



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda Budget and Fiscal Management Committee

Councilmembers:

Rod Dembowski, Chair;

Jorge L. Barón, Vice Chair;

Claudia Balducci, Teresa Mosqueda, Sarah Perry, De'Sean Quinn, Girmay Zahilay

Lead Staff: April Sanders (206-263-3412)

Committee Clerk: Gabbi Williams (206-477-7470)

9:30 AM

Wednesday, May 14, 2025

Hybrid Meeting

Hybrid Meetings: Attend King County Council committee meetings in person in Council Chambers (Room 1001), 516 3rd Avenue in Seattle, or through remote access. Details on how to attend and/or provide comment remotely are listed below.

Pursuant to K.C.C. 1.24.035 A. and F., this meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

HOW TO PROVIDE PUBLIC COMMENT: The Budget and Fiscal Management Committee values community input and looks forward to hearing from you on agenda items.

There are three ways to provide public comment:

1. In person: You may attend the meeting and provide comment in the Council Chambers.
2. By email: You may comment in writing on current agenda items by submitting your email comments to kcccomitt@kingcounty.gov. If your email is received by 8:00 a.m. on the day of the meeting, your email comments will be distributed to the committee members and appropriate staff prior to the meeting.
3. Remote attendance at the meeting by phone or computer (see "Connecting to the Webinar" below).

You may provide oral comment on current agenda items during the meeting's public comment period.



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TTY Number - TTY 711.
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You are not required to sign up in advance. Comments are limited to current agenda items.

You have the right to language access services at no cost to you. To request these services, please contact Language Access Coordinator, Tera Chea at 206 477 9259 or email tera.chea2@kingcounty.gov by 8:00 a.m. three business days prior to the meeting.

CONNECTING TO THE WEBINAR:

Webinar ID: 867 1228 9077

By computer using the Zoom application at <https://zoom.us/join> and the webinar ID above.

Via phone by calling 1 253 215 8782 and using the webinar ID above.

HOW TO WATCH/LISTEN TO THE MEETING REMOTELY: There are several ways to watch or listen in to the meeting:

- 1) Stream online via this link: <http://www.kingcounty.gov/kctv>, or input the link web address into your web browser.
- 2) Watch King County TV on Comcast Channel 22 and 322(HD) and Astound Broadband Channels 22 and 711(HD)
- 3) Listen to the meeting by telephone – See “Connecting to the Webinar” above.

To help us manage the meeting, if you do not wish to be called upon for public comment please use the Livestream or King County TV options listed above, if possible, to watch or listen to the meeting.

1. **Call to Order**

2. **Roll Call**

3. **Approval of Minutes p. 5**

April 30, 2025 meeting minutes

4. **Public Comment**

To show a PDF of the written materials for an agenda item, click on the agenda item below.



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Discussion and Possible Action

5. [Proposed Ordinance No. 2025-0039](#) p. 9

AN ORDINANCE relating to the sale of the surplus property located at 33431 13th Place S., Federal Way, Washington, in council district seven.

Sponsors: Zahilay and von Reichbauer

Sam Porter, Council staff

Discussion Only

6. [Proposed Ordinance No. 2025-0119](#) p. 242

AN ORDINANCE relating to the funding and provision of Medic One emergency medical services; providing for the submission to the qualified electors of King County, at special election on November 4, 2025, of a proposition to fund the countywide Medic One emergency medical services by authorizing the continuation of a regular property tax levy for a consecutive six year period, for collection beginning in 2026, at a rate of \$0.25 or less per \$1,000 of assessed valuation, to provide for Medic One emergency medical services.

Sponsors: Dunn, Dembowski, Quinn and Balducci

Gene Paul and Olivia Brey, Council staff

7. [Proposed Ordinance No. 2025-0118](#) p. 242

AN ORDINANCE accepting and approving the Medic One/Emergency Medical Services 2026-2031 Strategic Plan submitted by the executive.

Sponsors: Dunn, Dembowski, Quinn and Balducci

Gene Paul and Olivia Brey, Council staff



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Briefing

8. [Briefing No. 2025-B0076](#) (no materials)

Understanding the Consequences of State and Federal Funding Cuts to Reproductive Access

Mercedes Sanchez, Executive Director, Cedar River Clinics

Lisa Humes-Schulz, Vice President of Policy, Planned Parenthood Alliance Advocates

Gabbi Nazari, Government Relations Director, Pro-Choice Washington

Discussion and Possible Action

9. [Proposed Motion No. 2025-0139](#) p. 345

A MOTION reaffirming King County's commitment to reproductive rights in response to state and federal cuts.

Sponsors: Zahilay

Contingent Upon Referral to the Budget and Fiscal Management Committee

Sam Porter, Council staff

Other Business

Adjournment



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Meeting Minutes Budget and Fiscal Management Committee

Councilmembers:

*Rod Dembowski, Chair;
Jorge L. Barón, Vice Chair;
Claudia Balducci, Teresa Mosqueda, Sarah Perry, De'Sean
Quinn, Girmay Zahilay*

*Lead Staff: April Sanders (206-263-3412)
Committee Clerk: Gabbi Williams (206-477-7470)*

9:30 AM

Wednesday, April 30, 2025

Hybrid Meeting

DRAFT MINUTES - SPECIAL MEETING - REVISED AGENDA

1. **Call to Order**

Chair Dembowski called the meeting to order at 9:33 a.m.

2. **Roll Call**

Present: 6 - Balducci, Barón, Dembowski, Mosqueda, Quinn and Zahilay

Excused: 1 - Perry

3. **Approval of Minutes**

Councilmember Barón moved approval of the March 26, 2025 meeting minutes. There being no objections, the minutes were approved.

Public Comment

The following individuals were present to provide public comment:

Greg Woodfill

Heather McMann

Joe Dire

Shawn Wheeler

Consent

4. [Proposed Ordinance No. 2025-0075](#)

AN ORDINANCE relating to the sale of the surplus property located at Cedar Falls Rd SE, North Bend, Washington, in council district three.

A motion was made by Councilmember Barón that this Ordinance be Recommended Do Pass Consent. The motion carried by the following vote:

Yes: 6 - Balducci, Barón, Dembowski, Mosqueda, Quinn and Zahilay

Excused: 1 - Perry

5. [Proposed Ordinance No. 2025-0094](#)

AN ORDINANCE authorizing the execution of an amendment to an existing lease to support the operation of the King County sheriff's office.

A motion was made by Councilmember Barón that this Ordinance be Recommended Do Pass Consent. The motion carried by the following vote:

Yes: 6 - Balducci, Barón, Dembowski, Mosqueda, Quinn and Zahilay

Excused: 1 - Perry

Briefing

6. [Briefing No. 2025-B0055](#)

2026-31 Medic One/Emergency Medical Services Levy Briefing

Michele Plorde, Division Director, Emergency Medical Services, Public Health – Seattle King County, briefed the committee via a PowerPoint presentation and answered questions from the members. Dwight Dively, Director, Office of Performance, Strategy and Budget, also addressed the committee and answered questions from the committee.

This matter was Presented

Discussion and Possible Action

7. [Proposed Ordinance No. 2025-0092](#)

AN ORDINANCE relating to the leasing of county real property; and amending Ordinance 12045, Section 15, as amended, and K.C.C. 4.56.160 and Ordinance 12045, Section 17, as amended, and K.C.C. 4.56.180.

Nick Bowman, Council staff, briefed the committee. Ken Guy, Director, Finance and Business Operations Division (FBOD), and Drew Zimmerman, Interim Director, Facilities Management Division (FMD), also addressed the committee.

Councilmember Balducci asked to be added as a cosponsor.

A motion was made by Councilmember Mosqueda that this Ordinance be Recommended Do Pass. The motion carried by the following vote:

Yes: 6 - Balducci, Barón, Dembowski, Mosqueda, Quinn and Zahilay

Excused: 1 - Perry

Briefing

8. [Briefing No. 2025-B0061](#)

Applying Community Workforce Agreements to Lessee-Led Improvement Projects to County Owned Property

Billy Hetherington, Political Director, Laborers Local 242, Lisa Bogardus, Assistant Executive Secretary, Seattle Building & Construction Trades Council, and Kristina Detwiler, Managing Partner, Robblee Detwiler, briefed the committee.

This matter was Presented

Discussion and Possible Action

9. [Proposed Ordinance No. 2025-0093](#)

AN ORDINANCE related to establishing responsibility criteria for contracts for public works, tangible personal property, and services; and amending Ordinance 12138, Section 11, as amended, and K.C.C. 2.93.120 and Ordinance 12138, Section 19, as amended, and K.C.C. 2.93.190.

Brandi Paribello, Council staff, briefed the committee. Ken Guy, Director, Finance and Business Operations Division (FBOD), also addressed the committee.

Councilmember Mosqueda moved Striking Amendment S1. The Amendment was adopted.

Councilmember Mosqueda moved Amendment 0.5 to Striking Amendment S1. The Amendment was adopted.

Councilmember Mosqueda moved Amendment 1 to Striking Amendment S1. The Amendment was adopted.

Councilmember Mosqueda moved Title Amendment T1. The Amendment was adopted.

Councilmember Zahilay asked to be added as a cosponsor.

A motion was made by Councilmember Mosqueda that this Ordinance be Recommended Do Pass Substitute. The motion carried by the following vote:

Yes: 6 - Balducci, Barón, Dembowski, Mosqueda, Quinn and Zahilay

Excused: 1 - Perry

Briefing

10. [Briefing No. 2025-B0062](#)

Responsible Contractor Criteria

Stefan Moritz, Secretary-Treasurer, Unite Here 8, Matt Haney, Director of Strategic Research & Affairs, SEIU6 Property Services NW, briefed the committee.

This matter was Presented

Adjournment

The meeting was adjourned at 11:47 a.m.

Approved this _____ day of _____

Clerk's Signature



King County

Metropolitan King County Council Budget and Fiscal Management Committee

STAFF REPORT

Agenda Item:	5	Name:	Sam Porter
Proposed No.:	2025-0039	Date:	May 14, 2025

SUBJECT

Proposed Ordinance 2025-0039 would approve the sale of county-owned real property, the Federal Way Public Health Clinic located at 33431 13th Place S., Federal Way, that has been declared surplus.

SUMMARY

The proposed ordinance would approve the sale of property that has been declared surplus that is currently used as the Federal Way Public Health Clinic located at 33431 13th Place S., Federal Way. The Facilities Management Division (FMD) conducted the surplus declaration analysis required by code, resulting in the property at issue being declared surplus on June 16, 2022. Recently the executive has entered into a purchase and sale agreement (PSA) with HealthPoint for the property, which accompanies this proposed ordinance. Documents submitted with the PSA include a real estate sale agreement, a restrictive covenant, consideration agreement and a lease agreement. The combined terms of all of these agreements include consideration for HealthPoint making payments over ten years, obligating HealthPoint to make substantial renovations to the building, leasing part of the building back to Public Health—Seattle & King County (PHSKC) for its continued use of the Federal Way PHSKC Clinic, and a restrictive covenant that a federally qualified health center will be operated out of the location.

BACKGROUND

Public Health services are provided at public health centers located throughout King County. Programs operated by PHSKC at the Federal Way Clinic include reproductive health, parent and child health services including Women Infants and Children (WIC)¹ program, First Steps (Maternity Support Services & Infant Case Management), and navigator services. Navigator services, also known as Access & Outreach, enrolls residents into health insurance, ORCALift, the Basic Food program, the King County Adult Dental program, and the Breast Cervical Colon Health program, in addition to helping residents find medical and dental providers. In 2023, the Federal Way Clinic

¹ WIC is a supplemental food program for women who are pregnant or breast feeding, infants and children.

served approximately 4,300 unduplicated clients for WIC. There are currently 26 PHSKC employees that work at the Federal Way Clinic.

Since 2012, King County has leased space at the Federal Way Clinic to HealthPoint, a community-based network of nonprofit health centers.² HealthPoint provides adult and child dental and medical services, immunizations, nutrition, and pharmacy services to the same population served by the PHSKC programs. According to Public Health, the Federal Way Clinic, “is located in an area of the county with one of the highest utilization rates of the County’s public health care centers.”

ANALYSIS

According to the transmittal, the property proposed for sale consists of a 113,274 square foot lot in the City of Federal Way Office Park zone of King County Council District Seven. The King County Department of Assessments property detail indicates the single-story medical office building on the site is approximately 20,100 net square feet.³ In April 2024 the property was appraised at a value of over \$5.7 million. The last permitted remodel on the property occurred in 2014 and included interior improvements to the pharmacy and reception area including removing walls, creating office space, and plumbing for a sink. The Department of Assessments property detail states the highest and best use of the property is its present use as a medical/dental office building.

According to the property summary, the Clinic was built in 1993 and much of the infrastructure is beyond its useful life. Although the property was declared surplus in 2022, the County does still intend to use the location for PHSKC to provide services to the public. Executive staff stated that prior to 2020, Public Health, “identified that they lacked the funds to maintain the building in a safe manner to serve the public. Under King County Code (K.C.C.) 4.56.070C.1, PHSKC declared that they could no longer justify keeping the property. The property was officially declared surplus to the County’s needs on June 16, 2022. Under K.C.C. 4.56.100.A.9, the Executive authorized Public Health to pursue a partnership agreement in lieu of selling the property publicly. Executive staff state that, “This negotiated transfer [...] will allow PHSKC to benefit from a completely renovated space at no cost, for an extended period of time. This will allow PHSKC to serve the public in much better facilities at a much lower cost than they were facing in absence of this agreement.”

Purchase and Sale Agreement (PSA) and Related Agreements. The PSA and Related Agreements provide for the sale of the property to HealthPoint for \$800,000 to be paid over 10 years and:

- 1.) Consideration of no less than \$8 million to be spent by HealthPoint on “designing, planning, financing, pre-construction, and construction-related costs” for capital improvements to the property (Exhibit F),

² About HealthPoint | HealthPoint | Washington, <https://www.healthpointchc.org/about-healthpoint>

³ Property Detail for the Federal Way Clinic Site
<https://blue.kingcounty.com/Assessor/eRealProperty/Detail.aspx?ParcelNbr=7681900070>

- 2.) A 10-year \$0 lease agreement with two five-year options to extend at market rate (Exhibit G), and
- 3.) A restrictive covenant on the property (Exhibit H).

The fair market value for the property as appraised in April 2024 was \$5,790,000. The purchase price in Article 2 of the PSA is \$800,000. According to Schedule 1 in Exhibit E, the Real Estate Contract, the sale price would be paid over ten years with 5 percent interest totaling \$1,006,231. In addition to the payment over ten years, HealthPoint would be required to spend no less than \$8 million in renovation construction costs subject to County's review and approval (Exhibit F), grant King County a no-rent lease of a similar footprint for ten years which is valued at \$3.8 million (Exhibit G), and record a restrictive covenant on the property to require the property be used as Federally Qualified Health Center for 15 years (Exhibit H). However, as Healthpoint will not be in title to the property until 2034, it is unclear from the documents what the actual term of this covenant.

The terms of the PSA can be summarized as follows:

Table 1. Summary of Terms of PSA

Category	Terms
Council Approval Contingency	The Council Approval Contingency in PSA Section 5.2 would be satisfied if an ordinance passed by the Council approving the conveyance of the property becomes effective within one hundred eighty (180) days of the effective date which would be May 5, 2025. The seller has an option to extend for an additional ninety (90) days to August 5, 2025.
Effective Date	The PSA shall be effective as of the date it has been executed by both Parties.
Easement	None.
Purchase Price and Payment	<p>\$800,000.00 to be paid over 10 years with 5 percent simple interest, and</p> <ol style="list-style-type: none"> 1. Consideration of no less than \$8 million to be spent by HealthPoint on "designing, planning, financing, pre-construction, and construction-related costs" for capital improvements to the property (Exhibit F), 2. A 10-year \$0 lease agreement with two five-year options to extend at market rate (Exhibit G), and 3. A restrictive covenant on the property for 15 years (Exhibit H).

Deposit	Within five (5) business days after the Effective Date, Buyer shall deliver to Chicago Title Company \$10,000.00.
Inspection	<p>During the Due Diligence Period, HealthPoint shall have the right at its own expense to:</p> <ul style="list-style-type: none"> a.) perform any and all tests, inspections, studies, surveys or appraisals of the Property deemed necessary; b.) obtain a Phase I or Phase II Environmental Assessment on the Property and perform any and all tests, inspections and studies deemed necessary therewith; c.) examine all due diligence materials related to the Property that Buyer may reasonably request from Seller that are in Seller's possession and about which Seller has knowledge, and that are not protected as attorney work product, by the attorney-client privilege or by other similar confidentiality protections; d.) determine to its satisfaction whether approvals, permits and variances can be obtained under applicable land use and zoning codes for Buyer's proposed development of the property; and e.) determine whether Buyer's proposed development of the property is economically feasible. <p>Buyer may terminate this Agreement by delivering written notice of termination to Seller within one hundred and eight days (180) of the effective date of the agreement. Buyer will receive deposit back.</p>
Deed Type	Seller shall convey to Buyer the title to the Property by statutory warranty fulfillment deed. This will be delivered to HealthPoint after it fulfills all of its obligations under the Consideration Agreement and Real Estate Contract in ten years.
Closing Date	The Closing of the PSA shall take place within fifteen (15) days following the removal of all the contingencies in Article 5 of the PSA or such other date as may be mutually agreed upon by the Parties.

Consideration of \$8 million in improvements. Exhibit F is the consideration agreement between King County and HealthPoint regarding the redevelopment of the FWPHC site as additional consideration beyond payment of the purchase price. Exhibit F outlines the terms of the agreement that HealthPoint must spend no less than \$8 million on initial repair, designing, planning, financing, pre-construction, and construction-related costs on the site in support of the shared vision for an integrated health and wellness center at the site of the Property. This would be evidenced by periodic reports, in a form approved by King County, prepared by HealthPoint, and delivered to King County required by Subsection 3.a.ii of Exhibit F.

Exhibit F outlines the project scope, development obligations, project milestones, and other provisions of the consideration agreement. The estimated timelines for the project phases are blank. According to Executive staff, “the intent is that those time frames and milestones be placed in the document prior to execution per the consideration agreement. Due to significant upfront costs, there are no current schematics or a general contract. HealthPoint has begun work towards securing funding, beginning with a request to the Department of Commerce for \$2.6 million.” HealthPoint anticipates knowing whether or not they will receive the funding by the end of April. Executive staff state that if HealthPoint does not receive this funding it will not impact their commitment to the project.

According to Executive staff, the goal of the renovation is to integrate the delivery of services provided by PHSKC and HealthPoint to improve customer service, modernize the tenant improvements throughout the facility, and reconfigure existing space to expand capacity for delivery of services, while maintaining a similar footprint for PHSKC. Initial capital improvements identified by Executive staff include roof repair or replacement, “façade refresh, expansion of dental capacity, renovation of the interior that includes a redesign of the space.”

The Consideration Agreement allows for both PHSKC and HealthPoint to continue providing medical services uninterrupted at the Federal Way property while the facility undergoes a comprehensive renovation. According to an Executive staff email, there are two approaches under consideration for how PHSKC programs will operate during the estimated 36 months until substantial completion is achieved. However, these two approaches do not appear in Exhibit F. The first approach would be to secure temporary space nearby for both PHSKC and HealthPoint to avoid disruption to services. Executive staff stated via email that HealthPoint would cover all costs incurred for PHSKC if this option were utilized. The second option is that PHSKC and HealthPoint operations would continue to operate at the FWPHC moving within the space as needed to allow construction to continue. Executive staff indicate that HealthPoint estimates being able to make a decision between these two options approximately one year from approval of Proposed Ordinance 2025-0039.

Under the Consideration Agreement, HealthPoint would manage the construction project as they have experience managing similar construction projects at other HealthPoint properties. According to Executive staff, “HealthPoint has a strong history of follow-through on large capital projects. HealthPoint’s demonstrated approach to funding projects includes a combination of grants (state, federal, and private foundation), tax-exempt and low-cost debt, capital campaigns, tax credits, HealthPoint reserves, and a long-term banking relationship with Key Bank.”

\$0 Lease Agreement. Exhibit G of the PSA contains the lease agreement between King County and HealthPoint for the continued use of approximately 7,500 square feet of dedicated space and 1,190 square feet of shared space to be used as the Federal Way Public Health Clinic location at zero cost to King County (no base rent or operating expenses). The initial term of 120 months would begin upon execution of the Lease Agreement. Executive staff estimate the value of the initial 10-year term of the lease

Agreement at \$3.8 million. Executive staff based this value on the estimates that appear in Table 2.

Table 2. Calculation of Lease Agreement Value for 8,690 Square Feet

Period	# of Years	Rate	Value
Years 1-3	3	\$30.09/sf	784,446
Years 4-10	7	\$50.00/sf	3,041,500
			3,825,946

Under the Lease Agreement, HealthPoint would “provide gas, steam, electricity, heat, ventilation, air-conditioning, water, elevator service, trash removal, snow and ice removal, medical facility janitorial services, sewer and storm water, and other customary services or utilities,” and third-party security, and the tenant would be responsible for all other costs to operate on the premises including telephone and internet connections. The tenant would have an exclusive right to parking on the site.

There are two consecutive five-year tenant options to extend the lease at fair market value at the time of renewal.

15-Year Restrictive Covenant. Exhibit H of the PSA is the Declaration of Restrictive Covenant which would require that a community health center recognized as a federally qualified health center grant as defined by Section 330 of the Public Health Service Act (FQHC), shall operate on the property for 15 years. However, as Healthpoint will not be in title to the property until 2034, it is unclear from the documents what the actual term of this covenant would be. The covenant would not prohibit other activities on the site that may be complementary to the operation of an FQHC. The property summary transmitted with the legislation incorrectly states that the restrictive covenant would go into effect, “upon completion of the construction work.”

Consistency with County Code. Under King County Code 4.56.070, FMD worked with PHSKC to determine that the surplus property is not suitable for affordable housing due to the property being in the commercial zone.

County code requires that sales of surplus property be approved by the King County Council, be publicly noticed and sold at auction or to a government agency.⁴ However, the Executive determined that the sale of the Federal Way Clinic site qualified for direct negotiation under K.C.C. 4.56.100.A.9 which allows FMD in consultation with the Executive and Council, to directly negotiate with a bona fide nonprofit organization wherein the nonprofit organization provides services to the poor and infirm. Such transactions are exempt from the requirements of fair market value, appraisal and public notice and may include the procurement of services to support King County in lieu of payment if the nonprofit provides services that will benefit the public. HealthPoint is a bona fide nonprofit organization that provides services to the poor and infirm.

⁴ K.C.C. 4.56.080

Consistency with County Policies. The King County Strategic Plan⁵ sets out seven goals and objectives related to the county's mission to provide "fiscally responsible, quality-driven local and regional services for healthy, safe, and vibrant communities." These goals and objectives include:

- *Mobility* - Deliver a safe, reliable, and seamless network of transportation options to get people and goods where they need to go, when they need to get there;
- *Safety and Justice* - Provide for a safe and just community through proactive law enforcement and an accessible and fair justice system, while implementing alternatives to divert people from the criminal justice system;
- *Health & Human Services* - Improve the health and well-being of all people in our community;
- *Economic Vitality* - Increase access to family wage job opportunities throughout the County;
- *Accessible, Affordable Housing* - Increase access to quality housing that is affordable to all;
- *Healthy Environment* - Preserve open space and rural character while addressing climate change; and
- *Efficient, Accountable Regional and Local Government* - Ensure that County government operates efficiently and effectively and is accountable to the public.

Executive staff state that the proposed sale furthers PHSKC's mission to improve the health and well-being of all people in King County and, "will improve the ability of PHSKC to deliver on that mission by improving the quality of the facility by supports capital improvements that PHSKC likely cannot support on its own."

Timing Consideration. According to the property summary, the ordinance must be effective by May 5, 2025. However, King County has an optional 90-day extension, which would extend the deadline to August 4, 2025. To adopt the proposed ordinance without requiring an extension it would need to be adopted in Full Council no later than April 22, 2025.

After Proposed Ordinance 2025-0039 was voted out of BFM on March 12, 2025, the legislation was re-referred back to BFM to allow additional time for consideration of a technical amendment negotiated by the parties as described below. The County exercised the optional 90-day extension to extend the deadline of the agreement to August 4, 2025. To adopt the proposed ordinance without the agreement expiring it would need to be adopted in Full Council no later than July 22, 2025.

Answers in response to BFM March 12, 2025. In response to questions from councilmembers in BFM on March 12, FMD provided information regarding the lease/own status of all PHSKC clinics and how many clinics were sold in the last ten years. According to FMD, the Northshore Public Health Clinic in Bothell was sold in 2017, and subsequently clinic operations moved to a leased space in nearby Totem

⁵ King County Strategic Plan, <https://kingcounty.gov/en/dept/executive/governance-leadership/performance-strategy-budget/king-county-strategic-plan>

Lake. The previous Renton Public Health building was sold in 2017 after clinic operations moved to leased space nearby in 2014.

Table 3. PHSKC Clinic Locations and Lease/Own Status

Building Name	City	Lease, Own, Other Agreement
Auburn Public Health	Auburn	Lease
Center for Human Services	Shoreline	Lease
Cleveland High School	Seattle	Lease
Columbia Public Health Center	Seattle	Lease
Evergreen Medical Center	Kirkland	Lease
Greenbridge White Center	Seattle	Lease
Ingraham High School	Seattle	Lease
Kent Family Center - Birch Creek Apartments	Kent	Lease
Kent Hill Plaza	Kent	Lease
NeighborCare Health at High Point	Seattle	Lease
NeighborCare Health at Meridian Center	Seattle	Lease
Ninth & Jefferson Building - Harborview	Seattle	Lease
North Dental Clinic	Seattle	Lease
Rainier Beach High School	Seattle	Lease
Renton Technical College	Renton	Lease
Valley Cities Counseling Building	Enumclaw	Lease
Childhaven Skyway	Seattle	License Agreement
HealthPoint Auburn	Auburn	License Agreement
HealthPoint Bothell	Bothell	License Agreement
HealthPoint Kent	Kent	License Agreement
HealthPoint Midway	Des Moines	License Agreement
HealthPoint SeaTac	SeaTac	License Agreement
Lake City Center	Seattle	License Agreement
NeighborCare High Point	Seattle	License Agreement
United Methodist Church	Vashon Island	License Agreement
Downtown Public Health Center	Seattle	Own
Eastgate Public Health Center	Bellevue	Own
Federal Way Public Health Center	Federal Way	<i>Pending sale PO 2025-0039</i>
Hopelink	Carnation	Program Agreement
Muckleshoot Health and Wellness Center	Auburn	Program Agreement
Snoqualmie Valley Food Bank	North Bend	Program Agreement

AMENDMENT

Amendment 1 replaces the executive-transmitted Attachment A with a new Attachment A “Amended and Restated Real Estate Purchase and Sale Agreement” revision date

May 14, 2025, developed in collaboration with the Department of Public Health, Healthpoint and their legal counsel. The new Attachment A consists of all the legal agreements to effectuate the sale of the Federal Way public health clinic real property to HealthPoint. In the new attachment A, the parties have streamlined the sale process, made clarifying edits to more accurately reflect the intent of the parties, and eliminated ambiguities thereby reducing the potential over the 10-year term of Real Estate Agreement of any confusion regarding the parties' intent. The substantive agreement between the parties has not changed and the revised documents that make up the new Attachment A still require the four primary components of the executive's transmitted versions:

- 1.) Consideration of no less than \$8 million to be spent by HealthPoint on "designing, planning, financing, pre-construction, and construction-related costs" for capital improvements to the real property (Real Estate Contract),
- 2.) A 10-year \$0 lease agreement with two five-year options to extend at market rate (Lease Agreement),
- 3.) A restrictive covenant on the property to ensure that HealthPoint operates a community health center that meets the current definition of a federally qualified health center (Covenant), and
- 4.) HealthPoint receiving equitable title to the property at the closing of the purchase and sale agreement (Purchase and Sale Agreement and Real Estate Contract).

Please note that the amendment and related documents will be distributed in the additional meetings packet prior to BFM on May 14.

INVITED

- Cristina Gonzalez, Deputy Director, Facilities Management Division
- Sheryl Davis, Deputy Division Director, Administrative Services, PHSKC
- Lisa Yohalem, President and CEO, HealthPoint

ATTACHMENTS

1. Proposed Ordinance 2025-0039
 - a. Attachment A. Purchase and Sale Agreement
 - b. Exhibit E – Real Estate Contract
 - c. Exhibit F – Consideration
 - d. Exhibit G – Lease Agreement
 - e. Exhibit H – Restrictive Covenant
2. Transmittal Letter
3. Property Summary
4. Fiscal Note



KING COUNTY
Signature Report

ATTACHMENT 1
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Ordinance

Proposed No. 2025-0039.1

Sponsors Zahilay and von Reichbauer

1 AN ORDINANCE relating to the sale of the surplus
2 property located at 33431 13th Place S., Federal Way,
3 Washington, in council district seven.

4 **STATEMENT OF FACTS:**

5 For the property located at 33431 13th Place S., Federal Way,
6 Washington, located within council district seven the facilities
7 management division completed the surplus property, affordable housing,
8 and public notice requirements.

9 **BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:**

10 **SECTION 1. Findings:** The sale of Federal Way Public Health Center through a
11 negotiated direct sale to a bona fide nonprofit organization that provides services to the
12 poor and infirm is authorized under K.C.C. 4.56.100.A.9. The proposed sale is in the
13 best interests of the public. The purchaser is a bona fide nonprofit organization that
14 provides health services to the poor and infirm throughout King County.

15 **SECTION 2.** The executive is authorized to convey the Federal Way Public
16 Health Center, located at 33431 13th Place S., Federal Way, to Healthpoint consistent
17 with a purchase and sale agreement substantially in the form of Attachment A to this

- 18 ordinance and to take all actions necessary to implement the terms of the purchase and
19 sale agreement.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Girmay Zahilay, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Shannon Braddock, County Executive

Attachments: A. Purchase and Sale Agreement

ATTACHMENT A:

PURCHASE AND SALE AGREEMENT

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (“Agreement”) is made and entered by and between **KING COUNTY**, a political subdivision of the State of Washington (the “Seller”) and **HEALTHPOINT**, a Washington nonprofit public benefit corporation (the “Buyer”). Seller and Buyer are also referred to herein individually as a “Party” or collectively as “Parties.” This Agreement shall be effective as of the date it has been executed by both Parties (“Effective Date”).

RECITALS

A. Seller is the owner of that certain real property located at 33431 13th Place South, Federal Way, WA, King County Parcel No. 768190-0070, King County, State of Washington, the legal description of which is attached hereto as **EXHIBIT A** (the “Real Property”).

B. Seller desires to sell the Real Property and Buyer desires to purchase the Real Property on the terms and conditions set forth below.

C. This Agreement is subject to, and must be interpreted, concurrently or otherwise, in accordance with, all related agreements to be entered into by the Parties with respect to the subject matter herein (the “Related Agreements”) including the Memorandum of Real Estate Contract Sale between Buyer and Seller (the “Memorandum”) attached hereto as **EXHIBIT E**; the Consideration Agreement between Buyer and Seller attached hereto as **EXHIBIT F** (“Consideration Agreement”); the Leaseback Agreement between Buyer and Seller attached hereto as **EXHIBIT G** (the “Leaseback Agreement”); and the Declaration of Restrictive Covenant attached hereto as **EXHIBIT H** (the “Covenant”).

