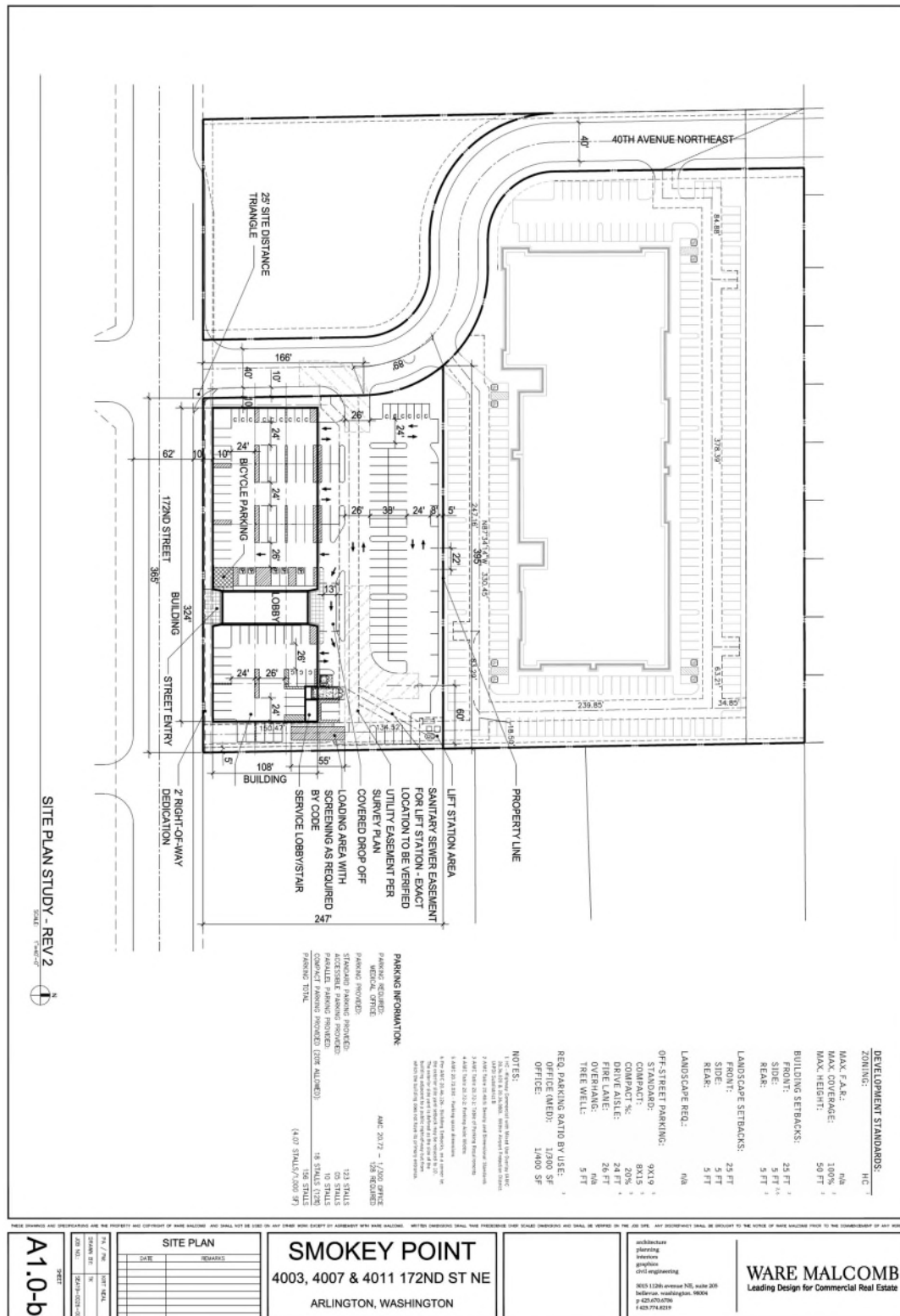
THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF SNOHOMISH, STATE OF WA, AND IS DESCRIBED AS FOLLOWS:

PARCELS A, B AND C, 3905 172ND BINDING SITE PLAN NO. PLN 418, RECORDED UNDER RECORDING NO. [201808215006](#), AND AMENDED UNDER RECORDING NO. [201811065001](#), RECORDS OF SNOHOMISH COUNTY, WASHINGTON.

31052100306500, 31052100306600 AND 31052100306700

4011, 4007, 4003 172nd St NE
Arlington, Washington 98223

BUILDING SITE PLAN



B-1

EXHIBIT C

FORM OF COMMENCEMENT DATE MEMORANDUM

COMMENCEMENT DATE MEMORANDUM

With respect to that certain lease ("Lease") dated _____, between _____ ("Landlord") and _____ ("Tenant"), whereby Landlord leased to Tenant and Tenant leased from Landlord space located at _____ (the "Premises"). Tenant and Landlord hereby acknowledge as follows:

- (1) Landlord delivered possession of the Premises to Tenant on _____ (the "Actual Possession Date").
- (2) The Term of the Lease commenced on _____ (the "Commencement Date").
- (3) The Termination Date of the Lease is _____.
- (4) It is agreed that the first Lease Year shall end on _____ and that each subsequent Lease Year shall end on _____.
- (5) Tenant shall commence payment of Rent on _____.
- (6) The Premises contain _____ rentable square feet of space (the "Building Area").
- (7) The address to be used for the Premises by Tenant is _____ 172nd Street NE, Arlington, WA 98223.
- (8) The last dates upon which the respective renewal options may be exercised are _____, _____, _____, and _____.

All capitalized terms herein, not otherwise defined herein, shall have the meaning assigned in the Lease.

[Signature pages follow]

IN WITNESS WHEREOF, this Commencement Date Memorandum is executed the date(s) set forth below.

LANDLORD:

[LANDLORD ENTITY],

a _____

By: _____

Name: _____

Title: _____

Date: _____

TENANT:

[TENANT ENTITY],

a _____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT D

DIRECT DEPOSIT INSTRUCTIONS



Authorization for Electronic Funds Transfer (ACH)

Please Print or Type

Please allow 2-3 weeks for direct deposit to take effect

Payee Name	Address	Telephone #
Email Address	Tax ID #	

Action (Check one): ☐ Enroll ☐ Change ☐ Cancel

1. I hereby authorize UnitedHealth Group, 9900 Bren Road East, Minneapolis MN, hereinafter called COMPANY, to initiate credit entries to my account indicated below and the depository name below, hereinafter called DEPOSITORY, to credit the same account.

2. Deposit to the following account:

☐ Checking Account ☐ Depository Account (ACH ABA number required)

3. To ensure my account is properly credited, I have attached a voided check (deposit ticket is not acceptable) or a verification letter on Bank letterhead containing the Depository Transit/ABA routing number and my account number.

Depository Bank Name	Depository Address
----------------------	--------------------

Bank Transit Number	Account Number
---------------------	----------------

4. I agree to allow the COMPANY to stop payment or posting of, reverse or adjust any entry erroneously credited to my account.

5. This authorization is to remain in full force and effect until the COMPANY has received written notification from me of its termination in such time and manner as to afford the COMPANY a reasonable opportunity to act on it.

Print Name	Title (if applicable)	Date
Signature		

Mail completed form with voided check to:

United HealthGroup
Deb Wisner, MN008-W235
9900 Bren Rd E
Minnetonka, MN 55343

OR

Email completed form with voided check to:

vendor_maint_ap@uhc.com

Please contact Deb Wisner with questions regarding this form at: (952) 936-6328

EXHIBIT E

LANDLORD'S W-9

Form W-9 Rev. November 2017 Department of the Treasury Internal Revenue Service		Request for Taxpayer Identification Number and Certification		Give Form to the requester. Do not send to the IRS.																				
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. MARKDEV-Smokey Point, LLC																								
2 Business name/disregarded entity name, if different from above																								
Print or type. See Specific Instructions on page 3.	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.			4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):																				
	☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☒ S Corporation ☐ Partnership ☐ Trust/estate			Exempt payee code (if any) _____																				
	☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.			Exemption from FATCA reporting code (if any) _____																				
	☐ Other (see instructions) ▶ _____			(Applies to accounts maintained outside the U.S.)																				
5 Address (number, street, and apt. or suite no.) See instructions. 1602 Colby Ave			Requester's name and address (optional)																					
6 City, state, and ZIP code Everett, WA 98201																								
7 List account number(s) here (optional)																								
Part I Taxpayer Identification Number (TIN)																								
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i>, later.																								
Note: If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.																								
Social security number			<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>																					
Or			Employer identification number																					
			<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 10%;">8</td><td style="width: 10%;">4</td><td style="width: 10%;">-</td><td style="width: 10%;">5</td><td style="width: 10%;">0</td><td style="width: 10%;">9</td><td style="width: 10%;">5</td><td style="width: 10%;">7</td><td style="width: 10%;">6</td><td style="width: 10%;">5</td></tr></table>		8	4	-	5	0	9	5	7	6	5										
8	4	-	5	0	9	5	7	6	5															
Part II Certification																								
Under penalties of perjury, I certify that:																								
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and																								
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and																								
3. I am a U.S. citizen or other U.S. person (defined below); and																								
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.																								
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.																								
Sign Here	Signature of U.S. person ▶ 			Date ▶ 3/12/20																				
General Instructions																								
Section references are to the Internal Revenue Code unless otherwise noted.																								
Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.																								
Purpose of Form																								
An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.																								
• Form 1099-DIV (dividends, including those from stocks or mutual funds) • Form 1099-MISC (various types of income, prizes, awards, or gross proceeds) • Form 1099-B (stock or mutual fund sales and certain other transactions by brokers) • Form 1099-S (proceeds from real estate transactions) • Form 1099-K (merchant card and third party network transactions) • Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition) • Form 1099-C (canceled debt) • Form 1099-A (acquisition or abandonment of secured property)																								
Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.																								
If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See <i>What is backup withholding</i>, later.																								

Cat. No. 10231X

Form **W-9** (Rev. 11-2017)

EXHIBIT F

**FORM OF LEASE AMENDMENT
(FINAL RENT)**

AMENDMENT TO LEASE

THIS _____ **AMENDMENT TO LEASE** (the “_____ Amendment”) is made as of _____, by and between _____ (“Landlord”) and _____ (“Tenant”).

WITNESSETH

WHEREAS, Landlord and Tenant entered into a Lease (“Lease”) dated _____ for the leasing of certain premises located at _____ and further described in Exhibit A of that Lease (“Premises”); and

WHEREAS, the Landlord and Tenant desire to amend said Lease to update the base rent amounts payable thereunder in accordance with Section 3 of the Lease;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the benefits to each party resulting herefrom and for other valuable consideration, the receipt and sufficiency of which are irrevocably and unconditionally hereby acknowledged, the parties hereto, intending to be fully legally bound, agree as follows:

1. The first two sentences of Section 3 of the Lease are hereby deleted in their entirety and replaced with the following:

Beginning on the Commencement Date, Tenant shall pay as initial annual base rent (“Rent”) \$_____, based on a \$_____ per rentable square foot amount for each square foot of Building Area, as finally determined under this Section 3. Tenant shall pay such Rent in monthly installments in the amount of \$_____, in advance, on the first day of each calendar month during the Term, pursuant to the deposit instructions attached hereto as Exhibit D, such monthly installment and any Additional Rent or other charges to be prorated for any partial calendar month in which the Commencement Date or Termination Date occurs.

2. Schedule 2 of the Lease is hereby deleted in its entirety and replaced with the Schedule 2 (Amended) attached hereto.

3. All obligations of the parties to be performed or complied with through and including the date of this _____ Amendment have been fully performed or complied with, and there exists no default or condition, state of facts, or event that, with the passing

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of time or the giving of notice, or both, would constitute a default by either party in the performance of its obligations under the Lease.

4. This _____ Amendment shall be effective as of the _____ day of _____, 20__ (the “_____ Amendment Effective Date”).

5. All of the terms, covenants and conditions of the Lease not modified herein, remain in full force and effect, and shall become a part of this extension.

6. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Landlord and Tenant have executed this _____ Amendment to Lease on the day and year first written above.

LANDLORD:
[Insert Landlord Name]

By: _____
Name: _____
Title: _____

TENANT:
[Insert Tenant Entity]

By: _____
Name: _____
Title: _____

SCHEDULE 2 (AMENDED)

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EXHIBIT G

WORK LETTER

MARKDEV-SMOKEY POINT, LLC, a Washington limited liability company, hereinafter referred to as "Landlord" and UNITED HEALTHCARE SERVICES, INC., a Minnesota corporation, hereinafter referred to as "Tenant" are parties to that certain Lease bearing even date herewith (the "Lease") for certain premises (defined as the Premises in the Lease) located at an address to be designated as 4011 172ND STREET NE. ARLINGTON, WASHINGTON 98223 and more particularly described in the Lease. To induce Tenant to enter into the Lease, into which this work letter ("Work Letter") is incorporated by reference, and in consideration of the mutual covenants hereinafter contained, Landlord and Tenant, intending to be legally bound agree as follows:

1. Landlord shall prepare, at Landlord's cost and expense, all plans and specifications (the "Plans and Specifications"), which shall set forth in detail the requirements for the construction of the Landlord's Work (as defined in the Lease) and shall include, but not be limited to, all necessary civil, architectural, structural, mechanical, electrical and plumbing design and documentation required for Landlord's Work and shall conform to all applicable laws, ordinances, building codes, and requirements of public authorities and insurance underwriters and shall be signed and sealed by a professional engineer approved by Tenant and an architect approved by Tenant, both licensed and registered in the state in which the Premises are located and each maintaining errors and omissions insurance coverage in a commercially reasonable amount. The Plans and Specifications are expressly subject to Tenant's written approval prior to the commencement of any construction, as further provided herein.
2. Landlord will have the Plans and Specifications filed or submitted for review and approval at Landlord's sole cost and expense with the appropriate governmental agencies in such form as required.
3. Landlord will do the following work on the Premises: All that work (including materials, supplies, components, labor and services) necessary to construct the Minimum Base Building Improvements described on Schedule A hereto in accordance with the Plans and Specifications approved by Tenant, including, without limitation, the following:
 - (a) Landlord shall pay for the costs of constructing the Building (as defined in the Lease) in accordance with the Plans and Specifications, including costs associated with unforeseen site and/or building conditions, including any offsite work required by or associated with obtaining Building permits and approvals, and the various hard and soft costs associated with development and construction of the Building.
 - (b) Landlord shall pay for the cost of the Plans and Specifications and a Project Construction Description defining the work to be completed by Landlord, as approved by Tenant, which shall be consistent with this Work Letter.

(c) Landlord shall procure and maintain builder's risk insurance written on an "all risk" or equivalent policy form covering work to be performed by or on behalf of Landlord at the Property in the amount of the initial cost of construction of the Building, plus value of subsequent contract modifications or change orders, cost of materials supplied or installed by others, including the value of any Landlord direct purchases, comprising the total value for the entire Building at the site on a replacement cost basis and subject to reasonable deductibles not to exceed \$100,000 per loss, except for reasonable industry standard deductibles, as of the effective date of this coverage, for loss caused by windstorm, flood (if within a flood zone), and earthquake (if within an earthquake zone). Notwithstanding anything contained in this Lease to the contrary, such property insurance shall be maintained, unless otherwise agreed in writing by all persons and entities who are beneficiaries under such insurance, from the commencement of Landlord's Work until Landlord's Work has reached substantial completion. The insurance shall insure against perils of fire (with extended coverage); theft; vandalism; malicious mischief; rigging and hoisting; cold, hot, and start-up testing; collapse; windstorm; flood (if within a flood zone); earthquake (if within an earthquake zone); terrorism; debris removal and such other perils, as are customarily insured under this type of insurance policy. The coverage shall extend to property in transit and at off-site storage facilities.