AGREEMENT

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, the Parties hereto covenant and agree as follows:

ARTICLE 1. PURCHASE AND TRANSFER OF ASSETS

1.1. PROPERTY TO BE SOLD. Seller shall sell and convey to Buyer on the Closing Date (as hereinafter defined), subject to the terms of conveyance as set forth in the Memorandum, and Buyer shall buy and accept from Seller on the Closing Date the following assets and properties:

1.1.1. all the Seller’s right, title and interest in the Real Property as legally described in **EXHIBIT A**;

1.1.2. all of Seller’s right, title and interest in improvements and structures located on the Real Property, if any;

1.1.3. Hereinafter, the items listed in Section 1.1 are collectively referred to as the “Property.”

all of Seller’s easements and other rights that are appurtenant to the Real Property including but not limited to, Seller’s right, title, and interest in and to streets, alleys or other public ways adjacent to the Real Property, sewers and service drainage easements, rights of connection to the sewers, rights of ingress and egress, and leases, licenses, government approvals and permits affecting the Real Property.

1.2. RETAINED PERSONAL PROPERTY. Buyer and Seller are parties to that certain lease agreement dated May 31, 2013, pursuant to which Buyer holds a leasehold interest in a portion of the Property and Seller operates the remaining floor area thereon. Seller retains substantially all right, title and interest in and to tangible personal property, owned by the Seller and attached, appurtenant to or used in connection its current operation of the Real Property (“Seller’s Retained Personal Property”) excepting that furniture, fixtures, equipment and supplies appurtenant to Buyer’s existing leasehold. All personal property, furniture, fixtures, equipment and supplies appurtenant to Buyer’s existing leasehold will continue to be used by Buyer after Closing. Seller’s existing personal property, furniture, fixtures, equipment and supplies will be used by Seller as lessee under the Leaseback Agreement. The value of any personal property not contemplated immediately above is de minimis.

ARTICLE 2. PURCHASE PRICE

2.1. PURCHASE PRICE AND PAYMENT. In consideration of the conveyance of the Property, Buyer shall, in full payment therefor, pay to Seller as of the Closing Date a cash purchase price of Eight Hundred Thousand and No/100 (\$800,000.00) (the “Purchase Price”), subject to the payment terms set forth in the payment schedule attached as Exhibit 1 to the Memorandum and incorporated herein by this reference.

2.2. ALLOCATION OF PURCHASE PRICE. Seller and Buyer agree to allocate the Purchase Price at Closing.

2.3. DEPOSIT. Within five (5) business days after the Effective Date, Buyer shall deliver to Chicago Title Insurance Company (the “Escrow Agent”), in its capacity as the Parties’ closing agent, immediately available cash funds in the amount of Ten Thousand and No/100 Dollars (\$10,000 and No/100) (the “Deposit”). The Deposit shall be invested by the Escrow Agent in a money market account, a federally insured investment or such other investment as may be approved by Seller and Buyer in writing. Accrued interest will be held by the Escrow Agent for Buyer’s benefit and shall be added to and become part of the Deposit for all purposes including in the event of any refund of the Deposit under the terms of this Agreement. The Deposit shall be applied as a credit against the Purchase Price at the Closing. The Deposit shall be fully refundable if this Agreement is terminated or the transaction contemplated herein fails to close for any reason. At Closing, the Deposit shall be credited by the Escrow Agent toward Buyer’s closing costs.

ARTICLE 3.

REPRESENTATIONS AND WARRANTIES OF THE PARTIES AND CONDITION OF PROPERTY

3.1. WARRANTIES AND REPRESENTATIONS OF SELLER. As of the date hereof and as of the Closing Date, Seller represents and warrants as follows:

3.1.1. ORGANIZATION. The Seller is a political subdivision of the State of Washington duly organized, validly existing and in good standing under the laws of the State of Washington.

3.1.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Seller (i) is within the powers of Seller as a political subdivision of the State of Washington, (ii) subject to the contingency in section 5.2 of this Agreement, has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller's legislative authority, and (iii) to Seller's knowledge, will not result in any violation of, or default under, or require any notice or consent other than those related to the contingency in Section 5.2 of this Agreement under, any applicable laws, rules, regulations, or agreements to which Seller is subject. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms herein. The person executing this Agreement on behalf of Seller has authority to do so.

3.1.3. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Seller in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement or understanding with Seller or any action taken by Seller.

3.1.4. NO LEGAL ACTION. There is no litigation pending against Seller (or any basis for any claim) that arises out of the ownership of the Property and that might materially and detrimentally affect (i) the use or operation of the Property for its current use, or (ii) the ability of Seller to perform its obligations under this Agreement. Seller has not received any written notice of, and Seller has no actual knowledge of, any pending condemnation or similar proceeding with respect to the Property or any legal action of any kind or nature affecting the Property.

3.1.5. HAZARDOUS MATERIAL. Seller has no knowledge of written notice from any governmental authority that there are Hazardous Materials (as defined herein) installed, stored in, or otherwise existing at, on, in or under the Property in violation of any Environmental Law (as defined herein).

3.2. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the date hereof and as of the Closing Date, Buyer represents and warrants as follows:

3.2.1. ORGANIZATION. Buyer is a nonprofit public benefit corporation duly

organized, validly existing, and in good standing under the laws of the State of Washington. Buyer has all requisite corporate power and authority to carry on its business as it is now being conducted in the places where such businesses are now conducted.

3.2.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT. The execution, delivery and performance of this Agreement by Buyer (i) is within the powers of Buyer as a Washington nonprofit public benefit corporation, and (ii) has been or will be on or before Closing Date, duly authorized by all necessary action of the Buyer's governing authority. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms hereof.

3.2.3. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Seller in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement or understanding with Buyer or any action taken by Buyer.

3.3. CONDITION OF PROPERTY.

3.3.1. SELLER DISCLOSURE STATEMENT. To the maximum extent permitted by RCW ch. 64.06, Buyer expressly waives its right to receive from Seller a seller disclosure statement ("Seller Disclosure Statement") and to rescind this Agreement, both as provided for in RCW ch. 64.06. Seller and Buyer acknowledge and agree that Buyer cannot waive its right to receive the section of the Seller Disclosure Statement entitled "Environmental" if the answer to any of the questions in that section would be "yes." Nothing in any Seller Disclosure Statement delivered by Seller creates a representation or warranty by the Seller, nor does it create any rights or obligations in the Parties except as set forth in RCW ch. 64.06. Buyer is advised to use its due diligence to inspect the Property as allowed for by this Agreement, and that Seller may not have knowledge of defects that careful inspection might reveal. Buyer specifically acknowledges and agrees that any Seller Disclosure Statement delivered by Seller is not part of this Agreement, and Seller has no duties to Buyer other than those set forth in this Agreement.

3.3.2. SELLER DISCLAIMER OF CONDITION OF THE PROPERTY. Except to the extent of Seller's representations and warranties in Section 3.1. of this Agreement, Seller has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to the value, nature, quality, or condition of the Property (collectively "Condition of the Property"), including, without limitation:

- (a) The water, soil and geology;
- (b) The income to be derived from the Property;
- (c) The suitability of the Property for any and all activities and uses that Buyer or anyone else may conduct thereon;

(d) The compliance or noncompliance of or by the Property or its operation with any laws, rules, ordinances, regulations or decrees of any applicable governmental authority or body or the zoning or land use designation for the Property;

(e) The habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property; and

(f) The manner or quality of the construction or materials, if any, incorporated into the Property and the existence, nonexistence or condition of utilities serving the Property.

(g) The actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county and local laws and regulations, including, without limitation, Environmental Laws and regulations and seismic/building codes, laws and regulations. For purposes of this Agreement, the term “Environmental Law” shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9602 et. seq. (“CERCLA”); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. (“RCRA”); the Washington State Model Toxics Control Act, RCW ch. 70.105D (“MTCA”); the Washington Hazardous Waste Management Act, RCW ch. 70.105; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Agreement, the term “Hazardous Substance” shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law; or

(h) any other matter with respect to the Property.

3.3.3. ENVIRONMENTAL RISKS.

(a) “Hazardous Materials” means the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county and local laws and regulations, including, without limitation, ; or Environmental Laws and regulations and seismic/building codes, laws and regulations. For purposes of this Agreement, the term “Environmental Law” shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9602 et. seq. (“CERCLA”); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. (“RCRA”); the Washington State Model Toxics Control Act, RCW ch. 70.105D (“MTCA”); the Washington Hazardous

Waste Management Act, RCW ch. 70.105; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Agreement, the term “Hazardous Substance” shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law.

(b) Seller represents and warrants that as of the Closing Date:

(i) Except for use as normal and customary of a health care facility, Seller has no knowledge of the release or presence of any Hazardous Material on, in, from, or onto the Property;

(ii) Except for use as normal and customary of a health care facility, Seller has not generated, manufactured, refined, transported, stored, handled, disposed of or released any Hazardous Materials on the Property, other than in a manner in compliance with Environmental Laws), nor has Seller permitted the foregoing;

(iii) To the best of Seller’s Knowledge, Seller has obtained all approvals and caused all notifications to be made as required by Environmental Laws;

(iv) To the best of Seller’s Knowledge, within the last five (5) years, Seller has not received any notice of any violation of any Environmental Laws;

(v) To the best of Seller’s Knowledge, no action has been commenced or threatened regarding Seller’s compliance with any Environmental Laws;

(vi) To the best of Seller’s Knowledge, no tanks used for the storage of any Hazardous Materials above or below ground are present or were at any time present on or about the Property; and

(vii) No action has been commenced and is currently pending, or to Seller’s Knowledge is threatened, regarding the presence of any Hazardous Materials on or about the Property.

(c) Environmental risks following the Closing Date shall be allocated as described in the Memorandum.

3.3.4. BUYER ACCEPTANCE OF CONDITION OF PROPERTY.

(a) Buyer acknowledges and accepts Seller’s disclaimer of the Condition of the Property in Section 3.3.2 of this Agreement.

(b) Buyer acknowledges and agrees that, within the Due Diligence Period as defined in Section 5.1 of this Agreement, Buyer will have conducted a physical inspection and made all investigations that Buyer deems necessary in connection with its purchase of the Property. Buyer further acknowledges and agrees that, having been given the opportunity to inspect the Property, Buyer is relying solely on its own investigation of the Property and is not relying on any information provided or to be provided by Seller. Buyer

further acknowledges and agrees that any information provided or to be provided with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information and no employee or agent of Seller is authorized otherwise. Buyer further acknowledges and agrees that Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Property, or the operation thereof, furnished by any agent, employee, or contractor of Seller, any real estate broker, or any other person.

(c) Upon waiver or satisfaction by Buyer of its contingencies pursuant to Article 5, Buyer acknowledges and agrees that it will thereby approve and accept the Condition of the Property and accordingly agree to purchase the Property and accept the Condition of the Property "AS IS, WHERE IS" with all faults and patent or latent defects, including, without limitation, the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county and local laws and regulations including, without limitation, Environmental Laws and regulations and seismic/building codes, laws and regulations. Buyer acknowledges and agrees that, except to the extent of Seller's representations and warranties in Section 3.1 of this Agreement and express provisions to the contrary in any of the Related Agreements, Buyer, and any person or entity claiming by or through Buyer, shall have no recourse against the Seller for, and waives, releases and discharges forever the Seller from, any and all past, present or future claims or demands, and any and all past, present or future damages, losses, injuries, liabilities, causes of actions (including, without limitation, causes of action in tort) costs and expenses (including, without limitation fines, penalties and judgments, and attorneys' fees) of any and every kind or character, known or unknown (collectively, "Losses"), which the Buyer might have asserted or alleged against the Seller arising from or in any way related to the Condition of the Property, including, without limitation, the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property. Losses shall include without limitation (a) the cost of any investigation, removal, remedial or other response action that is required by any Environmental Law, that is required by judicial order or decree or by order of or agreement with any governmental authority, or that is conducted voluntarily, (b) losses for injury or death of any person, and (c) losses arising under any Environmental Law, whether or not enacted after transfer of the Property.

3.3.5. INDEMNIFICATION. From and after the Closing Date, Buyer shall indemnify, defend and hold Seller, its officers, agents and employees harmless from and against any and all Losses, liability, claim, agency order or requirement, damage and expense accruing and arising after the Closing Date and relating to or arising out of, directly or indirectly, Buyer's unlawful use of the Property, including without limitation those relating to the actual or threatened release, disposal, deposit, seepage, migration or escape of Hazardous Substances at, from, into or underneath the Property, and the compliance or noncompliance of the Property with applicable federal, state, county and local laws and regulations including, without limitation,

Environmental Laws and regulations except as expressly provided to the contrary in any of the Related Agreements.

3.4. RISK OF LOSS. Until the Closing Date, the risk of loss relating to the Property shall rest with the Seller. Risk of Loss shall be deemed to include any property damage occurring as a result of an “Act of God,” including, but not limited to, earthquakes, tremors, wind, rain or other natural occurrence. Risk of Loss following the Closing Date shall be allocated as described in the Memorandum.

ARTICLE 4. TITLE MATTERS

4.1. CONVEYANCE. Seller shall convey to Buyer the title to the Property as described in the Memorandum.

4.2. TITLE COMMITMENT. Seller shall within fifteen (15) days after the Effective Date obtain a preliminary commitment for an owner’s standard coverage policy of title insurance (the “Title Commitment”) issued by Chicago Title Insurance Company (the “Title Company”), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the total Purchase Price for the Property. At such time as the Title Company causes the Title Commitment to be furnished to Buyer, the Title Company shall further cause to be furnished to Buyer legible copies of all instruments referred to in the Title Commitment as restrictions or exceptions to title to the Property.

4.3. REVIEW OF TITLE COMMITMENT. Buyer shall have until thirty (30) days after the Effective Date (the “Review Period”) in which to notify Seller in writing of any objections Buyer has to any matters shown or referred to in the Title Commitment (“Buyer’s Objections”). Any exceptions or other items that are set forth in the Title Commitment and to which Buyer does not object within the Review Period shall be deemed to be permitted exceptions (“Permitted Exceptions”). With regard to items to which Buyer does object within the Review Period, Seller shall notify Buyer within ten (10) business days after Seller receives Buyer’s Objections of any exceptions to title which Seller will not remove or otherwise resolve (“Seller’s Response”), and Buyer may, at Buyer’s option, either proceed to Closing and thereby waive the Buyer’s Objections not cured, in which case such exceptions to title shall be Permitted Exceptions, or Buyer may terminate this Agreement by notice to Seller within ten (10) business days after receipt of Seller’s Response and, in such event, the Deposit shall be returned to the Buyer. If the Title Company issues a supplement to the Title Commitment that identifies new exceptions, the procedure set forth in this Section 4.3 shall apply to such supplement, except that Buyer will have seven (7) days to make Buyer’s Objections to any new exception, Seller shall have five (5) days to provide Seller’s Response, and the Closing Date will be extended for the period necessary to allow the procedures set forth herein to be completed with regard to a timely objection.

4.4. OWNER’S TITLE INSURANCE POLICY. At the Closing, Buyer shall cause an owner’s policy of title insurance to be issued by the Title Company in the full amount of the assessed value of the Property set forth in the Statement of Fair Market Value described in Section 5 of the Memorandum, effective as of the Closing Date, insuring Buyer that the fee

simple title to the Property is vested in Buyer, subject only to the terms and limitations on title set forth in the Memorandum, the Permitted Exceptions, the lien of current real property taxes, fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the governing jurisdiction, and the matters excluded from coverage by the printed exceptions and exclusions contained in the form of title insurance policy required by the Title Company. The obligation of Buyer to provide the title policy called for herein shall be satisfied if, at the Closing, the Title Company has given a binding commitment, in a form reasonably satisfactory to Buyer, to issue the policies in the form required by this Section. If requested in writing by Seller, Buyer shall provide a copy of such binding commitment to Seller to verify satisfaction of this obligation as a condition to Seller being obligated to close. Buyer shall pay any sum owing to the Title Company for the preparation of the preliminary and binding commitments generated by the Title Company.

ARTICLE 5. CONTINGENCIES

5.1. DUE DILIGENCE INSPECTION AND FEASIBILITY. Buyer shall satisfy itself by investigation and inspection, at its cost and expense in its sole and absolute discretion, that the condition of the Property for Buyer's contemplated use meets with its approval ("Due Diligence Contingency"). If Buyer is not satisfied with the condition of the Property, Buyer may terminate this Agreement by delivering written notice of termination to Seller within one hundred eighty (180) days of the Effective Date ("Due Diligence Period"). In such event this Agreement shall terminate, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder. If Buyer fails to give such notice to terminate within the Due Diligence Period or affirmatively gives notice that this Due Diligence Contingency is satisfied or waived within the Due Diligence Period, Buyer shall be obligated hereunder without further contingency and the Deposit shall be nonrefundable to Buyer except in the event of a default hereunder by Seller. Seller and Buyer may agree in writing to extend the Due Diligence Period.

5.1.1. INSPECTIONS. During the Due Diligence Period, Buyer and its designated representatives or agents shall have the right at its own expense to (a) perform any and all tests, inspections, studies, surveys or appraisals of the Property deemed necessary, on any subject, by the Buyer (subject to the limitations set forth below and Section 5.1.2 Right of Entry); (b) obtain a Phase I or Phase II Environmental Assessment on the Property and perform any and all tests, inspections and studies deemed necessary therewith; (c) examine all due diligence materials related to the Property that Buyer may reasonably request from Seller that are in Seller's possession and about which Seller has knowledge, and that are not protected as attorney work product, by the attorney-client privilege or by other similar confidentiality protections; (d) determine to its satisfaction whether approvals, permits and variances can be obtained under applicable land use and zoning codes for Buyer's proposed development of the property; and (e) determine whether Buyer's proposed development of the property is economically feasible.

5.1.2. RIGHT OF ENTRY. Buyer and Buyer's designated representatives or agents shall have the right and Seller hereby grants to Buyer and Buyer's designated representatives the right to enter the Property and conduct tests, investigations and studies set

forth in this Article 5 upon three (3) days' advance notice; provided that such right of entry will be limited to those times and dates that will not disrupt Seller's use of, or Seller's operations and activities on the Property. Invasive tests of the Property, such as drilling or excavation, shall be subject to Seller's prior written approval. If invasive tests are performed by Buyer, Seller may elect to obtain split samples of any sampling that is obtained and reimburse the Buyer for the costs thereof. The Buyer will not be permitted to undertake activities that damage the Property. In connection with any such inspections and tests, Buyer agrees to hold harmless, indemnify and defend Seller, its officers, agents and employees, from and against all claims, losses, or liability for injuries, sickness or death of persons, including employees of Buyer ("Claims") caused by or arising out of any act, error or omission of Buyer, its officers, agents, contractors, subcontractors or employees in entering the Property for the above purposes, except to the extent the Claims are caused by or arise out of any act, error or omission of Seller, its officers, agents, contractors, subcontractors or employees.

5.1.3 RIGHT OF ENTRY INSURANCE. Prior to the entry of Buyer or its contractors for invasive testing of the Property such as drilling or excavation, the entering party(ies) shall submit evidence of (1) Commercial General Liability coverage in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; (2) Automobile liability insurance in the amount of \$1,000,000; (3) Contractor's Pollution insurance in the amount of \$1,000,000 per claim and in the aggregate; and (4) Stop Gap/Employers Liability coverage in the amount of \$1,000,000. King County, its officers, officials, agents and employees shall be named as additional insureds.

5.2. METROPOLITAN KING COUNTY COUNCIL APPROVAL CONTINGENCY. Seller's performance under this Agreement is contingent on approval by ordinance of the conveyance of the Property by the Metropolitan King County Council ("Council Approval Contingency"). The Council Approval Contingency will be satisfied if an ordinance passed by the Metropolitan King County Council approving the conveyance of the Property becomes effective within one hundred eighty (180) days of the Effective Date ("Council Approval Period"). Seller may extend the Council Approval Period for up to an additional ninety (90) days. If the Council Approval Contingency is not satisfied within the Council Approval Period, this Agreement shall terminate, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder. If the Council Approval Contingency is satisfied within the Council Approval Period, Seller shall be obligated hereunder without further contingency except in the event of a default hereunder by Buyer.

ARTICLE 6.

COVENANTS OF SELLER PENDING CLOSING

6.1. CONDUCT, NOTICE OF CHANGE. Seller covenants that between the Effective Date and the Closing Seller shall take all such actions as may be necessary to assure that the representations and warranties set forth in Article 3 hereof will be true and complete as of the Closing (except such representations, warranties and matters which relate solely to an earlier date), all covenants of Seller set forth in this Agreement which are required to be performed by it at or prior to the Closing shall have been performed at or prior to the Closing as provided for in

this Agreement, and that the Property is maintained such that the condition of the Property is substantially the same as it was on the date of the satisfaction or waiver of the Due Diligence Contingency. Seller shall give Buyer prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 3 or elsewhere in this Agreement which occurs prior to the Closing.

ARTICLE 7. COVENANTS OF BUYER PENDING CLOSING

7.1. CONDUCT, NOTICE OF CHANGE. Buyer covenants that between the Effective Date and the Closing Buyer shall take all such actions as may be necessary to assure that the representations and warranties set forth in Article 3 hereof will be true and complete as of the Closing (except such representations, warranties and matters which relate solely to an earlier date), and that all covenants of Buyer set forth in this Agreement which are required to be performed by it at or prior to the Closing shall have been performed at or prior to the Closing as provided in this Agreement. Buyer shall give Seller prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 3 or elsewhere in this Agreement which occurs prior to the Closing.

ARTICLE 8. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

All obligations of Buyer to close on the Closing Date are subject to the fulfillment of each of the following conditions at or prior to the Closing, and Seller shall exert its best efforts to cause each such condition to be fulfilled:

8.1. DELIVERY OF DOCUMENTS. Seller shall have delivered to Buyer or Escrow Agent at or prior to the Closing all Related Agreements and all other documents required by the terms of this Agreement to be delivered to Buyer.

8.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Seller at or before the Closing shall have been properly performed in all material respects. All of Seller's representations and warranties contained in or made under this Agreement shall be true and correct when made and as of the Closing Date, and there are no material adverse changes to the Property, or liens, easements, or other conditions affecting any portion of the Property arising or created after the end of the Due Diligence Period.

8.3. TITLE. Seller shall have cured any exceptions to title to which Buyer objected within the Review Period in Section 4.3 and to which Seller agreed to remove or resolve under Section 4.3 unless Seller's obligation to remove or resolve has been waived by Buyer.

8.4. BOARD APPROVAL. Closing of the transaction shall have been approved by Buyer's Board of Directors.

ARTICLE 9.

CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

All obligations of Seller to close on the Closing Date are subject to the fulfillment of each of the following conditions at or prior to the Closing, and Buyer shall exert its best efforts to cause each such condition to be so fulfilled:

9.1. DELIVERY OF DOCUMENTS. Buyer shall have delivered to Seller or Escrow Agent at or prior to Closing all Related Agreements and all other documents required by the terms of this Agreement to be delivered to Seller.

9.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Buyer at or before the Closing shall have been properly performed in all material respects. All of Buyer's representations and warranties contained in or made under this Agreement shall be true and correct when made and as of the Closing Date.

9.3. TITLE. The Title Company shall be irrevocably committed to issue an owner's policy of title insurance for the assessed value of the Property set forth in the Statement of Fair Market Value described in Section 5 of the Memorandum, effective as of the Closing Date, containing no exceptions other than the Permitted Exceptions and the other exceptions allowed for under Section 4.4 of this Agreement.

ARTICLE 10. CLOSING

10.1. CLOSING/CLOSING DATE. The Closing shall take place within fifteen (15) days following the removal of all the contingencies in Article 5 of this Agreement or such other date as may be mutually agreed upon by the Parties ("Closing Date"). On or before the Effective Date, the Parties shall set up an escrow account with the Escrow Agent. The Escrow Agent shall serve as closing agent for the transaction contemplated herein and Closing shall occur in the offices of the Escrow Agent in Seattle, Washington.

10.2. PRORATIONS. Real property taxes and assessments shall be prorated as of the Closing Date. Seller shall pay the cost of one-half (½) of the escrow fee charged by the Escrow Agent, any real estate excise or other transfer tax due, and its own attorneys' fees. Buyer shall pay one-half (½) of the escrow fee charged by the Escrow Agent, the premium for the title insurance and any costs of the preliminary and binding title commitments, the recording fees for the deed and its own attorneys' fees. Except as otherwise provided in this Section 10.2, all other expenses hereunder shall be paid by the Party incurring such expenses.

10.3. SELLER'S DELIVERY OF DOCUMENTS AT CLOSING. At the Closing, Seller will deliver to Buyer via escrow with the Escrow Agent the following properly executed documents:

10.3.1. A statutory warranty fulfillment deed conveying the Property substantially in the form of **EXHIBIT B** attached hereto;

10.3.2. A bill of sale and assignment duly executed by the Seller in substantially the form of **EXHIBIT C**, attached hereto for the Personal Property, if any;

10.3.3. A duly executed and completed Real Estate Excise Tax Affidavit;

10.3.4. Duly executed originals of each of the Related Agreements; and

10.3.5. A seller's certificate of non-foreign status substantially in the form of **EXHIBIT D**, attached hereto.

10.4. BUYER'S DELIVERY OF PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver to Seller via escrow with the Escrow Agent cash or immediately available funds in the amount of the first payment of the Purchase Price as required by the payment schedule referenced in Schedule 1 to the Memorandum, less funds remaining, if any, after Buyer's closing costs are funded by the Deposit made under Section 2.3. of this Agreement.

10.5 BUYER'S DELIVERY OF DOCUMENTS AT CLOSING. At the Closing, Buyer will deliver to Seller via escrow with the Escrow Agent duly executed originals of each of the Related Agreements together with any other customary closing documents or may be agreed upon by the Parties to satisfy a condition of the Council Approval Contingency.

ARTICLE 11. MISCELLANEOUS PROVISIONS

11.1. SURVIVAL. All representations, warranties, covenants, and indemnities made by either Party herein shall survive Closing except as modified or superseded by the terms of any Related Agreement.

11.2. ATTORNEY'S FEES. In any action to enforce this Agreement, each Party shall bear its own attorney's fees and costs.

11.3. TIME.

11.3.1. TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Agreement.

11.3.2. COMPUTATION OF TIME. Any reference to "day" in this Agreement shall refer to a calendar day, which is every day of the year. Any reference to "business day" in this Agreement shall mean any calendar day that is not a "Legal Holiday." A Legal Holiday under this Agreement is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050. Any period of time in this Agreement shall mean Pacific Time and shall begin the calendar day or business day, as the case may be, after the event starting the period and shall expire at 5:00 p.m. of the last calendar day or business day, as the case may be, of the specified period of time, unless with regard to calendar days the last day is a Legal Holiday, in which case the specified period of time shall expire on the next day that is not a Legal Holiday.

11.4. NOTICES. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered, when receipt of notice by e-mail is acknowledged by the recipient, when sent by overnight courier, or two days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. All

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notices shall be addressed to the Parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein:

If to Buyer: HealthPoint
955 Powell Ave SW
Renton, WA 98057
Attn: Chief Executive Officer

With a copy to: Ogden Murphy Wallace, PLLC
701 Fifth Avenue, Suite 5600
Seattle, WA 98104
Attn: Steve Burgon

If to Seller: King County
King County Facility Management Division
Chinook Building
401 5th Avenue, Suite 930
Seattle, WA 98104
Attn: Steven Tease

With a copy to: King County Prosecuting Attorney's Office
Civil Division
King County Courthouse
701 Fifth Avenue, Suite 600
Seattle, WA 98104
Attn: Ryan Ridings

11.5. ENTIRE AGREEMENT AND AMENDMENT. This writing (including the Exhibits attached hereto) constitutes the entire agreement of the Parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement and signed by all Parties.

11.6. SEVERABILITY. In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, then such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated or voided.

11.7. WAIVER. No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the Party giving such waiver and no such waiver shall be deemed a waiver of any prior or subsequent breach or default.

11.8. BINDING EFFECT. Subject to Section 11.14 below, this Agreement shall be binding upon and inure to the benefit of each Party, its successors and assigns.

11.9. LEGAL RELATIONSHIP. The Parties to this Agreement execute and implement this Agreement solely as Seller and Buyer. No partnership, joint venture or joint undertaking shall be construed from this Agreement.

11.10. CAPTIONS. The captions of any articles, paragraphs or sections contained herein are for purposes of convenience only and are not intended to define or limit the contents of said articles, paragraphs or sections.

11.11. COOPERATION. Prior to and after Closing the Parties shall cooperate, shall take such further action and shall execute and deliver further documents as may be reasonably requested by the other Party in order to carry out the provisions and purposes of this Agreement.

11.12. GOVERNING LAW AND VENUE. This Agreement and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law rules or choice of law provisions. In the event that either Party shall bring a lawsuit related to or arising out of this Agreement, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

11.13. NO THIRD-PARTY BENEFICIARIES. This Agreement is made only to and for the benefit of the Parties and shall not create any rights in any other person or entity.

11.14. ASSIGNMENT. Buyer shall not assign this Agreement or any rights hereunder without Seller's prior written consent.

11.15. NEGOTIATION AND CONSTRUCTION. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the Parties and shall not be construed as if it has been prepared by one of the Parties, but rather as if both Parties had jointly prepared it. The language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either Party. The Parties acknowledge and represent, as an express term of this Agreement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Agreement. Each Party shall be and is separately responsible for payment of any legal services rendered on their behalf regarding legal review of this Agreement.

11.16. SELLER'S KNOWLEDGE. Any and all representations or warranties or other provisions in this Agreement that are conditioned on terms such as "to Seller's knowledge" or "about which Seller has knowledge" are made to and limited by the present, actual knowledge of Steve Rizika, who is an employee of King County, and is the Brokerage Services Supervisor of the Real Estate Services Section of the Facilities Management Division of the Department of Executive Services. Steve Rizika has made no inquiries or investigations with respect to Seller's representations or warranties or other provisions prior to the making thereof and has no duty to undertake the same.

11.17. INDEMNIFICATION TITLE 51 WAIVER. The indemnification provisions in Sections 3.3.4 and 5.1.2 of this Agreement are specifically and expressly intended to constitute a waiver of the Buyer's immunity under Washington's Industrial Insurance Act, RCW Title 51, as

respects the Seller only, and only to the extent necessary to provide the Seller with a full and complete indemnity of claims made by the Buyer's employees. The Parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

11.18. COUNTERPARTS. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each Party, or that the signature of all persons required to bind any Party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each Party hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter may be attached to another counterpart identical thereto except having attached to it additional signature pages.

11.19. EXHIBITS. The following exhibits described herein and attached hereto are fully incorporated into this Agreement by this reference:

EXHIBIT A	Legal Description
EXHIBIT B	Statutory Warranty Fulfillment Deed
EXHIBIT C	Bill of Sale and Assignment
EXHIBIT D	Certificate of Non-Foreign Status
EXHIBIT E	Memorandum of Contract
EXHIBIT F	Consideration Agreement
EXHIBIT G	Leaseback Agreement
EXHIBIT H	Covenant

[SIGNATURES ON THE NEXT PAGE]

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EXECUTED on the dates set forth below.

SELLER: KING COUNTY

By: 
C8D5E4FCE9E8468

Name: Drew Zimmerman

Title: Director, Facilities Management Division

Date: 11/6/2024

BUYER: HEALTHPOINT

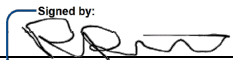
By: _____

Name: Lisa Yohalem

Title: President and Chief Executive Officer

Date: _____

APPROVED AS TO FORM:

By: 
06C32E3C93354BF
Senior Deputy Prosecuting Attorney

EXECUTED on the dates set forth below.

SELLER: KING COUNTY

By: _____

Name: Drew Zimmerman

Title: Director, Facilities Management Division

Date: _____

BUYER: HEALTHPOINT

By:  _____

Name: Lisa Yohalem

Title: President and Chief Executive Officer

Date: 11/5/2024

APPROVED AS TO FORM:

By: _____

Senior Deputy Prosecuting Attorney

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EXHIBIT A.

LEGAL DESCRIPTION

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

LOTS 7 AND 8 OF SECOMA BUSINESS PARK, ACCORDING TO PLAT RECORDED IN [VOLUME 113 OF PLATS AT PAGES 37 THROUGH 40](#), INCLUSIVE, IN KING COUNTY, WASHINGTON.

(ALSO KNOWN AS BOUNDARY LINE ADJUSTMENT NUMBER BLA-91-0010 RECORDED ON JUNE 11, 1992 AS RECORDING NUMBER [9206119002](#), IN THE OFFICIAL RECORDS OF KING COUNTY, WASHINGTON.)

STATUTORY WARRANTY FULFILLMENT DEED

Tax Acct. – 768190007007

DATED this _____ day of _____, _____.

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GRANTOR
KING COUNTY

GRANTEE
HEALTHPOINT

BY: _____

BY: _____

Name: Drew Zimmerman

Name: Lisa Yohalem

Title: Director, Facilities Management Division

Title: President and Chief Executive Officer

DATE: _____

DATE: _____

Approved as to Form:

By _____
Senior Deputy Prosecuting Attorney

NOTARY BLOCKS APPEAR ON NEXT PAGE

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NOTARY BLOCK FOR KING COUNTY

STATE OF WASHINGTON)

) SS

COUNTY OF KING)

On this _____ day of _____, _____, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Drew Zimmerman, to me known to be the Director of the Facilities Management Division of the King County Department of Executive Services, and who executed the foregoing instrument and acknowledged to me that S/HE was authorized to execute said instrument on behalf of KING COUNTY for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of Washington, residing

at _____

City and State

My appointment expires _____

NOTARY BLOCK FOR HEALTHPOINT

STATE OF WASHINGTON)

) SS

COUNTY OF KING)

On this _____ day of _____, _____, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____, who executed the foregoing instrument and acknowledged to me that SHE or HE was authorized to execute said instrument on behalf of the _____ for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of Washington, residing

at _____

City and State

My appointment expires _____

EXHIBIT A
TO STATUTORY WARRANTY FULFILLMENT DEED

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

LOTS 7 AND 8 OF SECOMA BUSINESS PARK, ACCORDING TO PLAT RECORDED IN VOLUME 113 OF PLATS AT PAGES 37 THROUGH 40, INCLUSIVE, IN KING COUNTY, WASHINGTON.

(ALSO KNOWN AS BOUNDARY LINE ADJUSTMENT NUMBER BLA-91-0010 RECORDED ON JUNE 11, 1992 AS RECORDING NUMBER 9206119002, IN THE OFFICIAL RECORDS OF KING COUNTY, WASHINGTON.)

EXCEPTIONS TO TITLE

SUBJECT TO: [permitted exceptions will be determined in accordance with the process identified in Article 4 of the Agreement and inserted in the final deed].

EXHIBIT C.

BILL OF SALE AND ASSIGNMENT

THIS BILL OF SALE is made as of this _____ day of _____, _____, by KING COUNTY, a political subdivision of the State of Washington (“**Seller**”), in favor of HealthPoint, a Washington nonprofit public benefit corporation (“**Buyer**”).

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Seller does hereby absolutely and unconditionally give, grant, bargain, sell, transfer, set over, assign, convey, release, confirm and deliver to Buyer all of Seller’s right, title and interest in and to any and all equipment, furniture, furnishings, fixtures and other tangible personal property owned by Seller that is attached, appurtenant to or used in connection with the real property legally described on the attached Attachment A.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the date first above written.

SELLER:

By: _____

Name: Drew Zimmerman

Title: Director, Facilities Management Division

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ATTACHMENT A
TO BILL OF SALE

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

LOTS 7 AND 8 OF SECOMA BUSINESS PARK, ACCORDING TO PLAT RECORDED IN VOLUME 113 OF PLATS AT PAGES 37 THROUGH 40, INCLUSIVE, IN KING COUNTY, WASHINGTON.

(ALSO KNOWN AS BOUNDARY LINE ADJUSTMENT NUMBER BLA-91-0010 RECORDED ON JUNE 11, 1992 AS RECORDING NUMBER 9206119002, IN THE OFFICIAL RECORDS OF KING COUNTY, WASHINGTON.)

EXHIBIT D.**Seller's Certification of Non-Foreign Status under
Foreign Investment in Real Property Tax Act (26 U.S.C. 1445)**

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by King County ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is 91-6001327;
4. Transferor's office address is King County Facilities Management Division, Real Estate Services Section, Room 800 King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated this ____ day of _____, ____.

King County, Transferor:

By: _____

Name: Drew Zimmerman

Title: Director, Facilities Management Division

EXHIBIT E.

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

King County
500 Fourth Avenue, Suite 830
Seattle, WA 98104
Attn.: Steve Rizika

MEMORANDUM OF REAL ESTATE CONTRACT SALE

Buyer: HealthPoint

Seller: King County

Abbrev. Legal Description: SECOMA BUSINESS PARK LOTS 7 & 8 AKA BLA-91-0010 REC
#9206119002

Full legal description on Exhibit "1"

Assessor's Parcel No.: 768190-0070

Documents Referenced: Declaration of Restrictive Covenant in favor of King County, KC. Rec.
No. _____.

MEMORANDUM OF REAL ESTATE CONTRACT SALE

THIS MEMORANDUM OF REAL ESTATE CONTRACT SALE (this “**Memorandum**”) is made and entered into as of [date], by and between KING COUNTY, a political subdivision of the State of Washington (“**Seller**”), and HEALTHPOINT, a Washington nonprofit public benefit corporation (“**Buyer**”). Seller and Buyer are sometimes hereinafter each singularly referred to as a “**Party**” and collectively referred to as the “**Parties**.” This Effective Date of this Memorandum _____, 202_.

WHEREAS, Seller, through King County Public Health, serves poor and underserved populations through the provision of medical and related care and health services;

WHEREAS, Buyer, a public benefit nonprofit corporation, is a community-based, community-supported, and community-governed network of non-profit health centers dedicated to providing high quality care to all who need it, regardless of circumstances which qualifies as a Federally Qualified Health Center, as that term is defined in 42 USC § 1395x(aa)(4);

WHEREAS, the Parties have entered into that certain Real Estate Purchase and Sale Agreement, dated _____ (the “**PSA**”), for certain real property consisting of land and improvements located at 33431 13TH Place South, Federal Way, WA, King County Parcel No. 768190-0070, and legally described on the attached Exhibit “1” (the “**Property**”); and

WHEREAS, the Parties desire to execute and record this Memorandum in order to serve as notice to the public of the transaction contemplated by the PSA (the “**Transaction**”) and to set forth the terms of Buyer’s fulfillment of the cash consideration portion of the Transaction as set forth herein.

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

1. **RECITALS**. The foregoing recitals are true and correct and are hereby incorporated into this Memorandum.

2. **RELATED AGREEMENTS**. This Memorandum is subject to, and must be interpreted and executed, concurrently or otherwise, in accordance with all related agreements entered into by the Parties with respect to the Transaction and subject matter herein (the “**Related Agreements**”). The Related Agreements expressly contemplated by this Memorandum are the PSA, the certain Lease Agreement between Buyer and Seller dated [date of Lease] pursuant to which Buyer will lease back certain premises on the Property to Seller (the “**Lease Agreement**”), the certain Consideration Agreement between Buyer and Seller dated [date of Consideration Agreement] (the “**Consideration Agreement**”), and the Declaration of Restrictive Covenant made by Buyer for the benefit of Seller dated [date of Covenant] and recorded under KC Rec. No. _____ (the “**Covenant**”). In the event of any conflict between the terms of this

Memorandum and the terms of the Lease Agreement, the terms of this Memorandum shall control. In the event of any conflict between the terms of this Memorandum and the terms of the PSA, the terms of this Memorandum shall control. In the event of any conflict between the terms of this Memorandum and the terms of the Consideration Agreement, the terms of this Memorandum shall control. In the event of any conflict between the terms of this Memorandum and the terms of the Covenant, the terms of the Covenant shall control.

3. **TITLE OF SELLER.** Seller covenants that Seller has full power, right and authority to convey the Property to Buyer and that Seller has good and marketable title to the Property, free and clear of all liens, encumbrances, and defects, except those hereinabove described or as expressly provided in the PSA and this Memorandum.

4. **PURCHASE; EQUITABLE CLOSING; CONSIDERATION.** The Buyer shall acquire the Property from the Seller in exchange for the cash consideration and additional consideration described in this section below.

- a. **CASH CONSIDERATION.** Buyer shall pay to Seller the Purchase Price under the PSA. At the closing of equitable title on the Effective Date hereof ("**Equitable Closing**"), Buyer shall pay the first payment of the Purchase Price Payment Schedule, attached hereto as Schedule 1, and the remaining balance of the Purchase Price shall be paid in annual installments by Buyer to Seller according to the payment terms set forth in the Purchase Price Payment Schedule , with legal title passing to Buyer upon satisfaction of the conditions set forth in Section 5 of the Consideration Agreement ("**Closing**").
- b. **PREPAYMENT OF CASH CONSIDERATION.** Notwithstanding anything in this Memorandum or the PSA to the contrary, Buyer shall have the option, at any time, to pre-pay the entire amount of the unpaid Purchase Price. To exercise this option, Buyer must notify the Seller in writing of its intention to pre-pay the balance owing and must thereafter pay the full outstanding Purchase Price amount, along with any other amounts due to Seller under this Memorandum, within one hundred and eighty (180) days of such notice. The prepayment amount will be the amount of the unpaid balance of all the Purchase Price payments remaining pursuant to Schedule 1 on the date the prepayment is paid to Seller. Payment of the full Purchase Price is only one of the conditions to Closing, therefore, pre-payment of the Purchase Price shall not accelerate the anticipated Closing date unless pre-payment satisfies the last of the conditions set forth in Section 5 of the Consideration Agreement.
- c. **ADDITIONAL CONSIDERATION.** In addition to the Purchase Price, Seller has agreed to additional consideration for the Transaction in the form of Buyer's (i) obligations under the terms of that certain Lease Agreement pursuant to which Seller receives rights to occupy space on the Property from Buyer; (ii) commitment to invest in the redevelopment of the Property to be used for the delivery of public health services

thereon as set forth in the Consideration Agreement; and (iii) placement of a restrictive covenant on the real property limiting the use of the real property to the purposes described therein.

5. **FAIR MARKET VALUE**. At Equitable Closing, the fair market value of the Property was established by agreement of the Parties with reference to a third-party appraisal and is set forth in and further described in Schedule 2 attached hereto (“**Statement of Fair Market Value**”).

- a. In the event that the Property shall be sold, forfeited, condemned, or property interests divided between the Parties under the terms of this Memorandum during the Term, whether as a result of an uncured default under Section 18 herein, a statutory forfeiture action under ch. 61.30 RCW, a public sale of the Property ordered by a court of competent jurisdiction, a non-judicial foreclosure proceeding, or under any other circumstance where allocation of the Parties’ respective financial interests in the Property is expressly contemplated by the terms of this Memorandum (any such above event being referred to herein as an “**Allocation Event**”), the Statement of Fair Market Value shall serve as the baseline value for any calculation and allocation of the Buyer and Seller’s respective financial interests in the Property. Upon the occurrence of an Allocation Event, the Seller’s financial interest in the Property at the time of an Allocation Event, calculated in the manner described in Section 5.b below, shall be considered a lien against Buyer’s equitable interest in the Property, senior to all Buyer debt other than the Project Debt described in Section 7, and shall be allocated and/or paid to Seller prior to all Buyer’s junior debts.
- b. Seller’s financial interest in the Property upon such Allocation Event shall be determined as of the effective date of an Allocation Event, i.e., the date after which equitable title and legal title to the Property shall no longer be divided among Buyer and Seller as set for herein (the “**Allocation Date**”), and shall be calculated as follows: the Initial Fair Market Value agreed to in the Statement of Fair Market Value shall be updated to the Allocation Date by reference to an agreed appreciation rate of three percent (3%) per annum, calculated by reference to the number of months elapsed between the effective date of this Memorandum and the Allocation Date, with the appreciated fair market value amount then reduced by: (i) Buyer’s actual costs incurred and paid or outstanding in accordance with Section 3(b) of the Consideration Agreement prior to the Allocation Date provided such costs are bona fide and bear a clear and commercially reasonable relationship to Buyer’s obligations under Section 3(b) of the Consideration Agreement in fulfillment of its development obligations under this Memorandum or the Consideration Agreement and regardless of whether such costs are funded by grants or other contributions secured by HealthPoint for improvements to the Property; and (ii) the sum of all payments made by HealthPoint toward the Purchase Price prior to the Allocation Date.
- c. Upon satisfaction of Seller’s lien against the Property created by this Section 5 at the time of the Allocation Event, Buyer shall be allocated, paid, or entitled to retain the balance of any proceeds from the Allocation Event as well as any rights to title

of the Property, if any, held by the Parties following the Allocation Event. The provisions of this Section 5 shall survive termination of this Memorandum to the extent necessary to effectuate its intent.

6. **USE.** Use of the Property shall be restricted as set forth in the Covenant during all times under the term thereof, and, during the term of the Consideration Agreement, as provided therein.

7. **BUYER'S PROJECT BORROWING; SUBORDINATION; LIENS.** Buyer will secure public and/or private funding, such funding in the form of bridge loans, grants, construction loans, and/or other financing transactions in an amount determined, in Buyer's sole discretion, to be reasonably necessary to fully fund construction costs and other improvements to the Property during the term of this Memorandum ("**Project Debt**"). Project Debt shall fulfill and include, but not be limited to, funding used in satisfaction of Buyer's project development obligations described in Section 3 of the Consideration Agreement. Seller agrees to subordinate its interest in the Property, whether arising at law, by the terms of this Memorandum, or by the terms of any of the Related Agreements, as reasonably necessary for Buyer to secure Project Debt. Notwithstanding anything to contrary, the Covenant shall be first in priority with respect to the Property at all times during the term thereof, and shall survive foreclosure of any lien on the Property. Except for the Project Debt, this Memorandum shall not be subordinate to any lien, mortgage or deed of trust held by any creditor or lender, now or hereafter in force against the premises, the building, or the Property, or any part thereof, and to all advances made or to be made upon the security thereof.

8. **TERM.** Upon the Effective Date, the terms of the PSA shall be of no further force or effect and this Memorandum shall govern the terms of payment for and conveyance of legal title to the Property. This Memorandum shall remain in effect from the Effective Date until Closing, the occurrence of an Allocation Date, or until otherwise terminated by the mutual agreement of the Parties evidenced by a duly executed signed writing (the "**Term**").

9. **PURPOSE OF MEMORANDUM** This Memorandum shall provide record notice of the real estate contract sale by and between the Parties subject to the terms set forth herein. This Memorandum shall be indexed against the Property and recorded in the King County Recorder's Office.

10. **HAZARDOUS SUBSTANCES AND ENVIRONMENT.** Buyer shall not cause, permit, or allow any hazardous substance to be brought upon, kept, or used in, on or about the Property by Buyer, or by Buyer's agents, employees, contractors, licensees, invitees or lessees, except for such hazardous substances as may be necessary for Buyer's occupation, use and possession of the Property in a lawful manner and for the construction of the improvements thereon for Buyer's intended use. Any hazardous substances which by the foregoing provision are permitted to be brought upon, kept or used in, on or about the Property and all containers therefore, shall be used, kept, stored and disposed of in a manner that complies in all respects with all federal, state and local laws or regulations applicable to hazardous substances, including but not limited

to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") 42 U.S.C. § 9601, et seq.; the Super Fund Amendments and Reauthorization Act of 1986; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act ("RCRA") 42 U.S.C. § 6901 et seq.; the Clean Water Act, 33 U.S.C. § 1317, § 1321; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Clean Air Act, 42 U.S.C. § 7412; the Toxic Substances Control Act, 15 U.S.C. § 2606; the Washington Model Toxics Control Act ("MTCA"), RCW Ch. 70A.305, et seq.; State Environmental Policy Act ("SEPA"), RCW Ch. 43.21C; and Hazardous Waste Management Act, RCW Ch. 70A.300, including all amendments and recodifications thereof, all regulations promulgated thereunder and all other laws and regulations enacted by any governmental authority respecting hazardous substances. The term "hazardous substance(s)" as used in this Contract means any "hazardous waste" as defined by RCRA and the Hazardous Waste Management Act, as amended from time to time and regulations promulgated thereunder; any "hazardous substance" as defined by CERCLA, the Hazardous Waste Management Act and SEPA, as amended from time to time and any regulations promulgated thereunder; "hazardous waste," "solid waste," "pollutant," "irritant," or "contaminant" as described or defined in any of the foregoing statutes or regulations; any oil or petroleum or an constituent or fraction thereof; and any material substance or waste that is or becomes regulated by any federal, state or local government authority.

11. **MAINTENANCE OF PROPERTY.** At all times during the Term, and subject to the provisions set forth in the Consideration Agreement, Buyer shall be responsible to keep and maintain the condition of the Property, including without limitation, roof and structure of the building, landscaping, sewer lines (free flow up to the main sewer line), plumbing, electrical systems, storm water drains and pipes, parking areas, light standards and wiring and driveways in a neat, clean and sanitary condition.

12. **INSURANCE.** Buyer shall maintain the following minimum insurance coverage and limits during the Term. Upon request of Seller, and within five (5) business days, Buyer shall provide a certificate of insurance and additional insured endorsements evidencing such required insurance.

- a. **COMMERCIAL GENERAL LIABILITY.** \$4,000,000 per occurrence and \$6,000,000 in the aggregate for bodily injury, personal and advertising injury, and property damage. Coverage shall be at least as broad as that afforded under ISO form number CG 00 01 current edition, or its substantive equivalent. Such insurance shall include coverage for, but not limited to, premises liability, products and completed operations, ongoing operations, and contractual liability. Limits may be satisfied by a single primary policy or by a combination of separate primary and umbrella liability policies, provided that coverage under the latter shall be at least as broad as that afforded under the primary policy and satisfy all other requirements applicable to liability insurance. Buyer shall include Seller as additional insured, for full coverage and policy limits.

- b. ALL-RISK PROPERTY INSURANCE. Buyer shall maintain “All Risk” property insurance in an amount equal to the actual cash value of the building, its improvements on the Property, and its business personal property. Coverage shall include the perils of earthquake and flood. Seller will not carry insurance on Buyer’s property or business personal property. Buyer must include a waiver of subrogation in favor of the Seller. The policy shall be endorsed to cover the interests, as they may appear, of King County with King County listed as a loss payee.

- c. PROFESSIONAL LIABILITY (ERRORS AND OMISSIONS). Seller acknowledges that Buyer will provide professional services on the Property as a federally qualified health center deemed by the Health Resources and Services Administration to be covered by the Federal Tort Claims Act (FTCA) pursuant to 28 U.S.C. 1346(b), 2401(b), and 2679-81 (a “Deemed Entity”), and that, so long as Buyer’s professional activities on the Premises qualify as activities of a Deemed Entity, Buyer and its staff will deemed to be agents of the federal government such that the United States will consent to be sued in place of the Buyer and the Buyer’s staff for any damages to property or for personal injury or death caused by the professional negligence or wrongful act or omission of the Buyer’s employees acting within the scope of their employment. See 28 U.S.C. Sections 2671-2680. Seller agrees that Buyer shall be in compliance with its professional liability insurance coverage requirements herein to the extent that it is providing professional medical, dental, or other services within the scope of the FTCA on the Premises and shall not be required to acquire insurance for its professional negligence that is covered by the FTCA.

- d. WAIVER OF SUBROGATION. Buyer waives all rights of subrogation against the Seller for damages caused by fire or other perils to the extent such damage is covered by property insurance or is required to be covered under this Memorandum. This release and waiver shall be binding upon Buyer whether or not insurance coverage is in force at the time of the loss or destruction of property.

- e. CONTRACTOR INSURANCE REQUIREMENT. Buyer must require each of its contractors/subcontractors to procure and maintain appropriate and reasonable insurance coverage and minimum insurance limits to cover each of the contractor’s/subcontractors’ liabilities given the scope of work and the services being provided. All liability insurance policies (except Professional Liability, Cyber Liability, and Workers Compensation policies) provided by the contractor(s)/subcontractor(s) must include the County, its officials, agents, and employees as additional insured or loss payee for full coverage and policy limits. The Buyer is obligated to require and verify that all contractors/subcontractors maintain insurance and ensure that the County is included as additional insured or loss payee. Upon request by the County, and within five (5) business days, the Buyer must provide evidence of contractor/subcontractor insurance coverage, including endorsements.

13. **INDEMNIFICATION.** Buyer agrees to indemnify and hold Seller harmless to the maximum extent possible under law as provided in this Section 13. Buyer agrees for itself, its successors, and assigns, to defend, indemnify, and hold harmless Seller, its appointed and elected officials, employees, agents, consultants, successors and assigns (collectively “**Seller Parties**”) from and against liability for all damages, claims, demands, suits, causes of action, agency orders, requirements or enforcement actions, other costs and expenses (including, without limitation, fines, penalties, judgements or attorneys’ fees incurred with or without litigation or on appeal), and judgments of any kind or character, including but not limited to any claim for injury to persons, death, or property damage, including costs of defense thereof (“**Claims**”) which is caused by, arises out of, or is incidental to Buyer’s or Buyer’s employees, agents, consultants, contractors of any grade, invitees, or permittees’ exercise of rights and privileges granted by this Memorandum. The Buyer’s obligations under this Section 13 shall include:

- a. The duty to promptly accept tender of defense and provide defense to Seller at Buyer’s own expense and with counsel of Buyer’s selection, which shall be subject to Seller’s reasonable approval;
- b. Indemnification of Claims made by the Buyer’s own employees or agents against Seller within the scope of the indemnification provided to Buyer herein; and
- c. Waiver of Buyer’s immunity under the industrial insurance provisions of Title 51 RCW but solely to the extent required to enforce the indemnification described in this section; provided, however, the foregoing waiver shall not in any way preclude Buyer from raising such immunity as a defense against any claim brought against Buyer by any of its employees. This waiver has been mutually negotiated by the Parties. In the event it is necessary for Seller to incur attorney's fees, legal expenses or other costs to enforce the provisions of this Section 13, all such fees, expenses and costs shall be recoverable from Buyer, its contractors and subcontractors.

Buyer shall additionally require its construction contractors and subcontractors of any tier to indemnify and hold Seller harmless from and against liability for all Claims arising out of or in connection with the design, development and construction of any improvements or alterations of the Property, except to the extent of Seller’s sole negligence. The indemnification and hold harmless language shall be at least as broad as that set forth in this Section 13.

Buyer shall not be required to indemnify, defend, or save harmless Seller if the claim, suit, or action for injuries, death, or damages is caused by the sole negligence of Seller or the Seller Parties or if such claim, suit, or action for injuries, death, or damages arises under Seller’s status as a lessee under the Lease Agreement. In the event any such liability arises from the concurrent negligence of Buyer and Seller, the indemnity obligation of this section shall apply only to the extent of the negligence of Buyer and its actors.

In the event it is determined that RCW. 4.24.115 applies to this or any other agreement between Buyer and Seller during the Term, the Buyer agrees to defend, hold harmless, and indemnify

Seller to the maximum extent permitted thereunder, and specifically for its negligence concurrent with that of Seller to the full extent of Buyer's negligence.

14. **EXPRESS PROCLAMATION OF REAL ESTATE CONTRACT SALE.** Buyer, by execution of this Memorandum, expressly acknowledges and agrees that it is the manifest intent of the Parties to enter into a "real estate contract" sale, as that phrase is defined in RCW 61.30.010, for the Property, whereby legal title to the Property shall be retained by Seller as security for payment of the Purchase Price, as set forth in the terms and conditions of this Memorandum and the fulfillment of the additional consideration as set forth in the Consideration Agreement have been satisfied. Notwithstanding the foregoing, due to Buyer's substantial investment in development of the Property during the Term, it is the Parties' express intent is to allocate the Parties' respective financial interests in the Property as described herein, including but not limited to the manner described in Section 5, above, even if Seller were to utilize the forfeiture procedures of RCW Chapter 61.30 or any other foreclosure procedure allowed by law for the Seller under a real estate contract. Seller therefore waives, to the fullest extent permitted by law, its forfeiture rights under RCW 61.30 and, to the extent such rights are not subject to waiver, agrees to substitute the terms and conditions of this Memorandum for the provisions of RCW 61.30.100.

15. **ASSIGNMENT OF INTERESTS.** Neither this Memorandum nor Buyer's equitable interest in any portion thereof shall be assignable or transferable by operation of law, or by any process or proceeding of any court or otherwise without the prior written consent of Seller, which consent shall be at Seller's sole and absolute discretion.

16. **NO IMPROPER ASSIGNMENT.** Neither Party may assign this Memorandum except that Buyer may assign this Memorandum (i) to a wholly-owned single-purpose affiliate entity or (ii) as may be required by a lender or other funding source providing Project Debt; each such instance upon reasonable notice and approval by the Seller, which will not be unreasonably denied.

17. **REAL ESTATE TAXES.** Seller is exempt by law from the payment of real property ad valorem taxes, LIDs and assessments on the Property. Buyer will be liable for the payment of some or all of such taxes, if any, upon and after delivery of Equitable Title. Buyer shall have the right, if exercised in good faith, at the sole cost and expense of Buyer and in Buyer's name, to contest or review in the manner required by law, any taxes or assessment, including penalties or interest thereon, respecting the Property, providing that any such contest or review operates to suspend collection and prevents sale of the Property to satisfy any such taxes or assessment. Pending any such contest or review and until such tax or assessment shall become final, and provided that Buyer shall not be in any uncured Default as set forth in Section 18.

18. **DEFAULT.** Buyer shall be in default of this Memorandum if Buyer (a) fails to timely and fully observe or perform any term, covenant, condition herein set forth and, except as otherwise provided herein, fails to cure any such default within one hundred eighty (180) days after notice thereof from Seller; (b) fails to make a Purchase Price payment when due hereunder

and as provided in Schedule 1 hereto, as such payment due date may have been extended as provided herein but in no case longer than one hundred eighty (180) days; (c) permits the Property or any part thereof or Buyer's interest therein to be attached, seized or in any manner restrained or impounded by process of any court, and fails to obtain the release of the Property within one hundred eighty (180) days of such attachment, seizure, restraint or impoundment; or (d) becomes or is declared insolvent or makes an assignment for the benefit of creditors, or files any debtor's petition or any petition is filed against Buyer under any bankruptcy, wage earners, reorganization or similar act. Notwithstanding anything to the contrary herein, Buyer may cure any default hereunder by paying the outstanding balance of principal under this Memorandum to Seller on or before the date due hereunder.

19. **SELLER'S REMEDIES; ENFORCEMENT.** In the event Buyer is in default beyond the opportunity to cure periods set forth in the Section 18 a, b and c, immediately above, Seller may, at Seller's election, exercise the following remedies:

- a. **SUIT FOR DELINQUENCIES.** Seller may institute suit for any sums then due and payable under this Memorandum as of the date of the judgment and any sums which have been advanced by Seller pursuant to the provisions of this Memorandum.
- b. **SPECIFIC PERFORMANCE.** Seller may institute suit to specifically enforce any of Buyer's covenants hereunder by injunction.
- c. **SUIT FOR JUDICIAL FORECLOSURE.** Seller may institute a suit for judicial foreclosure to specifically enforce all rights as a lienholder to the extent of the lien created pursuant to Section 5 of this Memorandum and holder of legal title hereunder and subject to all of the terms and conditions for the allocation of financial interests between the Parties described in Section 5, above.

All the foregoing remedies are cumulative and are not mutually exclusive and may be exercised in conjunction with each other to the extent permitted by law or in equity and shall be in addition to other rights or remedies granted by law or in equity for breach of this Memorandum not otherwise waived herein; provided however, except as provided in this Memorandum with respect to Buyer's sale, conveyance, assignment or transfer of the Property, or any portion thereof, or of this Memorandum, or any interest therein, in a manner other than as permitted by this Memorandum, Seller shall not have the right to accelerate the remaining purchase price balance in the event Seller elects to pursue any of the remedies described in paragraphs (a), (b), or (c) of this section. In the event that legal proceedings are commenced to enforce any provision of this Memorandum, the prevailing Party in such action shall be entitled to an award of costs and reasonable legal and attorneys' fees in addition to any other relief. Nothing contained herein shall be deemed to limit or restrict the rights of King County under any other agreement or contract. No third parties have any rights to enforce this Memorandum.

20. **NOTICE.** Any and all notices or other communications required or permitted to be given under any of the provisions of this Memorandum shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered, when receipt of notice by e-mail is acknowledged by the recipient, when sent by overnight courier, or two days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. All notices shall be addressed to the parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein:

If to Buyer:	HealthPoint 955 Powell Avenue SW Renton, Washington 98057 Attention: Chief Executive Officer
With a copy to:	Ogden Murphy Wallace PLLC 701 Fifth Avenue, Suite 5600 Seattle, WA 98104 Attention: Steve Burgon
If to Seller:	King County Chinook Building 401 5th Ave. Suite 930 Seattle, WA 98104 Attention: Steve Rizika
With a copy to:	King County Prosecuting Attorney's Office 701 Fifth Avenue, Suite 600 Seattle, Washington 98104 Attention: Ryan W. Ridings

21. **INVALIDITY.** In the event any portion of this Memorandum should be held to be invalid by any court of competent jurisdiction, such holding shall not affect the remaining provisions hereof so long as the remainder of the Memorandum can be enforced in a manner consistent with the overall intent of the Parties at the time they entered into this Memorandum and at the time of any subsequent amendments hereto.

22. **ESCROW AGENT; DELIVERY OF DEED.** Seller and Buyer designate First American Title Company as their Escrow Agent and have contemporaneously herewith executed Escrow Instructions in form satisfactory to Escrow Agent, which Escrow Instructions are by this reference incorporated herein as though fully set forth herein as a part of this Memorandum. The Escrow Instructions shall instruct the Escrow Agent to hold the Deed (defined below) in escrow until Buyer has notified Escrow Agent and Seller that Buyer has met all the conditions listed in the Escrow Instructions as conditions for releasing the Deed to Buyer (the "Buyer's Notice"). The Escrow Instructions shall list the conditions for releasing the Deed to Buyer as: (a) payment of the Purchase Price in full; (b) satisfaction of the conditions of Section 5(c) of the Consideration Agreement as incorporated by reference hereby ; and (c) Buyer's certification of compliance with

the requirements of this Memorandum as of the date of the Buyer's Notice in the form of an affidavit executed by a duly authorized officer of Buyer attesting to the Buyer's compliance with all such requirements. The Escrow Instructions shall further require the Escrow Agent to deliver the Deed to Buyer upon receiving Buyer's Notice promptly upon the earlier of receipt of a confirming notice from Seller that the above conditions have been satisfied or the passage of five (5) business days from the delivery of Buyer's Notice to Escrow Agent and Seller. All purchase price installments including prepayment(s) thereof shall be paid to Escrow Agent and shall be credited to the account of Seller pursuant to the Escrow Instructions.

23. **WARRANTY DEED.** Seller contemporaneously deposits with Escrow Agent a Statutory Warranty Fulfillment Deed ("Deed") conveying the Property to Buyer in the form required by the PSA. Buyer has seen and reviewed the Deed deposited in escrow and approved its form and content as sufficient to convey title to the Property as warranted by Seller.