All Landlord's Work shall be done in a good and workmanlike manner and in compliance with all applicable laws, ordinances, building and safety codes, regulations and orders of the federal, state, county, or other governmental authorities having jurisdiction thereof. Without limiting the Landlord's obligations under the foregoing sentence, the Landlord's Work shall include all improvements as are necessary for the Premises and entire Building to comply with the Americans with Disabilities Act and all regulations promulgated thereunder and all requirements under any federal, state or city statute, regulation, ordinance or code dealing with access or facilities for disabled or handicapped persons. Landlord shall have the obligation to obtain, at Landlord's sole cost and expense, all permits and approvals required for the Landlord's Work before the commencement of the Landlord's Work. Landlord shall pay all utility 'hook-up" and connection fees for all utilities to be supplied to the Building.

4. If the Plans and Specifications and Project Construction Description conflict with each other or with themselves, the better quality or greater quantity of Landlord's Work provided for shall govern.

5. If any item or material shown on the Project Construction Description necessary for Landlord's Work is omitted from the Plans and Specifications, or vice versa (except when the Plans and Specifications clearly exclude such omitted item), the Landlord shall furnish and install such item or material which conforms to the type and quality of similar items and materials otherwise established on the Plans and Specifications.

6. Where typical or representative detail is shown on the Plans and Specifications, this detail shall constitute the standard for workmanship and materials throughout corresponding parts of Landlord's Work and the Landlord shall be required to adapt such detail for use in said corresponding parts of Landlord's Work as long as the adapting is within the original design intent.

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7. Tenant shall prepare, at Tenant's cost and expense, all plans and specifications (the "Tenant's Plans and Specifications"), which shall set forth in detail the requirements for the construction of the Tenant Improvements (herein defined) and shall include, but not be limited to, all necessary civil, architectural, structural, mechanical, electrical and plumbing, design and documentation required for the Tenant Improvements and shall conform to all applicable laws, ordinances, building codes, and requirements of public authorities and insurance underwriters and shall be signed and sealed by a professional engineer and an architect, each licensed and registered in the state in which the Premises are located and each maintaining errors and omissions insurance coverage in a commercially reasonable amount. The Tenant's Plans and Specifications are expressly subject to Landlord's approval, such approval not to be unreasonably withheld or delayed, and to facilitate Landlord's review Tenant shall provide Landlord with electronic copies of Tenant's Plans and Specifications. In the event Landlord fails to respond to Tenant's request for approval of Tenant's Plans and Specifications within ten (10) days, Landlord shall be deemed to have given its approval.

Tenant shall be responsible for making all interior improvements to the Building which are necessary for Tenant to operate the Premises for the Medical Use and related medical and business offices and which are in excess of the Minimum Base Building Improvements described on Schedule A hereto in accordance with Tenant's Plans and Specifications (the "Tenant Improvements"). Tenant Improvements shall be constructed (a) by a contractor (or contractors) selected by Tenant and (b) in a good and workmanlike manner and in compliance with all applicable laws, ordinances, building and safety codes, regulations and orders of the federal, state, county, or other governmental authorities having jurisdiction thereof.

Upon completion of the Tenant Improvements, Tenant shall provide Landlord with a set of as-built drawings at the completion of construction, such drawings to be delivered in the form of a CAD diskette.

No later than the date designated as the Possession Date under the Lease, Landlord shall provide to Tenant access to the Premises to enable Tenant to perform the Tenant Improvements.

8. Additional work by the Landlord, which is requested by Tenant ("Additional Landlord's Work") and not provided for under this Work Letter, will be submitted by Tenant to Landlord in writing. Before commencing any Additional Landlord's Work as may be requested by Tenant, Landlord must submit to Tenant written estimates of the cost thereof, any expected delays in completing the Landlord's Work caused by the Additional Landlord's Work and a schedule of required payment ("Work Letter Change Order"). If Tenant shall fail to approve a Work Letter Change Order within one week, the same shall be deemed disapproved by Tenant and Landlord shall not be authorized to proceed thereon. Should Tenant approve any Work Letter Change Order, Tenant shall pay Landlord for the Work Letter Change Order for Additional Landlord's Work pursuant to the schedule of required payment. If any Additional Landlord's Work performed pursuant to an approved Work Letter Change Order delays the date by which Landlord would have otherwise substantially completed the Landlord's Work, the Estimated Possession Date

shall be extended one day for each day of delay caused by the performance of the Additional Landlord's Work.

Tenant shall not pay for Additional Landlord's Work when the change is not requested and approved by Tenant or when the change is caused by the Landlord's, Landlord's architect's or Landlord's contractors' negligence, performance, or lack of performance, or failure to satisfy contractual requirements. No Work Letter Change Orders will be funded by Tenant unless authorized in advance by Tenant before any Additional Landlord's Work is performed.

9. Landlord and Tenant have agreed upon the project schedule (the "Project Schedule") outlining a schedule for completion of Landlord's Work, attached and Schedule B of Exhibit G and incorporated herein. Landlord shall complete Landlord's Work in accordance with the Project Schedule, as may be extended pursuant to the terms of Section 2.2(d) of the Lease, Section 8 of this Work Letter, and Section 45 of the Lease, and the terms of Section 2.

Landlord and Tenant agree to work together cooperatively so as to coordinate the management, administration, and scheduling of Landlord's Work and the Tenant Improvements. Such cooperation shall include without limitation, regular meetings during the construction period with the contractors, the attendance at such meetings to include authorized representatives of Landlord and Tenant. Landlord and Tenant each agree that they shall respectively assure the availability of such representatives at reasonable times after reasonable notice.

10. As part of Landlord's Work, the Landlord shall provide Tenant with a set of as-built drawings at the completion of construction, such drawings to be delivered in the form of a CAD diskette.

11. The term "substantially completed" or "substantial completion" as used in this Work Letter and in the Lease with respect to Landlord's Work shall mean the date when (i) Landlord and Tenant have agreed, in the exercise of their reasonable, good faith judgment, that construction is sufficiently complete in accordance with the Plans and Specifications, so that upon completion of the Tenant Improvements, Tenant can occupy and utilize the facilities improved or constructed for the use for which it is initially intended, without significant interference to or impairment of Tenant's business activities by reason of any minor or insubstantial item of work that Landlord and Tenant agree remains to be done (the foregoing minor or insubstantial details are referred to in this Work Letter as "Punchlist Items") to effect full completion of the Landlord's Work in strict accordance with the Plans and Specifications; (ii) any permits or governmental approvals required by applicable Law with respect to Landlord's Work have been issued or granted by the appropriate governmental authorities; and (iii) Landlord's architect certifies that Landlord's Work is substantially complete in accordance with the Plans and Specifications and the Project Construction Description.

12. Landlord and Tenant shall make periodic joint inspections of the Landlord's Work from time to time during construction at reasonable times on business days, and each

time shall jointly approve a written statement or assessment of the status of construction, and the tasks remaining to be completed, which approval shall not be unreasonably withheld or delayed by either party. Landlord shall promptly undertake and diligently prosecute the correction of any defective work in the Landlord's Work.

13. Landlord shall use Landlord's best efforts to prosecute the correction of any defective work as expeditiously as possible so that substantial completion shall be met as required under this Work Letter and the Lease. As to any item of the Landlord's Work remaining to be completed or corrected after substantial completion included as a Punchlist Item or discovered after Tenant assumes possession of the Premises, Landlord shall complete such item within 30 days after Tenant's notice thereof, or immediately in the case of an emergency.

14. Without limiting in any way any obligation that Landlord may have under the Lease (including, without limitation, any maintenance, repair or replacement obligations), Landlord warrants for a period of one year after full and final completion of the Landlord's Work (that is, including all Punch List Items) that the Landlord's Work shall be free from defects in materials or workmanship.

15. Throughout the performance of Landlord's Work, Landlord shall erect and maintain safeguards for safety and protection including posting danger signs, other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities. Landlord shall act to prevent threatened damage, injury or loss in connection with the performance of the Landlord's Work. During any construction work on any part of the Premises (including, without limitation, any work on the Building's exterior or roof) by Landlord (or its agents, representatives, employees or contractors) after Tenant shall have taken occupancy of the Premises, if Tenant decides that it is necessary, Landlord shall erect covered, well lit and secured walkways along the repaired sidewalks, fencing to prevent access of the public to any areas where any construction activity is taking place and appropriate signage to direct persons to the appropriate Building entrances for access and to warn of ongoing construction. During any construction work performed by Landlord (or its agents, representatives, employees or contractors), Landlord shall take all precautions for the safety of, and provide appropriate protection to prevent, damage, injury or loss to any persons or property including, without limitation, (i) any persons at or nearby the Premises or other persons who may be affected by the performance of the Landlord's Work; (ii) any items of tangible property on or nearby the Premises that may be affected by the performance of the Landlord's Work; and (iii) any fit-out work that may be installed by Tenant.

16. Without in any way limiting any obligation of Landlord under the Lease, the Landlord shall indemnify, defend and hold harmless Tenant from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Landlord's Work.

17. If Landlord defaults or neglects to carry out the Landlord's Work or any other obligations in accordance with this Work Letter or the Lease and fails within a seven day period after written notice from Tenant to commence or continue corrections of such

default or neglect with diligence and promptness, Tenant may, without any obligation to do so after such seven day period, correct any deficiencies, Tenant may, but is under no obligation to, correct such deficiencies and offset against rent payable under the Lease all costs and expenses that Tenant incurs to correct such deficiencies. The rights of Tenant under this paragraph shall not negate, abridge or reduce any other rights of Tenant or obligations of Landlord under this Work Letter or the Lease.

SCHEDULE A OF EXHIBIT G

NEW BUILDING

Smokey Point II

MINIMUM BASE BUILDING IMPROVEMENT REQUIREMENTS

At a minimum, the Lessor shall provide the following Base Building and Site Development Improvements to meet Lessee's Building and Site Development specifications at Lessor's sole cost:

All MBBI work completed by the Lessor will need to be coordinated and approved by the Lessee and their Consultants prior to any work being completed, including shop drawings and submittal reviews.

1.0 - Building Codes & Design

All Minimum Base Building Improvements (MBBI) and Site Development are to be performed in accordance with all current local, state, and federal building codes including any related amendments, fire and life safety codes, barrier free, accessible regulations, energy codes, State Department of Public Health, and other applicable and codes as it pertains to Medical Office Buildings. All Lessor's work will have **Governmental Authorities Having Jurisdiction** ("GAHJ") approved architectural and engineering (Mechanical, Plumbing, Electrical, Structural, Civil, Environmental) plans and specifications prepared by a licensed architect and engineer. All of Lessor's plans and work must be coordinated with the Lessee Improvement plans and specifications.

Building to comply with all state and/or local fire department requirements in regards with an occupancy criteria for B (Business) building rating in regards to setbacks, life safety systems, emergency egress or other applicable requirements adhering to occupancy standards. At a minimum the Lessor is required to construct a Type V-B (non-combustible) building.

Lessee shall have full control over the selection of the General Contractor for the tenant improvement work. Lessor shall be required to provide Lessee and Lessee's architect with progress sets and Cad files of the shell drawings and pertinent documents at various stages of design and construction to allow the coordination of the shell building and tenant improvement interface. Any revision to the shell building during preliminary design, design development, construction document and / or construction stages shall be brought to the immediate attention of Lessee and Lessee's architect for pertinent review and coordination.

2.0 - Zoning & Permitting

Building and premises must be zoned to perform services as a Medical Office Building without the need for special-use approval by the GAHJ. Lessor shall be responsible for all entitlements and permitting related to the base building and site improvements to support the specific use and zoning. Permitting of the interior tenant improvement scope of the space will be by the Lessee.

3.0 - Common Areas

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Lessee will have access and use of all common areas i.e. Lobbies Hallways, Corridors, Restrooms, Stairwells, Utility Rooms, Roof Access, Emergency Access Points and Elevators. All common areas must be code and ADA compliant for Life Safety per current federal, state and local code requirements.

4.0 Foundation and Floor

The foundation and concrete slab of the building shall be designed and constructed in accordance with local code requirements. The foundation and concrete slab shall be designed by the Lessor's engineer to accommodate site-specific Climate and soil conditions and recommendations per Lessor's soil engineering and exploration report (To be reviewed and approved by Lessee's engineer).

Foundation to consist of formed concrete spread footing with horizontal reinforcing sized per geotechnical engineering report. Foundation wall sized according to exterior wall systems used and to consist of formed and poured concrete with reinforcing bars or a running bond masonry block with proper horizontal and vertical reinforcing within courses and cells. Internal masonry cells to be concrete filled full depth entire building perimeter up to finish floor at a minimum. Foundation walls to receive poly board R-10 insulation on interior side of wall on entire building perimeter (if required by code). The building is to be provided with proper foundation drainage.

The floor shall be concrete slab on grade and shall be a minimum of four-inch (4") thick with minimum concrete strength of 3,000-psi (may require higher psi requirements in areas with higher loads). It will include rebar reinforcement over a 10 Mill minimum vapor barrier (Stego Wrap or equal) and granular fill per Lessor's soils and/or structural engineering team based on soil conditions and report from the Soils Engineer. Finish floor elevation to be a minimum of 6" above finish grade. The slab shall include proper expansion control joints. Floor shall be level (1/8" with 10' of run), smooth, broom clean with no adhesive residues, in a condition that is acceptable to install floor coverings in accordance with the flooring manufacturer's specifications. Concrete floor shall be constructed so that no more than 3-lbs. of moisture per 1,000sf/24 hours is emitted per completed calcium chloride testing results after 28-day cure time. Means and methods to achieve this level will be responsibility of the Lessor. Floor slab shall be cured according to ACI and resilient flooring institute guidelines, water cure. Lessee's flooring contractor shall address all cracks, expansion joints and saw cuts.

Prior to Lessor's contractor pouring the slab the Lessee's contractor shall install the under slab plumbing and electrical in coordination with Lessor's General Contractor, inspected by municipality and Lessee for approval.

All concrete floors must pass moisture level testing in accordance with resilient sheet flooring manufacturer's written recommendations, but not less stringent than the following:

- a. Perform matt test according to ASTM D- 4263 inspecting for visual signs of moisture.
- b. Perform Rh, CaCl and pH testing and submit results to Lessee project manager.

Lessor and Lessee may agree to have Lessor install a perimeter footing and block out the main concrete floor slab and appurtenances if Lessee is not prepared to install under slab piping per Lessor's schedule. Lessor will then be responsible for returning at a later, mutually agreed upon date to install the interior portion of the concrete slab after Lessee's plumbing piping has been

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installed and inspected. Lessee will be responsible for reimbursing Lessor for the added costs associated with this work. Lessor shall submit the added costs to the Lessee for their review and approval once the Lessee makes this request.

Lessor and Lessee may agree to have Lessor credit Lessee the cost for the design and installation of the concrete slab in lieu of the performing the actual work. Agreement must be in writing or the performance shall default to become the responsibility of the Lessor. Lessor will allow 3 weeks in the Shell schedule for Lessee to install under slab plumbing and electrical. Lessee, if requested, shall provide progress set of Lessee's under slab plumbing drawing to Lessor so it may be included in Lessor's bid package for reference.