24. **DAMAGE AND DESTRUCTION.** For the duration of the Term, the risk of loss relating to the Property shall rest with the Buyer. Risk of Loss shall be deemed to include any property damage occurring as a result of an "Act of God," including, but not limited to, fire, earthquakes, tremors, wind, rain or other natural occurrences ("Casualty").

- a. **REPAIR OR RECONSTRUCTION.** In the event of a Casualty that does not result in the destruction or material damage to the Property, Buyer shall commence repair or reconstruction of the Property or improvements thereon to the same condition or better as existed prior to such Casualty upon receipt of the proceeds of such insurance required under Section 12.b, above, provided such repair or reconstruction shall be made in accordance with the then existing laws, ordinances or land use regulations applicable.
- b. **DESTRUCTION OR MATERIAL DAMAGE TO THE PROPERTY.** If the Property is destroyed or materially damaged by Casualty and Buyer does not elect to rebuild or otherwise reconstruct the Property, either upon notice from the Buyer or upon twenty-four (24) months from the event of Casualty, Seller may proceed with all claims and right to proceeds as a loss payee insured under the All-Risk Property Insurance Policy in Section 12.b, above, (except any use and occupancy insurance, rent loss and business interruption insurance, and any similar insurance for the benefit of Buyer's ordinary business operations, as distinguished from any insurance for the benefit of the Property) that may be payable to Buyer on account of any such Casualty, to the extent such proceeds have not been previously expended or are otherwise required to reimburse for actual expenditures of restoration.

25. **ANTI-DISCRIMINATION.** Buyer shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. Buyer shall comply fully with all applicable federal, state and local laws, ordinances,

executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Memorandum and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Memorandum and may result in ineligibility for further agreements with Seller.

26. **FORCE MAJEURE.** Neither Party shall be liable to the other or deemed in default under this Memorandum if and to the extent that such Party's timely performance of this Memorandum is prevented by reason of Force Majeure. "Force Majeure" shall be defined as an occurrence that is beyond the control of the Party affected and could not have been avoided by exercising reasonable diligence. Force Majeure includes strikes; lockouts; labor disputes; Acts of God; inability to procure labor, materials, or reasonable substitutes therefor; delay by reason of the diminution of power or power failure(s); restrictive governmental laws or controls; judicial orders; enemy or hostile action; civil commotion; fire or other casualty. "Acts of God" mean naturally occurring events that cannot be avoided, such as earthquake, tornado, flood or global health crises such as an epidemic or pandemic as determined by the relevant governmental authorities having jurisdiction over the Property. Notwithstanding anything to the contrary contained herein, Buyer shall **NOT** be relieved of its obligations to make timely payments of the Purchase Price or to make payment of any other sums to Seller owing under this Memorandum throughout the pendency of any Force Majeure, and Buyer's failure to make timely payments or other sums owing throughout the pendency of such Force Majeure shall be subject to the Default provisions of Section 18 herein.

27. **LEGAL RELATIONSHIPS.** No partnership, joint venture or joint undertaking shall be construed from this Memorandum and, except as herein specifically provided, neither Party shall have the right to make any representation for, act on behalf of, or be liable for the debts of the other. Unless otherwise specifically provided herein, no third party is intended to be benefited by this Memorandum.

28. **GOVERNMENTAL AUTHORITY.** Buyer shall fully and timely comply with and not be in violation of all statutes, rules, ordinances and regulations of King County, the State of Washington, United States Government, including all amendments and recodifications thereof and all regulations, guidelines, standards, or policies promulgated thereunder and all the respective agencies and any other authority with jurisdiction as may be required or imposed by any such authorities on the Property, or Buyer's use, occupancy, or control thereof. Buyer shall comply in every respect, in a full and timely manner, with any direction pursuant to law of any public official or officer who shall impose any duties upon Buyer with respect to the Property or the use, occupancy or control thereof, and the conduct of business thereon.

29. **NON-WAIVER.** No action or failure to act by Buyer or Seller shall constitute a waiver of any right or duty afforded it under this Memorandum.

30. **CAPTIONS.** The captions in this Memorandum are for convenience only and do not in any way limit or amplify the provisions set forth herein.

31. **DEFINITIONS.** Capitalized terms not defined in this Memorandum shall have the meaning given to them under the Related Agreements.

32. **COUNTERPARTS.** This Memorandum may be executed in several counterparts, which shall be treated as originals for all purposes, and all counterparts so executed shall constitute one agreement, binding on all the parties hereto, notwithstanding that all the parties are not signatory to the original or to the same counterpart. Any such counterpart shall be admissible into evidence as an original hereof against the person who executed it.

33. **APPLICABLE LAW; JURISDICTION AND VENUE.** This Memorandum and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law rules or choice of law provisions. In the event that either Party shall bring a lawsuit related to or arising out of this Memorandum, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

[Signatures appear on next two pages.]

EXHIBIT "1"

LEGAL DESCRIPTION OF PROPERTY

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

LOTS 7 AND 8 OF SECOMA BUSINESS PARK, ACCORDING TO PLAT RECORDED IN VOLUME 113 OF PLATS AT PAGES 37 THROUGH 40, INCLUSIVE, IN KING COUNTY, WASHINGTON.

(ALSO KNOWN AS BOUNDARY LINE ADJUSTMENT NUMBER BLA-91-0010 RECORDED ON JUNE 11, 1992 AS RECORDING NUMBER 9206119002, IN THE OFFICIAL RECORDS OF KING COUNTY, WASHINGTON.)

SCHEDULE 1

PURCHASE PRICE PAYMENT SCHEDULE

The Purchase Price payments shall be made in advance of each year. Payment number 1 shall be due at the Equitable Closing. Payments number 2 through 10 shall be due on the first day of the calendar month that follows the anniversary date of Equitable Closing.

Payment Number	Year of Payment	Amount of Payment
1	2024	\$80,000
2	2025	\$84,000
3	2026	\$88,200
4	2027	\$92,610
5	2028	\$97,241
6	2029	\$102,103
7	2030	\$107,208
8	2031	\$112,568
9	2032	\$118,196
10	2033	\$124,106
	Total amt. paid:	\$1,006,231

SCHEDULE 2
STATEMENT OF FAIR MARKET VALUE

The attached appraisal is adopted by the Buyer and Seller as the initial basis for establishing fair market value for the Property. The Parties have reduced the appraised value to account for certain building conditions excluded from consideration by the appraiser. The Fair Market Value of the Property at Equitable Closing, as defined in the Memorandum of Real Estate Contract, is agreed to be Five Million, Seven Hundred Ninety Thousand and No/100 Dollars (\$5,790,000.00).

EXHIBIT F.

CONSIDERATION AGREEMENT BETWEEN KING COUNTY AND HEALTHPOINT Federal Way Public Health Property Redevelopment

This Consideration Agreement ("**Agreement**") is entered into by HEALTHPOINT, a Washington nonprofit public benefit corporation ("**HealthPoint**"), and KING COUNTY, a political subdivision of the State of Washington (the "**County**" or "**King County**", and together with HealthPoint, collectively, the "**Parties**"). This Agreement has an Effective Date of _____, 2024.

RECITALS

A. This Agreement sets forth the basic terms for the renovation and operation of certain real property located at 33431 13th Place South in Federal Way, King County, State of Washington, and legally described on Exhibit A (the "**Property**").

B. HealthPoint and King County both use the Property to provide certain medical and health related services for persons of lower incomes and other underserved populations with more limited access to quality health care.

C. HealthPoint is a community-based, community-supported, and community-governed network of non-profit health centers which qualify as a Federally Qualified Health Center, as that term is defined in 42 USC § 1395x(aa)(4) and is dedicated to providing high quality care to all who need it, regardless of circumstances (together with the direct health care services delivered by the County and described below shall be referred to herein as the "**Health Services**").

D. King County, through King County Public Health, serves poor and underserved populations through the provision of medical and related care and health services in King County.

E. Since 1993, King County Public Health and HealthPoint have been co-located at the Property owned by King County and have been able to coordinate in making cross-referrals but have not been able to offer integrated services out of the location because the layout of the building lends itself to co-location but not integration.

F. The Property is in need of substantial repairs in order for it to be able to continue to deliver Health Services and the Parties envision that, by making strategic renovations to the Property in addition to the necessary repairs, an integrated center for health and wellness in south King County could result at that location that would increase capacity for services to the community into the coming decades in a renovated facility that is modern and welcoming.

G. HealthPoint is willing to make the necessary Property repairs, Property renovations, and other investments in the development of the integrated health and wellness center on the Property but requires an ownership interest in the Property in order to accomplish these objectives.

H. King County intends to convey the Property to HealthPoint under the terms of that certain Purchase and Sale Agreement dated _____, 2024 (the “PSA”).

I. The PSA expressly and purposely manifests the intent of the Parties to enter into a “real estate contract” sale, as that phrase is defined in RCW 61.30.010.

J. Contemporaneous with conveyance of equitable title under the PSA, the Parties will enter into a Memorandum of Real Estate Contract Sale to be recorded against the Property and memorializing certain terms and conditions in accordance therewith including the fulfillment of the Purchase Price under the PSA and other key terms of the “real estate contract” sale (the “**Memorandum**”).

K. In addition to the Purchase Price under the PSA, the Parties have agreed to certain additional consideration that is part of the overall public purpose for King County agreeing to convey the Property under the terms of the PSA and the Memorandum.

L. The parties intend that such additional consideration beyond payment of the Purchase Price under the PSA and Memorandum for the Property include (i) HealthPoint spending eight million dollars (\$8,000,000) on the initial repair, construction, and redevelopment of the Property in support of the shared vision for an integrated health and wellness center at the site of the Property (the “**Project**”) as more particularly described in the definition of HealthPoint’s Project Development Obligations below; (ii) HealthPoint’s leasing back, as lessor, to King County, as lessee, of certain premises within the Property to be improved as part of the Project for an initial term of ten (10) years on the terms and conditions of a that certain Lease Agreement dated on or about the date hereof (the “**Lease Agreement**”), (iii) the operation of the Property, by King County and HealthPoint, as an integrated health and wellness center (the Integrated Health and Wellness Center defined in Section 4 herein), and (iv) recording the Declaration of Restrictive Covenant against the Property (the “**Covenant**”, and together with the Lease Agreement, the PSA and the Memorandum, the “**Related Agreements**”) obligating the operation of a community health center clinic eligible for funding as a Federally Qualified Health Center for a period of fifteen (15) years from the Effective Date of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Purpose.

(a) The purposes of this Agreement are:

(i) to set forth the Parties’ agreement on certain material terms in the overall fulfillment of the Project and the transactions underlying it that are outside the scope of the Related Agreements, and which shall be binding upon the Parties as conditions of the fulfillment of the contract of sale described in the Memorandum;

(ii) to specify terms and conditions of HealthPoint’s Property development obligations with respect to the Project as set forth in Section 3 herein;

(iii) to document expectations for the Parties' collaboration on the development of an integrated health and wellness center for south King County at the Property as set forth in Section 4(a) herein; and

(iv) to describe the Parties' respective rights and obligations for the operation of the Property prior to completion of the Project.

(b) The fulfillment of the above purposes on the further terms and conditions set forth herein and in accordance with the Related Agreements forms the non-monetary consideration for the County's conveyance of the Property to HealthPoint (the "**Additional Consideration**"). The Additional Consideration is an integral and material rationale for the County's agreement to convey the Property to HealthPoint on the terms and conditions set forth herein and in the Additional Agreements.

2. Reserved.

3. Development Project.

(a) **Project Scope and HealthPoint Project Development Obligations.** The Parties acknowledge that the scope of the property redevelopment project required by this Agreement will be defined through the planning process described below (the "Project Scope"). The Parties further acknowledge that the redevelopment plan is anticipated to provide for repair and renovation work to be completed in phases to allow for the continued delivery of Health Services at the Property and that only those initial phases explicitly required by this Agreement shall be within the Project Scope. HealthPoint may make further improvements to the Property after completion of the Project Scope which, although during the term of this Agreement, are not subject to the requirements of this Section 3. The Parties further acknowledge that the redevelopment plan may sequence the work such that not all major repairs and deferred maintenance are completed prior to the renovation work if such repairs would be duplicated as part of the renovation work. Based on these mutual understandings, the Parties hereby agree that HealthPoint's "**Project Development Obligations**" for purposes of this Agreement and to satisfy its construction and redevelopment of the Property obligations under the Memorandum are defined as follows:

(i) Complete the Project milestones described in sub-paragraph (b) of this section on the timelines described therein or as modified by mutual signed agreement of the Parties subsequent to the execution of this Agreement; and

(ii) Spend not less than eight-million dollars (\$8,000,000) on designing, planning, financing, pre-construction, and construction-related costs as evidenced by periodic reports in a form approved by King County prepared by HealthPoint and delivered to King County.

The County acknowledges that HealthPoint will have satisfied its Project Development Obligations under this Agreement and its construction and redevelopment of the Property

obligations under the Memorandum so long as the two requirements described above are satisfied.

(b) **Project Milestones.** All timeframes identified below are calculated from the Effective Date of this Agreement. All deadlines are subject to change by mutual written agreement of the Parties.

(i) **Phase 1 Design.** HealthPoint shall prioritize renovation of the Premises (as such term is defined in the Lease Agreement) as Phase 1 of the Project. Within _____ () months [to be agreed upon and completed prior to execution], HealthPoint shall develop and secure all reasonable and necessary approvals from the City of Federal Way of a comprehensive set of plans and specifications for redevelopment of the Premises.

(ii) **Phase 1 Project Budget and Funding.** Within _____ () [to be agreed upon and completed prior to execution], HealthPoint will share with County a budget demonstrating completion values with the plans and specifications for Phase 1 of the Project and confirm with County that it has the necessary funds to complete the improvements to the Premises as approved through the process described above.

(iii) **Phase 1 Project Bond.** Within _____ () months [to be agreed upon and completed prior to execution], HealthPoint will provide a performance and payment bond for Phase 1 of the Project.

(iv) **Phase 1 Construction.** Within _____ () months [to be agreed upon and completed prior to execution], HealthPoint will have commenced construction on Phase 1 of the Project, as evidenced by the delivery of a copy to King County of a duly authorized notice to proceed issued by HealthPoint's general contractor.

(v) **Phase 1 Substantial Completion.** Within thirty-six (36) months, HealthPoint will have substantially completed construction on Phase 1 of the Project, as evidenced by the delivery of a copy to King County of a certificate of occupancy or equivalent issued by the Buildings Division of the City of Federal Way or equivalent jurisdictional authority.

(vi) **Satisfaction of HealthPoint Project Development Obligations.** Phase 2 of the Project shall be HealthPoint's repair, improvement, and/or redevelopment of other portions of the Property not included in Phase 1 of the Project in satisfaction of that portion of its Project Development Obligations described in Section 2(a)(ii) of this Agreement. HealthPoint may, at its election, design, finance, and construct Phase 2 contemporaneously with Phase 1 or at any time after such work has begun on Phase 1 so long as its Project Development Obligations under subparagraphs (b)(i) through (b)(v) of this Section 3 are satisfied within thirty-six (36) months of the Effective Date.

(c) **Pre-Construction, Construction Periods, and Post-Project facility operations:**

(i) **Pre-Construction:** On the Closing Date of the PSA, HealthPoint will obtain equitable title to the Property and assume responsibility for costs associated with the Property limited only by lessee costs assumed by the County under the Lease Agreement, if any, as amended from time to time. The County will cooperate with HealthPoint's management and operation of the Property during a transition period of not more than one (1) year by providing access to staff familiar with the Property, making introductions as appropriate to vendors providing services to the Property, and other information to assist HealthPoint's transition to ownership and management of the Property. The Parties will continue to provide Health Services on the Property consistent with past practice except as modified by the terms of the Lease Agreement. The Parties will also cooperate in the planning for the Integrated Health and Wellness Center at the Property and implement any preliminary changes that can reasonably and successfully be implemented prior to the modernization of the building facilities.

(ii) **Construction Periods:** The Parties will cooperate in their development and approval of phased Project construction activities, consistent with Project expectations and the terms and conditions of the Lease Agreement, to minimize the impact of the construction on the delivery of Health Services to the community and the continuing implementation of the strategies for creating the Integrated Health and Wellness Center on the Property. The Parties agree to use best efforts to coordinate space use during construction to allow each Party to continue to provide services out of the Property during the Construction Periods. The Parties agree to hold standing meetings on not less than a bi-weekly basis during all active periods of Project planning and construction. The meetings shall include, when appropriate, the Project architect and/or general contractor (or authorized decision-making designee thereof). It is the intent of the Parties that the County, through King County Public Health, shall be reasonably able to maintain the same or substantially the same level of service during construction; shall have substantially equivalent examination room space; shall have sufficient health space to continue to provide equivalent WIC services; shall have sufficient office and health spaces to continue to be able to provide First Steps services; and that a space for a navigator for enrollment services shall at all times be clear and available. In furtherance of Phase 1 and Phase 2 and in meeting the objectives set forth in this subsection (ii), HealthPoint may identify temporary space for one or both Parties to use in the delivery of Health Services during the periods of construction, such temporary space which may be on-site or off-site. HealthPoint agrees to pay for all costs incurred in moving and in otherwise accommodating both Parties' use of any such temporary facilities, including but not limited to IT and network requirements of both Parties, establishing appropriate examination rooms, furniture, fixtures, and equipment that are ordinary and typical in the delivery of the contemplated Health Services and commercially reasonable in availability and cost.

(iii) **Post-Project:** The Parties will implement those strategies for creating the Integrated Health and Wellness Center on the Property and other integrated community services offerings that required redevelopment of the Property. All other Property-

related rights and obligations will be as described in the Lease Agreement as amended from time to time.

(d) **Payment and Performance Bond.** HealthPoint expressly agrees that prior to any redevelopment of any portion of the Property, where such work exceeds one hundred thousand dollars (\$100,000.00), HealthPoint shall cause its general contractor or construction manager to provide a performance and payment bond covering the total GC/CM contract cost of such project, and for subcontractors performing any work on any project on the Property where the contract amount exceeds \$100,000.00 to provide performance and payment bonds for the value of the subcontract.

(e) **Insurance.** At all times during the Project, HealthPoint will cause its general contractor(s) and subcontractors of any tier to procure and maintain insurance limits as set forth in Section 12(e) of the Memorandum.

(f) **Indemnity.** At all times during the Project, HealthPoint shall require its general contractor(s) and subcontractors of any tier to indemnify and hold King County harmless as set forth in Section 13 of the Memorandum.

(g) **Public Works.** In the event that the Project is determined or otherwise agreed to be a "Public Work" and subject to public works procurement requirements including those specific requirements set forth in Chapters 39.04 RCW (general public works requirements), 39.12 (prevailing wage), 36.32 (County-specific requirements), together with any King County Code or other relevant policies, HealthPoint will, as appropriate, follow a competitive, qualifications based contractor selection process, pay prevailing wages, and adhere to bonding and workforce requirements. Nothing contained in this Agreement or any of the Related Agreements shall be interpreted to require compliance with the requirements set forth in this Section 3(g) where compliance with such requirements would not otherwise be required.

(h) **Good faith and cooperation.** At all times under this Agreement, HealthPoint will communicate with King County all material issues and concerns related to the Project, cooperate with King County toward all public health delivery goals, and the Parties mutually agree to act fairly and in good faith in accordance with this Agreement and the Related Agreements.

4. Delivery of Public Health Services

(a) **Integrated Health and Wellness Center Model.** The Parties' shared vision for the Property is to create an "**Integrated Health and Wellness Center**," which is defined for purposes of this Agreement as a model that: (a) expands the Parties' historical relationship to increase capacity for Health Services to the community in a renovated facility that is modernized and welcoming; (b) continues and advances the shared goals to better serve individuals and families in the Federal Way community with an integrated model that provides all King County Public Health Center clients with full access to the services offered by HealthPoint at the Property and HealthPoint patients and clients with full access to the services

that King County Public Health provides in the Federal Way community; (c) serves as a vehicle for implementing programs and services in response to periodic community health needs assessments conducted by the Parties from time to time; (d) serves as a vehicle for partnerships with other organizations that provide services needed by Federal Way residents, including services that address social determinants of health; and (e) provides more effective services to Black, Indigenous, and other People of Color (BIPOC) and other marginalized communities to counter racism and to address persistent health disparities. HealthPoint commits to working diligently with the County toward their shared vision of the Integrated Health and Wellness Center throughout the term of this Agreement.

(b) **Use of the Property for Public Health Delivery Goals.** HealthPoint will operate a community health center clinic providing services qualifying for recognition as a federally qualified health center on the Property, as that term is defined in Section 330 of the Public Health Service Act and as set forth in the Covenant. Such operation shall include services such as primary health care services, dental services, behavioral health services, maternity and early child health services, and reproductive health services. HealthPoint will further ensure that the Property is operated in furtherance of certain public health delivery goals, including culturally responsive integrated services with King County Public Health, whole person healthcare, and community outreach.

5. Term; Termination; and Satisfaction of Conditions Necessary for Closing Contract of Sale Transaction.

(a) **Term.** The term of this Agreement shall commence on the Effective Date and expire upon the transfer of legal title to the Property pursuant to the terms in Section 4.a of the Memorandum unless terminated under the terms of this Agreement prior to Closing.

(b) **Termination.** This Agreement shall terminate prior to the expiration of the Term only in the event of: (i) County's election to terminate the Agreement for default pursuant to Section 6(d) of this Agreement; (ii) termination of the Memorandum according to its terms prior to Closing and the transfer of legal title to HealthPoint; or (iii) the mutual agreement of the Parties.

(c) **Satisfaction of Conditions of Contract of Sale.** HealthPoint shall be deemed to have satisfied the conditions of this Agreement necessary to comply with the obligations of the contract of real estate sale described in the Memorandum upon completion of Project Development Obligations described in Section 3 of this Agreement so long as at such time HealthPoint has diligently pursued operation of the Integrated Health and Wellness Center described in Section 4(a) in reasonable compliance with this Agreement and is not otherwise in default with its obligations hereunder.

6. Miscellaneous Provisions.

(a) **Incorporation of Recitals.** The foregoing recitals are true and correct and are hereby incorporated herein.

(b) **Related Agreements; Conflict with Related Agreements.** In the event of any conflict between the terms of this Agreement and the terms of the Lease Agreement, the terms of this Agreement shall control. In the event of any conflict between the terms of this Agreement and the terms of the PSA, the terms of this Agreement shall control. In the event of any conflict between the terms of this Agreement and the terms of the Memorandum, the terms of the Memorandum shall control. In the event of any conflict between the terms of this Agreement and the terms of the Covenant, the terms of the Covenant shall control.

(c) **No Assignment.** This Agreement shall not be assignable or transferable by operation of law, or by any process or proceeding of any court or otherwise without the prior written consent of the Parties hereto, which consent shall be at each Party's sole and absolute discretion. Notwithstanding the foregoing, HealthPoint may assign this Agreement to a wholly-owned single-purpose affiliate entity in accordance with a concurrent assignment of the Memorandum upon the reasonable approval of the County.

(d) **Default.** HealthPoint shall be in default of this Agreement if HealthPoint (a) fails to timely and fully observe or perform any term, covenant, condition herein set forth including but not limited to its obligation to secure sources of funding for the Project as required by Section 3(b)(ii) of this Agreement and, except as otherwise provided herein, fails to cure any such default within one hundred eighty (180) days after notice thereof from County; or (b) becomes or is declared insolvent or makes an assignment for the benefit of creditors, or files any debtor's petition or any petition is filed against HealthPoint under any bankruptcy, wage earners, reorganization or similar act.

(e) **Force Majeure.** Neither Party shall be liable to the other or deemed in default under this Agreement if and to the extent that such Party's timely performance hereunder is prevented by reason of Force Majeure. "Force Majeure" shall be defined as an occurrence that is beyond the control of the Party affected and could not have been avoided by exercising reasonable diligence. Force Majeure includes strikes; lockouts; labor disputes; Acts of God; inability to procure labor, materials, or reasonable substitutes therefor; delay resulting by reason of the diminution of power or power failure(s); restrictive governmental laws or controls; judicial orders; enemy or hostile action; civil commotion; fire or other casualty. "Acts of God" mean naturally occurring events that cannot be avoided, such as earthquake, tornado, flood or global health crises such as an epidemic or pandemic as determined by the relevant governmental authorities having jurisdiction over the Property.

(f) **Non-Discrimination.** HealthPoint shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. HealthPoint shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of

1964. Any violation of this provision shall be considered a default of this Agreement and shall be grounds for cancellation, termination, or suspension, in whole or in part, of this Agreement and the Related Agreements and may result in ineligibility for further agreements with King County.

(g) **Applicable Law; Jurisdiction and Venue.** This Agreement and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law rules or choice of law provisions. In the event that either Party shall bring a lawsuit related to or arising out of this Agreement, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

(h) **Severability.** In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, then such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated or voided.

(i) **Notices.** Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered, when receipt of notice by e-mail is acknowledged by the recipient, when sent by overnight courier, or two days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. All notices shall be addressed to the parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein:

If to HealthPoint: HealthPoint
955 Powell Avenue SW
Renton, Washington 98057
Attention: Chief Executive Officer

With a copy to: Ogden Murphy Wallace PLLC
701 Fifth Avenue, Suite 5600
Seattle, WA 98104
Attention: Steve Burgon

If to County: King County
Chinook Building
401 5th Ave. Suite 930
Seattle, WA 98104
Attention: Steve Rizika

With a copy to: King County Prosecuting Attorney's Office
701 Fifth Avenue, Suite 600
Seattle, Washington 98104
Attention: Ryan W. Ridings

(j) **Dispute Resolution.** The Parties agree to negotiate in good faith to resolve any disputes arising under this Agreement so that the purposes of this Agreement are not frustrated, and before seeking to resolve disputes in a court of law or any other forum. Neither Party may seek relief in a court of law until and unless the dispute resolution process set forth in this Section 6(j) has been completed in good faith.

(i) The Parties shall designate representatives for purposes of managing this Agreement and the dispute resolution process under this Section 6(j). The Parties' initial Designated Representatives shall be the Chief Administrative Officer for Public Health for the County and the Chief Financial Officer for HealthPoint, or such other persons as the Parties may designate in writing from time to time by giving notice. The Parties' Designated Representatives shall communicate regularly to discuss the status of the tasks and services to be performed and to prevent disputes from arising.

(ii) If a dispute arises, then

Step One: The Parties' Designated Representatives shall confer and attempt to resolve the dispute within ten (10) business days of written notification by either Party.

Step Two: If the Parties' Designated Representatives are unable to resolve the dispute within ten (10) business days, either Party may refer the dispute to HealthPoint's Chief Executive Officer and the County's Division Director for Administrative Services or their designees. HealthPoint's Chief Executive Officer and the County's Division Director for Administrative Services shall confer and attempt to resolve the dispute within ten (10) business days of receiving the referral. The conference may be in person or by other means, such as telephone conference, videoconference, etc.

(iii) If the Parties cannot resolve the dispute utilizing the process in Section 6(j)(ii), the Parties may, by agreement, submit the matter to non-binding mediation. The Parties shall split the mediator's fees, costs and expenses on an equal basis. Each Party shall pay its own costs to prepare for the mediation, including any attorney fees or costs.

(iv) During the course of conflict or dispute resolution efforts, the Parties agree to continue to diligently perform their respective responsibilities under this Agreement.

(k) **Amendment.** Except as otherwise provided herein, this Agreement may only be amended in a writing signed by the Parties hereto. Notwithstanding the foregoing, the Parties

acknowledge that it is the intent of the Parties that modifications to the timing of the Project Milestones described in Section 3(b) and modification of the objectives of the Integrated Health and Wellness Center described in Section 4(a) may be modified without formal amendment to this Agreement so long as documentation of the mutual intent of the Parties to such changes is available to document the agreed modifications.

(l) **Legal Relationships.** No partnership, joint venture or joint undertaking shall be construed from this Agreement and, except as herein specifically provided, neither Party shall have the right to make any representation for, act on behalf of, or be liable for the debts of the other. Unless otherwise specifically provided herein, no third party is intended to be benefited by this Agreement.

(m) **Non-Waiver.** No action or failure to act by HealthPoint or County shall constitute a waiver of any right or duty afforded it under this Agreement.

(n) **Captions.** The captions in this Agreement are for convenience only and do not in any way limit or amplify the provisions set forth herein.

(o) **Definitions.** Capitalized terms not defined in this Agreement shall have the meaning given to them under the Related Agreements.

(p) **Counterparts.** This Agreement may be executed in several counterparts, which shall be treated as originals for all purposes, and all counterparts so executed shall constitute one agreement, binding on all the Parties hereto, notwithstanding that all the Parties are not signatory to the original or to the same counterpart. Any such counterpart shall be admissible into evidence as an original hereof against the person who executed it.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

HealthPoint,
a Washington nonprofit corporation

King County,
a political subdivision of the State of Washington

By: _____
Lisa Yohalem,
President and Chief Executive Officer

By: _____
Drew Zimmerman,
Director, Facilities Management Division

APPROVED AS TO FORM:

By: _____
Ryan W. Ridings,
Senior Deputy Prosecuting Attorney

APPROVED BY CUSTODIAL AGENCY:

By: _____
Michael Gedeon,
Chief Administrative Officer,
King County Public Health

EXHIBIT G.

LEASE AGREEMENT

BY AND BETWEEN

KING COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF WASHINGTON

AND

HEALTHPOINT, A WASHINGTON NONPROFIT PUBLIC BENEFIT CORPORATION

DATED: _____, _____ 2024

BASIC LEASE PROVISIONS

The words and figures set forth in Paragraphs A to O shall have the following meanings throughout the Lease except as expressly modified elsewhere in the Lease.

- A. Landlord: HealthPoint
- B. Tenant: King County
- C. Property Address: 33431 13th Place South, Federal Way, Washington
- D. Premises: the approximately 7,500 square feet of dedicated space (see Exhibit B-1) and approximately 1,990 square feet of shared space with HealthPoint (see Exhibit B-2)
- E. Permitted Use: Primary medical and dental care; other health and human services and other public health services; all consistent with restrictive covenant against the property.
- F. Term: An initial term of one hundred twenty (120) months beginning on the Commencement Date and terminating on the last day of the month of the day in which the 120-month period expires.
- G. Optional Renewal Terms: two (2) consecutive five (5) year tenant options to extend.
- H. Commencement Date: [_____, 2024]
- I. Monthly Base Rent for Initial Term: zero dollars (\$0.00)
- J. Additional Rent for Initial Term: n/a
- K. Security Deposit: none
- L. Prepaid Rent: none
- M. Renewal Option Notice Date(s): [_____, 2033 and _____, 2038]
(twelve months before the end of term)
- N. Landlord's Address for Notices:
HealthPoint
955 Powell Avenue SW
Renton, Washington 98057
Attention: Chief Executive Officer
- O. Tenant's Address for Notices:
King County Real Estate Services Section
King County Administration Building
500 4th Avenue, Suite 830
Seattle, WA 98101

LEASE AGREEMENT

This Lease Agreement (“Lease”) is made by and between HEALTHPOINT, a Washington nonprofit public benefit corporation (“Landlord”), and KING COUNTY, a political subdivision of the State of Washington (“Tenant”) and is effective as of _____ (“Lease Date”). Landlord and Tenant are each generically referred to herein as a “Party” and collectively as the “Parties”.