5.0 - Structural

Structural systems shall be designed to provide a minimum 13'-0" clearance (for 10'-0" finished ceiling height) to the underside of the lowest structural member from finished slab and meet building steel erection requirements, standards and codes. Structural design to allow for ceiling heights (as indicated above) while accommodating all Mechanical, Plumbing, Electrical above ceiling. Structure to include all necessary members including, but not limited to, columns, beams, joists; load bearing walls, and demising walls. Coordinate column spacing and locations with Lessee's Architect. Provide necessary bridging, bracing, and reinforcing supports to accommodate all Mechanical systems – HVAC and exhaust roof top openings and one (1) roof hatch opening with stair ladder. **Columns placement shall be coordinated with the Lessee's architect.**

At a minimum the Lessor is required to construct a Type V-B (non-combustible) building.

Lessor shall provide a roof hatch servicing the entire building that is to be provided and equipped with ladders and safety extensions meeting all local, state and federal requirements.

6.0 - Exterior walls

Exterior walls are to be provided by the Lessor as 1 hour fire rated regardless of Type of Construction. The gypsum wallboard on the inside face of the wall shall be left off so as to expose the metal stud framing until Lessee completes any and all work with-in walls. Metal stud furring over a masonry/concrete wall condition shall be installed by Lessor at Lessor's cost, size; spacing and shall be coordinated with Lessee's Architect. Landlord shall be responsible for interior metal stud furring/framing.

The exterior wall insulation shall be provided by Lessor in the metal stud cavity or within additional furring wall framing at concrete/CMU wall conditions. Insulation shall meet code requirements for an energy efficient building shell. Lessor is responsible for all cost associated for the exterior wall regardless of the rating condition.

Lessee shall be responsible for the installation of the exterior wall interior gypsum board, taping and finish.

7.0 - Demising walls / Fire Barrier Wall / Fire Wall

If Lessor is constructing a multi-tenant building, all demising walls shall be a minimum of a 2hr rated fire wall depending on local, state and/or regulatory (NFPA 101 – 2000) codes and requirements whichever is more stringent. All walls to be installed per UL design and taped (Lessee shall be responsible for final finish preparation of gypsum board walls on Lessee side only). At

Lessee's option and as agreed upon by Lessor, the interior drywall finish of demising walls shall not be installed until after Lessee's improvements are completed in the wall. Walls to be fire caulked in accordance with UL standards at floor and roof deck. Demising walls will have minimum 3-inch thick mineral wool sound attenuation batts from floor to underside of deck.

All Interior Fire Walls, non-demising, per code per Lessee's plan shall be installed by Lessee and comply with Fire Wall code requirements to allow one side of the fire wall to be a non-rated construction type and the other side of the wall to be of a 1 hour construction type. The new 2 hour rated fire wall separation shall be designed and constructed per Local Building Code requirements for the separation of buildings in order to isolate the rated construction type from the non-rated construction type to facilitate the new medical occupancy classification. If both sides of the wall have the same construction type and rating then the wall shall be constructed as a Fire Barrier up to the roof substrate in lieu of a Fire Wall.

All interior 2 hour or 1 hour rated Fire Walls or Fire Barrier Walls (non-demising) shall be installed to the roof substrate and shall be installed by Lessee. Fire Wall / Fire Barrier Wall Systems shall be incorporated into the roof / ceiling assembly system and finish where applicable, dependent on the Type of Construction designation Lessee shall provide the necessary course or courses of drywall per the rated assembly requirements of that specific assembly to the extent that Lessee can finish the wall board construction per the assembly without the need to remove or comprise or void the rated roof / ceiling assembly or the Lessor installed roof /ceiling assembly portion. Location of the 1 or 2 hour rated fire barrier wall shall be determined per Lessee's tenant plan.

8.0 - Roof Covering

The roof system shall have a minimum of a twenty (20) year life span with full (no dollar limit - NDL) manufacturer's warrantee against leakage due to ordinary wear and tear. Roof system to include a minimum of R-30 insulation. Ice control measures mechanically or electrically controlled to be considered in climates subject to these conditions. Downspouts shall be tight to columns or in exterior walls and shall be cast-iron pipe to be connected into controlled underground discharge for the rain leaders into the storm system for the site or as otherwise required meeting local storm water treatment requirements. Storm water will be discharged away from the building, sidewalks, and pavement. Roof and all related systems to be maintained by the Lessor for the duration of the lease. Lessor to provide Lessee a copy of material and labor roof warranties for Lessee's record. All warranties shall be transferable.

Roofing material shall be a minimum of Class A or B. Lessor shall provide documentation to Lessee confirming the roof class from a certified roofing contractor.

9.0 – Parapet

Lessor shall design and construct parapets at least 4'-0" high above the roof well surface in order to conceal anticipated HVAC units and equipment per GAHJ. If parapet is designed and constructed to not conceal parapets and GAHJ subsequently requires concealment of units from public view then Lessor shall adequately install a roof equipment screen that meets the GAHJ conditions for approval to conceal equipment.

10.0 - Façade

Lessor to provide specifications for building façade for Lessee review and approval. All wall system to be signed off by a Lessor's Structural Engineer. Wall system must meet current Energy code. Wall system options include, but not limited to:

Fibrous cementitious cladding on metal furring on continuous insulation/weather-barrier, system on 6" 16- or 18-ga metal stud framing with R-19 or higher batt Insulation and continuous R-10 or higher continuous Insulation per energy code requirements

or

Site cast tilt up concrete wall panels with continuous rigid Insulation, R-10 or higher per, metal studs with R-19 or higher batt Insulation per energy code requirements

or

Composite metal panel system, Insulated or non-Insulated, over moisture barrier over 5/8" exterior gypsum sheathing on 6" 16 or 18 ga metal studs with R-19 or higher batt Insulation and continuous R-10 or higher rigid Insulation per energy code requirements

or if required by local municipality

Brick or split face block Veneer on engineered 6" 16 or 18ga metal studs , R- 19 or higher batt wall insulation, with moisture barrier on 5/8" exterior grade gypsum sheathing with continuous R-10 or higher rigid Insulation per energy code requirements.

All other building façade materials to be approved by Lessee.

11.0 – Door Canopy

Lessor shall provide a door canopy that protects the door and landing from inclement weather conditions per code. The door canopy shall be provided at all patient entrances, and service/delivery doors. An area adjacent to the service doors shall be adequately covered to provide temporary storage of empty boxes where they can be broken down as part of the process of disposal. Approximate size to be based on building and site plan criteria but no less than a minimum 5'-0" distance from the face of the door and extend a minimum distance of 3'-0" beyond each edge of opening unless otherwise dictated by the GAHJ.

The door canopy to accommodate patient arrival with a level grade with barrier-free, accessible transition to the finish floor elevation. Controlled storm water drainage requirements of gutters with scuppers and/or downspouts drainage to landscape areas or connected to site storm sewer system as required or properly discharged away from the building, sidewalks, and pavement. Steel bollards at column locations where needed.

12.0 – Waterproofing and Weatherproofing

Lessor shall provide complete water tight building shell inclusive but not limited to, Flashing and/or sealant around windows, doors, parapet walls, Mechanical / Plumbing / Electrical penetrations. Lessor shall properly seal the building's exterior walls, footings, slabs as required in high moisture conditions such as (including but not limited to) finish floor sub-grade, raised planters, and high water table. Lessor shall be responsible for replacing any damaged items and repairing any deficiencies exposed during / after construction of tenant improvement.

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13.0 - Windows and Storefront Systems

All window systems shall be installed by Lessor with code compliant Energy efficient (Low-E) thermal pane windows with thermally broken aluminum frames. Lessor shall allow Lessee, at Lessee's discretion, to tint the existing windows (per manufactures recommendations – Kawneer / US Aluminum / Arcadia) per Lessee's tenant improvement design.

Structural Performance: Glazing shall withstand the following design loads within limits and under conditions indicated determined according to the International Building Code and ASTM E 1300.

Vestibule: Lessor shall be responsible for constructing the vestibule.

Safety Glazing: Where safety glazing is required, provide glazing that complies with 16 CFR 1201, Category II.

Thermal and Optical Performance Properties: Provide glass with low e coating, tinting, and reflective coatings or films to provide maximum thermal and solar performance.

Aluminum Entrance Doors: Insulating glass in entry doors to be constructed with 1/4" tempered glass, Type 1, Class I, flat float glass. Conform to ANSI 297.1

Windows: tempered glass, to match existing Type I, Class 1. Conform to ANSI 297.1.

Aluminum Extrusions: Alloy and temper recommended by aluminum window manufacturer for strength, corrosion resistance, and application of required finish.

Fasteners: Aluminum, nonmagnetic stainless steel or other materials to be non-corrosive and compatible with aluminum window members, trim, hardware, anchors, and other components.

Anchors, Clips, and Accessories: Aluminum, nonmagnetic stainless steel, or zinc-coated steel or iron complying with ASTM B 633 for SC 3 severe service conditions; provide sufficient strength to withstand design pressure indicated.

Reinforcing Members: Aluminum, nonmagnetic stainless steel, or nickel/chrome-plated steel complying with ASTM B 456 for Type SC 3 severe service conditions, or zinc-coated steel or iron complying with ASTM B 633 for SC 3 severe service conditions; provide sufficient strength to withstand design pressure indicated.

Sealant: For sealants required within fabricated windows, provide window manufacturer's standard, permanently elastic, non-shrinking, and non-migrating type recommended by sealant manufacturer for joint size and movement.

14.0 - Thermal Insulation

All exterior walls to have a vapor barrier and insulation that meets or exceeds the local and national energy codes. At a minimum, the wall R value shall fill the stud cavity; however, if a greater R value is required than the result shall be thicker wall framing / cavities and / or additional means of insulation system / designs to meet energy code requirements. In any case the insulation should extend from finish floor to bottom of floor or ceiling deck. Should the insulation be installed on the exterior side of the wall sheathing, insulation shall extend from finish floor to the top of the parapet. Roof deck to have a minimum R-30 insulation mechanically fastened to the underside of roof deck.

Alternatively, Lessor may provide other approved roof assembly and insulation, such as rigid foam board insulation, that meets code requirements for fire and energy efficient bldg. However, such alternate shall not replace the requirement of any batt fill or rigid fill insulation that may be required in the roof / ceiling fire rated assembly.

15.0 - Exterior Doors

All doors to have weather-stripping, drip edge and commercial grade hardware (equal Yale 8800 Series, Grade 1 mortise lockset or better). Doors shall meet all barrier-free, accessible requirements including but not limited to American Disability Act (ADA), and State Department of Health requirements. Lessor shall change the keys (reset tumblers) on all doors with locks after construction, but prior to commencement of the Lease, and shall provide Lessee with three (3) sets of keys. Final location of all doors to be determined by Lessee's architectural floor plan and shall be coordinated with Lessee's Architect. At a minimum, the following doors, frames and hardware shall be provided by the Lessor:

- Patient Entry Doors: Provide Storefront with insulated glass doors and Aluminum framing to the single or double sliding doors with a 48" clear wide opening with emergency push-release panel, sensor controls inside and outside that operate doors, and key switch operations at exterior of door frame as per lessee's operational requirement. (Specification shall be meet or exceed Horton 2000 series – Lessee to provide complete specifications) Lessor to provide and install auto-opener.
- Patient Exit Doors: Provide Storefront with insulated glass doors and Aluminum framing to be a 48" wide door including–push paddle/panic bar hardware, continuous hinge and lock mechanism.
- Service Doors: Provide a 48" wide single door with 16 gauge or two leaf 36" wide insulated hollow metal door (double doors), Heavy Duty Aluminum threshold, continuous hinge each leaf, flush bolts, T-astragal, prepped for panic bar hardware (as required by code) painted with rust inhibiting paint and prepped to receive a push button keypad lock provided by Lessee. Doors to have 180-degree wide angle door viewer installed in door. Doors to be provide with push button programmable lockset.
- Emergency Egress Doors: Provide 48" wide door with 16 gauge insulated hollow metal door or Aluminum frame/glass door with panic bar hardware and aluminum storefront frame, lock, hinges, closer, concealed-overhead stop and painted with rust inhibiting paint. Door to have a 10" square vision panel cut out with insulated glass installed if requested by Lessee.
- Teammate Entry Doors (non-patient access doors): Provide a minimum 36-inch wide, 16-ga, insulated, hollow metal door and thermally-broken, welded, 16-ga hollow-metal frame (both finished with rust-inhibiting paint) with programmable keypad lockset, heavy-duty hinges, aluminum threshold, surface closer, and concealed-overhead stop.
- All exterior doors shall be provided with adequate and matching door sweeps and door flashing caps. All thresholds shall be heavy duty type exceeding standards. All doors are to be installed for water tight installation per proper industry standards meeting the intended finish application and performance of Lessee's occupied space. Any doors in service as an exit door shall have panic hardware. Lessor shall provide Lessee and Lessee's architect with submittals for all Lessor supplied and provided hardware.

- Card Readers/keypads (per locations notes above) shall be provided by Lessee and installed by Lessor.

16.0 - Utilities

All utilities shall be separately metered and provided at designated utility entrance points into the building at locations approved by the Lessee. Lessor is responsible for all tap/connection and all impact fees for all utilities. All utilities to be coordinated with Lessee's Architect and Engineer. Lessor shall have contained within the building a common main room to accommodate the utility services which include, but not limited, to electrical, fire alarm, security alarm and fire riser if in a multi-tenant building. Lessor shall bring all utilities into Lessee's space including but not limited to gas, water, telephone, sewer and cable (cable if required by Lessee). Lessee responsibility shall begin inside the tenant space. Lessor shall be responsible for all requirements for utilities per the municipal districts, code requirements and MBBI requirements beyond the tenant premises.

Lessor shall be responsible for all tap / connections and all impact fees associated with utilities brought into the space excluding only any sanitary sewer / waste water discharge impact fee associated with Tenant's specific use.

17.0 – Plumbing

Lessor to provide a segregated/dedicated potable water supply line connected to a municipal water district supply that will be sized by Lessee's Engineer based on Lessee's water requirements (not tied-in to any other lessee spaces, fire suppression systems, or irrigation systems unless mandated by Local Building and or Water Dept). Water supply shall be provided with a shut off valve, 1 (one) reduced pressure zone (RPZ) backflow preventer, and meter protected by a security cage. Water supply shall provide a continuous minimum pressure of 50 psi, maximum 80psi, with a minimum continuous flow rate of 80 gallons per minute to Lessee space. The RPZ's and the Meter will be sized to the incoming line (but no less than 1-1/2" meter), or per water provider or municipality standards. Lessor to provide Lessee with the most recent site water flow and pressure test results (gallons per minute and psi) for approval. Lessor shall perform water flow and pressure test prior to lease execution. Lessor shall stub the dedicated water line into Lessee's space per location coordinated by Lessee. The municipal district water supply line main must be on a looped system.

Provide exterior (anti-freeze when required) hose bibs. A minimum of (2) two hose bibs to be distributed around building at grade level and (1) one accessed on the roof.

Building sanitary drain size will be determined by Lessee's Mech Engineer based on total combined drainage fixture units (DFU's) for entire building, but not less than 4-inch diameter. The drain shall be stubbed into the building per location coordinated by Lessee at an elevation no higher than 4 feet invert dimension below finished floor elevation, to a maximum of 10 feet invert dimension below finished floor elevation. (Coordinate actual depth and location with Lessee's Architect and Engineer.) Provide with a cleanout structure at building entry point. New sanitary building drain shall be properly pitched at minimum 2% slope to accommodate Lessee's sanitary system design per Lessee's plumbing plans, and per applicable Plumbing Code(s). Lift station/sewage ejectors will not be permitted. Septic Systems and Leach Field systems are not permitted.

Lessor shall ensure that the municipal district has approved of or take no exception to medical waste disposed of in the sanitary sewer system. Lessor shall install all required systems in this

section in strict conformance with California Plumbing Code and OSHPD III requirements. A sanitary sampling manhole to be installed by Lessor if required by local municipality.

Lessor to provide and pay for all tap fees related to new sanitary sewer and water services in accordance with local building and regulatory agencies.

If for any reason Lessor cannot ensure or verify the required water pressure and flow rate to Lessee's tenant premises then Lessor shall provide a booster pump to ensure the continuous and uninterrupted volume and pressure of the water service as described in this section. The booster pump shall be as specified by Lessee's Engineer and to be located inside Lessee's space at a determined location per Lessee's tenant plan. All piping labor and materials cost from premise point of connection to the booster pump shall be the responsibility of the Lessee and purchased and installed by Lessee's plumbing contractor.

If for any reason Lessor cannot ensure the maximum flow rate of 80 PSI as described in this section then Lessor shall install a pressure reducer valve outside of Lessee's premises to maintain a pressure within the limits as described in this section.

18.0 - Fire Suppression System

Lessor shall design and install a complete turnkey sprinkler system (less drops and heads in Lessee's space) that meets the requirements of NFPA #13 and all local building and safety codes per NFPA101-2015 or adopted version of jurisdiction having authority. This system will be on a dedicated water line independent of Lessee's potable water requirements, or as required by local municipality or water provider. Lessor shall provide all municipal (or code authority) approved shop drawings, service drops and sprinkler heads at heights per Lessee's plans, flow control switches wired and tested alarms including wiring and an electrically/ telephonically controlled fire alarm control panel connected to a monitoring systems for emergency dispatch sprinkler System to also meet I 2.1 building and life safety codes.

Lessor shall anticipate a three tier fire sprinkler system having the capacity and components to service the occupied space, the interstitial space in between the suspending ceiling system and the roof ceiling assembly and (if required pending the assembly condition) the concealed space in the roof / ceiling assembly system.

19.0 - Electrical

Provide underground service with a dedicated meter via a new CT cabinet per utility company standards and all other necessary components and requirements for a complete system for power delivery to tenant. Service size to be determined by Lessee's engineer dependent on facility size and gas availability (400 amp, 600 amp, 800 amp or 1000 amp) 120/208 volt, 3 phase 4 wire service, and 277/480, 3 phase, 4 wire with a Lessor provided Lessee approved Step Down Transformer. Lessee will install the service feeder from the switchgear to a distribution panel board in the Lessee's utility room location to be per Code and coordinated with Lessee and Lessee's Architect) for Lessee's exclusive use in powering equipment, appliances, lighting, heating, cooling and miscellaneous use. Lessor's service provisions shall include transformer coordination with utility company, transformer pad, grounding, and underground conduit wire sized for service inclusive of excavation, trenching and restoration, utility metering, distribution panel board with main and branch circuit breakers, backing reinforcement, house panel and electrical service and building grounding per NEC. Lessor shall install conduits from the main electrical cabinet to inside Lessee's

space. Lessee shall install wiring from the electrical cabinet to their panels. Lessee's engineer shall have the final approval on the electrical service size and location.

If lease space is in a multi-tenant building then Lessor to provide meter center with service disconnecting means, service grounding per NEC, dedicated combination CT cabinet with disconnect for Lessee and distribution panel board per above.

Lessor will allow Lessee to have installed, at Lessee cost, Transfer Switch for temporary generator hook-up, or permanent generator.

Lessor to provide main Fire Alarm Control panel that serves the Lessee space and will have the capacity to accommodate devices in Lessee space based on Fire Alarm system approved by local authority having jurisdiction. If lease space is in a multi-tenant building then Lessor to provide Fire Alarm panel to accommodate all tenants and locate panel in a common room with conduit stubbed into lessee space. Lessor's Fire Alarm panel shall include supervision of fire suppression system(s) and connections to emergency dispatch or third party monitoring service in accordance with the local authority having jurisdiction.

Fire Alarm system equipment shall be equipped for double detection activation if required.

20.0 - Gas

Natural gas service, at a minimum, will be rated to have 6" water column pressure and supply 1,200,000 BTU's. Natural gas pipeline shall be piped to all HVAC units and a stub into the Lessee's space for their Hot Water Heater's, per design drawings. The clinic shall be individually metered and sized per demand by Lessee's Engineer. Additional electrical service capacity will be required if natural gas service is not available to the building. All manifold construction, metering and seismic connections shall be the responsibility of the Lessor.

Additional electrical service capacity will be required if natural gas service is not available to the building. All manifold construction, metering and seismic connections shall be the responsibility of the Lessor.

Security cameras locations shall be provided by Lessee. Lessee shall provide the security cameras and Lessor will install.

21.0 - Mechanical /Heating Ventilation Air Conditioning

Lessor to be responsible for the entire cost of the HVAC system and based on the below criteria and in conformance with (but not limited to) all applicable Codes, Occupancy requirements of Lessee. Lessor will be responsible for the procurement and installation of the HVAC system based on the criteria in this section. The criteria are as follows:

- | | |
|--|---|
| <ul style="list-style-type: none">• Equipment to be High Efficiency RTU's. Lennox, Aeon and Carrier are approved manufacturers. Any deviation to these manufacturers to be approved by Lessee.• Supply air shall be provided to the Premises sufficient for cooling and ventilation at the rate of 300 square | <ul style="list-style-type: none">• Provide 100% enthalpy economizer• Units to include Power Exhaust• Control system must be capable of performing all items outlined in the Sequence of Operations specification section.• RTU controller shall be compatible with a Building Management System |
|--|---|

feet per ton to meet Lessee's demands for a medical facility and the base building Shell.

- RTU Ductwork drops shall be concentric for air distribution until Lessee's General Contractor modifies distribution to align with Lessee's fit-out design criteria and layout and shall be extended 5' into the space for supply and return air. Extension of system beyond 5-feet shall be by Lessee's General Contractor. Duct drops shall be design and installed per and to accept Lessee's Engineered HVAC system distribution.
- System to be a fully ducted return air design and will be by Lessee's General Contractor for the interior fit-out
- All ductwork to be externally lined except for the drops from the units.
- Units shall be equipped with Filter bank systems installed on roof top.

using BACnet communication protocol.

- Provide 18" curbs, 36" in Northern areas with significant snow fall
- Units to have disconnect and service outlet at unit
- Units will include motorized dampers for OA, RA & EA
- System shall be capable of providing 55deg supply air temperature when it is in the cooling mode
- Provide factory installed UV lights.
- Lessee shall install conduits and wiring from their electrical panels to the disconnects.
- Lessee shall be responsible for unit start-up and balancing, Lessors HVAC contractor shall provide assistance at no additional cost to Lessee.

Equipment will be new and come with a full warranty on parts (minimum of 5yrs) including labor. Ductwork shall be extended from HVAC unit (thru filter where applicable) and 5' into the space for supply and return air. The system shall be a ducted return air design.

Lessor's work to include, cut out of roof penetrations, roof framing, unit reinforcement, mechanical curbs, curb leveling and flashings. Gas hook-up, coordination with Building Management System supplier. Any required roof penetrations / roof jacks for the all HVAC utilities shall be by the Lessor in order to maintain roof warranty. Lessee shall provide sizes and locations for rooftop units.

Lessee's work shall include, HVAC distribution within their space, system start-up and commissioning, installing conduit from Lessee's electrical panels to disconnects, installation of thermostats and start-up of HVAC units and commissioning.

Lessee's engineer shall have the final approval on the sizes, tonnages, zoning, location, curb sizes (heights) and number of HVAC units, components and appurtenances for a MOB facility based on Lessee's design criteria.

Lessor to furnish framing members, roof curbs and flashing to support Lessee exhaust fans and roof substrate penetrations.

22.0 - Telephone

Lessor shall provide a single 3" PVC underground conduit to 5 feet inside of Lessee's space to serve as chase way for new telephone service. Entrance conduit location shall be approved by Lessee's architect.

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23.0 - Cable or Satellite TV

Lessor shall provide two 2" PVC underground conduit entrance into Lessee utility room to serve as chase way for new cable television service. Entrance conduit location shall be approved by Lessee's Architect. Lessee shall have the right to place a satellite dish on the roof and run appropriate electrical cabling from the Premises to such satellite dish and/or install cable service to the Premises at no additional fee. Lessor shall reasonably cooperate and grant "right of access" with Lessee's satellite or cable provider to ensure there is no delay in acquiring such services.

24.0 - Handicap Accessibility

Full compliance with ADA and all local jurisdictions' handicap requirements for an MOB facility. Landlord shall provide all accessible requirements beyond the premises and shall be provided per the descriptions in this section and per code. Any existing deficient or non-compliant accessible components or features previously identified or yet to be discovered, shall be corrected by the Landlord prior to tenant's certificate of occupancy.

Lessor shall comply with all ADA regulations affecting the Building and entrance to Lessee space including, but not limited to, the elevator, exterior and interior doors, concrete curb cuts, detectable warnings, stairs, ramps, and walk approaches to/from the parking lot, parking lot striping, and accessible parking stalls meeting or exceeding typical accessible parking stalls requirements for I occupancy medical accessible code standards. The size of the facility will have an impact on the number of accessible stalls; however, the amount of dedicated accessible stalls shall not be less than 4 (four). Dependent on facility size this number may increase at Lessee's option. The accessible stall count shall be as determined by Lessee and Lessee's architect. The dedicated accessible stalls shall be inclusive of pavement markings and stall signage per current local provisions for accessible parking stalls, delivery areas and walkways.

All accessible work shall be permitted by the local jurisdiction and shall be designed by Lessor's architect and civil engineer. Lessor's contractor shall closely coordinate with Lessee's tenant layout design of the exterior doors to provide the proper accessible landing and walk clearances, landings and elevations. Failure to coordinate these interface locations may result in Lessor replacement of accessible work as required in order to meet Lessee's requirements per code.

Lessor shall provide pavement marking, curb ramp and accessible path of travel for a dedicated delivery access in the rear of the building. The delivery access shall link the path from the driveway paving to the designated Tenant delivery door and also link to the accessible path of travel.

Finish floor elevation is to be determined per Lessee's architectural plan in conjunction with Lessor's civil engineering and grading plans. If required, Lessor to construct concrete ramp of minimum 5'-0" width, provide safety rails if needed, provide gradual transitions from overhead canopy and parking lot grade to finish floor elevation. Concrete surfaces to be troweled for slip resistant finish condition according to accessible standards.

25.0 - Exiting

Lessor shall provide at the main entrance and rear doors safety lights, exterior service lights, exit sign and emergency lights with battery backup signs per doorway, in accordance with applicable building codes, local fire codes and other applicable regulations, ordinances and codes. The exiting shall encompass all routes from access points terminating at public right of way.

26.0 - Site Development Scope of Requirements

Lessor to provide Lessee with a site boundary and topographic ALTA survey, civil engineering and grading plans prepared by a registered professional engineer. Civil engineering plan is to include necessary details to comply with municipal standards. Plans will be submitted to Lessee's Architect for coordination purposes. Site development is to include the following:

- Utility extensions, service entrance locations, inspection manholes;
- Parking lot design, stall sizes per municipal standard in conformance to zoning requirement;
- Site grading with Storm water management control measures (detention / retention / restrictions);
- Refuse enclosure location & construction details for trash and recycling;
- Handicap stall location to be as close to front entrance as possible;
- Side walk placement for patron access, delivery via service entrance;
- Concrete curbing for greenbelt management;
- Site lighting;
- Conduits for Lessee signage;
- Site and parking to accommodate tractor trailer 18-wheel truck delivery access to service entrance. If the site cannot accommodate an 18-wheel truck, Lessor shall notify Lessee for Lessee's approval.
- Ramps and curb depressions.
- Landscaping shrub and turf as required per municipality;
- Irrigation system if Lessor so desires and will be designed by landscape architect and approved by planning department;
- Construction details, specifications / standards of installation and legends;
- Final grade will be sloped away from building.
- Lessor shall provide security to the site and building during the duration of the shell work up to the date of when Tenant takes possession. A seamless security transition shall take place or Lessor shall maintain and be fiscally responsible for security for the duration of the Tenant Improvement work as well.

27.0 - Refuse Enclosure

Lessor to provide a minimum 8" thick reinforced concrete pad approx. 100 to 150 sf based on Lessee's requirements and a concrete apron to accommodate dumpster and vehicle weight. Enclosure to be large enough to accommodate up to two-8 yard bins for the exclusive use of Lessee and constructed as required by local codes, Waste Management Agency and local municipal regulations. Enclosure shall have a minimum inside area of 100 sf and accommodate recycling as required by local municipal regulations.

Trash Compactor: Lessee shall provide and install the trash compactor. Lessor shall provide an exterior 8" rebar reinforced slab and conduit for power.

28.0 - Generator

Lessor to allow a generator to be installed onsite if required by code or Lessee chooses to provide one at Lessee's cost. If Lessee requires a generator, Lessor shall provide the 8" rebar reinforced slab for the generator along with underground conduits. Lessee will be responsible for purchase and installation of the generator.

29.0 - Site Lighting

Lessor to provide adequate lighting per code and to illuminate all parking, pathways, and building access points readied for connection into Lessee power panel. Location of pole fixtures per Lessor civil plan to maximize illumination coverage across site. Parking lot lighting to include timer (to be programmed per Lessee hours of operation) or a photocell. Parking lot lighting shall be connected to and powered by Lessor house panel (if in a Multi-tenant building).

30.0 - Exterior Building Lighting

Lessor to provide adequate lighting and power per code and to illuminate the building main, exit and service entrance, landings and related sidewalks. Lighting shall be connected to and powered by Lessor house panel and equipped with a code compliant 90 minute battery back up at all access points.

31.0 - Parking Lot

Provide adequate amount of handicap and standard parking stalls in accordance with dialysis use and overall building uses. Stalls to receive striping, lot to receive traffic directional arrows and concrete curb or parking bumpers. Bumpers to be firmly spiked anchored in place onto the asphalt per stall alignment.

Asphalt wearing and binder course to meet geographical location design requirements for parking area and for truck delivery driveway.

Asphalt to be graded gradual to meet handicap and civil site slope standards, graded into & out of new patient drop off canopy and provide positive drainage to in place storm catch basins leaving surface free of standing water, bird baths or ice buildup potential.

32.0 - Site Signage

Lessor to allow for an illuminated site and/or façade mounted signs. Pylon and / or Monument sign, if required by Lessee, shall be provided by Lessor. Lessor shall provide a conduit and wire from the monument sign stubbed into Lessee's space (conduit to be labeled). The final sign layout to be approved by Lessee and the Governmental Jurisdiction having Authority.