RECITALS

- A. Landlord, a public benefit nonprofit corporation, is a community-based, community-supported, and community-governed network of non-profit health centers dedicated to providing high quality care to all who need it, regardless of circumstances which qualifies as a Federally Qualified Health Center, as that term is defined in 42 USC § 1395x(aa)(4); and provides access to medical care to poor and underserved populations in King County.
- B. Tenant, through King County Department of Public Health, serves low income, marginalized, and underserved populations through the provision of medical and related care and health services in King County.
- C. Landlord is the owner of the real property located at 33431 13th Place South in Federal Way, King County, State of Washington, and legally described on Exhibit A (the “Property”) pursuant to a real estate contract sale (as that phrase is defined in RCW 61.30.010) for the sale of the Property by Tenant, as Seller, to Landlord, as Buyer, memorialized under that certain Memorandum of Contract Sale and recorded against the Property under KC Rec No. _____ (the “Memorandum of Contract Sale”).
- D. The terms of the Memorandum of Contract Sale require that Landlord perform certain improvements upon the Property (the “Project”) resulting in an integrated health and wellness center to be operated by Landlord and Tenant as King County Public Health.
- E. Landlord and Tenant have entered into that certain consideration agreement dated on or about the date hereof (the “Consideration Agreement”) which provides, among other things, (i) that Landlord will complete Phase 1 of the Project (herein “Phase 1”) and Phase 2 of the Project (herein “Phase 2”) as those terms are defined and on certain terms and conditions set forth therein and (ii) that Landlord will thereafter provide health services to Medically Underserved Populations with King County Public Health (the “Health Services”).
- F. The costs of completing the Project are a portion of the consideration provided by Landlord to Tenant for the sale of the Property.
- G. The Project contains certain demised premises (the “Premises”, as set forth and defined herein) within the Property for the exclusive use and control by King County Public Health, and certain shared spaces (“Shared Space”, as set forth and defined herein) within the Property to be used jointly by Tenant and Landlord in the provision of Health Services.

H. Tenant's leasehold in the Premises and the Shared Space is an additional part of the consideration provided by Landlord to Tenant for the sale of the Property.

AGREEMENT

For and in consideration of the mutual promises, covenants, and conditions herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. PREMISES; USE:

- 1.1. Premises and Shared Space. Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, those certain premises consisting of approximately 7,500 square feet of dedicated space shown and defined on Exhibit B-1 (the "Premises") within the building located on the Property (the "Building"). In addition, Tenant shall have the right to use, on a non-exclusive basis in collaboration with Landlord, that shared space shown on Exhibit B-2 (the "Shared Space"). Tenant's Share (as defined below) of the Shared Space consists of approximately 1,190 square feet, for a total leased area of approximately 8,690 square feet. Tenant's total leased square feet is 8,690 as shown on Exhibit B-2. For the purposes of this Lease, the Parties agree that the total leased square feet means a rental area as determined by [ANSI/BOMA] Standard of Measurement.
- 1.2. Provision of the Premises and Shared Space. Upon commencement of the Term of this Lease, and subject to Landlord's ongoing maintenance and repair obligation set forth in this Lease, Landlord shall not be obligated to perform any alterations or improvements to the Premises, the Shared Space or elsewhere, provided only that Landlord agrees to complete the Project pursuant to Section 3 of the Consideration Agreement. Upon completion of Phase 1, as provided under Section 3 of the Consideration Agreement, Landlord shall provide and maintain Building-wide standard furniture (including, without limitation, desks, chairs, book cases, and file cabinets but specifically excluding art decorations, computers, telephones, copy machines, IT systems or other equipment specific to Tenant) for the Premises and the Shared Space (defined below) as set forth on the Schedule of Furniture, Fixtures and Equipment attached hereto as Exhibit D (collectively, the "Initial Furniture"). Tenant shall have meaningful opportunity to review the Initial Furniture and to set forth certain ergonomic requirements.
- 1.3. Use. Tenant may use the Premises for the purpose of primary medical and dental care, and to provide other health and human services and public health services that are complementary thereto for persons of lower incomes and other underserved populations with more limited access to quality health care in King County together with all reasonably related office and administrative uses and any other legally permissible use consistent with the Restrictive Covenant dated [_____, 2024] recorded against the Property.
- 1.4. Project Delivery. Landlord and Tenant acknowledge and agree that they are committed to integrated service delivery within the Project and agree that one (1) or more representative(s) appointed by Landlord and one (1) or more representatives appointed by

Tenant shall participate in a committee intended to establish policies and procedures for the shared provision of Health Services, including without limitation the use of the Shared Space.

2. TERM

2.1. Initial Term. The Term of this Lease shall be for one hundred twenty (120) full calendar months ("Term"), commencing on the date that Tenant shall have conveyed to Landlord equitable title to the Property and the Memorandum of Contract Sale shall have been duly executed by both Parties (the "Commencement Date"), and terminating on the last day of the 120th full calendar month thereafter.

2.2. Renewal Terms. Provided that Tenant is not in default under the terms of this Lease, Tenant shall have two (2) options to extend the Term of this Lease for an additional five (5) years each (each, an "Extended Term"), subject to providing Landlord no less than twelve (12) months' prior written notice of Tenant's intent to exercise said option(s). Tenant's extension rights shall apply to all of the Premises then leased by Tenant under this Lease. From and after the commencement of the Extended Term, all of the terms, covenants, and conditions of the Lease shall continue in full force and effect as written, except that the monthly Rent for the Extended Term shall be at Fair Market Rent. The term "Fair Market Rent" for the purposes of this Lease shall mean the annual amount per rentable square foot that a willing, comparable, non-expansion, non-renewal, non-equity tenant would pay, and a willing, comparable landlord of a comparable building in the Federal Way market would accept under the transaction as further defined above, for new leases of similar space, considering, size, use type, and creditworthiness of tenant on or about the date on which the Fair Market Rent is being determined hereunder. The Fair Market Value rentable square foot rate determined above shall be determined for the respective market values for the Premises and Shared Space, as described in Section 1.1, above.

3. RENT:

3.1. Initial Term Rent. Tenant shall not pay base rent or operating expenses during the Initial Term of this Lease but shall pay rent during any Extended Term as described in Section 2.2, above.

3.2. Extended Term Rent. During any Extended Term, the Parties anticipate that this Lease shall convert to a triple net agreement in accordance with prevailing market terms at such time.

3.3. Improved Premises as Consideration. It is the shared understanding and intent of the Parties that the Tenant shall enjoy Premises and Shared Space that are renovated upon Landlord's completion of Phase 1 in accordance with the Consideration Agreement. In any event where Landlord shall not have substantially completed Phase 1 prior to the end of the thirty-sixth (36th) month of this Lease, Landlord shall grant Tenant the right to either (i) a rent payment credit of not less than Twenty Dollars and No/100 (\$20) per square foot, as adjusted to the day for each day that shall pass until substantial completion of Phase 1 of the Project as set forth under Section 3(b) of the Consideration Agreement; or (ii) a lease term credit providing an according number of days at the Initial Term Rent rate set

forth in Section 3.1 to be added to the end of the Initial Term for each day that shall pass until substantial completion of Phase 1 of the Project as set forth under Section 3(b) of the Consideration Agreement.

4. UTILITIES AND SERVICES: So long as Tenant is not in default under this Lease, Landlord shall provide gas, steam, electricity, heat, ventilation, air-conditioning, water, elevator service, trash removal, snow and ice removal, medical facility janitorial services, sewer and storm water, and other customary services or utilities without interruption. Landlord shall pay all real estate and ad valorem taxes, as may be applicable. All other costs necessary for Tenant to do business in the Premises will be paid directly by Tenant, including expressly telephone and internet connection. Landlord agrees to provide third-party security at the Building for the benefit of both Landlord and Tenant's operations, and shall maintain electronic security measures, including but not limited to access controls, cameras and intrusion systems as described on Exhibit C attached hereto.
5. COMMON AREAS: Landlord also grants Tenant a nonexclusive license to use, in common with Landlord, other lessees (if any), and their respective guests and invitees, those portions of the Building and the Property incident to and necessary for Tenant's use of the Premises and Shared Space, including but not limited to any utility rooms, cable and communication closets, or other spaces containing operational infrastructure, and which shall be accessible to Tenant at all times (the "Common Areas").
6. REPAIRS AND MAINTENANCE: Landlord shall keep the Premises, Shared Space, and the Common Areas of the Building in operating condition and repair at least as good as the condition of the Building on the Commencement Date, the completion of Phase 1 or the completion of Phase 2, as the case may be, including but not limited to walks, landscaping, service areas, mechanical rooms, loading areas, and the roof and the exterior of the Building, reasonable use and wear and tear and damage by fire and other casualty excepted, Landlord shall promptly repair malfunctioning fixtures, plumbing, HVAC and electrical systems in the Premises, Shared Space and public and common areas. Landlord shall further maintain in condition and operating order at least as good as the condition of the Building on the Commencement Date and reasonably keep in repair consistent with plans for renovation of the Building (a) the structural portions of the Building, including the foundation, floor/ceiling slabs, roof, curtain wall, exterior glass and mullions, columns, beams, shafts (including elevator shafts), base Building stairs and stairwells, Landlord's art work, Building mechanical, electrical and telecom closets (collectively, the "Building Structure"), (b) the base building mechanical, electrical, life safety, plumbing, sprinkler and HVAC systems of the Building (collectively, the "Building Systems"), and (c) the common areas and signage. In the event that such repairs are required as a result, in whole or in part, of the act or neglect of any duty by Tenant its agents, servants, employees, or invitees, then Tenant shall pay to Landlord the reasonable and actual cost of such maintenance and repairs. Landlord shall provide janitorial service for the Premises. Tenant shall, at its own expense and at all times, keep the Premises neat, clean and in a sanitary condition. Tenant shall permit no waste, damage or injury to the Premises. Tenant shall promptly provide Landlord with written notice of the need for any repairs or maintenance to the Premises or the Building. Landlord shall be responsible for the maintenance and repairs to the Premises, the Building, Building systems, and common areas which shall include but not limited to interior lighting (including replacement of

light bulbs, ballasts and starters as required); electrical, plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual); floor coverings; window coverings; inside and outside walls (including windows and entrance and exit doors); all structural portions of the Building (including the roof and the watertight integrity of same); restrooms, common area hallways, porches, stairways; sidewalks; exterior lighting; parking lot (including snow removal, cleaning and restriping as required); wheel bumpers; drainage; landscaping and continuous satisfaction of all governmental requirements (example: fire, building energy codes, indoor air quality and requirements to provide architecturally barrier-free premises for persons with disabilities, etc.).

7. ALTERATIONS: Tenant shall be entitled to perform alterations and/or improvements to the Premises (including, without limitation, the installation of fixtures and signs) subject to Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed. Upon Tenant's request, Landlord agrees to perform such alterations or improvements on Tenant's behalf, subject to reimbursement from Tenant for Landlord's actual and reasonable costs. Tenant may from time to time remove any fixtures, alterations or improvements installed by Tenant in or to the Premises; provided that Tenant agrees to repair any damage caused by such removal. Notwithstanding the foregoing, Tenant may perform alterations and/or improvements to the Premises without obtaining Landlord's prior consent so long as such alterations and/or improvements: (i) do not exceed \$25,000 per project, (ii) are not visible from the exterior of the Building or from the Shared Space or Common Areas, (iii) do not adversely affect any Building system or the structural strength of the Building, and (iv) do not require penetrations into the roof of the Building. As an alternative, upon mutual agreement, Tenant may request work to be completed by Landlord, and Tenant shall be billed at the pre-approved, mutually agreed upon amount. In such instance(s), Tenant shall have the right to approve in advance the scope and estimated costs of such work to be completed.
8. CONDEMNATION OR DAMAGE TO THE PROPERTY: In the event a substantial part of the Premises is taken by the right of eminent domain, or purchased by the condemnor, in lieu thereof, or damaged by casualty, so as to render the remaining Premises economically untenable as a result of any of the foregoing, then this Lease shall be canceled as of the time of taking at the option of either party. The Parties shall refer to the Consideration Agreement for the allocation of rights in the property if any such event occurs prior to Landlord's satisfaction of the terms and conditions of the Consideration Agreement.
9. PARKING: Tenant shall have an exclusive right to dedicated parking stalls numbered _____ as shown on Exhibit B-3 attached hereto for fleet parking. In addition, Tenant shall have the non-exclusive right, during the Term of the Lease, to use the shared parking spaces shown on Exhibit B-3 attached hereto.
10. LIENS AND INSOLVENCY: Tenant shall keep the Premises free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by Tenant and shall hold Landlord harmless against the same. In the event Tenant becomes insolvent, bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of Tenant, Landlord may cancel this Lease at its option.

11. DISPUTE RESOLUTION: The Parties agree to negotiate in good faith to resolve any disputes arising under this Agreement so that the purposes of this Agreement are not frustrated, and before seeking to resolve disputes in a court of law or any other forum. Neither Party may seek relief in a court of law until and unless the dispute resolution process set forth in this Section 11 has been completed in good faith.

11.1. Designated Representatives. The Parties shall designate representatives for purposes of managing this Agreement and the dispute resolution process under this Section 11. The Parties' initial Designated Representatives shall be the Chief Administrative Officer for Public Health for the County and the Chief Financial Officer for HealthPoint, or such other persons as the Parties may designate in writing from time to time by giving notice. The Parties' Designated Representatives shall communicate regularly to discuss the status of the tasks and services to be performed and to prevent disputes from arising.

11.2. Informal Dispute Resolution Process. If a dispute arises, then:

Step One: The Parties' Designated Representatives shall confer and attempt to resolve the dispute within ten (10) business days of written notification by either Party.

Step Two: If the Parties' Designated Representatives are unable to resolve the dispute within ten (10) business days, either Party may refer the dispute to HealthPoint's Chief Executive Officer and the County's Division Director for Administrative Services or their designees. HealthPoint's Chief Executive Officer and the County's Division Director for Administrative Services shall confer and attempt to resolve the dispute within ten (10) business days of receiving the referral. The conference may be in person or by other means, such as telephone conference, videoconference, etc.

11.3. Non-Binding Mediation. If the Parties cannot resolve the dispute utilizing the process in Section 11.2, the Parties may, by agreement, submit the matter to non-binding mediation. The Parties shall split the mediator's fees, costs and expenses on an equal basis. Each Party shall pay its own costs to prepare for the mediation, including any attorney fees or costs.

11.4. Continued Diligence. During the course of conflict or dispute resolution efforts, the Parties agree to continue to diligently perform their respective responsibilities under this Agreement.

12. SUBLETTING OR ASSIGNMENT: Tenant may assign this Lease in whole or in part or sublet all or any portion of the Premises to a related entity or affiliate upon notification to Landlord. In addition, Tenant shall have the right to assign this Lease in whole or in part or sublet all or any portion of the Premises to unrelated entities with the prior written consent of Landlord, which may be withheld or conditioned as set forth: Landlord will agree to the sublease and assignment provided that (a) the use of the Premises by said related entity or affiliate must be similar to Tenant's use and consistent with the Permitted Uses described herein, (b) such sublessee or

assignee organization and clientele shall not be incompatible with HealthPoint's market space or business practices, and (c) the subtenant or assignee must not use the Premises in any way that will create a nuisance to Landlord or any other tenants of the Building. Landlord shall not have the right to recapture any sublease or assignment space without Tenant's express written consent. Landlord acknowledges that Tenant is a home rule charter county and political subdivision of the State of Washington and is comprised of many separate departments and divisions. As such, use or occupancy of the Premises by any Tenant department or division shall not constitute a sublease or assignment under this Section 12.

13. ACCESS: Landlord shall have the right to enter the Premises at all reasonable times for the purpose of inspection or of making repairs, additions, or alterations upon not less than ten (10) business days' notice to Tenant.

14. INDEMNIFICATION; INSURANCE:

- 14.1. County Self-Insurance. Landlord acknowledges that Tenant, a Charter County Government under the Constitution of the State of Washington, maintains a fully funded self-insurance program as defined in King County Code 2.21 for the protection and handling of the Tenant's liabilities, including injuries to persons and damage to property. Tenant shall, at its own expense, maintain, through its self-funded program, coverage sufficient for all of its liability exposures for this Lease. Tenant shall provide Landlord with at least thirty (30) days prior written notice of any material change in Tenant's self-funded program and shall provide Landlord with a certificate of self-insurance as proof of coverage. Landlord further acknowledges that Tenant does not maintain a commercial General Liability Insurance policy and is a self-insured government entity; therefore, Tenant does not have the ability to add Landlord as an additional insured to such policy. Should Tenant cease self-insuring its liability exposure and purchase a Commercial General Liability Insurance Policy, Tenant shall add Landlord as an additional insured to such policy. Tenant shall at all times maintain its self-funded program or a Commercial General Liability Insurance Policy, each in an amount sufficient to cover its liability exposure under this Lease.
- 14.2. Landlord Insurance: Landlord shall maintain throughout the Term insurance as set forth in Section 12(b) of the Memorandum of Contract.
- 14.3. Indemnification. Each Party shall defend, indemnify and hold the other harmless from and against any claims, suits, causes of action, judgments, damage, loss or liability for injuries to persons or property (excluding consequential damages such as lost profits) (collectively, "Claims") to the extent caused by the negligent acts or omissions of their respective agents, officers and employees, arising out of or incidental to the exercise of rights and obligations under this Lease. Where such Claims result from the concurrent negligence of the Parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each Party's negligence. Each of the Parties agrees that its obligations under this Section 14 extend to any claim, demand, cause of action and judgment brought by, or on behalf of, any of its employees or agents. For this purpose, each of the Parties, by mutual negotiation, hereby waives, with respect to each of the other Party's only, any immunity

that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW. In the event that any of the Parties incurs any judgment, award, and/or cost arising therefrom, including attorney fees, expenses, and costs shall be recoverable from the responsible Party to the extent of that Party's negligence.

15. COST AND ATTORNEY'S FEES: If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this Lease, a legal action is instituted, the prevailing party shall recover its reasonable costs and attorney's fees in connection therewith. It is agreed that the venue of any legal action brought under the terms of this Lease shall be in King County Superior Court.

16. LIENS. Landlord and Tenant shall keep the Premises and the Building free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant or Landlord, and each shall indemnify and hold harmless the other from and against all liabilities, losses, damages and costs (including reasonable attorney fees and costs) incurred in connection with any such lien. Landlord or Tenant may contest the validity or amount of any such lien or encumbrance in good faith provided that, within forty-five (45) days after the filing of such lien or encumbrance, Landlord or Tenant discharges the same by providing and recording a bond which complies with the requirements of RCW 60.04.161 eliminating said lien and/or encumbrance.

17. HAZARDOUS MATERIALS.

17.1. Definitions. For purposes of this Lease, the term "Environmental Law" shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, RCW ch. 70A.305 ("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70A.300; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Lease, the term "Hazardous Material" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law.

17.2. Landlord Representations and Warranties. Landlord represents and warrants to Tenant that there is no Hazardous Material on, in, or under the Premises or the Real Property as of the Commencement Date. If there is any Hazardous Material on, in, or under the Premises or the Real Property which has been or thereafter becomes released, then Landlord (i) shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law and (ii) shall indemnify, defend and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims,

attorneys' fees, consultant fees and expert fees, incurred either during or after the Lease term as the result of such release.

- 17.3. Hazardous Waste Restrictions. Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, except in strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred either during or after the Lease term ("Claims") to the extent that said Claims are a result of said breach. Tenant shall promptly notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third Party regarding the actual or suspected presence of Hazardous Material on the Premises or the Property.
- 17.4. Tenant Remediation. Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any release of any Hazardous Material on the Premises or the Real Property, Tenant shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law. Landlord's approval of such remediation shall first be obtained, which approval shall not be unreasonably withheld, conditioned or delayed, provided, however, that Tenant shall be entitled to respond immediately to an emergency without prior approval from Landlord, including but not limited to taking actions necessary to prevent the release from migrating, leaching or otherwise spreading, and actions necessary to respond to any immediate obligations imposed on Tenant by Environmental Law. To the extent such Hazardous Material becomes comingled with Hazardous Material released by Landlord or other Parties, nothing in this Lease shall prevent Tenant from seeking to recover costs, expenses or any other damages incurred as a result of the presence of such Hazardous Material that was released by Landlord or other Parties.
- 17.5. Landlord Remediation. Landlord shall remediate any Hazardous Material discovered in the course of carrying out Landlord's Work at Landlord's sole cost and expense.
- 17.6. Title 51 Waiver. Each of the Parties agrees that its obligations under this Section 17 extend to any claim, demand, cause of action and judgment brought by, or on behalf of, any of its employees or agents. For this purpose, each of the Parties, by mutual negotiation, hereby waives, with respect to each of the other Party's only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW.
- 17.7. Survival. The provisions of this Section 17 shall survive expiration or earlier termination of this Lease.

- 17.8. Indemnification. All claims, judgements, damages, penalties, fines, costs, liabilities and losses involving the release or presence of Hazardous Material shall be subject to this Section 17, and not the indemnity and liability provisions of Section 14.
18. NO WAIVER OF COVENANTS: Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future similar breach. This Lease contains all the agreements between the parties with respect to the Lease except to the extent other agreements between the Parties are expressly referenced herein; and there shall be no modification of the agreements contained herein except by written instrument.
19. SURRENDER OF PREMISES: Subject to Section 2.2, Tenant agrees, upon expiration of the Term or other termination of this Lease, to peacefully quit and surrender the Premises without notice, remove all of Tenant's personal property, leave the Premises neat and clean and to deliver all keys to the Premises to Landlord.
20. HOLDING OVER: If Tenant, with the implied or express consent of Landlord, shall hold over after the expiration of the term of this Lease, Tenant shall remain bound by all the covenants and agreements herein, except that the tenancy shall be from month to month and Monthly Rent shall be at rate established under any "Extended Term" above.
21. BINDING ON HEIRS, SUCCESSORS AND ASSIGNS: The covenants and agreements of this Lease shall be binding upon the heirs, executors, administrators, successors and assigns of both parties hereto, except as hereinabove provided.
22. NOTICE: All notices hereunder shall be in writing and shall be delivered personally or by recognized overnight courier addressed as follows:

To Tenant:

King County Real Estate Services Section
Chinook Building
401 5th Ave. Suite 930
Seattle, WA 98104
Copy to:

King County Prosecuting Attorney's Office
701 Fifth Avenue, Suite 600
Seattle, WA 98104
Attention: Ryan Ridings

To Landlord:

HealthPoint
955 Powell Avenue SW
Renton, Washington 98057
Attention: Chief Executive Officer

Copy to:

Ogden Murphy Wallace PLLC
701 Fifth Avenue, Suite 5600
Seattle, WA 98104
Attention: Steve Burgon

or to such other respective addresses as either Party hereto may hereafter from time to time designate in writing. Notices shall be deemed delivered (i) when personally delivered; or (ii) on the first business day after deposit with a recognized overnight courier if deposited in time to permit overnight delivery by such courier as determined by its posted cutoff times for receipt of items for overnight delivery to the recipient. Payments may be made in the manner provided for notice or may be delivered by regular mail (postage prepaid); provided, payments made by regular mail (postage prepaid) shall be deemed delivered when actually received by Landlord.

23. BROKERS. Landlord and Tenant each warrant to the other that it has had no discussions, negotiations and/or other dealings with any real estate broker or agent in connection with the negotiation of this Lease, and that it knows of no other real estate broker or agent who is or may be entitled to any commission or finder's fee in connection with this Lease. Landlord and Tenant each agree to indemnify and hold the other harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation, attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of such party's discussions, negotiations and/or dealings with any real estate broker or agent. This Section is not intended to benefit any third parties and shall not be deemed to give any rights to brokers or finders. No commission(s) or finder's fee(s) shall be paid to Tenant, employee(s) of Tenant or any unlicensed representative of Tenant.
24. CONSENT. Whenever Landlord's or Tenant's prior consent or approval is required by this Lease, the same shall not be unreasonably withheld, conditioned or delayed, unless otherwise specifically provided by this Lease. All requests for Tenant consents or approvals required under this Lease shall be submitted to the Facilities Management Director or his or her functional successor. Whenever the consent of Tenant to any act to be performed under this Lease, Landlord must obtain the consent or approval expressly for purposes of this Lease, regardless of whether a consent or approval shall have been granted by Tenant in its regulatory, public utility, or other capacity. No permission, consent, or approval of Tenant contained herein or given pursuant to this Lease is, or shall be construed as, a representation or assurance that the matter consented to or approved complies with applicable laws, regulations, ordinances or codes, nor shall any such consent or approval be construed to authorize any failure to comply with any of the foregoing.

25. RELATIONSHIP TO LANDLORD AND TENANT. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture partners, and no provision contained in this Lease, nor any acts of Landlord or Tenant shall be deemed to create any relationship other than that of Landlord and Tenant.

26. TIME. Time is of the essence of each and every one of each Party's obligations, responsibilities and covenants under this Lease.

27. ANTI-DISCRIMINATION. Landlord shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression, sex, status as a family caregiver, military status or status as a veteran who was honorably discharged or who was discharged solely as a result of the person's sexual orientation or gender identity or expression, or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16. Landlord shall comply fully with all applicable federal, state, and local laws, ordinances, executive orders, and regulations that prohibit such discrimination. These laws include, but are not limited to, King County Charter Section 840, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Lease and may result in ineligibility for further agreements with King County. Notwithstanding anything to the contrary, Tenant shall be entitled to terminate this Lease effective upon written notice to Landlord in the event that Landlord violates the requirements of this Section 27.

28. DEFAULTS/REMEDIES

28.1. Termination. Should an Event of Default exist, as defined in Section 28.2 below, Landlord may, unless otherwise provided in this Lease, terminate the Lease. Notwithstanding anything to the contrary contained in this Lease, if Landlord elects to terminate this Lease in accordance with this Section 28.1, Tenant shall have no liability for any obligations under this Lease which arise from and after the date of termination of this Lease.

28.2. Breach and Default by Tenant. Each of the following events shall be an "Event of Default" by Tenant and a "breach" of this lease:

- (a) Failure to perform any term, condition, covenant, or requirement of this Lease;
- (b) The appointment of a receiver to take possession of the Premises or of Tenant's interest in, to, and under this Lease, the leasehold estate or of Tenant's operations on the Premises for any reason, including, without limitation, assignment for benefit of creditors or voluntary or involuntary bankruptcy proceedings, when not released within ninety (90) days; and
- (c) The subjection of any right or interest of Tenant to or under this Lease to attachment, execution, or other levy, or to seizure under legal process when the claim against Tenant is not released within ninety (90) days.

- 28.3. Notice as a Precondition to Landlord's Remedies. As a precondition to pursuing any remedy for an Event of Default by Tenant, Landlord shall, before pursuing any remedy, (a) where the alleged default is a failure to pay any installment of Rent or other sum when due pursuant to this Lease, give Tenant a thirty (30) day written notice of default and opportunity to cure, specifying in reasonable detail the amount of money not paid and the nature and calculation of each such payment, or (b) where the alleged default is the failure to perform or observe any covenant, condition, or agreement to be performed by Tenant under this Lease, other than a failure to pay rent or any other sum when due, give Tenant a sixty (60) day written notice of default, providing details of the default, and provide Tenant a reasonable opportunity to cure. Where such default other than the failure to pay any installment of Rent or other sum cannot, with reasonable diligence, be cured within such sixty (60) day period, Landlord shall not pursue any remedy provided curative action is commenced within such sixty (60) day period and thereafter pursued with due diligence to completion.
- 28.4. Waiver of Breach. The waiver by Landlord of any breach by Tenant of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Tenant of either the same or a different provision of this Lease.
- 28.5. Landlord's Default. Landlord shall be in default under this Lease if Landlord fails to cure any breach of its obligations under this Lease within sixty (60) days after receipt of written notice from Tenant specifying in reasonable detail the nature of Landlord's breach; provided, however, that if the nature of Landlord's breach is such that more than sixty (60) days are required for performance, then Landlord shall not be in default if Landlord commences the cure of such breach within sixty (60) days of the receipt of such notice from Tenant. If any Landlord breach is not cured within any required time period under such notice, Tenant may terminate this Lease and have no further obligations hereunder by providing written notice as required herein.
29. SEVERABILITY. Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision of this Lease.
30. DAMAGE OR DESTRUCTION.
- 30.1. During the Initial Term, all provisions for damage or destruction of the Premises, Shared Space or the Building shall be set forth in Section 24 of the Memorandum.
- 30.2. During any Extended Term, in the event the Premises, or Building are destroyed or damaged by fire, earthquake or other casualty so as to render the Premises or Building, in Tenant's sole judgment, unfit for occupancy or Tenant's intended purpose, and the Landlord neglects or refuses to restore the Premises to its former condition within ninety (90) days of such damage or destruction, Tenant may terminate this Lease upon thirty (30) days written notice to Landlord. In the event of such termination, Landlord and Tenant shall have no further obligations hereunder, except those obligations that expressly survive the expiration or earlier termination of the Lease. In the event the Premises are damaged by any of the aforesaid events, the Rent shall be abated in proportion to the percentage of untenable space in the Premises as relates to the total square footage of the Premises until such time that Landlord restores the Premises to its pre-casualty condition. If, in the sole discretion of

Tenant, the untenable portion of the Premises or the Building renders the Premises unusable for the Permitted Use, Tenant may unilaterally terminate this Lease upon thirty (30) days written notice to Landlord.

31. FORCE MAJEURE. Time periods for either Party's performance under any provision of this Lease shall be extended for periods of time during which the Party's performance is prevented due to circumstances beyond such Party's control, including without limitation, fires, floods, earthquakes, lockouts, pandemic, strikes, embargoes, governmental regulations, acts of God, public enemy, war, or other strife.
32. GOVERNING LAW. This Lease shall be governed by and construed in accordance with the laws of the State of Washington without giving effect to its conflicts of law rules or choice of law provisions.
33. COUNTERPARTS. This Lease may be executed in counterparts, each of which shall constitute an original and all of which constitute but one original. Execution copies of this Lease may be delivered by email, and the Parties hereto agree to accept and be bound by scanned signatures transmitted via email hereto, which signatures shall be considered as original signatures with the transmitted Lease having the binding effect as an original signature on an original document. Neither Party may raise the use of a scanned document or the fact that any signature was transmitted through the use of email as a defense to the enforcement of this Lease.

[No further text]

IN WITNESS WHEREOF, this Lease has been executed the day and year first above set forth.

LANDLORD:

HealthPoint,
a Washington nonprofit corporation

TENANT:

King County,
a political subdivision of the State of
Washington

By: _____
Name: Lisa Yohalem
Title: President and Chief Executive Officer

By: _____
Name: Drew Zimmerman
Title: Director, Facilities Management Division

APPROVED AS TO FORM:

By: _____
Name: Ryan W. Ridings
Title: Senior Deputy Prosecuting Attorney

APPROVED BY CUSTODIAL AGENCY:

By: _____
Name: Michael Gedeon
Title: Chief Administrative Officer,
Department of Public Health

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ 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 _____ of _____, a _____, its _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2024.

Notary Public: _____

Print Name: _____

My commission expires: _____

(Use this space for notarial stamp/seal)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that ____ signed this instrument, on oath stated that ____ was authorized to execute the instrument and acknowledged it as the _____ of KING COUNTY, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2024.

Notary Public: _____

Print Name: _____

My commission expires: _____

(Use this space for notarial stamp/seal)

Exhibit A
Legal Description

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

LOTS 7 AND 8 OF SECOMA BUSINESS PARK, ACCORDING TO PLAT RECORDED IN VOLUME 113
OF PLATS AT PAGES 37 THROUGH 40, INCLUSIVE, IN KING COUNTY, WASHINGTON.

(ALSO KNOWN AS BOUNDARY LINE ADJUSTMENT NUMBER BLA-91-0010 RECORDED ON JUNE
11, 1992 AS RECORDING NUMBER 9206119002, IN THE OFFICIAL RECORDS OF KING COUNTY,
WASHINGTON.)

Exhibit B-1
Depiction of the Premises

Exhibit B-2
Shared Space

Exhibit B-3
Parking Plan

Exhibit C
Property Security Requirements

Exhibit D
Schedule of Furniture Fixtures and Equipment

EXHIBIT H.