SCHEDULE B OF EXHIBIT G

PROJECT SCHEDULE

TEC - Smokey Point (Arlington), WA - Development Timeline				
Action	Start	Finish	Duration	Comments
<u>Entitlement</u>				
Pre Application Meeting		1/8/20		City Meeting with Staff
Prepare MOB SUP and Design Review		5/10/20		Package complete
File Site Plan Application/MOB site	5/11/20	5/15/20	4	Plans quarantined for 4 days
Staff Review/ Comments	5/15/20	6/22/20	38	
File 2nd submittal	6/22/20	7/6/20	14	Address Staff comments
City approves plans/SEPA determination	7/6/20	7/20/20	14	
SEPA comment and appeal period	7/20/20	8/3/20	14	
City issues SUP Approval/Conditions	8/3/20	8/10/20	7	
SUP and Design Review appeal period	8/10/20	8/24/20	14	
MOB SUP and Design Review Approved	8/24/20	8/24/20	0	
Prepare Civil Plans/ processed concurrent with SUP	6/23/20	7/29/20	36	
Staff Review/ Comments	7/29/20	9/2/20	35	
File 2nd submittal	9/2/20	9/16/20	14	Address Staff comments
MOB Civil Construction Plans approved	9/16/20	10/14/20	28	
<u>Shell Permit</u>				
Design for Permit Set	8/10/20	10/24/20	75	Typical 60 - 75 days for CD's
Submit Permit Set for Plan Check and Review	10/24/20	11/28/20	35	Five weeks for first review
Respond to Comments and Resubmit	11/28/20	12/19/20	21	Three weeks for first round of redline corrections
Second Round from City	12/19/20	1/16/21	28	(...holidays)
Respond to Comments and Resubmit	1/16/21	1/31/21	15	
Third Round from City	1/31/21	2/28/21	28	
Respond to Comments and Resubmit	2/28/21	3/15/21	15	
City Review and Permit Issued	1/31/21	2/21/21	21	
Shell Construction	2/26/21	12/23/21	300	
Possession Date		11/23/21	270	
Rent Commencement		8/20/22		The later of 30 days after C of O, or 240 days after Possession
<u>TI Timeline</u>				
TI Under Slab Plumbing	5/27/21	6/17/21	21	Get underslab plumbing installed prior to pouring slab
Start TI	11/23/21	7/21/22	240	TI's begin once shell is dried-in and GC can begin work
TI Certificate of Occupancy	7/21/22	7/21/22		
Utility Schedule				
Temp Power	*	2/12/21		
Start Grading		2/26/21		
Start Wet Utilities	*	3/19/21		
Bldg Ready for Gas and Electric		6/21/22		

Note: The calendar dates for the Possession Date and Rent Commencement set forth in this Exhibit G are for scheduling purposes only and under all circumstances and under any event, the terms of this Lease control with respect to the "Possession Date" and "Commencement Date" as defined in the Lease.

EXHIBIT H

INTENTIONALLY DELETED

H-1

EXHIBIT I

COVENANTS, CONDITIONS AND RESTRICTIONS

NONE.

EXHIBIT J

**FORM OF SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT**

[TO BE CONFORMED TO COUNTY RECORDING REQUIREMENTS]

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT**

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is entered into as of _____, 20__ (the "Effective Date"), between _____ (the "Mortgagee"), and _____ (the "Tenant").

WHEREAS, by Lease dated _____, 20__ (hereinafter called the "Lease"), _____ (hereinafter called "Landlord") has leased to Tenant and Tenant has rented from Landlord the approximately __ rentable square feet of leased premises ("Tenant's Premises") located at _____ as more fully described in Exhibit A attached hereto and incorporated by reference (such real property, including all buildings, improvements, structures and fixtures located thereon, "Landlord's Premises").

WHEREAS, Mortgagee has made a loan to Landlord in the original principal amount of \$ _____ (the "Loan"); and

WHEREAS, To secure the Loan, Landlord has encumbered Landlord's Premises by entering into that certain [Mortgage and Security Agreement] dated _____, in favor of Mortgagee (as amended, increased, renewed, extended, spread, consolidated, severed, restated or otherwise changed from time to time, the "Mortgage") recorded on _____, under Clerk's File No. _____, in the Official Public Records of Real Property of the County of _____, State of _____.

WHEREAS, Tenant desires that Mortgagee recognize Tenant's rights under the Lease in the event of foreclosure of Mortgagee's lien, and Tenant is willing to agree to attorn to the purchaser at such foreclosure if Mortgagee will recognize Tenant's right of possession under the Lease.

NOW, THEREFORE, for and in consideration of their respective covenants herein made and the receipt of other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. Definitions.

The following terms shall have the following meanings for purposes of this Agreement.

1.1 *Foreclosure Event.* A “*Foreclosure Event*” means: (a) foreclosure under the Mortgage; (b) any other exercise by Mortgagee of rights and remedies (whether under the Mortgage or under applicable Law, including bankruptcy Law) as holder of the Loan and/or the Mortgage, as a result of which Successor Landlord becomes owner of Landlord’s Premises; or (c) delivery by Landlord to Mortgagee (or its designee or nominee) of a deed or other conveyance of Landlord’s interest in Landlord’s Premises in lieu of any of the foregoing.

1.2 *Former Landlord.* A “*Former Landlord*” means Landlord and any other party that was a landlord under the Lease at any time before the occurrence of any attornment under this Agreement.

1.3 *Offset Right.* An “*Offset Right*” means any right or alleged right of Tenant to any offset, defense (other than one arising from actual payment and performance, which payment and performance would bind a Successor Landlord pursuant to this Agreement), claim, counterclaim, reduction, deduction or abatement against Tenant’s payment of Rent or performance of Tenant’s other obligations under the Lease, arising (whether under the Lease or other applicable law) from Landlord’s breach or default under the Lease.

1.4. *Rent.* The “*Rent*” means any fixed rent, base rent or additional rent under the Lease.

1.5 *Successor Landlord.* A “*Successor Landlord*” means any party that becomes owner of Landlord’s Premises as the result of a Foreclosure Event.

1.6 *Termination Right.* A “*Termination Right*” means any right of Tenant to cancel or terminate the Lease or to claim a partial or total eviction arising (whether under the Lease or under applicable law) from Landlord’s breach or default under the Lease.

2. **Subordination.**

The Lease shall be, and shall at all times remain, subject and subordinate to the lien of the Mortgage, and all advances made under the Mortgage.

3. **Non-disturbance, Recognition and Attornment.**

3.1 *No Exercise of Mortgage Remedies Against Tenant.* So long as the Lease has not been terminated on account of Tenant’s default (an “Event of Default”), Mortgagee shall not name or join Tenant as a defendant in any exercise of Mortgagee’s rights and remedies arising upon a default under the Mortgage unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord or prosecuting such rights and remedies. In the latter case, Mortgagee may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise adversely affect Tenant’s rights under the Lease or this Agreement in such action. If Mortgagee joins Tenant in such action, Landlord, by executing the Consent

hereinafter set forth, agrees to indemnify, defend and hold Tenant harmless from and against any loss, cost or expense incurred or suffered by Tenant, including without limitation, legal fees, in being a party to or arising from such action, which indemnity shall survive termination or expiration of this Agreement.

3.2 *Non-disturbance and Attornment.* If the Lease has not been terminated on account of an Event of Default by Tenant, then, when Successor Landlord takes title to Landlord's Premises: (a) Successor Landlord shall not terminate or disturb Tenant's possession or quiet enjoyment of Tenant's Premises under the Lease, except in accordance with the terms of the Lease and this Agreement; (b) Successor Landlord shall be bound to Tenant under all the terms and conditions of the Lease (except as provided in this Agreement); (c) Tenant shall recognize and attorn to Successor Landlord as Tenant's direct landlord under the Lease as affected by this Agreement; and (d) the Lease shall continue in full force and effect as a direct lease, in accordance with its terms (except as provided in this Agreement), between Successor Landlord and Tenant.

3.3 *Further Documentation.* The provisions of Section 3 shall be effective and self-operative without any need for Successor Landlord or Tenant to execute any further documents. Tenant and Successor Landlord shall, however, confirm the provisions of Section 3 in writing upon request by either of them.

3.4 *Consent to Lease.* Mortgagee hereby consents to the Lease and all of the terms and conditions thereof.

4. *Protection of Successor Landlord.*

Notwithstanding anything to the contrary in the Lease or the Mortgage, Successor Landlord shall not be liable for or bound by any of the following matters:

4.1 *Claims Against Former Landlord.* Any Offset Right that Tenant may have against any Former Landlord relating to any event or occurrence before the date of 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 attornment unless and to the extent that Mortgagee was furnished notice and opportunity to cure the same. (The foregoing shall not limit Tenant's right to exercise against Successor Landlord any Offset Right otherwise available to Tenant because of events occurring after the date of attornment, if any).

4.2 *Prepayments.* 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 the Lease with respect to any period after the date of attornment other than, and only to the extent that, the Lease expressly required such a prepayment.

4.3 *Payment; Security Deposit.* Any obligation: (a) to pay Tenant any sum(s) that any Former Landlord owed to Tenant or (b) with respect to any security deposited with Former Landlord, unless such security was actually delivered to Mortgagee.

4.4 Lease. Tenant hereby covenants and agrees that, so long as the Mortgage remains in force and effect:

- (a) No Modification, Termination or Cancellation. Tenant shall not consent to any material modification, termination or cancellation of the Lease without Mortgagee's prior written consent, which consent shall not be unreasonable withheld and shall be deemed given if Mortgagee fails to respond in writing within 15 days following receipt of written notice.
- (b) Notice of Default. Tenant shall notify Mortgagee in writing concurrently with any notice given to Landlord of any breach of or default by Landlord under the Lease. Tenant agrees that Mortgagee shall have the right (but not the obligation) to cure any breach or default specified in such notice within the time period set forth in the Lease for Landlord's performance.
- (c) Assignment of Rents. Upon receipt by Tenant of written notice from Mortgagee that Mortgagee has elected to terminate the license granted to Landlord to collect rents, as provided in the Mortgage, and directing Tenant to make payment thereof to Mortgagee, Tenant shall not be required to determine whether Landlord is in default under any obligations to Mortgagee before complying with such direction and shall not be liable to Landlord for failure to pay Landlord any sums that are paid instead to Mortgagee.

5. Miscellaneous.

5.1 *Notices*. All notices or other communications required or permitted under this Agreement shall be in writing and given by certified mail (return receipt requested) or by nationally recognized overnight courier service that regularly maintains records of items delivered. Notices shall be effective the next business day after being sent by overnight courier service, and three (3) business days after being sent by certified mail (return receipt requested). Unless and until notice of a change of address is given under this Agreement, notices or other communications shall be given to Mortgagee and Tenant, respectively, at the following address:

Mortgagee: _____

Attn: _____

Landlord: _____

Attn: _____

Tenant: _____

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5.2 *Successors and Assigns.* This Agreement shall bind and benefit the parties their successors and assigns, any Successor Landlord, and its successors and assigns.

5.3 *Entire Agreement.* This Agreement constitutes the entire agreement between Mortgagee and Tenant regarding the subordination of the Lease to the Mortgage and the rights and obligations of Tenant and Mortgagee as to the subject matter of this Agreement.

5.4 *Interaction with Lease and with Mortgage.* If this Agreement conflicts with the Lease, then this Agreement shall govern as between the parties to this Agreement and any Successor Landlord, including upon any attornment pursuant to this Agreement. This Agreement supersedes, and constitutes full compliance with, any provisions in the Lease that provide for subordination of the Lease to, or for delivery of non-disturbance agreements by the holder of the Mortgage. Mortgagee confirms that Mortgagee has consented to Landlord's entering into the Lease.

5.5 *Interpretation; Governing Law.* The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the internal laws of the State where the Premises is located, including its principles of conflict of laws.

5.6 *Amendments.* This Agreement may be amended, discharged or terminated, or any of its provisions waived, only by a written instrument executed by all parties to this Agreement.

5.7 *Execution.* This Agreement may be executed electronically and in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

5.8 *Representations.* Each party represents that it has full authority to enter into this Agreement and that those signatories executing this Agreement on its behalf have full power and authority to executed this Agreement. Mortgagee agrees to keep a copy of this Agreement in its permanent mortgage records with respect to the Loan. This Agreement shall be null and void unless Tenant receives a fully executed original counterpart hereof on or before the sixtieth (60th) day following the date of Tenant's execution.

5.9 *Recordation.* Upon full execution, this Agreement may be recorded in the real property records of the county in which the Premises is located by either party hereto, provided that the recording party delivers to the other party a copy of the recorded document. The recording party shall be responsible for the costs of recording this Agreement.

[Signature page follows.]

TENANT:

[TENANT ENTITY],

a _____

By: _____

Name: _____

Title: _____

Date: _____

STATE OF _____)
) SS
COUNTY OF _____)

I, _____, a Notary Public in and for the County and State
aforesaid, do hereby certify that _____ the
_____ of
_____, who is personally known to me to be the
same person whose name is subscribed to the foregoing instrument, appeared before
me in person and acknowledged that he/she signed, sealed and delivered the said
instrument as his/her own free and voluntary act and as the free and voluntary act of
said _____, for the uses and purposes therein set forth.

Given under my hand and notarial seal this _____ day of _____, 20__.

Notary Public

My Commission Expires: _____

LANDLORD'S CONSENT

Landlord consents and agrees to the foregoing Agreement (including without limitation, the provisions of Section 3.1 & 4.4), which was entered into at Landlord's request. The foregoing Agreement shall not alter, waive or diminish any of Landlord's obligations under the Mortgage or the Lease. The above Agreement discharges any obligations of Mortgagee under the Mortgage and related loan documents to enter into a non-disturbance agreement with Tenant and the obligations of Tenant to enter into a subordination agreement with Mortgagee.

LANDLORD:

[LANDLORD ENTITY],

a _____

By: _____ **Exhibit**

Name: _____

Title: _____

Date: _____

STATE OF _____)
) SS
COUNTY OF _____)

I, _____, a Notary Public in and for the County and State of _____, do hereby certify that _____ the _____ of _____, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he/she signed, sealed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said _____, for the uses and purposes therein set forth.

Given under my hand and notarial seal this _____ day of _____, 20__.

Notary Public

My Commission Expires:_____

EXHIBIT A TO
SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

Landlord's Premises

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EXHIBIT K

FORM OF ESTOPPEL CERTIFICATE

ESTOPPEL CERTIFICATE

THIS ESTOPPEL CERTIFICATE is made as of the ____ day of _____, 20__ by _____ in connection with that certain Lease Agreement dated _____ by and between _____, as Tenant and _____, as Landlord (the "Lease") for the premises located at _____ (the "Premises").

[Tenant/Landlord] hereby certifies to the best of its knowledge to _____ as follows:

1. The Lease is now in full force and effect and has not been amended, modified, or assigned except by the _____ dated _____. There are no other oral or written agreements or understandings between Landlord and Tenant relating to the Premises. As of the date hereof, the Lease is in full force and effect.

2. To the undersigned's knowledge and belief, the information set forth below is true and correct as of the date hereof:

- (a) Approximate square footage of the Premises: _____ rentable square feet
- (b) Monthly installment of Rent as of the date hereof: \$ _____
- (c) Commencement Date: _____
- (d) Termination date: _____
- (e) Security deposit: _____
- (f) Prepaid rent in the amount of: _____
- (g) Renewal Options: _____

3. To the best of the undersigned's actual knowledge and belief, without inquiry or investigation, there exists no default, or breach on the part of either Tenant or Landlord under the Lease. (except _____)

4. There are no credits, defenses, or offsets to the enforcement of the Lease, except, _____, as set forth in the Lease.

5. No rent has been or will be paid more than 30 days in advance.

6. All legal notices to Tenant shall be sent to: _____.

K-1

IN WITNESS WHEREOF, _____ has executed
this Estoppel Certificate as of the date first above written.

TENANT/LANDLORD:

_____,
Exhibit

By: _____

Name: _____

Title: _____

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EXHIBIT L

FORM OF MEMORANDUM OF LEASE

[TO BE CONFORMED TO COUNTY RECORDING REQUIREMENTS]

Prepared by and Return to:

Parcel ID: _____

MEMORANDUM OF LEASE

This Memorandum of Lease (this "Memorandum") is made and entered into this ____ day of _____, 20__, by and between _____, a

_____, a _____
_____, and

_____, a _____
_____, ("Landlord") and

_____, a _____
_____, ("Tenant"). Tenant and Landlord agree to and acknowledge the following matters:

1. Landlord and Tenant entered into that certain _____ Lease Agreement dated as of _____, 20__ (the "Lease"), wherein Landlord has leased to Tenant, and Tenant has leased from Landlord, subject to the terms, covenants and conditions contained therein, space consisting of approximately _____ rentable square feet (the "Premises"), located at _____ in _____, _____, as legally described on Exhibit A, attached and incorporated herein by reference (the "Property").

2. The term of the Lease is for an initial period of _____ [weeks/months/years] commencing upon the earlier of the Possession Date or the Commencement Date, as defined in the Lease, (the "Lease Term"), subject to a right to extend and renew the Lease for _____ successive additional periods of _____ [weeks/months/years] each.

3. Pursuant to the Lease, Tenant has [the/an] [right of first option to lease adjacent premises located on the Property] [option to purchase the Property].

4. The Lease contains certain restrictions on Landlord's ability to sell, rent or permit any property owned, leased or controlled by Landlord or any affiliate of Landlord to a business that provides services consistent with Tenant's Medical Use (as defined in the Lease), within a _____ mile radius of the Property.

5. The address of Landlord is _____.

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6. The address of Tenant is

7. The purpose of this Memorandum is to give record notice to all persons that Tenant has a leasehold interest in the Premises with related use exclusivity rights, [and right of first refusal/options rights] pursuant to the Lease, in addition to other rights and obligations created therein, all of which are confirmed.

8. Any capitalized terms utilized herein that are not otherwise defined shall be deemed to have the same meaning as set forth in the Lease.

9. In the event of a conflict between the terms of the Lease and the terms of this Memorandum, the terms of the Lease shall control.

10. This Memorandum may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the day and year first above written.

LANDLORD:

[LANDLORD ENTITY],

a _____

By: _____

Name: _____

Title: _____

Date: _____

STATE OF _____)
) SS
COUNTY OF _____)

I, _____, a Notary Public in and for the County and State
aforesaid, do hereby certify that _____ the
_____ of
_____, who is personally known to me to be the
same person whose name is subscribed to the foregoing instrument, appeared before
me in person and acknowledged that he/she signed, sealed and delivered the said
instrument as his/her own free and voluntary act and as the free and voluntary act of
said _____, for the uses and purposes therein set forth.

Given under my hand and notarial seal this _____ day of _____, 20__.

Notary Public

My Commission Expires: _____

[TENANT ENTITY],

By: _____

Title: _____

STATE OF _____)
) SS
COUNTY OF _____)

Given under my hand and notarial seal this _____ day of _____, 20__.

Notary Public

My Commission Expires: _____

EXHIBIT A
TO
MEMORANDUM OF LEASE

L-5

SCHEDULE 2

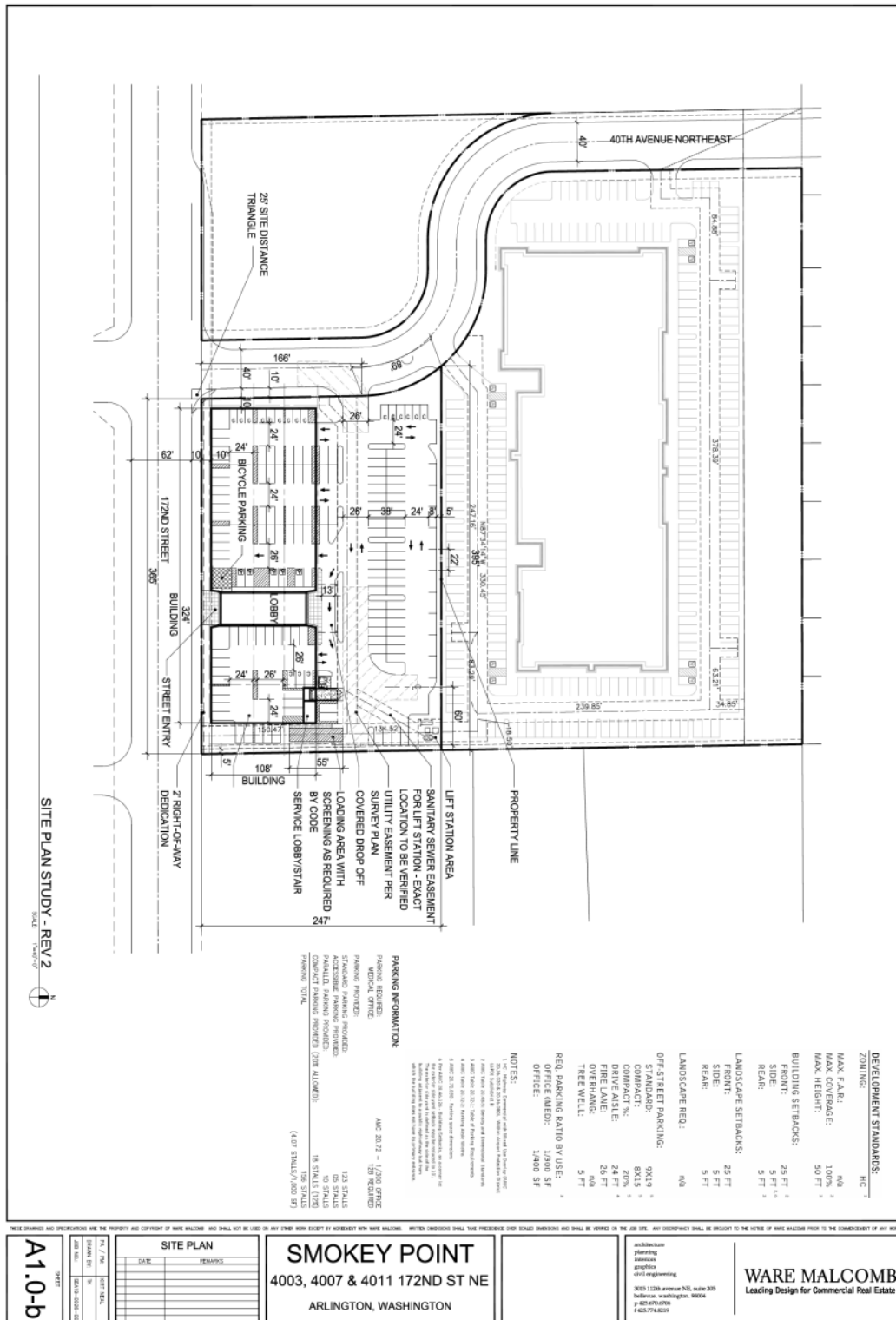
RENT CALCULATION

PRELIMINARY DEVELOPMENT PROFORMA Everett Clinic Smokey Point WA

				<u>PROJECT</u>	<u>Cost/sf</u>
<u>Building/Land</u>				<u>COST</u>	
Land Value	91,138	sq.ft @	\$35.00	\$ 3,189,830	\$ 85.27
<u>NET LAND COST</u>				\$ 3,189,830	\$ 85.27
Shell	37,407	sq.ft @	\$260.00	\$ 9,725,820	\$ 260.00
On Site Improvements	91,138	sq.ft @	\$16.00	\$ 1,458,208	\$ 38.98
Construction Contingency	5.00%	of Cost		\$ 559,201	\$ 14.95
WA State Sales Tax	9.20%			\$ 1,080,377	\$ 28.88
TI Allowance	37,407	sq.ft @	\$0.00	\$ -	\$ -
<u>SUBTOTAL, HARD COST</u>				\$ 12,823,607	\$ 342.81
<u>SOFT COSTS</u>					
Planning & Entitlements				\$ 57,946	\$ 1.55
A&E based upon				\$ 381,820	\$ 10.21
City Fee's and Utilities (Traffic Fee has been paid by owner)				\$ 227,341	\$ 6.08
Testing & Inspections				\$ 55,000	\$ 1.47
Insurance				\$ 10,000	\$ 0.27
Legal/Accounting				\$ 10,000	\$ 0.27
Leasing Commissions				\$ -	\$ -
Development Fee				\$ 70,000	\$ 1.87
Property Taxes	0.0122			\$ 38,970	\$ 1.04
Soft Cost Contingency				\$ 150,000	\$ 4.01
<u>SUBTOTAL, SOFT COST</u>				\$ 1,001,076	\$ 26.76
<u>FINANCING COSTS</u>					
Interest Reserve				\$ 1,178,091	\$ 31.49
Appraisal Report				\$ 5,500	\$ 0.15
Environmental Report				\$ 3,500	\$ 0.09
Geotech				\$ 15,000	\$ 0.40
Survey				\$ 10,000	\$ 0.27
Construction Loan Inspections				\$ 5,500	\$ 0.15
Loan Fee				\$ 147,178	\$ 3.93
Title & Recording Fees				\$ 18,000	\$ 0.48
<u>SUBTOTAL FINANCING COSTS</u>				\$ 1,382,769	\$ 36.97
<u>TOTAL PROJECT COST</u>				\$ 18,397,282	\$ 491.81
				Rent Multiplier	7.25%
				Annual Rent	\$1,333,803
				Annual Rent/SF	\$35.66

SCHEDULE 2-1

SITE PLAN



Building Floor Plan



EXHIBIT P
LETTER OF FINANCIAL COMMITMENT



Everett MSO, Inc.

3901 Hoyt Avenue
Everett, WA 98201

P 1-425-259-0966
F 1-425-339-5405

optum.com

April 1, 2025

**RE: OPTUM CARE WASHINGTON, PLLC CON APPLICATION FOR OPTUM PUMPHREY
SURGERY CENTER**

To whom it may concern:

This letter confirms that the funds of Everett MSO, Inc, the management services organization of Optum Care Washington, PLLC, (OCW) the owner and operator of the Optum Pumphrey Surgery Center ("Surgery Center") have been committed and are available to support the working capital and contingency funding for Surgery Center.

Sincerely,

Jean Noonan

Jean Noonan (04/04/2025 14:21 PDT)

Jean Noonan
PNW Regional CFO

EXHIBIT Q
EQUIPMENT LIST

Cardiac Equipment	QTY	Cost by EA	Extended Cost	Est tax and Shipping
Minor Instrument Sets and Pans	8	\$ 10,000.00	\$ 80,000.00	\$ 16,000.00
Vascular Instrument Sets and Pans	2	\$ 20,000.00	\$ 40,000.00	\$ 8,000.00
Emergency Open instrument Sets and Pans	2	\$ 15,000.00	\$ 30,000.00	\$ 6,000.00
Pacing System Analyzer	1	\$ 50,000.00	\$ 50,000.00	\$ 10,000.00
Total			\$ 200,000.00	\$ 240,000.00

EXHIBIT R
FACILITY MEDICAL DIRECTOR JOB DESCRIPTION

Job Description

JOB SUMMARY: Facility Medical Director/Chair (0.XX Administrative, XX Clinical)*

*Provider work week is presumed equivalent to approximately 50 hours.

Job Title: Facility Medical Director (PC) / Chair (MSS/Surg)		Supv Approval/Date: AAtalBarrio	
Department: PC, MSS, Surgery		HR Approval/Date:	
Job Code: 102	FLSA Status:	Range:	EEO Code:
Reports To: Associate Medical Director for Service Line			Tier: 2

The Facility Medical Director (FMD/Chair) has primary accountability to the Associate Medical Director for balanced scorecard performance, working in partnership with the Facility Administrator (FA) and Regional Operating Director (ROD).

ESSENTIAL DUTIES & RESPONSIBILITIES: The duties listed below are intended as examples of the work required. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment.

Core duties and expectations:

- Set vision and culture that aligns with TEC's vision and goals
- Exemplify the core values/compact and use as the foundation for decision making
- Implement site/department specific adaptations of TEC initiatives.
- Design and implement (with input from AMD) site or department specific balanced scorecard that aligns with organizational goals.
- Collaborate with AMDs, FAs and RODs.
- Collaborate with corresponding FMD/department chairs where responsibility is shared
- Use lean process improvement and the DMS system to improve operational efficiency and provider/staff workflow
- Build a high functioning, cohesive team
- Empower and engage providers and staff in the process of facilitating change

Culture and team experience: Building a high functioning cohesive team

- Establish a site/department specific process for interviewing and hiring, to include proactive hiring targets, motivational interviewing, dinners with providers/staff to communicate culture, and involvement of team in hiring decisions and process.
- Implement robust mentoring/onboarding process using mentoring policy as a template
- Hold regular meetings and team building events.
- Engage providers/teammates in striving towards balanced scorecard goals by involving them in collective decision making
- Conduct regular performance reviews (with goal setting for individual providers)
- Develop and implement performance improvement plans for under-performing providers (with assistance from AMD and HR), and appropriate escalation process.
- Ensure teammates are aware of relevant TEC wide events and initiatives.
- Monitor current and potential turn-over/provider satisfaction, implement plan to address.

Financial Health and Strategy

- Ensure providers and staff produce targeted operating income and productivity goals, develop improvement plans when necessary
- Find opportunities to maximize operational efficiency and cost effectiveness
- Participate in budgeting process and any financial improvement initiatives, help develop (with AMD/ROD) financial goals for the site/dept.
- Manage departmental budget with input from ROD/FA
- Develop (with ROD and AMD) site/dept specific strategy for growth or expansion, including marketing and outreach plan
- Understand TECs overall financial strategy and take steps to facilitate it.

Patient satisfaction:

- Develop balanced scorecard goals (with AMD), and plan for implementation
- Monitor access and patient satisfaction, develop plan for ongoing improvement
- Engage and empower providers in the process of improving patient experience, make patient concerns and comments visible and relevant to providers

Quality and safety:

- Support standard work and utilization of lean thinking and A-3 problem solving.
- Lead and support reductions in cost of care through appropriate institutional utilization and resource management in imaging, lab and referrals.
- Support patient safety initiatives through staff and provider education, event reporting, service recovery and Risk Management notification
- Facilitate balanced scorecard quality goals for each department within a site
- Attend daily huddle, facilitate its function as a problem -solving mechanism

Education and Leadership development

- Participate in provider leadership development series
- Aspire to leadership behaviors and qualities (see attached document)
- Participate in continuous leadership development through AAPL, UW, WSMA or similar entity, and/or via Board or committee role (yearly goal to be identified).
- Help identify future potential leaders, create and implement development plan

REQUIRED QUALIFICATIONS:

- Partner in good standing, respected by peers
- Actively providing care at The Everett Clinic
- Active medical license in good standing.

PREFERRED QUALIFICATIONS

- Two to five years' experience as a provider
- Prior leadership experience
- Training in lean/process improvement.
- Demonstrated skill in communicating, leading change, and addressing conflict productively.