Please Return To:
 King County Real Estate Services
 Chinook Building
 401 5th Ave. Suite 930
 Seattle, WA 98104
 Attn: Steven Tease

WASHINGTON STATE COUNTY AUDITOR/RECORDER INDEXING FORM

Document Title(s) *(or transactions contained therein):*

DECLARATION OF RESTRICTIVE COVENANT

Reference Number(s) of Documents assigned or released:

Additional reference numbers on page ____ of document

Grantor(s): *(Last name first, then first name and initials)*

1. **HEALTHPOINT**

Grantee(s): *(Last name first, then first name and initials)*

1. **KING COUNTY**

Legal Description: *(abbreviated form i.e. lot, block, plat name, section-township-range)*

SECOMA BUSINESS PARK LOTS 7 & 8 AKA BLA-91-0010 REC #9206119002

Additional legal is on Exhibit A of document

Assessor's Property Tax Parcel Account Number(s):

768190-0070

Documents Referenced_____

DECLARATION OF RESTRICTIVE COVENANT

THIS DECLARATION OF RESTRICTIVE COVENANT (“Covenant”) is made, established, and executed as of _____, 2024, by HealthPoint, a Washington nonprofit public benefit corporation (“HealthPoint”).

RECITALS

A. HealthPoint is a Washington nonprofit public benefit corporation recognized by the Internal Revenue Service as a public charity described in Section 501(c)(3) of the Internal Revenue Code and operates a system of community health centers recognized by the Health Resources and Services Administration federally qualified health centers as described in Section 330 of the Public Health Service Act.

B. HealthPoint acquired an interest in real property in Federal Way, King County, Washington (the “Federal Way Property”) from King County, a political subdivision of the State of Washington, historically occupied by Public Health of Seattle-King County for the purpose of providing health care services for the benefit of the general public. The Federal Way Property is legally described on Exhibit A attached to this Covenant and incorporated herein by this reference as if set forth in full.

C. Pursuant to a Memorandum of Real Estate Contract Sale executed between HealthPoint and King County on this same date and Recorded under King County Rec. No. _____ (the “Memorandum of Contract Sale”), HealthPoint is acquiring the Federal Way Property in a transaction pursuant to which a portion of the consideration is HealthPoint’s commitment to maintain operation of a federally qualified health center on the Federal Way Property on the terms and conditions of this Covenant.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, HealthPoint hereby declares as follows:

1. Operation of a Community Health Center on the Federal Way Property. Except as otherwise expressly authorized under Section 3 of this Covenant, at all times during the term of this Covenant, a community health center recognized as within the scope of a federally qualified health center grant as defined by Section 330 of the Public Health Service Act (“FQHC”), or any successor federal act, shall be operated at the Federal Way Property. The specific services to be provided at the Federal Way Property shall include one or more of the services within the scope of services funded by Section 330 of the Public Health Service Act as of the date of this Covenant or as amended from time to time such as primary care services, dental services, and/or behavioral health services.

2. Additional Restrictions on Use of the Federal Way Property. So long as a community health center is located at the Property in compliance with Section 1, above, the Federal Way Property may also be used by property owners, affiliates, and lessees to deliver health services and related services complementary to the operation of a community health center and intended to benefit public health and related community health needs. This Covenant restricts the use of the Federal Way property for any use not described in Section 1 or this Section 2.

3. Exceptions to Covenant. This Covenant does not require that the Federal Way Property be used exclusively for the uses described in this Covenant or that the Federal Way Property be used continually for such purposes so long as any lapses in providing the services referenced herein are limited to periods of construction on the Federal Way Property contemplated or incorporated by reference in the Memorandum of Contract Sale and any other period during which health care services cannot be delivered onsite due to casualty, pandemic, or other acts of God.

4. Term. This Covenant shall burden the Federal Way Property until the date fifteen (15) years from the date of this Covenant first written above.

5. Binding Effect. This Covenant shall run with the land including any future transfer, conveyance, division, or partition of the Federal Way Property, and shall be binding on the owner of, and all parties having any right, title, or interest in, the Federal Way Property, their respective successors or assigns, and shall inure to the benefit of King County, its successors and assigns, agents, invitees, tenants and lessees.

6. Waiver. The failure of King County at any time to require strict performance of any provision of this Covenant shall not in any way limit its right to enforce such provision at any time. Any waiver of any breach of this Covenant shall not be a waiver of any succeeding breach of this Covenant.

7. Modifications. King County is an expressly intended beneficiary of this Covenant. Any modifications of the terms and conditions contained herein may only be modified, changed, waived, discharged, or terminated by a written instrument approved by HealthPoint and King County, or their successors or assigns.

8. Severability. Each provision of this Covenant shall be treated as a separate and independent clause. If any provision of this Covenant is unenforceable for any reason, such provision shall be deemed severed from this Covenant and shall not invalidate or impair the enforceability of any other provision contained herein.

9. Governing Law; Venue. This Covenant shall be construed and governed by the laws of the State of Washington. In any suit related to or arising out of this Covenant, the Superior Court of King County shall have exclusive jurisdiction and venue.

10. Entire Agreement. This Covenant contains the entire declaration of HealthPoint with respect to the entire subject matter hereof, and there are no other representations, inducements, promises, or agreements, written or oral, express or implied. This Covenant supersedes any and all prior discussions, negotiations, commitments, and understandings related to the subject matter hereof. There are no conditions to the effectiveness of this Covenant except as expressly stated herein.

[Signature Page Follows]

IN WITNESS WHEREOF, this Declaration of Restrictive Covenant has been duly executed by the HealthPoint effective as of the date of signature below.

HealthPoint, a Washington nonprofit public benefit corporation

By: _____
Lisa Yohalem
President and Chief Executive Officer
Dated: _____

STATE OF WASHINGTON)

COUNTY OF KING) :ss
)

I certify that I know or have satisfactory evidence that Lisa Yohalem is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Chief Executive Officer of HealthPoint, a Washington nonprofit public benefit corporation, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 2024.

PRINT NAME:
NOTARY PUBLIC in and for
the State of Washington,
residing at:

My commission expires:

EXHIBIT “A”

LEGAL DESCRIPTION OF PROPERTY

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

LOTS 7 AND 8 OF SECOMA BUSINESS PARK, ACCORDING TO PLAT RECORDED IN VOLUME 113
OF PLATS AT PAGES 37 THROUGH 40, INCLUSIVE, IN KING COUNTY, WASHINGTON.

(ALSO KNOWN AS BOUNDARY LINE ADJUSTMENT NUMBER BLA-91-0010 RECORDED ON JUNE
11, 1992 AS RECORDING NUMBER 9206119002, IN THE OFFICIAL RECORDS OF KING COUNTY,
WASHINGTON.)

EXHIBIT E.

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

King County
500 Fourth Avenue, Suite 830
Seattle, WA 98104
Attn.: Steve Rizika

MEMORANDUM OF REAL ESTATE CONTRACT SALE

Buyer: HealthPoint

Seller: King County

Abbrev. Legal Description: SECOMA BUSINESS PARK LOTS 7 & 8 AKA BLA-91-0010 REC
#9206119002

Full legal description on Exhibit "1"

Assessor's Parcel No.: 768190-0070

Documents Referenced: Declaration of Restrictive Covenant in favor of King County, KC. Rec.
No. _____.

MEMORANDUM OF REAL ESTATE CONTRACT SALE

THIS MEMORANDUM OF REAL ESTATE CONTRACT SALE (this “**Memorandum**”) is made and entered into as of [date], by and between KING COUNTY, a political subdivision of the State of Washington (“**Seller**”), and HEALTHPOINT, a Washington nonprofit public benefit corporation (“**Buyer**”). Seller and Buyer are sometimes hereinafter each singularly referred to as a “**Party**” and collectively referred to as the “**Parties**.” This Effective Date of this Memorandum _____, 202__.

WHEREAS, Seller, through King County Public Health, serves poor and underserved populations through the provision of medical and related care and health services;

WHEREAS, Buyer, a public benefit nonprofit corporation, is a community-based, community-supported, and community-governed network of non-profit health centers dedicated to providing high quality care to all who need it, regardless of circumstances which qualifies as a Federally Qualified Health Center, as that term is defined in 42 USC § 1395x(aa)(4);

WHEREAS, the Parties have entered into that certain Real Estate Purchase and Sale Agreement, dated _____ (the “**PSA**”), for certain real property consisting of land and improvements located at 33431 13TH Place South, Federal Way, WA, King County Parcel No. 768190-0070, and legally described on the attached Exhibit “1” (the “**Property**”); and

WHEREAS, the Parties desire to execute and record this Memorandum in order to serve as notice to the public of the transaction contemplated by the PSA (the “**Transaction**”) and to set forth the terms of Buyer’s fulfillment of the cash consideration portion of the Transaction as set forth herein.

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

1. **RECITALS**. The foregoing recitals are true and correct and are hereby incorporated into this Memorandum.

2. **RELATED AGREEMENTS**. This Memorandum is subject to, and must be interpreted and executed, concurrently or otherwise, in accordance with all related agreements entered into by the Parties with respect to the Transaction and subject matter herein (the “**Related Agreements**”). The Related Agreements expressly contemplated by this Memorandum are the PSA, the certain Lease Agreement between Buyer and Seller dated [date of Lease] pursuant to which Buyer will lease back certain premises on the Property to Seller (the “**Lease Agreement**”), the certain Consideration Agreement between Buyer and Seller dated [date of Consideration Agreement] (the “**Consideration Agreement**”), and the Declaration of Restrictive Covenant made by Buyer for the benefit of Seller dated [date of Covenant] and recorded under KC Rec. No. _____ (the “**Covenant**”). In the event of any conflict between the terms of this

Memorandum and the terms of the Lease Agreement, the terms of this Memorandum shall control. In the event of any conflict between the terms of this Memorandum and the terms of the PSA, the terms of this Memorandum shall control. In the event of any conflict between the terms of this Memorandum and the terms of the Consideration Agreement, the terms of this Memorandum shall control. In the event of any conflict between the terms of this Memorandum and the terms of the Covenant, the terms of the Covenant shall control.

3. **TITLE OF SELLER.** Seller covenants that Seller has full power, right and authority to convey the Property to Buyer and that Seller has good and marketable title to the Property, free and clear of all liens, encumbrances, and defects, except those hereinabove described or as expressly provided in the PSA and this Memorandum.

4. **PURCHASE; EQUITABLE CLOSING; CONSIDERATION.** The Buyer shall acquire the Property from the Seller in exchange for the cash consideration and additional consideration described in this section below.

- a. **CASH CONSIDERATION.** Buyer shall pay to Seller the Purchase Price under the PSA. At the closing of equitable title on the Effective Date hereof ("**Equitable Closing**"), Buyer shall pay the first payment of the Purchase Price Payment Schedule, attached hereto as Schedule 1, and the remaining balance of the Purchase Price shall be paid in annual installments by Buyer to Seller according to the payment terms set forth in the Purchase Price Payment Schedule , with legal title passing to Buyer upon satisfaction of the conditions set forth in Section 5 of the Consideration Agreement ("**Closing**").
- b. **PREPAYMENT OF CASH CONSIDERATION.** Notwithstanding anything in this Memorandum or the PSA to the contrary, Buyer shall have the option, at any time, to pre-pay the entire amount of the unpaid Purchase Price. To exercise this option, Buyer must notify the Seller in writing of its intention to pre-pay the balance owing and must thereafter pay the full outstanding Purchase Price amount, along with any other amounts due to Seller under this Memorandum, within one hundred and eighty (180) days of such notice. The prepayment amount will be the amount of the unpaid balance of all the Purchase Price payments remaining pursuant to Schedule 1 on the date the prepayment is paid to Seller. Payment of the full Purchase Price is only one of the conditions to Closing, therefore, pre-payment of the Purchase Price shall not accelerate the anticipated Closing date unless pre-payment satisfies the last of the conditions set forth in Section 5 of the Consideration Agreement.
- c. **ADDITIONAL CONSIDERATION.** In addition to the Purchase Price, Seller has agreed to additional consideration for the Transaction in the form of Buyer's (i) obligations under the terms of that certain Lease Agreement pursuant to which Seller receives rights to occupy space on the Property from Buyer; (ii) commitment to invest in the redevelopment of the Property to be used for the delivery of public health services

thereon as set forth in the Consideration Agreement; and (iii) placement of a restrictive covenant on the real property limiting the use of the real property to the purposes described therein.

5. **FAIR MARKET VALUE.** At Equitable Closing, the fair market value of the Property was established by agreement of the Parties with reference to a third-party appraisal and is set forth in and further described in Schedule 2 attached hereto (“**Statement of Fair Market Value**”).

- a. In the event that the Property shall be sold, forfeited, condemned, or property interests divided between the Parties under the terms of this Memorandum during the Term, whether as a result of an uncured default under Section 18 herein, a statutory forfeiture action under ch. 61.30 RCW, a public sale of the Property ordered by a court of competent jurisdiction, a non-judicial foreclosure proceeding, or under any other circumstance where allocation of the Parties’ respective financial interests in the Property is expressly contemplated by the terms of this Memorandum (any such above event being referred to herein as an “**Allocation Event**”), the Statement of Fair Market Value shall serve as the baseline value for any calculation and allocation of the Buyer and Seller’s respective financial interests in the Property. Upon the occurrence of an Allocation Event, the Seller’s financial interest in the Property at the time of an Allocation Event, calculated in the manner described in Section 5.b below, shall be considered a lien against Buyer’s equitable interest in the Property, senior to all Buyer debt other than the Project Debt described in Section 7, and shall be allocated and/or paid to Seller prior to all Buyer’s junior debts.
- b. Seller’s financial interest in the Property upon such Allocation Event shall be determined as of the effective date of an Allocation Event, i.e., the date after which equitable title and legal title to the Property shall no longer be divided among Buyer and Seller as set for herein (the “**Allocation Date**”), and shall be calculated as follows: the Initial Fair Market Value agreed to in the Statement of Fair Market Value shall be updated to the Allocation Date by reference to an agreed appreciation rate of three percent (3%) per annum, calculated by reference to the number of months elapsed between the effective date of this Memorandum and the Allocation Date, with the appreciated fair market value amount then reduced by: (i) Buyer’s actual costs incurred and paid or outstanding in accordance with Section 3(b) of the Consideration Agreement prior to the Allocation Date provided such costs are bona fide and bear a clear and commercially reasonable relationship to Buyer’s obligations under Section 3(b) of the Consideration Agreement in fulfillment of its development obligations under this Memorandum or the Consideration Agreement and regardless of whether such costs are funded by grants or other contributions secured by HealthPoint for improvements to the Property; and (ii) the sum of all payments made by HealthPoint toward the Purchase Price prior to the Allocation Date.
- c. Upon satisfaction of Seller’s lien against the Property created by this Section 5 at the time of the Allocation Event, Buyer shall be allocated, paid, or entitled to retain the balance of any proceeds from the Allocation Event as well as any rights to title

of the Property, if any, held by the Parties following the Allocation Event. The provisions of this Section 5 shall survive termination of this Memorandum to the extent necessary to effectuate its intent.

6. **USE.** Use of the Property shall be restricted as set forth in the Covenant during all times under the term thereof, and, during the term of the Consideration Agreement, as provided therein.

7. **BUYER'S PROJECT BORROWING; SUBORDINATION; LIENS.** Buyer will secure public and/or private funding, such funding in the form of bridge loans, grants, construction loans, and/or other financing transactions in an amount determined, in Buyer's sole discretion, to be reasonably necessary to fully fund construction costs and other improvements to the Property during the term of this Memorandum ("**Project Debt**"). Project Debt shall fulfill and include, but not be limited to, funding used in satisfaction of Buyer's project development obligations described in Section 3 of the Consideration Agreement. Seller agrees to subordinate its interest in the Property, whether arising at law, by the terms of this Memorandum, or by the terms of any of the Related Agreements, as reasonably necessary for Buyer to secure Project Debt. Notwithstanding anything to contrary, the Covenant shall be first in priority with respect to the Property at all times during the term thereof, and shall survive foreclosure of any lien on the Property. Except for the Project Debt, this Memorandum shall not be subordinate to any lien, mortgage or deed of trust held by any creditor or lender, now or hereafter in force against the premises, the building, or the Property, or any part thereof, and to all advances made or to be made upon the security thereof.

8. **TERM.** Upon the Effective Date, the terms of the PSA shall be of no further force or effect and this Memorandum shall govern the terms of payment for and conveyance of legal title to the Property. This Memorandum shall remain in effect from the Effective Date until Closing, the occurrence of an Allocation Date, or until otherwise terminated by the mutual agreement of the Parties evidenced by a duly executed signed writing (the "**Term**").

9. **PURPOSE OF MEMORANDUM** This Memorandum shall provide record notice of the real estate contract sale by and between the Parties subject to the terms set forth herein. This Memorandum shall be indexed against the Property and recorded in the King County Recorder's Office.

10. **HAZARDOUS SUBSTANCES AND ENVIRONMENT.** Buyer shall not cause, permit, or allow any hazardous substance to be brought upon, kept, or used in, on or about the Property by Buyer, or by Buyer's agents, employees, contractors, licensees, invitees or lessees, except for such hazardous substances as may be necessary for Buyer's occupation, use and possession of the Property in a lawful manner and for the construction of the improvements thereon for Buyer's intended use. Any hazardous substances which by the foregoing provision are permitted to be brought upon, kept or used in, on or about the Property and all containers therefore, shall be used, kept, stored and disposed of in a manner that complies in all respects with all federal, state and local laws or regulations applicable to hazardous substances, including but not limited

to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") 42 U.S.C. § 9601, et seq.; the Super Fund Amendments and Reauthorization Act of 1986; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act ("RCRA") 42 U.S.C. § 6901 et seq.; the Clean Water Act, 33 U.S.C. § 1317, § 1321; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Clean Air Act, 42 U.S.C. § 7412; the Toxic Substances Control Act, 15 U.S.C. § 2606; the Washington Model Toxics Control Act ("MTCA"), RCW Ch. 70A.305, et seq.; State Environmental Policy Act ("SEPA"), RCW Ch. 43.21C; and Hazardous Waste Management Act, RCW Ch. 70A.300, including all amendments and recodifications thereof, all regulations promulgated thereunder and all other laws and regulations enacted by any governmental authority respecting hazardous substances. The term "hazardous substance(s)" as used in this Contract means any "hazardous waste" as defined by RCRA and the Hazardous Waste Management Act, as amended from time to time and regulations promulgated thereunder; any "hazardous substance" as defined by CERCLA, the Hazardous Waste Management Act and SEPA, as amended from time to time and any regulations promulgated thereunder; "hazardous waste," "solid waste," "pollutant," "irritant," or "contaminant" as described or defined in any of the foregoing statutes or regulations; any oil or petroleum or an constituent or fraction thereof; and any material substance or waste that is or becomes regulated by any federal, state or local government authority.

11. **MAINTENANCE OF PROPERTY.** At all times during the Term, and subject to the provisions set forth in the Consideration Agreement, Buyer shall be responsible to keep and maintain the condition of the Property , including without limitation, roof and structure of the building, landscaping, sewer lines (free flow up to the main sewer line), plumbing, electrical systems, storm water drains and pipes, parking areas, light standards and wiring and driveways in a neat, clean and sanitary condition.

12. **INSURANCE.** Buyer shall maintain the following minimum insurance coverage and limits during the Term. Upon request of Seller, and within five (5) business days, Buyer shall provide a certificate of insurance and additional insured endorsements evidencing such required insurance.

- a. **COMMERCIAL GENERAL LIABILITY.** \$4,000,000 per occurrence and \$6,000,000 in the aggregate for bodily injury, personal and advertising injury, and property damage. Coverage shall be at least as broad as that afforded under ISO form number CG 00 01 current edition, or its substantive equivalent. Such insurance shall include coverage for, but not limited to, premises liability, products and completed operations, ongoing operations, and contractual liability. Limits may be satisfied by a single primary policy or by a combination of separate primary and umbrella liability policies, provided that coverage under the latter shall be at least as broad as that afforded under the primary policy and satisfy all other requirements applicable to liability insurance. Buyer shall include Seller as additional insured, for full coverage and policy limits.

- b. ALL-RISK PROPERTY INSURANCE. Buyer shall maintain “All Risk” property insurance in an amount equal to the actual cash value of the building, its improvements on the Property, and its business personal property. Coverage shall include the perils of earthquake and flood. Seller will not carry insurance on Buyer’s property or business personal property. Buyer must include a waiver of subrogation in favor of the Seller. The policy shall be endorsed to cover the interests, as they may appear, of King County with King County listed as a loss payee.
- c. PROFESSIONAL LIABILITY (ERRORS AND OMISSIONS). Seller acknowledges that Buyer will provide professional services on the Property as a federally qualified health center deemed by the Health Resources and Services Administration to be covered by the Federal Tort Claims Act (FTCA) pursuant to 28 U.S.C. 1346(b), 2401(b), and 2679-81 (a “Deemed Entity”), and that, so long as Buyer’s professional activities on the Premises qualify as activities of a Deemed Entity, Buyer and its staff will be deemed to be agents of the federal government such that the United States will consent to be sued in place of the Buyer and the Buyer’s staff for any damages to property or for personal injury or death caused by the professional negligence or wrongful act or omission of the Buyer’s employees acting within the scope of their employment. See 28 U.S.C. Sections 2671-2680. Seller agrees that Buyer shall be in compliance with its professional liability insurance coverage requirements herein to the extent that it is providing professional medical, dental, or other services within the scope of the FTCA on the Premises and shall not be required to acquire insurance for its professional negligence that is covered by the FTCA.
- d. WAIVER OF SUBROGATION. Buyer waives all rights of subrogation against the Seller for damages caused by fire or other perils to the extent such damage is covered by property insurance or is required to be covered under this Memorandum. This release and waiver shall be binding upon Buyer whether or not insurance coverage is in force at the time of the loss or destruction of property.
- e. CONTRACTOR INSURANCE REQUIREMENT. Buyer must require each of its contractors/subcontractors to procure and maintain appropriate and reasonable insurance coverage and minimum insurance limits to cover each of the contractor’s/subcontractors’ liabilities given the scope of work and the services being provided. All liability insurance policies (except Professional Liability, Cyber Liability, and Workers Compensation policies) provided by the contractor(s)/subcontractor(s) must include the County, its officials, agents, and employees as additional insured or loss payee for full coverage and policy limits. The Buyer is obligated to require and verify that all contractors/subcontractors maintain insurance and ensure that the County is included as additional insured or loss payee. Upon request by the County, and within five (5) business days, the Buyer must provide evidence of contractor/subcontractor insurance coverage, including endorsements.

13. **INDEMNIFICATION.** Buyer agrees to indemnify and hold Seller harmless to the maximum extent possible under law as provided in this Section 13. Buyer agrees for itself, its successors, and assigns, to defend, indemnify, and hold harmless Seller, its appointed and elected officials, employees, agents, consultants, successors and assigns (collectively “**Seller Parties**”) from and against liability for all damages, claims, demands, suits, causes of action, agency orders, requirements or enforcement actions, other costs and expenses (including, without limitation, fines, penalties, judgements or attorneys’ fees incurred with or without litigation or on appeal), and judgments of any kind or character, including but not limited to any claim for injury to persons, death, or property damage, including costs of defense thereof (“**Claims**”) which is caused by, arises out of, or is incidental to Buyer’s or Buyer’s employees, agents, consultants, contractors of any grade, invitees, or permittees’ exercise of rights and privileges granted by this Memorandum. The Buyer’s obligations under this Section 13 shall include:

- a. The duty to promptly accept tender of defense and provide defense to Seller at Buyer’s own expense and with counsel of Buyer’s selection, which shall be subject to Seller’s reasonable approval;
- b. Indemnification of Claims made by the Buyer’s own employees or agents against Seller within the scope of the indemnification provided to Buyer herein; and
- c. Waiver of Buyer’s immunity under the industrial insurance provisions of Title 51 RCW but solely to the extent required to enforce the indemnification described in this section; provided, however, the foregoing waiver shall not in any way preclude Buyer from raising such immunity as a defense against any claim brought against Buyer by any of its employees. This waiver has been mutually negotiated by the Parties. In the event it is necessary for Seller to incur attorney's fees, legal expenses or other costs to enforce the provisions of this Section 13, all such fees, expenses and costs shall be recoverable from Buyer, its contractors and subcontractors.

Buyer shall additionally require its construction contractors and subcontractors of any tier to indemnify and hold Seller harmless from and against liability for all Claims arising out of or in connection with the design, development and construction of any improvements or alterations of the Property, except to the extent of Seller’s sole negligence. The indemnification and hold harmless language shall be at least as broad as that set forth in this Section 13.

Buyer shall not be required to indemnify, defend, or save harmless Seller if the claim, suit, or action for injuries, death, or damages is caused by the sole negligence of Seller or the Seller Parties or if such claim, suit, or action for injuries, death, or damages arises under Seller’s status as a lessee under the Lease Agreement. In the event any such liability arises from the concurrent negligence of Buyer and Seller, the indemnity obligation of this section shall apply only to the extent of the negligence of Buyer and its actors.

In the event it is determined that RCW. 4.24.115 applies to this or any other agreement between Buyer and Seller during the Term, the Buyer agrees to defend, hold harmless, and indemnify

Seller to the maximum extent permitted thereunder, and specifically for its negligence concurrent with that of Seller to the full extent of Buyer's negligence.

14. **EXPRESS PROCLAMATION OF REAL ESTATE CONTRACT SALE.** Buyer, by execution of this Memorandum, expressly acknowledges and agrees that it is the manifest intent of the Parties to enter into a "real estate contract" sale, as that phrase is defined in RCW 61.30.010, for the Property, whereby legal title to the Property shall be retained by Seller as security for payment of the Purchase Price, as set forth in the terms and conditions of this Memorandum and the fulfillment of the additional consideration as set forth in the Consideration Agreement have been satisfied. Notwithstanding the foregoing, due to Buyer's substantial investment in development of the Property during the Term, it is the Parties' express intent is to allocate the Parties' respective financial interests in the Property as described herein, including but not limited to the manner described in Section 5, above, even if Seller were to utilize the forfeiture procedures of RCW Chapter 61.30 or any other foreclosure procedure allowed by law for the Seller under a real estate contract. Seller therefore waives, to the fullest extent permitted by law, its forfeiture rights under RCW 61.30 and, to the extent such rights are not subject to waiver, agrees to substitute the terms and conditions of this Memorandum for the provisions of RCW 61.30.100.

15. **ASSIGNMENT OF INTERESTS.** Neither this Memorandum nor Buyer's equitable interest in any portion thereof shall be assignable or transferable by operation of law, or by any process or proceeding of any court or otherwise without the prior written consent of Seller, which consent shall be at Seller's sole and absolute discretion.

16. **NO IMPROPER ASSIGNMENT.** Neither Party may assign this Memorandum except that Buyer may assign this Memorandum (i) to a wholly-owned single-purpose affiliate entity or (ii) as may be required by a lender or other funding source providing Project Debt; each such instance upon reasonable notice and approval by the Seller, which will not be unreasonably denied.

17. **REAL ESTATE TAXES.** Seller is exempt by law from the payment of real property ad valorem taxes, LIDs and assessments on the Property. Buyer will be liable for the payment of some or all of such taxes, if any, upon and after delivery of Equitable Title. Buyer shall have the right, if exercised in good faith, at the sole cost and expense of Buyer and in Buyer's name, to contest or review in the manner required by law, any taxes or assessment, including penalties or interest thereon, respecting the Property, providing that any such contest or review operates to suspend collection and prevents sale of the Property to satisfy any such taxes or assessment. Pending any such contest or review and until such tax or assessment shall become final, and provided that Buyer shall not be in any uncured Default as set forth in Section 18.

18. **DEFAULT.** Buyer shall be in default of this Memorandum if Buyer (a) fails to timely and fully observe or perform any term, covenant, condition herein set forth and, except as otherwise provided herein, fails to cure any such default within one hundred eighty (180) days after notice thereof from Seller; (b) fails to make a Purchase Price payment when due hereunder

and as provided in Schedule 1 hereto, as such payment due date may have been extended as provided herein but in no case longer than one hundred eighty (180) days; (c) permits the Property or any part thereof or Buyer's interest therein to be attached, seized or in any manner restrained or impounded by process of any court, and fails to obtain the release of the Property within one hundred eighty (180) days of such attachment, seizure, restraint or impoundment; or (d) becomes or is declared insolvent or makes an assignment for the benefit of creditors, or files any debtor's petition or any petition is filed against Buyer under any bankruptcy, wage earners, reorganization or similar act. Notwithstanding anything to the contrary herein, Buyer may cure any default hereunder by paying the outstanding balance of principal under this Memorandum to Seller on or before the date due hereunder.

19. **SELLER'S REMEDIES; ENFORCEMENT.** In the event Buyer is in default beyond the opportunity to cure periods set forth in the Section 18 a, b and c, immediately above, Seller may, at Seller's election, exercise the following remedies:

- a. **SUIT FOR DELINQUENCIES.** Seller may institute suit for any sums then due and payable under this Memorandum as of the date of the judgment and any sums which have been advanced by Seller pursuant to the provisions of this Memorandum.
- b. **SPECIFIC PERFORMANCE.** Seller may institute suit to specifically enforce any of Buyer's covenants hereunder by injunction.
- c. **SUIT FOR JUDICIAL FORECLOSURE.** Seller may institute a suit for judicial foreclosure to specifically enforce all rights as a lienholder to the extent of the lien created pursuant to Section 5 of this Memorandum and holder of legal title hereunder and subject to all of the terms and conditions for the allocation of financial interests between the Parties described in Section 5, above.

All the foregoing remedies are cumulative and are not mutually exclusive and may be exercised in conjunction with each other to the extent permitted by law or in equity and shall be in addition to other rights or remedies granted by law or in equity for breach of this Memorandum not otherwise waived herein; provided however, except as provided in this Memorandum with respect to Buyer's sale, conveyance, assignment or transfer of the Property, or any portion thereof, or of this Memorandum, or any interest therein, in a manner other than as permitted by this Memorandum, Seller shall not have the right to accelerate the remaining purchase price balance in the event Seller elects to pursue any of the remedies described in paragraphs (a), (b), or (c) of this section. In the event that legal proceedings are commenced to enforce any provision of this Memorandum, the prevailing Party in such action shall be entitled to an award of costs and reasonable legal and attorneys' fees in addition to any other relief. Nothing contained herein shall be deemed to limit or restrict the rights of King County under any other agreement or contract. No third parties have any rights to enforce this Memorandum.

20. **NOTICE.** Any and all notices or other communications required or permitted to be given under any of the provisions of this Memorandum shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered, when receipt of notice by e-mail is acknowledged by the recipient, when sent by overnight courier, or two days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. All notices shall be addressed to the parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein:

If to Buyer: HealthPoint
955 Powell Avenue SW
Renton, Washington 98057
Attention: Chief Executive Officer

With a copy to: Ogden Murphy Wallace PLLC
701 Fifth Avenue, Suite 5600
Seattle, WA 98104
Attention: Steve Burgon

If to Seller: King County
Chinook Building
401 5th Ave. Suite 930
Seattle, WA 98104 Attention: Steve Rizika

With a copy to: King County Prosecuting Attorney's Office
701 Fifth Avenue, Suite 600
Seattle, Washington 98104
Attention: Ryan W. Ridings

21. **INVALIDITY.** In the event any portion of this Memorandum should be held to be invalid by any court of competent jurisdiction, such holding shall not affect the remaining provisions hereof so long as the remainder of the Memorandum can be enforced in a manner consistent with the overall intent of the Parties at the time they entered into this Memorandum and at the time of any subsequent amendments hereto.