CLINIC-WIDE JOB ESSENTIAL DUTIES & RESPONSIBILITIES (included in all TEC Job descriptions):

- All staff members are to promote a positive and productive work environment by acting maturely and responsibly, satisfactorily performing his or her job responsibilities and conducting themselves in a professional, courteous and respectful manner toward fellow employees, providers and patients.
- Must relate to other people beyond giving and receiving instructions: (a) get along with co-workers or peers without exhibiting behavioral extreme; (b) perform work activities requiring negotiating, instructing, supervising, persuading or speaking with others; and (c) respond appropriately to feedback regarding performance from a supervisor.
- Performs all duties in a manner which promotes and supports the core values of The Everett Clinic.
- Frequently must follow written and oral instructions as well as complete routine tasks independently.
- Completes annual compliance training on HIPAA/Privacy/Confidentiality/Non-Discrimination/Harassment/Integrity Statement and signs Agreements.
- Ensures confidentiality of patient information following HIPAA guidelines and TEC policies.
- Attends training to meet requirements of the job position and as needed or mandated by TEC policies, Div. of Occupational Safety & Health (DOSH), OSHA, L&I and other state/federal regulations.
- Has regular and predictable attendance.

PHYSICAL AND MENTAL DEMANDS:

The physical and mental demands described here are representative of those that must be met by employees to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

PHYSICAL DEMANDS:

While performing the duties of this job, employees are regularly required to sit, walk and stand; talk or hear, both in person and by telephone; use hands repetitively to finger, handle, feel or operate standard office equipment; reach with hands and arms; and lift up to 25 pounds. Specific vision abilities required by this job include close vision, distance vision and the ability to adjust focus.

MENTAL DEMANDS:

While performing the duties of this job, employees are regularly required to use written and oral communication skills; read and interpret data, information and documents; analyze and solve non-routine and complex office administrative problems; may use math and mathematical reasoning; observe and interpret situations; learn and apply new information or skills; perform highly detailed work on multiple, concurrent tasks; work under intensive deadlines with frequent interruptions; and interact with managers, staff, customers, patients, the public and others encountered in the course of work, some of whom may be dissatisfied or abusive individuals.

TYPICAL WORKING CONDITIONS: The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job.

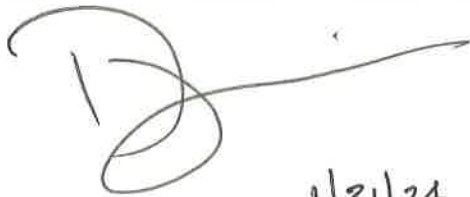
Typical office conditions and noise level is usually quiet. Interaction with others is busy, constant and occasionally interruptive. Work may be demanding at times. May require ability to work irregular hours.

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

CONTACT: Providers, staff, patients, public

The above statements are intended to describe the general nature and level of work being performed by people assigned to this job. They are not intended to be an exhaustive list of all responsibilities, duties, and skills required of personnel so classified.

8/26/2018



1/31/24

Dhavan Parikh, MD facility medical Director



2/1/24
Julie Jacobson, ASC Director

EXHIBIT S
LIST OF PHYSICIANS TO USE PROPOSED ASF

<u>Name of Providers</u>	<u>WA State License</u>
Paul A Abson, MD	MD00028450
Alvin Abueg, PA-C	PA60614067
Jeffery R Adams, MD	MD00039990
Anne C Anholm, MD	MD00028981
Steven L Barcott, PA-C	PA60196318
Edward R Bauer, CRNA	AP60408388/RN60400184
Timothy E Beeman, CRNA	AP60585194/RN60584340
Kate D Bellevue, MD	MD60772339
Angelique M Berens, MD	MD60685509
Wayne A Bjur, PA-C	PA10004144
Bridget Springgate Bush, MD	AP61164803/RN60701526
Amanda R Bush, CRNA	AP61164803/RN60701526
Thomas Byrnes, MD	MD61153948
Dawn M Cantrell, MD	MD60070851
Michael D Carpenter, MD	MD00044891
Jianfeng Cheng, MD	MD60550684
Brady Ann Coad, MD	MD61541061
Jason L Coddling, MD	MD60846830
Kimberly Costas, MD	MD00042082
Shannon Curran, DPM	PO61385794
Quan M Dau, MD	MD60290395
Shannon E Demas, MD	MD60960857
Joseph M Drosdeck, MD	MD60755879
Alanna Goodman, MD	MD60158628
Alexander Gougoutas, MD	MD60276102
Dennis E Goulet, MD	MD60859640
Carlos L Green, MD	MD61543236
Megan S Griffith Cull, PA-C	PA60949610
Maneesh Gupta, MD	MD60091521
Elizabeth J Hadley, PA-C	PA60985507
Timothy W Hall, CRNA	AP60469187/RN00163093
Melanie A Haller, RNFA	RN00087922
Megan A Hebda, PA-C	PA61148753
Lonny M Hecker, MD	MD00027948
Christopher R Hempel, MD	MD60181812
Nariman Heshmati, MD	MD60074843
Wen-Huan Steve Ho, MD	MD60341696
Clifford C Hou, MD	MD60661671
Amir S Jalali, MD	MD00039847
David H Kawamura, MD	MD60316199
Soo Y Kim, MD	MD60436260
Bryan Y Kim, MD	MD60659897
Edward Kim, MD	MD61425958

Janet C. King, MD	MD00042611
Tyler P Klein, DO	OP60949854
Sean S Laghaeian, DPM	PO00000658
Daniel J Lee, MD	MD60954929
Dolan Leung, MD	MD60600145
James G Liadis, MD	MD61443248
Catherine A Lipowski, CRNA	P61110526/RN61092120
Jessica L Lund, DPM	PO00000797
Morgan S Majerus, PA-C	AP30007616/RN00136243
Steve R Martinez, MD	MD60394901
Dorcas A McLennan, MD	MD00025599
Jeffrey P Minard, MD	MD60937287
Stephen Mock, MD	MD60546800
Carlos G Moscoso, MD	MD61079382
Nishant Nannapaneni, MD	MD60982673
Sherri K Nevala, PA-C	PA10004039
Robert A Palmer, DO	OP00002135
Sandeep Pandit, MD	MD60863631
Dhavan A Parikh, MD	MD60538117
Craig J Pastor, MD	MD60474913
Andrew J Pastor, MD	MD60340743
Arema Pereira, MD	MD60096142
Paul R Reynolds, MD	PA61148753
Joan M Rindahl, RNFA	RN00095299
Darby E Robinson O'Neill, MD	MD00045435
Franco A Russo, MD	MD61296826
Scott A Schaaf, DO	OP00001633
Darryl Schuitevoerder, MD	MD61031228
Michael W Schularick, CRNA	AP60698859/RN60632773
Young J Seol, MD	MD61515298
Yasmin Shayesteh, MD	MD60574562
Thomas C Skalley, MD	MD00027754
Kaartik Soota, MD	MD61154634
Perry A Soriano, MD	MD60021591
Kriti Srivastava, MD	MD60773398
Amelia Starr, MD	MD61462712
Erica Sutehall, CRNA	AP60210581/RN00143823
Salvatore J Taliencio, MD	MD60578003
John Tilley, PA-C	PA60652694
William Truong, MD	MD60665317
Londres R Uso, MD	MD60173871
Yelena I Verbitskaya, PA-C	PA60774310
Leif G Vold, MD	MD00039484
Michele E Wagner, PA-C	PA60981328

James Y Wang, MD	MD60629768
James A Wiegers, PA-C	PA10003726
Nicholas Wilcox, MD	MD61301301
Patrick D Willauer, MD	MD61043079
Audrey Woo, CRNA	AP61281074/RN60918390
Sara M Worden, MD	MD60514654
Claire P Yearian, DPM	PO61309880
Jeong H Yoon, MD	MD00043149
Laura Gladstone-Larkins, MD	MD00044898
Jillian Megan McLaughlin, MD	MD61484813
Ulrik G. Wallin, MD	MD60553312

EXHIBIT T
LIST OF CREDENTIALLED STAFF

Longname_of_providers	Specialty/dept	WA STATE LICENSE
Paul A Abson, MD	Otolaryngology Arlington	MD00028450
Alvin Abueg, PA-C	PA-C Arlington	PA60614067
Jeffery R Adams, MD	Otorhinolaryngology -Arlington	MD00039990
Anne C Anholm, MD	Obstetrics & Gynecology -Arlington	MD00028981
Steven L Barcott, PA-C	Physician Assistant Certified -Arlington	PA60196318
Edward R Bauer, CRNA	CRNA-Arlington	AP60408388/RN60400184
Timothy E Beeman, CRNA	CRNA- Arlington	AP60585194/RN60584340
Kate D Bellevue, MD	Hand Surgery Arlington	MD60772339
Angelique M Berens, MD	Otolaryngology Arlington	MD60685509
Wayne A Bjur, PA-C	PA-C Arlington	PA10004144
Bridget Springgate Bush, MD	Anesthesiology - Arlington	AP61164803/RN60701526
Amanda R Bush, CRNA	CRNA- Arlington	AP61164803/RN60701526
Thomas Byrnes, MD	Ortho Edmonds	MD61153948
Dawn M Cantrell, MD	Anesthesiology - Arlington	MD60070851
Michael D Carpenter, MD	PM&R Edmonds	MD00044891
Michael D Carpenter, MD	Physical Medicine and Rehabilitation	MD00044891
Jianfeng Cheng, MD	GI - Arlington	MD60550684
Brady Ann Coad, MD	Obstetrics & Gynecology Arlington	MD61541061
Jason L Coddling, MD	Ortho Edmonds	MD60846830
Jason L Coddling, MD	Ortho Arlington	MD60846830
Shannon Curran, DPM	Podiatry Arlington	PO61385794
Quan M Dau, MD	Obstetrics & Gynecology	MD60290395
Shannon E Demas, MD	Obstetrics & Gynecology	MD60960857
Mark A Friedman, MD	Surgery, Orthopedic	MD00046204
Alanna Goodman, MD	Anesthesiology - Arlington	MD60158628
Alexander Gougoutas, MD	Plastic Surgery Arlington	MD60276102
Dennis E Goulet, MD	Obstetrics & Gynecology -Arlington	MD60859640
Carlos L Green, MD	Otolaryngology Arlington	MD61543236
Megan S Griffith Cull, PA-C	PA-C Arlington	PA60949610
Maneesh Gupta, MD	GI - Arlington	MD60091521
Elizabeth J Hadley, PA-C	PA-C Arlington	PA60985507
Timothy W Hall, CRNA	CRNA- Arlington	AP60469187/RN00163093
Melanie A Haller, RNFA	Registered Nurse First Assistant	RN00087922
Megan A Hebda, PA-C	PA-C Arlington	PA61148753
Lonny M Hecker, MD	Gastroenterology - Arlington	MD00027948
Christopher R Hempel, MD	Urology - Arlington	MD60181812
Nariman Heshmati, MD	Obstetrics & Gynecology -Arlington	MD60074843
Wen-Huan Steve Ho, MD	GI - Arlington	MD60341696
Clifford C Hou, MD	Ortho Arlington	MD60661671
Amir S Jalali, MD	Physical Medicine & Rehabilitation	MD00039847
David H Kawamura, MD	Hand Surgery Arlington	MD60316199
Edward Kim, MD	Physical Medicine & Rehabilitation Arlington	MD61425958
Janet C. King, MD	GI - Arlington	MD00042611
Tyler P Klein, DO	Physical Medicine & Rehabilitation	OP60949854
Sean S Laghaeian, DPM	Podiatry Arlington	PO00000658
Daniel J Lee, MD	Physical Medicine & Rehabilitation	MD60954929
Dolan Leung, MD	Anesthesiology - Arlington	MD60600145
James G Liadis, MD	Physical Medicine & Rehabilitation Arlington	MD61443248
Catherine A Lipowski, CRNA	CRNA- Arlington	AP61110526/RN61092120
Jessica L Lund, DPM	Podiatry Arlington	PO00000797
Deanna M Martin, CRNA	CRNA -Arlington	AP30007616/RN00136243

Dorcas A McLennan, MD	Obstetrics & Gynecology -Arlington	MD00025599
Jeffrey P Minard, MD	Anesthesiology - Arlington	MD60937287
Stephen Mock, MD	Urology - Arlington	MD60546800
Carlos G Moscoso, MD	Gastroenterology -Arlington	MD61079382
Nishant Nannapaneni, MD	Physical Medicine & Rehabilitation Arlington	MD60982673
Sherri K Nevala, PA-C	PA-C Arlington	PA10004039
Robert A Palmer, DO	GI - Arlington	OP00002135
Sandeep Pandit, MD	Ortho Arlington	MD60863631
Dhavan A Parikh, MD	GI - Arlington	MD60538117
Craig J Pastor, MD	Hand Surgery Arlington	MD60474913
Andrew J Pastor, MD	Ortho Arlington	MD60340743
Arema Pereira, MD	GI - Arlington	MD60096142
Paul R Reynolds, MD	Ortho Arlington	PA61148753
Joan M Rindahl, RNFA	Registered Nurse First Assistant Arlington	RN00095299
Darby E Robinson O'Neill, MD	GI - Arlington	MD00045435
Franco A Russo, MD	Hand Surgery Arlington	MD61296826
Scott A Schaaf, DO	Ortho Arlington	OP00001633
Michael W Schularick, CRNA	CRNA -Arlington	AP60698859/RN60632773
Young J Seol, MD	Ophthalmology Arlington (Plastics)	MD61515298
Thomas C Skalley, MD	Ortho Arlington	MD00027754
Kaartik Soota, MD	GI - Arlington	MD61154634
Kriti Srivastava, MD	Pain Medicine - Arlington	MD60773398
Amelia Starr, MD	OB/GYN Edmonds Core - Arlington	MD61462712
Erica Sutehall, CRNA	CRNA- Arlington	AP60210581/RN00143823
Salvatore J Taliercio, MD	Otolaryngology Arlington	MD60578003
John Tilley, PA-C	Physician Assistant Certified	PA60652694
Londres R Uso, MD	Anesthesiology - Arlington	MD60173871
Yelena I Verbitskaya, PA-C	Physician Assistant Certified -Arlington	PA60774310
Leif G Vold, MD	Obstetrics & Gynecology - Arlington	MD00039484
Michele E Wagner, PA-C	PA-C Arlington	PA60981328
James Y Wang, MD	GI - Arlington	MD60629768
James A Wiegers, PA-C	Physician Assistant Certified	PA10003726
Nicholas Wilcox, MD	Surgery, Orthopedic -Arlington	MD61301301
Audrey Woo, CRNA	CRNA- Arlington	AP61281074/RN60918390
Claire P Yearian, DPM	Podiatry Arlington	PO61309880
Jeong H Yoon, MD	Urology - Arlington	MD00043149

EXHIBIT U
PATIENT TRANSFER AGREEMENT BETWEEN CASCADE VALLEY HOSPITAL
AND THE EVERETT CLINIC, PLLC

PATIENT TRANSFER AGREEMENT

This PATIENT TRANSFER AGREEMENT ("Agreement") is effective April 3, 2023 (the "Effective Date"), between Cascade Valley Hospital ("Hospital"), and The Everett Clinic, PLLC ("Transferring Facility"), each individually a "Party", and collectively, the "Parties."