22. **ESCROW AGENT; DELIVERY OF DEED.** Seller and Buyer designate First American Title Company as their Escrow Agent and have contemporaneously herewith executed Escrow Instructions in form satisfactory to Escrow Agent, which Escrow Instructions are by this reference incorporated herein as though fully set forth herein as a part of this Memorandum. The Escrow Instructions shall instruct the Escrow Agent to hold the Deed (defined below) in escrow until Buyer has notified Escrow Agent and Seller that Buyer has met all the conditions listed in the Escrow Instructions as conditions for releasing the Deed to Buyer (the "Buyer's Notice"). The Escrow Instructions shall list the conditions for releasing the Deed to Buyer as: (a) payment of the Purchase Price in full; (b) satisfaction of the conditions of Section 5(c) of the Consideration Agreement as incorporated by reference hereby ; and (c) Buyer's certification of compliance with

the requirements of this Memorandum as of the date of the Buyer's Notice in the form of an affidavit executed by a duly authorized officer of Buyer attesting to the Buyer's compliance with all such requirements. The Escrow Instructions shall further require the Escrow Agent to deliver the Deed to Buyer upon receiving Buyer's Notice promptly upon the earlier of receipt of a confirming notice from Seller that the above conditions have been satisfied or the passage of five (5) business days from the delivery of Buyer's Notice to Escrow Agent and Seller. All purchase price installments including prepayment(s) thereof shall be paid to Escrow Agent and shall be credited to the account of Seller pursuant to the Escrow Instructions.

23. **WARRANTY DEED.** Seller contemporaneously deposits with Escrow Agent a Statutory Warranty Fulfillment Deed ("Deed") conveying the Property to Buyer in the form required by the PSA. Buyer has seen and reviewed the Deed deposited in escrow and approved its form and content as sufficient to convey title to the Property as warranted by Seller.

24. **DAMAGE AND DESTRUCTION.** For the duration of the Term, the risk of loss relating to the Property shall rest with the Buyer. Risk of Loss shall be deemed to include any property damage occurring as a result of an "Act of God," including, but not limited to, fire, earthquakes, tremors, wind, rain or other natural occurrences ("Casualty").

- a. **REPAIR OR RECONSTRUCTION.** In the event of a Casualty that does not result in the destruction or material damage to the Property, Buyer shall commence repair or reconstruction of the Property or improvements thereon to the same condition or better as existed prior to such Casualty upon receipt of the proceeds of such insurance required under Section 12.b, above, provided such repair or reconstruction shall be made in accordance with the then existing laws, ordinances or land use regulations applicable.
- b. **DESTRUCTION OR MATERIAL DAMAGE TO THE PROPERTY.** If the Property is destroyed or materially damaged by Casualty and Buyer does not elect to rebuild or otherwise reconstruct the Property, either upon notice from the Buyer or upon twenty-four (24) months from the event of Casualty, Seller may proceed with all claims and right to proceeds as a loss payee insured under the All-Risk Property Insurance Policy in Section 12.b, above, (except any use and occupancy insurance, rent loss and business interruption insurance, and any similar insurance for the benefit of Buyer's ordinary business operations, as distinguished from any insurance for the benefit of the Property) that may be payable to Buyer on account of any such Casualty, to the extent such proceeds have not been previously expended or are otherwise required to reimburse for actual expenditures of restoration.

25. **ANTI-DISCRIMINATION.** Buyer shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. Buyer shall comply fully with all applicable federal, state and local laws, ordinances,

executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Memorandum and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Memorandum and may result in ineligibility for further agreements with Seller.

26. **FORCE MAJEURE.** Neither Party shall be liable to the other or deemed in default under this Memorandum if and to the extent that such Party's timely performance of this Memorandum is prevented by reason of Force Majeure. "Force Majeure" shall be defined as an occurrence that is beyond the control of the Party affected and could not have been avoided by exercising reasonable diligence. Force Majeure includes strikes; lockouts; labor disputes; Acts of God; inability to procure labor, materials, or reasonable substitutes therefor; delay by reason of the diminution of power or power failure(s); restrictive governmental laws or controls; judicial orders; enemy or hostile action; civil commotion; fire or other casualty. "Acts of God" mean naturally occurring events that cannot be avoided, such as earthquake, tornado, flood or global health crises such as an epidemic or pandemic as determined by the relevant governmental authorities having jurisdiction over the Property. Notwithstanding anything to the contrary contained herein, Buyer shall **NOT** be relieved of its obligations to make timely payments of the Purchase Price or to make payment of any other sums to Seller owing under this Memorandum throughout the pendency of any Force Majeure, and Buyer's failure to make timely payments or other sums owing throughout the pendency of such Force Majeure shall be subject to the Default provisions of Section 18 herein.

27. **LEGAL RELATIONSHIPS.** No partnership, joint venture or joint undertaking shall be construed from this Memorandum and, except as herein specifically provided, neither Party shall have the right to make any representation for, act on behalf of, or be liable for the debts of the other. Unless otherwise specifically provided herein, no third party is intended to be benefited by this Memorandum.

28. **GOVERNMENTAL AUTHORITY.** Buyer shall fully and timely comply with and not be in violation of all statutes, rules, ordinances and regulations of King County, the State of Washington, United States Government, including all amendments and recodifications thereof and all regulations, guidelines, standards, or policies promulgated thereunder and all the respective agencies and any other authority with jurisdiction as may be required or imposed by any such authorities on the Property, or Buyer's use, occupancy, or control thereof. Buyer shall comply in every respect, in a full and timely manner, with any direction pursuant to law of any public official or officer who shall impose any duties upon Buyer with respect to the Property or the use, occupancy or control thereof, and the conduct of business thereon.

29. **NON-WAIVER.** No action or failure to act by Buyer or Seller shall constitute a waiver of any right or duty afforded it under this Memorandum.

30. **CAPTIONS.** The captions in this Memorandum are for convenience only and do not in any way limit or amplify the provisions set forth herein.

31. **DEFINITIONS.** Capitalized terms not defined in this Memorandum shall have the meaning given to them under the Related Agreements.

32. **COUNTERPARTS.** This Memorandum may be executed in several counterparts, which shall be treated as originals for all purposes, and all counterparts so executed shall constitute one agreement, binding on all the parties hereto, notwithstanding that all the parties are not signatory to the original or to the same counterpart. Any such counterpart shall be admissible into evidence as an original hereof against the person who executed it.

33. **APPLICABLE LAW; JURISDICTION AND VENUE.** This Memorandum and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law rules or choice of law provisions. In the event that either Party shall bring a lawsuit related to or arising out of this Memorandum, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

[Signatures appear on next two pages.]

SIGNATURE PAGE TO MEMORANDUM OF REAL ESTATE CONTRACT SALE
(Signature Page 1 of 2)

IN WITNESS WHEREOF, this Memorandum has been executed by each of the Parties as of the dates set forth below.

SELLER:

KING COUNTY,
a political subdivision of the State of Washington

Dated: _____

By: _____

Name: Drew Zimmerman

Approved as to form:

Director, Facilities Management Division

By: _____

Ryan W. Ridings

Deputy Prosecuting Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that she/he signed this instrument, on oath stated that she/he was authorized to execute the instrument and acknowledged it as the _____ of **KING COUNTY**, a political subdivision of the State of Washington, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

DATED: _____.

Print Name: _____

Residing at: _____

My appointment expires: _____

SIGNATURE PAGE TO MEMORANDUM OF REAL ESTATE CONTRACT SALE
(Signature Page 2 of 2)

IN WITNESS WHEREOF, this Memorandum has been executed by each of the Parties as of the dates set forth below.

BUYER:

HEALTHPOINT,
a Washington nonprofit public benefit corporation

Dated: _____

By: _____

Name: Lisa Yohalem

Its: President and Chief Executive Officer

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that she/he signed this instrument, on oath stated that she/he was authorized to execute the instrument and acknowledged it as the _____ of **HEALTHPOINT**, a Washington nonprofit public benefit corporation, to be the free and voluntary act of such nonprofit public benefit corporation for the uses and purposes mentioned in the instrument.

DATED: _____.

Print Name: _____

Residing at: _____

My appointment expires: _____

EXHIBIT "1"

LEGAL DESCRIPTION OF PROPERTY

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

LOTS 7 AND 8 OF SECOMA BUSINESS PARK, ACCORDING TO PLAT RECORDED IN VOLUME 113 OF
PLATS AT PAGES 37 THROUGH 40, INCLUSIVE, IN KING COUNTY, WASHINGTON.

(ALSO KNOWN AS BOUNDARY LINE ADJUSTMENT NUMBER BLA-91-0010 RECORDED ON JUNE 11,
1992 AS RECORDING NUMBER 9206119002, IN THE OFFICIAL RECORDS OF KING COUNTY,
WASHINGTON.)

SCHEDULE 1

PURCHASE PRICE PAYMENT SCHEDULE

The Purchase Price payments shall be made in advance of each year. Payment number 1 shall be due at the Equitable Closing. Payments number 2 through 10 shall be due on the first day of the calendar month that follows the anniversary date of Equitable Closing.

Payment Number	Year of Payment	Amount of Payment
1	2024	\$80,000
2	2025	\$84,000
3	2026	\$88,200
4	2027	\$92,610
5	2028	\$97,241
6	2029	\$102,103
7	2030	\$107,208
8	2031	\$112,568
9	2032	\$118,196
10	2033	\$124,106
	Total amt. paid:	\$1,006,231

SCHEDULE 2
STATEMENT OF FAIR MARKET VALUE

The attached appraisal is adopted by the Buyer and Seller as the initial basis for establishing fair market value for the Property. The Parties have reduced the appraised value to account for certain building conditions excluded from consideration by the appraiser. The Fair Market Value of the Property at Equitable Closing, as defined in the Memorandum of Real Estate Contract, is agreed to be Five Million, Seven Hundred Ninety Thousand and No/100 Dollars (\$5,790,000.00).

EXHIBIT F.

CONSIDERATION AGREEMENT BETWEEN KING COUNTY AND HEALTHPOINT Federal Way Public Health Property Redevelopment

This Consideration Agreement ("**Agreement**") is entered into by HEALTHPOINT, a Washington nonprofit public benefit corporation ("**HealthPoint**"), and KING COUNTY, a political subdivision of the State of Washington (the "**County**" or "**King County**", and together with HealthPoint, collectively, the "**Parties**"). This Agreement has an Effective Date of _____, 2024.

RECITALS

A. This Agreement sets forth the basic terms for the renovation and operation of certain real property located at 33431 13th Place South in Federal Way, King County, State of Washington, and legally described on Exhibit A (the "**Property**").

B. HealthPoint and King County both use the Property to provide certain medical and health related services for persons of lower incomes and other underserved populations with more limited access to quality health care.

C. HealthPoint is a community-based, community-supported, and community-governed network of non-profit health centers which qualify as a Federally Qualified Health Center, as that term is defined in 42 USC § 1395x(aa)(4) and is dedicated to providing high quality care to all who need it, regardless of circumstances (together with the direct health care services delivered by the County and described below shall be referred to herein as the "**Health Services**").

D. King County, through King County Public Health, serves poor and underserved populations through the provision of medical and related care and health services in King County.

E. Since 1993, King County Public Health and HealthPoint have been co-located at the Property owned by King County and have been able to coordinate in making cross-referrals but have not been able to offer integrated services out of the location because the layout of the building lends itself to co-location but not integration.

F. The Property is in need of substantial repairs in order for it to be able to continue to deliver Health Services and the Parties envision that, by making strategic renovations to the Property in addition to the necessary repairs, an integrated center for health and wellness in south King County could result at that location that would increase capacity for services to the community into the coming decades in a renovated facility that is modern and welcoming.

G. HealthPoint is willing to make the necessary Property repairs, Property renovations, and other investments in the development of the integrated health and wellness center on the Property but requires an ownership interest in the Property in order to accomplish these objectives.

H. King County intends to convey the Property to HealthPoint under the terms of that certain Purchase and Sale Agreement dated _____, 2024 (the “PSA”).

I. The PSA expressly and purposely manifests the intent of the Parties to enter into a “real estate contract” sale, as that phrase is defined in RCW 61.30.010.

J. Contemporaneous with conveyance of equitable title under the PSA, the Parties will enter into a Memorandum of Real Estate Contract Sale to be recorded against the Property and memorializing certain terms and conditions in accordance therewith including the fulfillment of the Purchase Price under the PSA and other key terms of the “real estate contract” sale (the “**Memorandum**”).

K. In addition to the Purchase Price under the PSA, the Parties have agreed to certain additional consideration that is part of the overall public purpose for King County agreeing to convey the Property under the terms of the PSA and the Memorandum.

L. The parties intend that such additional consideration beyond payment of the Purchase Price under the PSA and Memorandum for the Property include (i) HealthPoint spending eight million dollars (\$8,000,000) on the initial repair, construction, and redevelopment of the Property in support of the shared vision for an integrated health and wellness center at the site of the Property (the “**Project**”) as more particularly described in the definition of HealthPoint’s Project Development Obligations below; (ii) HealthPoint’s leasing back, as lessor, to King County, as lessee, of certain premises within the Property to be improved as part of the Project for an initial term of ten (10) years on the terms and conditions of a that certain Lease Agreement dated on or about the date hereof (the “**Lease Agreement**”), (iii) the operation of the Property, by King County and HealthPoint, as an integrated health and wellness center (the Integrated Health and Wellness Center defined in Section 4 herein), and (iv) recording the Declaration of Restrictive Covenant against the Property (the “**Covenant**”, and together with the Lease Agreement, the PSA and the Memorandum, the “**Related Agreements**”) obligating the operation of a community health center clinic eligible for funding as a Federally Qualified Health Center for a period of fifteen (15) years from the Effective Date of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Purpose.

(a) The purposes of this Agreement are:

(i) to set forth the Parties’ agreement on certain material terms in the overall fulfillment of the Project and the transactions underlying it that are outside the scope of the Related Agreements, and which shall be binding upon the Parties as conditions of the fulfillment of the contract of sale described in the Memorandum;

(ii) to specify terms and conditions of HealthPoint’s Property development obligations with respect to the Project as set forth in Section 3 herein;

(iii) to document expectations for the Parties' collaboration on the development of an integrated health and wellness center for south King County at the Property as set forth in Section 4(a) herein; and

(iv) to describe the Parties' respective rights and obligations for the operation of the Property prior to completion of the Project.

(b) The fulfillment of the above purposes on the further terms and conditions set forth herein and in accordance with the Related Agreements forms the non-monetary consideration for the County's conveyance of the Property to HealthPoint (the "**Additional Consideration**"). The Additional Consideration is an integral and material rationale for the County's agreement to convey the Property to HealthPoint on the terms and conditions set forth herein and in the Additional Agreements.

2. Reserved.

3. Development Project.

(a) **Project Scope and HealthPoint Project Development Obligations.** The Parties acknowledge that the scope of the property redevelopment project required by this Agreement will be defined through the planning process described below (the "Project Scope"). The Parties further acknowledge that the redevelopment plan is anticipated to provide for repair and renovation work to be completed in phases to allow for the continued delivery of Health Services at the Property and that only those initial phases explicitly required by this Agreement shall be within the Project Scope. HealthPoint may make further improvements to the Property after completion of the Project Scope which, although during the term of this Agreement, are not subject to the requirements of this Section 3. The Parties further acknowledge that the redevelopment plan may sequence the work such that not all major repairs and deferred maintenance are completed prior to the renovation work if such repairs would be duplicated as part of the renovation work. Based on these mutual understandings, the Parties hereby agree that HealthPoint's "**Project Development Obligations**" for purposes of this Agreement and to satisfy its construction and redevelopment of the Property obligations under the Memorandum are defined as follows:

(i) Complete the Project milestones described in sub-paragraph (b) of this section on the timelines described therein or as modified by mutual signed agreement of the Parties subsequent to the execution of this Agreement; and

(ii) Spend not less than eight-million dollars (\$8,000,000) on designing, planning, financing, pre-construction, and construction-related costs as evidenced by periodic reports in a form approved by King County prepared by HealthPoint and delivered to King County.

The County acknowledges that HealthPoint will have satisfied its Project Development Obligations under this Agreement and its construction and redevelopment of the Property

obligations under the Memorandum so long as the two requirements described above are satisfied.

(b) **Project Milestones.** All timeframes identified below are calculated from the Effective Date of this Agreement. All deadlines are subject to change by mutual written agreement of the Parties.

(i) **Phase 1 Design.** HealthPoint shall prioritize renovation of the Premises (as such term is defined in the Lease Agreement) as Phase 1 of the Project. Within _____ () months[to be agreed upon and completed prior to execution], HealthPoint shall develop and secure all reasonable and necessary approvals from the City of Federal Way of a comprehensive set of plans and specifications for redevelopment of the Premises.

(ii) **Phase 1 Project Budget and Funding.** Within _____ () [to be agreed upon and completed prior to execution], HealthPoint will share with County a budget demonstrating completion values with the plans and specifications for Phase 1 of the Project and confirm with County that it has the necessary funds to complete the improvements to the Premises as approved through the process described above.

(iii) **Phase 1 Project Bond.** Within _____ () months [to be agreed upon and completed prior to execution], HealthPoint will provide a performance and payment bond for Phase 1 of the Project.

(iv) **Phase 1 Construction.** Within _____ () months [to be agreed upon and completed prior to execution], HealthPoint will have commenced construction on Phase 1 of the Project, as evidenced by the delivery of a copy to King County of a duly authorized notice to proceed issued by HealthPoint's general contractor.

(v) **Phase 1 Substantial Completion.** Within thirty-six (36) months, HealthPoint will have substantially completed construction on Phase 1 of the Project, as evidenced by the delivery of a copy to King County of a certificate of occupancy or equivalent issued by the Buildings Division of the City of Federal Way or equivalent jurisdictional authority.

(vi) **Satisfaction of HealthPoint Project Development Obligations.** Phase 2 of the Project shall be HealthPoint's repair, improvement, and/or redevelopment of other portions of the Property not included in Phase 1 of the Project in satisfaction of that portion of its Project Development Obligations described in Section 2(a)(ii) of this Agreement. HealthPoint may, at its election, design, finance, and construct Phase 2 contemporaneously with Phase 1 or at any time after such work has begun on Phase 1 so long as its Project Development Obligations under subparagraphs (b)(i) through (b)(v) of this Section 3 are satisfied within thirty-six (36) months of the Effective Date.

(c) **Pre-Construction, Construction Periods, and Post-Project facility operations:**

(i) **Pre-Construction:** On the Closing Date of the PSA, HealthPoint will obtain equitable title to the Property and assume responsibility for costs associated with the Property limited only by lessee costs assumed by the County under the Lease Agreement, if any, as amended from time to time. The County will cooperate with HealthPoint's management and operation of the Property during a transition period of not more than one (1) year by providing access to staff familiar with the Property, making introductions as appropriate to vendors providing services to the Property, and other information to assist HealthPoint's transition to ownership and management of the Property. The Parties will continue to provide Health Services on the Property consistent with past practice except as modified by the terms of the Lease Agreement. The Parties will also cooperate in the planning for the Integrated Health and Wellness Center at the Property and implement any preliminary changes that can reasonably and successfully be implemented prior to the modernization of the building facilities.

(ii) **Construction Periods:** The Parties will cooperate in their development and approval of phased Project construction activities, consistent with Project expectations and the terms and conditions of the Lease Agreement, to minimize the impact of the construction on the delivery of Health Services to the community and the continuing implementation of the strategies for creating the Integrated Health and Wellness Center on the Property. The Parties agree to use best efforts to coordinate space use during construction to allow each Party to continue to provide services out of the Property during the Construction Periods. The Parties agree to hold standing meetings on not less than a bi-weekly basis during all active periods of Project planning and construction. The meetings shall include, when appropriate, the Project architect and/or general contractor (or authorized decision-making designee thereof). It is the intent of the Parties that the County, through King County Public Health, shall be reasonably able to maintain the same or substantially the same level of service during construction; shall have substantially equivalent examination room space; shall have sufficient health space to continue to provide equivalent WIC services; shall have sufficient office and health spaces to continue to be able to provide First Steps services; and that a space for a navigator for enrollment services shall at all times be clear and available. In furtherance of Phase 1 and Phase 2 and in meeting the objectives set forth in this subsection (ii), HealthPoint may identify temporary space for one or both Parties to use in the delivery of Health Services during the periods of construction, such temporary space which may be on-site or off-site. HealthPoint agrees to pay for all costs incurred in moving and in otherwise accommodating both Parties' use of any such temporary facilities, including but not limited to IT and network requirements of both Parties, establishing appropriate examination rooms, furniture, fixtures, and equipment that are ordinary and typical in the delivery of the contemplated Health Services and commercially reasonable in availability and cost.

(iii) **Post-Project:** The Parties will implement those strategies for creating the Integrated Health and Wellness Center on the Property and other integrated community services offerings that required redevelopment of the Property. All other Property-

related rights and obligations will be as described in the Lease Agreement as amended from time to time.

(d) **Payment and Performance Bond.** HealthPoint expressly agrees that prior to any redevelopment of any portion of the Property, where such work exceeds one hundred thousand dollars (\$100,000.00), HealthPoint shall cause its general contractor or construction manager to provide a performance and payment bond covering the total GC/CM contract cost of such project, and for subcontractors performing any work on any project on the Property where the contract amount exceeds \$100,000.00 to provide performance and payment bonds for the value of the subcontract.

(e) **Insurance.** At all times during the Project, HealthPoint will cause its general contractor(s) and subcontractors of any tier to procure and maintain insurance limits as set forth in Section 12(e) of the Memorandum.

(f) **Indemnity.** At all times during the Project, HealthPoint shall require its general contractor(s) and subcontractors of any tier to indemnify and hold King County harmless as set forth in Section 13 of the Memorandum.

(g) **Public Works.** In the event that the Project is determined or otherwise agreed to be a "Public Work" and subject to public works procurement requirements including those specific requirements set forth in Chapters 39.04 RCW (general public works requirements), 39.12 (prevailing wage), 36.32 (County-specific requirements), together with any King County Code or other relevant policies, HealthPoint will, as appropriate, follow a competitive, qualifications based contractor selection process, pay prevailing wages, and adhere to bonding and workforce requirements. Nothing contained in this Agreement or any of the Related Agreements shall be interpreted to require compliance with the requirements set forth in this Section 3(g) where compliance with such requirements would not otherwise be required.

(h) **Good faith and cooperation.** At all times under this Agreement, HealthPoint will communicate with King County all material issues and concerns related to the Project, cooperate with King County toward all public health delivery goals, and the Parties mutually agree to act fairly and in good faith in accordance with this Agreement and the Related Agreements.

4. Delivery of Public Health Services

(a) **Integrated Health and Wellness Center Model.** The Parties' shared vision for the Property is to create an "**Integrated Health and Wellness Center**," which is defined for purposes of this Agreement as a model that: (a) expands the Parties' historical relationship to increase capacity for Health Services to the community in a renovated facility that is modernized and welcoming; (b) continues and advances the shared goals to better serve individuals and families in the Federal Way community with an integrated model that provides all King County Public Health Center clients with full access to the services offered by HealthPoint at the Property and HealthPoint patients and clients with full access to the services

that King County Public Health provides in the Federal Way community; (c) serves as a vehicle for implementing programs and services in response to periodic community health needs assessments conducted by the Parties from time to time; (d) serves as a vehicle for partnerships with other organizations that provide services needed by Federal Way residents, including services that address social determinants of health; and (e) provides more effective services to Black, Indigenous, and other People of Color (BIPOC) and other marginalized communities to counter racism and to address persistent health disparities. HealthPoint commits to working diligently with the County toward their shared vision of the Integrated Health and Wellness Center throughout the term of this Agreement.

(b) **Use of the Property for Public Health Delivery Goals.** HealthPoint will operate a community health center clinic providing services qualifying for recognition as a federally qualified health center on the Property, as that term is defined in Section 330 of the Public Health Service Act and as set forth in the Covenant. Such operation shall include services such as primary health care services, dental services, behavioral health services, maternity and early child health services, and reproductive health services. HealthPoint will further ensure that the Property is operated in furtherance of certain public health delivery goals, including culturally responsive integrated services with King County Public Health, whole person healthcare, and community outreach.

5. Term; Termination; and Satisfaction of Conditions Necessary for Closing Contract of Sale Transaction.

(a) **Term.** The term of this Agreement shall commence on the Effective Date and expire upon the transfer of legal title to the Property pursuant to the terms in Section 4.a of the Memorandum unless terminated under the terms of this Agreement prior to Closing.

(b) **Termination.** This Agreement shall terminate prior to the expiration of the Term only in the event of: (i) County's election to terminate the Agreement for default pursuant to Section 6(d) of this Agreement; (ii) termination of the Memorandum according to its terms prior to Closing and the transfer of legal title to HealthPoint; or (iii) the mutual agreement of the Parties.

(c) **Satisfaction of Conditions of Contract of Sale.** HealthPoint shall be deemed to have satisfied the conditions of this Agreement necessary to comply with the obligations of the contract of real estate sale described in the Memorandum upon completion of Project Development Obligations described in Section 3 of this Agreement so long as at such time HealthPoint has diligently pursued operation of the Integrated Health and Wellness Center described in Section 4(a) in reasonable compliance with this Agreement and is not otherwise in default with its obligations hereunder.

6. Miscellaneous Provisions.

(a) **Incorporation of Recitals.** The foregoing recitals are true and correct and are hereby incorporated herein.

(b) **Related Agreements; Conflict with Related Agreements.** In the event of any conflict between the terms of this Agreement and the terms of the Lease Agreement, the terms of this Agreement shall control. In the event of any conflict between the terms of this Agreement and the terms of the PSA, the terms of this Agreement shall control. In the event of any conflict between the terms of this Agreement and the terms of the Memorandum, the terms of the Memorandum shall control. In the event of any conflict between the terms of this Agreement and the terms of the Covenant, the terms of the Covenant shall control.

(c) **No Assignment.** This Agreement shall not be assignable or transferable by operation of law, or by any process or proceeding of any court or otherwise without the prior written consent of the Parties hereto, which consent shall be at each Party's sole and absolute discretion. Notwithstanding the foregoing, HealthPoint may assign this Agreement to a wholly-owned single-purpose affiliate entity in accordance with a concurrent assignment of the Memorandum upon the reasonable approval of the County.

(d) **Default.** HealthPoint shall be in default of this Agreement if HealthPoint (a) fails to timely and fully observe or perform any term, covenant, condition herein set forth including but not limited to its obligation to secure sources of funding for the Project as required by Section 3(b)(ii) of this Agreement and, except as otherwise provided herein, fails to cure any such default within one hundred eighty (180) days after notice thereof from County; or (b) becomes or is declared insolvent or makes an assignment for the benefit of creditors, or files any debtor's petition or any petition is filed against HealthPoint under any bankruptcy, wage earners, reorganization or similar act.

(e) **Force Majeure.** Neither Party shall be liable to the other or deemed in default under this Agreement if and to the extent that such Party's timely performance hereunder is prevented by reason of Force Majeure. "Force Majeure" shall be defined as an occurrence that is beyond the control of the Party affected and could not have been avoided by exercising reasonable diligence. Force Majeure includes strikes; lockouts; labor disputes; Acts of God; inability to procure labor, materials, or reasonable substitutes therefor; delay resulting by reason of the diminution of power or power failure(s); restrictive governmental laws or controls; judicial orders; enemy or hostile action; civil commotion; fire or other casualty. "Acts of God" mean naturally occurring events that cannot be avoided, such as earthquake, tornado, flood or global health crises such as an epidemic or pandemic as determined by the relevant governmental authorities having jurisdiction over the Property.

(f) **Non-Discrimination.** HealthPoint shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. HealthPoint shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of

1964. Any violation of this provision shall be considered a default of this Agreement and shall be grounds for cancellation, termination, or suspension, in whole or in part, of this Agreement and the Related Agreements and may result in ineligibility for further agreements with King County.

(g) **Applicable Law; Jurisdiction and Venue.** This Agreement and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law rules or choice of law provisions. In the event that either Party shall bring a lawsuit related to or arising out of this Agreement, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

(h) **Severability.** In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, then such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated or voided.

(i) **Notices.** Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered, when receipt of notice by e-mail is acknowledged by the recipient, when sent by overnight courier, or two days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. All notices shall be addressed to the parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein:

If to HealthPoint: HealthPoint
955 Powell Avenue SW
Renton, Washington 98057
Attention: Chief Executive Officer

With a copy to: Ogden Murphy Wallace PLLC
701 Fifth Avenue, Suite 5600
Seattle, WA 98104
Attention: Steve Burgon

If to County: King County
Chinook Building
401 5th Ave. Suite 930
Seattle, WA 98104
Attention: Steve Rizika

With a copy to: King County Prosecuting Attorney's Office
701 Fifth Avenue, Suite 600
Seattle, Washington 98104
Attention: Ryan W. Ridings

(j) **Dispute Resolution.** The Parties agree to negotiate in good faith to resolve any disputes arising under this Agreement so that the purposes of this Agreement are not frustrated, and before seeking to resolve disputes in a court of law or any other forum. Neither Party may seek relief in a court of law until and unless the dispute resolution process set forth in this Section 6(j) has been completed in good faith.

(i) The Parties shall designate representatives for purposes of managing this Agreement and the dispute resolution process under this Section 6(j). The Parties' initial Designated Representatives shall be the Chief Administrative Officer for Public Health for the County and the Chief Financial Officer for HealthPoint, or such other persons as the Parties may designate in writing from time to time by giving notice. The Parties' Designated Representatives shall communicate regularly to discuss the status of the tasks and services to be performed and to prevent disputes from arising.

(ii) If a dispute arises, then

Step One: The Parties' Designated Representatives shall confer and attempt to resolve the dispute within ten (10) business days of written notification by either Party.

Step Two: If the Parties' Designated Representatives are unable to resolve the dispute within ten (10) business days, either Party may refer the dispute to HealthPoint's Chief Executive Officer and the County's Division Director for Administrative Services or their designees. HealthPoint's Chief Executive Officer and the County's Division Director for Administrative Services shall confer and attempt to resolve the dispute within ten (10) business days of receiving the referral. The conference may be in person or by other means, such as telephone conference, videoconference, etc.

(iii) If the Parties cannot resolve the dispute utilizing the process in Section 6(j)(ii), the Parties may, by agreement, submit the matter to non-binding mediation. The Parties shall split the mediator's fees, costs and expenses on an equal basis. Each Party shall pay its own costs to prepare for the mediation, including any attorney fees or costs.

(iv) During the course of conflict or dispute resolution efforts, the Parties agree to continue to diligently perform their respective responsibilities under this Agreement.

(k) **Amendment.** Except as otherwise provided herein, this Agreement may only be amended in a writing signed by the Parties hereto. Notwithstanding the foregoing, the Parties

acknowledge that it is the intent of the Parties that modifications to the timing of the Project Milestones described in Section 3(b) and modification of the objectives of the Integrated Health and Wellness Center described in Section 4(a) may be modified without formal amendment to this Agreement so long as documentation of the mutual intent of the Parties to such changes is available to document the agreed modifications.

(l) **Legal Relationships.** No partnership, joint venture or joint undertaking shall be construed from this Agreement and, except as herein specifically provided, neither Party shall have the right to make any representation for, act on behalf of, or be liable for the debts of the other. Unless otherwise specifically provided herein, no third party is intended to be benefited by this Agreement.

(m) **Non-Waiver.** No action or failure to act by HealthPoint or County shall constitute a waiver of any right or duty afforded it under this Agreement.

(n) **Captions.** The captions in this Agreement are for convenience only and do not in any way limit or amplify the provisions set forth herein.