RECITALS

WHEREAS, Hospital is a local Medicare participating hospital and meets CMS requirements for emergency services;

WHEREAS, Transferring Facility is an ambulatory surgery center that treats Medicare and Medicaid beneficiaries whose medical staff are credentialed at Hospital;

WHEREAS, Hospital and Transferring Facility desire to comply with state and federal requirements related to the hospital transfer and emergency treatment of ambulatory surgery center patients, ensure the appropriate transfer and documentation of a Transferring Facility patient to a higher level of care outside the Transferring Facility; and

THEREFORE, the Parties agree to enter into this Agreement to facilitate the timely transfer of patients and patient records from the Transferring Facility to the Hospital and ensure the continuity of care of Transferring Facility patients, subject to the terms and conditions herein, as follows:

ARTICLE 1 TRANSFERRING FACILITY DUTIES

1.1 Determination to Transfer. When a patient's need for transfer from the Transferring Facility has been determined by the patient's physician, Hospital agrees to provide Transferring Facility with information about its state of resources sufficient to determine whether the care needed by the patient is available. Hospital agrees to admit the patient as promptly as possible, as long as it has the available space, qualified personnel, and appropriate services for the treatment of the patient, and the requirements of (i) Hospital's applicable policies/protocols, and (ii) applicable federal and state laws and regulation are met.

1.2 Medical Treatment Prior to Transfer. Transferring Facility will provide the medical treatment in its capacity to patient prior to transfer.

1.3 Communication with Patient of need to Transfer. Patient's physician will discuss the recommendation and reasons for transfer informing the patient or the patient's authorized representative of the benefits and risks associated with the transfer to Hospital. Notification of the patient/patient's authorized representative in advance of the transfer is not required where the patient is unaccompanied, Transferring Facility has made a reasonable effort to locate an authorized representative of patient and none can be found, and notification of the patient is not possible due to the patient's mental or physical condition.

1.4 Communication with Hospital. Transferring Facility will notify a Hospital receiving/accepting physician, obtain agreement to accept the patient in transfer from a physician who will assume care of the patient upon transport to the Hospital.

1.5 Transportation Arrangements. The Transferring Facility transferring physician and the Hospital receiving physicians shall coordinate and agree upon the appropriate method of transport and

level of qualified personnel and necessary equipment, as required, including the use of medically appropriate life support measures, during the transfer. The Transferring Facility and Hospital shall jointly determine the priority classification of the medical transfer as: (i) emergent; (ii) urgent; or (iii) routine. Based on the priority classification, the Transferring Facility will then make the appropriate agreed upon transportation arrangements. Transferring Facility will arrange for the transfer or other appropriate disposition of the patient's personal effects, particularly money and valuables. Hospital will assume responsibility for the patient's personal effects and valuables if transported with patient. Transferring Facility and Hospital shall not be responsible for the care or services provided during transportation or any associated costs, billing, or reimbursement.

1.6 Documentation. Transferring Facility agrees to provide the Hospital with appropriate documentation as necessary to ensure continuity of patient care. This information should include, as a minimum, the patient's medical record (i.e., summary of physician findings, nursing notes, flow sheets, lab, and radiological findings, including films or underlying studies, copy of EKG, relevant transfer forms, signed consent for transfer, etc.). Where electronic access to patient's medical record is not available, the documentation will be sent to the Hospital at the time of transfer unless doing so would jeopardize the patient; in which case, the documentation will be sent as promptly as possible after the transfer.

1.7 Transfer Protocols. Transferring Facility shall transfer its patients in accordance with its policies and procedures.

1.8 Return to Transferring Facility. Transferring Facility and transferring physician agree to accept the transferred patient in return transfer if it is determined to be medically reasonable to do so by Transferring Facility and transferring physician.

ARTICLE 2 HOSPITAL DUTIES

2.1 Coordination with Transferring Facility. Hospital shall collaborate with Transferring Facility to coordinate transfer and determine transfer priority.

2.2 Transfer and Acceptance Protocols. All transfers will be done in accordance with (i) Hospital's applicable policies/protocols, (ii) applicable federal and state laws and regulations and (iii) in accordance with the standards of The Joint Commission.

2.3 Transferring Records. Hospital shall treat patient information and records provided by Transferring Facility as confidential and protected health information and shall comply with the Health Insurance Portability Accountability Act of 1996 as amended, ("HIPAA") with respect to such information and records.

2.3 Direct Admission and Responsibility for Care. Hospital shall coordinate for patient's direct admission to Hospital as appropriate and shall accept patient for care upon admission.

ARTICLE 3 TERM AND TERMINATION

3.1 Term. This Agreement shall be in effect for one (1) year from the Effective Date and shall automatically renew for successive one (1) year terms unless, earlier terminated as set out herein.

3.2 Termination.

3.2.1 Termination with Notice. This Agreement may be terminated with or without cause with thirty (30) days prior written notice by either Party.

3.2.2 Termination or Amendment as the Result of Governmental Regulation or Action. Either Party shall have the right, on thirty (30) days written notice to the other Party, to unilaterally amend this Agreement, without liability, if it determines in its reasonable judgment that the terms of this Agreement more likely than not may be interpreted to violate any present or proposed law or regulation applicable to it. If the amendment is unacceptable to the other Party, it may elect, by written notice delivered to the first Party within ten (10) working days of the other Party's receipt of notice of the amendment, to terminate this Agreement if the amendment would result in a material change to this Agreement; otherwise, this Agreement is automatically amended. Termination of this Agreement pursuant to this Section 4.4 will not relieve either Party of any liability incurred by it or its employees and contractors on or before the date of termination.

3.2.3 Termination by Mutual Agreement. This Agreement may be terminated at any time upon the mutual written agreement of the Parties.

ARTICLE 4 BILLING, COLLECTIONS, INSURANCE, AND INDEMNIFICATION

4.1 Billing and Collections. Each Party shall bill appropriately for its services. Charges for services performed by either Party shall be collected by the Party rendering the service from the patient, third Party payor, or other sources normally billed by the Party. Neither Party shall have any rights or liability to the other for such charges, except to the extent such liability would exist separate from this Agreement. The Parties shall cooperate with each other in exchanging information about financial responsibility for services rendered by them to patients transferred to the Hospital. No Party to this Agreement shall be responsible for the billing, collection, reimbursement, or payment of any patient services not provided by it.

4.2 Indemnity. Each Party will indemnify, defend and hold the other Party and its respective parents, subsidiaries, affiliates, directors, officers, partners, stockholders, associates, employees and agents (individually, an "Indemnitee" and collectively, "Indemnities") harmless from and against all claims, losses, expenses, fines, penalties, damages, demands, judgments, actions, causes of action, suits and liability claimed by a third Party for personal injury, death or damage to tangible property damage (collectively, "Claims") proximately caused by the Party from which indemnification is sought ("Indemnitor"); provided, however, the Indemnities give the Indemnitor prompt written notice of any of the foregoing. The Indemnities shall provide commercially reasonable cooperation and assistance to the Indemnitor in the investigation and defense of such claim and grant the Indemnitor exclusive control of the defense and settlement thereof. No indemnification will be requested by or provided to an Indemnitee whose actions are a contributing cause, in whole or in part, to the Claims.

4.3 Insurance. During the Term, the Parties shall maintain (i) comprehensive general liability insurance against claims for bodily injury, death, and property in the amount of \$1,000,000.00 for each occurrence and \$3,000,000.00 in the aggregate, (ii) workers' compensation insurance and employer's liability insurance in the amount of \$1,000,000.00. A copy of such insurance policy will be provided to the other Party within thirty (30) days of the Party's receipt of the request for such proof of insurance.

4.4 No Punitive or Consequential Damages. Under no circumstances shall any Party be liable to any other Party for any indirect, consequential, unforeseen, exemplary, or punitive damages of any nature; provided, however, that any such damages recovered by any person for which a Party owes another Party an indemnity under this Agreement shall not be waived.

ARTICLE 5 MISCELLANEOUS

5.1 Nothing in this Agreement shall be construed as limiting the rights of either Party to contract with any other facility or entity on a limited or general basis.

5.2 Each Party represents and warrants that neither it nor its shareholders, owners, principals, partners, or members (if applicable) are presently debarred, suspended, proposed for debarment, declared ineligible, or excluded from participation in any federally funded health care program, including Medicare and Medicaid. Each Party agrees to immediately notify the other Party of any threatened, proposed, or actual debarment, suspension, or exclusion from any federally funded health care program, including Medicare and Medicaid.

5.3 Compliance with Laws. Each of the Parties understands and agrees that it must comply with all applicable state and federal laws, statutes, and regulations. The Parties shall not engage in any activity prohibited by Medicare, anti-kickback, anti-self-referral or anti-rebate laws, or any other federal, state, or local law or regulation which relate to health care and/or the performance of services under this Agreement, as those regulations now exist or as subsequently amended, renumbered, or revised. The Parties, where applicable, shall comply with all applicable local, state, and federal laws and regulations now existing, or as hereafter enacted or amended, including but not limited to the Social Security Act, the False Claims Act, the Anti-Kickback Statute, the Health Insurance Portability and Accountability Act, as amended ("HIPAA") the Balanced Budget Act of 1997, the regulations of the Department of Health and Human Services, all public health and safety provisions of Washington law.

5.4 No Referrals. Nothing in this Agreement shall create any obligation on the part of either Party to refer patients to the other Party. Nothing in this Agreement shall be interpreted as requiring either Party to make referrals of any items or services to the other Party in violation of any federal, state, or local law or regulation. Nothing in this Agreement shall be interpreted as requiring either Party to limit or withhold items or services from patients in violation of any federal, state, or local law or regulation. The fees to be paid by Group to Clinic are based on the fair market value in arm's length transactions providing comparable items and services and have not been determined in a manner that takes into account the volume or value of any referrals or business otherwise generated among the Parties.

5.5 Relationship of the Parties. No agency or employment relationship is created. Neither Party may create a contractual or financial responsibility for the other Party without the other Party's express consent. The Parties will operate their practices independently of each other. Except as otherwise agreed between the Parties, neither Party is responsible for providing professional care to the other Party's patients and neither Party shall control or direct, nor have the right to control or direct, the manner in which the other Party or a person employed by that Party practices medicine.

5.6 Waiver. This Agreement may not be modified or amended, nor may any term or provision hereof be waived, except by an instrument or instruments in writing signed by both Parties hereto. The waiver by any Party hereto of a breach of any term or provision hereof shall not be construed as a waiver of any subsequent breach.

5.7 Notices. Except as otherwise expressly set forth herein, all notices given with respect to this Agreement shall be in writing and shall be addressed as follows:

If to the Hospital:

330 S. Stillaguamish Avenue
Arlington, WA 98223

Attention: Danny Vera

If to the Transferring Facility:

3901 Hoyt Ave
Everett, WA 98201

Attention: Steven English, MD

Any Party may, by written notice so delivered to the other Party, change the address or individual to which delivery shall thereafter be made.

5.8 No Third-Party Beneficiaries Intended. Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement is intended to or shall create for or grant to any third Party any rights whatsoever, as a third-Party beneficiary or otherwise.

5.9 No Partnership or Joint Venture. The relationship between the Hospital and the Transferring Facility hereunder is solely that of independent practitioners. The Parties agree that this Agreement does not establish a franchise, joint venture, or partnership of any kind whatsoever.

5.10 Force Majeure. No Party hereto shall be liable or responsible to the other for failure to perform any of the obligations imposed by this Agreement, provided such failure shall be occasioned by (i) fire, flood, explosions, lightning, windstorm, earthquake, civil commotion, riot, war, terrorism, strikes, labor disturbance, transportation difficulties, (ii) a federal or state law, or a rule or regulation or order of any public body or official exerting or purporting to exercise authority or control concerning the operations covered hereby, or (iii) by any cause beyond the reasonable control of the Party in question.

5.11 Governing Law; Venue. The rights and obligations of the Parties hereunder shall be interpreted, construed, and enforced in accordance with the laws of the state of Washington, without regard to its choice of law principles. All matters litigated by, among, or between any of the Parties that involve this agreement, any services or any related matter hereunder shall be brought only in a court of competent jurisdiction in Snohomish County, Washington. Each of the Parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this agreement or any related matter in any state or federal court located in Snohomish County, Washington, and the defense of an inconvenient forum to the maintenance of such claim in any such court.

5.12 Arbitration. The Parties agree that any controversy or claim (whether such controversy or claim is based upon or sounds in statute, contract, tort or otherwise) arising out of or relating to this Agreement, any performance or dealings between the Parties, or any dispute arising out of the interpretation or application of this Agreement or any dealings between the Parties and/or their respective owners, directors, officers, employees or agents, which the Parties are not able to resolve, will be settled exclusively by arbitration in Seattle, Washington by a single arbitrator pursuant to the American Arbitration Association's Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection, then in effect and judgment upon the award rendered by the arbitrator shall be entered in any court having jurisdiction thereof and such arbitrator will have the authority to grant injunctive relief in a form similar to that which a court of law would otherwise grant. The arbitrator will be mutually chosen from a panel of licensed attorneys familiar with the subject matter of this Agreement having at least fifteen (15) years of

professional experience and will be appointed within thirty (30) days of the date the demand for arbitration was sent to the other Party. Discovery will be permitted in accordance with the Federal Rules of Civil Procedure of the United States of America. If an arbitration proceeding is brought pursuant to this Agreement, the prevailing Party will be entitled to recover reasonable attorneys' fees, costs and necessary disbursements incurred in addition to any other relief to which such Party may be entitled. Neither the Parties nor the arbitrator may disclose the existence, content, or results of the arbitration, except as necessary to enforce award or to comply with legal or regulatory requirements. Before making any such disclosure, the Party intending to make the disclosure shall give the other Party written notice of such intention and shall afford the other Party a reasonable opportunity to protect its interests, which such period shall not be less than twenty (20) days from the non-disclosing Party's receipt of the aforementioned written notice.

5.13 Parties Bound. This Agreement and the rights and obligations hereunder shall be binding upon and inure to the benefit of Parties, and their respective heirs, personal representatives, successors and assigns, and nothing contained in this Agreement, expressed, or implied, is intended to confer upon any other Person any benefits, rights, or remedies.

5.14 Assignment. The Hospital shall not have the right to assign or transfer its rights and obligations under this Agreement to any Party without the prior written consent of the Transferring Facility.

5.15 Severability. In the event that any of the terms, conditions or provisions of this Agreement are held to be illegal, invalid, or unenforceable by any court of competent jurisdiction, the legality, validity and enforceability of the remaining terms, conditions or provisions shall not be affected thereby. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

5.16 Entire Agreement. This Agreement supersedes all prior agreements between the Parties related to the subject matter hereof and contains the entire agreement among the Parties with respect to the subject matter hereof and there are no agreements, understandings, representations, or warranties between the Parties other than those set forth or referred to in this Agreement, and the Parties to this Agreement are not relying on any representations or warranties other than those set forth in this Agreement. This Agreement may be modified or amended only by a written instrument executed by the Parties hereto.

5.17 Counterparts. This Agreement and any document executed pursuant to this Agreement may be executed in multiple counterparts, each of which shall be an original, but all of which shall constitute one Agreement.

<<Signature page to follow>>

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth above.

“Transferring Facility”

The Everett Clinic, PLLC

By: Robert Danz
Robert Danz (Apr 4, 2023 16:53 CDT)
Name: Robert Danz
Title: Regional CFO

“Hospital”

Cascade Valley Hospital

By: Danny Vera
Name: Danny Vera
Title: SRH Regional VP Chief Operating Officer