(o) **Definitions.** Capitalized terms not defined in this Agreement shall have the meaning given to them under the Related Agreements.

(p) **Counterparts.** This Agreement may be executed in several counterparts, which shall be treated as originals for all purposes, and all counterparts so executed shall constitute one agreement, binding on all the Parties hereto, notwithstanding that all the Parties are not signatory to the original or to the same counterpart. Any such counterpart shall be admissible into evidence as an original hereof against the person who executed it.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

HealthPoint,
a Washington nonprofit corporation

King County,
a political subdivision of the State of Washington

By: _____
Lisa Yohalem,
President and Chief Executive Officer

By: _____
Drew Zimmerman,
Director, Facilities Management Division

APPROVED AS TO FORM:

By: _____
Ryan W. Ridings,
Senior Deputy Prosecuting Attorney

APPROVED BY CUSTODIAL AGENCY:

By: _____
Michael Gedeon,
Chief Administrative Officer,
King County Public Health

EXHIBIT G.

LEASE AGREEMENT

BY AND BETWEEN

KING COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF WASHINGTON

AND

HEALTHPOINT, A WASHINGTON NONPROFIT PUBLIC BENEFIT CORPORATION

DATED: _____, _____ 2024

BASIC LEASE PROVISIONS

The words and figures set forth in Paragraphs A to O shall have the following meanings throughout the Lease except as expressly modified elsewhere in the Lease.

- A. Landlord: HealthPoint
- B. Tenant: King County
- C. Property Address: 33431 13th Place South, Federal Way, Washington
- D. Premises: the approximately 7,500 square feet of dedicated space (see Exhibit B-1) and approximately 1,990 square feet of shared space with HealthPoint (see Exhibit B-2)
- E. Permitted Use: Primary medical and dental care; other health and human services and other public health services; all consistent with restrictive covenant against the property.
- F. Term: An initial term of one hundred twenty (120) months beginning on the Commencement Date and terminating on the last day of the month of the day in which the 120-month period expires.
- G. Optional Renewal Terms: two (2) consecutive five (5) year tenant options to extend.
- H. Commencement Date: [_____, 2024]
- I. Monthly Base Rent for Initial Term: zero dollars (\$0.00)
- J. Additional Rent for Initial Term: n/a
- K. Security Deposit: none
- L. Prepaid Rent: none
- M. Renewal Option Notice Date(s): [_____, 2033 and _____, 2038]
(twelve months before the end of term)
- N. Landlord's Address for Notices:
HealthPoint
955 Powell Avenue SW
Renton, Washington 98057
Attention: Chief Executive Officer
- O. Tenant's Address for Notices:
King County Real Estate Services Section
King County Administration Building
500 4th Avenue, Suite 830
Seattle, WA 98101

LEASE AGREEMENT

This Lease Agreement (“Lease”) is made by and between HEALTHPOINT, a Washington nonprofit public benefit corporation (“Landlord”), and KING COUNTY, a political subdivision of the State of Washington (“Tenant”) and is effective as of _____ (“Lease Date”). Landlord and Tenant are each generically referred to herein as a “Party” and collectively as the “Parties”.

RECITALS

- A. Landlord, a public benefit nonprofit corporation, is a community-based, community-supported, and community-governed network of non-profit health centers dedicated to providing high quality care to all who need it, regardless of circumstances which qualifies as a Federally Qualified Health Center, as that term is defined in 42 USC § 1395x(aa)(4); and provides access to medical care to poor and underserved populations in King County.
- B. Tenant, through King County Department of Public Health, serves low income, marginalized, and underserved populations through the provision of medical and related care and health services in King County.
- C. Landlord is the owner of the real property located at 33431 13th Place South in Federal Way, King County, State of Washington, and legally described on Exhibit A (the “Property”) pursuant to a real estate contract sale (as that phrase is defined in RCW 61.30.010) for the sale of the Property by Tenant, as Seller, to Landlord, as Buyer, memorialized under that certain Memorandum of Contract Sale and recorded against the Property under KC Rec No. _____ (the “Memorandum of Contract Sale”).
- D. The terms of the Memorandum of Contract Sale require that Landlord perform certain improvements upon the Property (the “Project”) resulting in an integrated health and wellness center to be operated by Landlord and Tenant as King County Public Health.
- E. Landlord and Tenant have entered into that certain consideration agreement dated on or about the date hereof (the “Consideration Agreement”) which provides, among other things, (i) that Landlord will complete Phase 1 of the Project (herein “Phase 1”) and Phase 2 of the Project (herein “Phase 2”) as those terms are defined and on certain terms and conditions set forth therein and (ii) that Landlord will thereafter provide health services to Medically Underserved Populations with King County Public Health (the “Health Services”).
- F. The costs of completing the Project are a portion of the consideration provided by Landlord to Tenant for the sale of the Property.
- G. The Project contains certain demised premises (the “Premises”, as set forth and defined herein) within the Property for the exclusive use and control by King County Public Health, and certain shared spaces (“Shared Space”, as set forth and defined herein) within the Property to be used jointly by Tenant and Landlord in the provision of Health Services.

- H. Tenant's leasehold in the Premises and the Shared Space is an additional part of the consideration provided by Landlord to Tenant for the sale of the Property.

AGREEMENT

For and in consideration of the mutual promises, covenants, and conditions herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. PREMISES; USE:

- 1.1. Premises and Shared Space. Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, those certain premises consisting of approximately 7,500 square feet of dedicated space shown and defined on Exhibit B-1 (the "Premises") within the building located on the Property (the "Building"). In addition, Tenant shall have the right to use, on a non-exclusive basis in collaboration with Landlord, that shared space shown on Exhibit B-2 (the "Shared Space"). Tenant's Share (as defined below) of the Shared Space consists of approximately 1,190 square feet, for a total leased area of approximately 8,690 square feet. Tenant's total leased square feet is 8,690 as shown on Exhibit B-2. For the purposes of this Lease, the Parties agree that the total leased square feet means a rental area as determined by [ANSI/BOMA] Standard of Measurement.
- 1.2. Provision of the Premises and Shared Space. Upon commencement of the Term of this Lease, and subject to Landlord's ongoing maintenance and repair obligation set forth in this Lease, Landlord shall not be obligated to perform any alterations or improvements to the Premises, the Shared Space or elsewhere, provided only that Landlord agrees to complete the Project pursuant to Section 3 of the Consideration Agreement. Upon completion of Phase 1, as provided under Section 3 of the Consideration Agreement, Landlord shall provide and maintain Building-wide standard furniture (including, without limitation, desks, chairs, book cases, and file cabinets but specifically excluding art decorations, computers, telephones, copy machines, IT systems or other equipment specific to Tenant) for the Premises and the Shared Space (defined below) as set forth on the Schedule of Furniture, Fixtures and Equipment attached hereto as Exhibit D (collectively, the "Initial Furniture"). Tenant shall have meaningful opportunity to review the Initial Furniture and to set forth certain ergonomic requirements.
- 1.3. Use. Tenant may use the Premises for the purpose of primary medical and dental care, and to provide other health and human services and public health services that are complementary thereto for persons of lower incomes and other underserved populations with more limited access to quality health care in King County together with all reasonably related office and administrative uses and any other legally permissible use consistent with the Restrictive Covenant dated [_____, 2024] recorded against the Property.
- 1.4. Project Delivery. Landlord and Tenant acknowledge and agree that they are committed to integrated service delivery within the Project and agree that one (1) or more representative(s) appointed by Landlord and one (1) or more representatives appointed by

Tenant shall participate in a committee intended to establish policies and procedures for the shared provision of Health Services, including without limitation the use of the Shared Space.

2. TERM

2.1. Initial Term. The Term of this Lease shall be for one hundred twenty (120) full calendar months ("Term"), commencing on the date that Tenant shall have conveyed to Landlord equitable title to the Property and the Memorandum of Contract Sale shall have been duly executed by both Parties (the "Commencement Date"), and terminating on the last day of the 120th full calendar month thereafter.

2.2. Renewal Terms. Provided that Tenant is not in default under the terms of this Lease, Tenant shall have two (2) options to extend the Term of this Lease for an additional five (5) years each (each, an "Extended Term"), subject to providing Landlord no less than twelve (12) months' prior written notice of Tenant's intent to exercise said option(s). Tenant's extension rights shall apply to all of the Premises then leased by Tenant under this Lease. From and after the commencement of the Extended Term, all of the terms, covenants, and conditions of the Lease shall continue in full force and effect as written, except that the monthly Rent for the Extended Term shall be at Fair Market Rent. The term "Fair Market Rent" for the purposes of this Lease shall mean the annual amount per rentable square foot that a willing, comparable, non-expansion, non-renewal, non-equity tenant would pay, and a willing, comparable landlord of a comparable building in the Federal Way market would accept under the transaction as further defined above, for new leases of similar space, considering, size, use type, and creditworthiness of tenant on or about the date on which the Fair Market Rent is being determined hereunder. The Fair Market Value rentable square foot rate determined above shall be determined for the respective market values for the Premises and Shared Space, as described in Section 1.1, above.

3. RENT:

3.1. Initial Term Rent. Tenant shall not pay base rent or operating expenses during the Initial Term of this Lease but shall pay rent during any Extended Term as described in Section 2.2, above.

3.2. Extended Term Rent. During any Extended Term, the Parties anticipate that this Lease shall convert to a triple net agreement in accordance with prevailing market terms at such time.

3.3. Improved Premises as Consideration. It is the shared understanding and intent of the Parties that the Tenant shall enjoy Premises and Shared Space that are renovated upon Landlord's completion of Phase 1 in accordance with the Consideration Agreement. In any event where Landlord shall not have substantially completed Phase 1 prior to the end of the thirty-sixth (36th) month of this Lease, Landlord shall grant Tenant the right to either (i) a rent payment credit of not less than Twenty Dollars and No/100 (\$20) per square foot, as adjusted to the day for each day that shall pass until substantial completion of Phase 1 of the Project as set forth under Section 3(b) of the Consideration Agreement; or (ii) a lease term credit providing an according number of days at the Initial Term Rent rate set

forth in Section 3.1 to be added to the end of the Initial Term for each day that shall pass until substantial completion of Phase 1 of the Project as set forth under Section 3(b) of the Consideration Agreement.

4. UTILITIES AND SERVICES: So long as Tenant is not in default under this Lease, Landlord shall provide gas, steam, electricity, heat, ventilation, air-conditioning, water, elevator service, trash removal, snow and ice removal, medical facility janitorial services, sewer and storm water, and other customary services or utilities without interruption. Landlord shall pay all real estate and ad valorem taxes, as may be applicable. All other costs necessary for Tenant to do business in the Premises will be paid directly by Tenant, including expressly telephone and internet connection. Landlord agrees to provide third-party security at the Building for the benefit of both Landlord and Tenant's operations, and shall maintain electronic security measures, including but not limited to access controls, cameras and intrusion systems as described on Exhibit C attached hereto.
5. COMMON AREAS: Landlord also grants Tenant a nonexclusive license to use, in common with Landlord, other lessees (if any), and their respective guests and invitees, those portions of the Building and the Property incident to and necessary for Tenant's use of the Premises and Shared Space, including but not limited to any utility rooms, cable and communication closets, or other spaces containing operational infrastructure, and which shall be accessible to Tenant at all times (the "Common Areas").
6. REPAIRS AND MAINTENANCE: Landlord shall keep the Premises, Shared Space, and the Common Areas of the Building in operating condition and repair at least as good as the condition of the Building on the Commencement Date, the completion of Phase 1 or the completion of Phase 2, as the case may be, including but not limited to walks, landscaping, service areas, mechanical rooms, loading areas, and the roof and the exterior of the Building, reasonable use and wear and tear and damage by fire and other casualty excepted, Landlord shall promptly repair malfunctioning fixtures, plumbing, HVAC and electrical systems in the Premises, Shared Space and public and common areas. Landlord shall further maintain in condition and operating order at least as good as the condition of the Building on the Commencement Date and reasonably keep in repair consistent with plans for renovation of the Building (a) the structural portions of the Building, including the foundation, floor/ceiling slabs, roof, curtain wall, exterior glass and mullions, columns, beams, shafts (including elevator shafts), base Building stairs and stairwells, Landlord's art work, Building mechanical, electrical and telecom closets (collectively, the "Building Structure"), (b) the base building mechanical, electrical, life safety, plumbing, sprinkler and HVAC systems of the Building (collectively, the "Building Systems"), and (c) the common areas and signage. In the event that such repairs are required as a result, in whole or in part, of the act or neglect of any duty by Tenant its agents, servants, employees, or invitees, then Tenant shall pay to Landlord the reasonable and actual cost of such maintenance and repairs. Landlord shall provide janitorial service for the Premises. Tenant shall, at its own expense and at all times, keep the Premises neat, clean and in a sanitary condition. Tenant shall permit no waste, damage or injury to the Premises. Tenant shall promptly provide Landlord with written notice of the need for any repairs or maintenance to the Premises or the Building. Landlord shall be responsible for the maintenance and repairs to the Premises, the Building, Building systems, and common areas which shall include but not limited to interior lighting (including replacement of

light bulbs, ballasts and starters as required); electrical, plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual); floor coverings; window coverings; inside and outside walls (including windows and entrance and exit doors); all structural portions of the Building (including the roof and the watertight integrity of same); restrooms, common area hallways, porches, stairways; sidewalks; exterior lighting; parking lot (including snow removal, cleaning and restriping as required); wheel bumpers; drainage; landscaping and continuous satisfaction of all governmental requirements (example: fire, building energy codes, indoor air quality and requirements to provide architecturally barrier-free premises for persons with disabilities, etc.).

7. ALTERATIONS: Tenant shall be entitled to perform alterations and/or improvements to the Premises (including, without limitation, the installation of fixtures and signs) subject to Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed. Upon Tenant's request, Landlord agrees to perform such alterations or improvements on Tenant's behalf, subject to reimbursement from Tenant for Landlord's actual and reasonable costs. Tenant may from time to time remove any fixtures, alterations or improvements installed by Tenant in or to the Premises; provided that Tenant agrees to repair any damage caused by such removal. Notwithstanding the foregoing, Tenant may perform alterations and/or improvements to the Premises without obtaining Landlord's prior consent so long as such alterations and/or improvements: (i) do not exceed \$25,000 per project, (ii) are not visible from the exterior of the Building or from the Shared Space or Common Areas, (iii) do not adversely affect any Building system or the structural strength of the Building, and (iv) do not require penetrations into the roof of the Building. As an alternative, upon mutual agreement, Tenant may request work to be completed by Landlord, and Tenant shall be billed at the pre-approved, mutually agreed upon amount. In such instance(s), Tenant shall have the right to approve in advance the scope and estimated costs of such work to be completed.
8. CONDEMNATION OR DAMAGE TO THE PROPERTY: In the event a substantial part of the Premises is taken by the right of eminent domain, or purchased by the condemnor, in lieu thereof, or damaged by casualty, so as to render the remaining Premises economically untenable as a result of any of the foregoing, then this Lease shall be canceled as of the time of taking at the option of either party. The Parties shall refer to the Consideration Agreement for the allocation of rights in the property if any such event occurs prior to Landlord's satisfaction of the terms and conditions of the Consideration Agreement.
9. PARKING: Tenant shall have an exclusive right to dedicated parking stalls numbered _____ as shown on Exhibit B-3 attached hereto for fleet parking. In addition, Tenant shall have the non-exclusive right, during the Term of the Lease, to use the shared parking spaces shown on Exhibit B-3 attached hereto.
10. LIENS AND INSOLVENCY: Tenant shall keep the Premises free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by Tenant and shall hold Landlord harmless against the same. In the event Tenant becomes insolvent, bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of Tenant, Landlord may cancel this Lease at its option.

11. DISPUTE RESOLUTION: The Parties agree to negotiate in good faith to resolve any disputes arising under this Agreement so that the purposes of this Agreement are not frustrated, and before seeking to resolve disputes in a court of law or any other forum. Neither Party may seek relief in a court of law until and unless the dispute resolution process set forth in this Section 11 has been completed in good faith.
- 11.1. Designated Representatives. The Parties shall designate representatives for purposes of managing this Agreement and the dispute resolution process under this Section 11. The Parties' initial Designated Representatives shall be the Chief Administrative Officer for Public Health for the County and the Chief Financial Officer for HealthPoint, or such other persons as the Parties may designate in writing from time to time by giving notice. The Parties' Designated Representatives shall communicate regularly to discuss the status of the tasks and services to be performed and to prevent disputes from arising.
- 11.2. Informal Dispute Resolution Process. If a dispute arises, then:
- Step One: The Parties' Designated Representatives shall confer and attempt to resolve the dispute within ten (10) business days of written notification by either Party.
- Step Two: If the Parties' Designated Representatives are unable to resolve the dispute within ten (10) business days, either Party may refer the dispute to HealthPoint's Chief Executive Officer and the County's Division Director for Administrative Services or their designees. HealthPoint's Chief Executive Officer and the County's Division Director for Administrative Services shall confer and attempt to resolve the dispute within ten (10) business days of receiving the referral. The conference may be in person or by other means, such as telephone conference, videoconference, etc.
- 11.3. Non-Binding Mediation. If the Parties cannot resolve the dispute utilizing the process in Section 11.2, the Parties may, by agreement, submit the matter to non-binding mediation. The Parties shall split the mediator's fees, costs and expenses on an equal basis. Each Party shall pay its own costs to prepare for the mediation, including any attorney fees or costs.
- 11.4. Continued Diligence. During the course of conflict or dispute resolution efforts, the Parties agree to continue to diligently perform their respective responsibilities under this Agreement.
12. SUBLETTING OR ASSIGNMENT: Tenant may assign this Lease in whole or in part or sublet all or any portion of the Premises to a related entity or affiliate upon notification to Landlord. In addition, Tenant shall have the right to assign this Lease in whole or in part or sublet all or any portion of the Premises to unrelated entities with the prior written consent of Landlord, which may be withheld or conditioned as set forth: Landlord will agree to the sublease and assignment provided that (a) the use of the Premises by said related entity or affiliate must be similar to Tenant's use and consistent with the Permitted Uses described herein, (b) such sublessee or

assignee organization and clientele shall not be incompatible with HealthPoint's market space or business practices, and (c) the subtenant or assignee must not use the Premises in any way that will create a nuisance to Landlord or any other tenants of the Building. Landlord shall not have the right to recapture any sublease or assignment space without Tenant's express written consent. Landlord acknowledges that Tenant is a home rule charter county and political subdivision of the State of Washington and is comprised of many separate departments and divisions. As such, use or occupancy of the Premises by any Tenant department or division shall not constitute a sublease or assignment under this Section 12.

13. ACCESS: Landlord shall have the right to enter the Premises at all reasonable times for the purpose of inspection or of making repairs, additions, or alterations upon not less than ten (10) business days' notice to Tenant.

14. INDEMNIFICATION; INSURANCE:

14.1. County Self-Insurance. Landlord acknowledges that Tenant, a Charter County Government under the Constitution of the State of Washington, maintains a fully funded self-insurance program as defined in King County Code 2.21 for the protection and handling of the Tenant's liabilities, including injuries to persons and damage to property. Tenant shall, at its own expense, maintain, through its self-funded program, coverage sufficient for all of its liability exposures for this Lease. Tenant shall provide Landlord with at least thirty (30) days prior written notice of any material change in Tenant's self-funded program and shall provide Landlord with a certificate of self-insurance as proof of coverage. Landlord further acknowledges that Tenant does not maintain a commercial General Liability Insurance policy and is a self-insured government entity; therefore, Tenant does not have the ability to add Landlord as an additional insured to such policy. Should Tenant cease self-insuring its liability exposure and purchase a Commercial General Liability Insurance Policy, Tenant shall add Landlord as an additional insured to such policy. Tenant shall at all times maintain its self-funded program or a Commercial General Liability Insurance Policy, each in an amount sufficient to cover its liability exposure under this Lease.

14.2. Landlord Insurance: Landlord shall maintain throughout the Term insurance as set forth in Section 12(b) of the Memorandum of Contract.

14.3. Indemnification. Each Party shall defend, indemnify and hold the other harmless from and against any claims, suits, causes of action, judgments, damage, loss or liability for injuries to persons or property (excluding consequential damages such as lost profits) (collectively, "Claims") to the extent caused by the negligent acts or omissions of their respective agents, officers and employees, arising out of or incidental to the exercise of rights and obligations under this Lease. Where such Claims result from the concurrent negligence of the Parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each Party's negligence. Each of the Parties agrees that its obligations under this Section 14 extend to any claim, demand, cause of action and judgment brought by, or on behalf of, any of its employees or agents. For this purpose, each of the Parties, by mutual negotiation, hereby waives, with respect to each of the other Party's only, any immunity

that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW. In the event that any of the Parties incurs any judgment, award, and/or cost arising therefrom, including attorney fees, expenses, and costs shall be recoverable from the responsible Party to the extent of that Party's negligence.

15. COST AND ATTORNEY'S FEES: If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this Lease, a legal action is instituted, the prevailing party shall recover its reasonable costs and attorney's fees in connection therewith. It is agreed that the venue of any legal action brought under the terms of this Lease shall be in King County Superior Court.

16. LIENS. Landlord and Tenant shall keep the Premises and the Building free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant or Landlord, and each shall indemnify and hold harmless the other from and against all liabilities, losses, damages and costs (including reasonable attorney fees and costs) incurred in connection with any such lien. Landlord or Tenant may contest the validity or amount of any such lien or encumbrance in good faith provided that, within forty-five (45) days after the filing of such lien or encumbrance, Landlord or Tenant discharges the same by providing and recording a bond which complies with the requirements of RCW 60.04.161 eliminating said lien and/or encumbrance.

17. HAZARDOUS MATERIALS.

17.1. Definitions. For purposes of this Lease, the term "Environmental Law" shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, RCW ch. 70A.305 ("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70A.300; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Lease, the term "Hazardous Material" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law.

17.2. Landlord Representations and Warranties. Landlord represents and warrants to Tenant that there is no Hazardous Material on, in, or under the Premises or the Real Property as of the Commencement Date. If there is any Hazardous Material on, in, or under the Premises or the Real Property which has been or thereafter becomes released, then Landlord (i) shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law and (ii) shall indemnify, defend and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims,

attorneys' fees, consultant fees and expert fees, incurred either during or after the Lease term as the result of such release.

- 17.3. Hazardous Waste Restrictions. Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, except in strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred either during or after the Lease term ("Claims") to the extent that said Claims are a result of said breach. Tenant shall promptly notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third Party regarding the actual or suspected presence of Hazardous Material on the Premises or the Property.
- 17.4. Tenant Remediation. Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any release of any Hazardous Material on the Premises or the Real Property, Tenant shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law. Landlord's approval of such remediation shall first be obtained, which approval shall not be unreasonably withheld, conditioned or delayed, provided, however, that Tenant shall be entitled to respond immediately to an emergency without prior approval from Landlord, including but not limited to taking actions necessary to prevent the release from migrating, leaching or otherwise spreading, and actions necessary to respond to any immediate obligations imposed on Tenant by Environmental Law. To the extent such Hazardous Material becomes comingled with Hazardous Material released by Landlord or other Parties, nothing in this Lease shall prevent Tenant from seeking to recover costs, expenses or any other damages incurred as a result of the presence of such Hazardous Material that was released by Landlord or other Parties.
- 17.5. Landlord Remediation. Landlord shall remediate any Hazardous Material discovered in the course of carrying out Landlord's Work at Landlord's sole cost and expense.
- 17.6. Title 51 Waiver. Each of the Parties agrees that its obligations under this Section 17 extend to any claim, demand, cause of action and judgment brought by, or on behalf of, any of its employees or agents. For this purpose, each of the Parties, by mutual negotiation, hereby waives, with respect to each of the other Party's only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW.
- 17.7. Survival. The provisions of this Section 17 shall survive expiration or earlier termination of this Lease.

- 17.8. Indemnification. All claims, judgements, damages, penalties, fines, costs, liabilities and losses involving the release or presence of Hazardous Material shall be subject to this Section 17, and not the indemnity and liability provisions of Section 14.
18. NO WAIVER OF COVENANTS: Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future similar breach. This Lease contains all the agreements between the parties with respect to the Lease except to the extent other agreements between the Parties are expressly referenced herein; and there shall be no modification of the agreements contained herein except by written instrument.
19. SURRENDER OF PREMISES: Subject to Section 2.2, Tenant agrees, upon expiration of the Term or other termination of this Lease, to peacefully quit and surrender the Premises without notice, remove all of Tenant's personal property, leave the Premises neat and clean and to deliver all keys to the Premises to Landlord.
20. HOLDING OVER: If Tenant, with the implied or express consent of Landlord, shall hold over after the expiration of the term of this Lease, Tenant shall remain bound by all the covenants and agreements herein, except that the tenancy shall be from month to month and Monthly Rent shall be at rate established under any "Extended Term" above.
21. BINDING ON HEIRS, SUCCESSORS AND ASSIGNS: The covenants and agreements of this Lease shall be binding upon the heirs, executors, administrators, successors and assigns of both parties hereto, except as hereinabove provided.
22. NOTICE: All notices hereunder shall be in writing and shall be delivered personally or by recognized overnight courier addressed as follows:

To Tenant:

King County Real Estate Services Section
Chinook Building
401 5th Ave. Suite 930
Seattle, WA 98104

Copy to:

King County Prosecuting Attorney's Office
701 Fifth Avenue, Suite 600
Seattle, WA 98104
Attention: Ryan Ridings

To Landlord:

HealthPoint
955 Powell Avenue SW
Renton, Washington 98057
Attention: Chief Executive Officer

Copy to:

Ogden Murphy Wallace PLLC
701 Fifth Avenue, Suite 5600
Seattle, WA 98104
Attention: Steve Burgon

or to such other respective addresses as either Party hereto may hereafter from time to time designate in writing. Notices shall be deemed delivered (i) when personally delivered; or (ii) on the first business day after deposit with a recognized overnight courier if deposited in time to permit overnight delivery by such courier as determined by its posted cutoff times for receipt of items for overnight delivery to the recipient. Payments may be made in the manner provided for notice or may be delivered by regular mail (postage prepaid); provided, payments made by regular mail (postage prepaid) shall be deemed delivered when actually received by Landlord.

23. BROKERS. Landlord and Tenant each warrant to the other that it has had no discussions, negotiations and/or other dealings with any real estate broker or agent in connection with the negotiation of this Lease, and that it knows of no other real estate broker or agent who is or may be entitled to any commission or finder's fee in connection with this Lease. Landlord and Tenant each agree to indemnify and hold the other harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation, attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of such party's discussions, negotiations and/or dealings with any real estate broker or agent. This Section is not intended to benefit any third parties and shall not be deemed to give any rights to brokers or finders. No commission(s) or finder's fee(s) shall be paid to Tenant, employee(s) of Tenant or any unlicensed representative of Tenant.
24. CONSENT. Whenever Landlord's or Tenant's prior consent or approval is required by this Lease, the same shall not be unreasonably withheld, conditioned or delayed, unless otherwise specifically provided by this Lease. All requests for Tenant consents or approvals required under this Lease shall be submitted to the Facilities Management Director or his or her functional successor. Whenever the consent of Tenant to any act to be performed under this Lease, Landlord must obtain the consent or approval expressly for purposes of this Lease, regardless of whether a consent or approval shall have been granted by Tenant in its regulatory, public utility, or other capacity. No permission, consent, or approval of Tenant contained herein or given pursuant to this Lease is, or shall be construed as, a representation or assurance that the matter consented to or approved complies with applicable laws, regulations, ordinances or codes, nor shall any such consent or approval be construed to authorize any failure to comply with any of the foregoing.

25. RELATIONSHIP TO LANDLORD AND TENANT. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture partners, and no provision contained in this Lease, nor any acts of Landlord or Tenant shall be deemed to create any relationship other than that of Landlord and Tenant.
26. TIME. Time is of the essence of each and every one of each Party's obligations, responsibilities and covenants under this Lease.
27. ANTI-DISCRIMINATION. Landlord shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression, sex, status as a family caregiver, military status or status as a veteran who was honorably discharged or who was discharged solely as a result of the person's sexual orientation or gender identity or expression, or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16. Landlord shall comply fully with all applicable federal, state, and local laws, ordinances, executive orders, and regulations that prohibit such discrimination. These laws include, but are not limited to, King County Charter Section 840, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Lease and may result in ineligibility for further agreements with King County. Notwithstanding anything to the contrary, Tenant shall be entitled to terminate this Lease effective upon written notice to Landlord in the event that Landlord violates the requirements of this Section 27.
28. DEFAULTS/REMEDIES
- 28.1. Termination. Should an Event of Default exist, as defined in Section 28.2 below, Landlord may, unless otherwise provided in this Lease, terminate the Lease. Notwithstanding anything to the contrary contained in this Lease, if Landlord elects to terminate this Lease in accordance with this Section 28.1, Tenant shall have no liability for any obligations under this Lease which arise from and after the date of termination of this Lease.
- 28.2. Breach and Default by Tenant. Each of the following events shall be an "Event of Default" by Tenant and a "breach" of this lease:
- (a) Failure to perform any term, condition, covenant, or requirement of this Lease:
 - (b) The appointment of a receiver to take possession of the Premises or of Tenant's interest in, to, and under this Lease, the leasehold estate or of Tenant's operations on the Premises for any reason, including, without limitation, assignment for benefit of creditors or voluntary or involuntary bankruptcy proceedings, when not released within ninety (90) days; and
 - (c) The subjection of any right or interest of Tenant to or under this Lease to attachment, execution, or other levy, or to seizure under legal process when the claim against Tenant is not released within ninety (90) days.

- 28.3. Notice as a Precondition to Landlord's Remedies. As a precondition to pursuing any remedy for an Event of Default by Tenant, Landlord shall, before pursuing any remedy, (a) where the alleged default is a failure to pay any installment of Rent or other sum when due pursuant to this Lease, give Tenant a thirty (30) day written notice of default and opportunity to cure, specifying in reasonable detail the amount of money not paid and the nature and calculation of each such payment, or (b) where the alleged default is the failure to perform or observe any covenant, condition, or agreement to be performed by Tenant under this Lease, other than a failure to pay rent or any other sum when due, give Tenant a sixty (60) day written notice of default, providing details of the default, and provide Tenant a reasonable opportunity to cure. Where such default other than the failure to pay any installment of Rent or other sum cannot, with reasonable diligence, be cured within such sixty (60) day period, Landlord shall not pursue any remedy provided curative action is commenced within such sixty (60) day period and thereafter pursued with due diligence to completion.
- 28.4. Waiver of Breach. The waiver by Landlord of any breach by Tenant of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Tenant of either the same or a different provision of this Lease.
- 28.5. Landlord's Default. Landlord shall be in default under this Lease if Landlord fails to cure any breach of its obligations under this Lease within sixty (60) days after receipt of written notice from Tenant specifying in reasonable detail the nature of Landlord's breach; provided, however, that if the nature of Landlord's breach is such that more than sixty (60) days are required for performance, then Landlord shall not be in default if Landlord commences the cure of such breach within sixty (60) days of the receipt of such notice from Tenant. If any Landlord breach is not cured within any required time period under such notice, Tenant may terminate this Lease and have no further obligations hereunder by providing written notice as required herein.
29. SEVERABILITY. Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision of this Lease.
30. DAMAGE OR DESTRUCTION.
- 30.1. During the Initial Term, all provisions for damage or destruction of the Premises, Shared Space or the Building shall be set forth in Section 24 of the Memorandum.
- 30.2. During any Extended Term, in the event the Premises, or Building are destroyed or damaged by fire, earthquake or other casualty so as to render the Premises or Building, in Tenant's sole judgment, unfit for occupancy or Tenant's intended purpose, and the Landlord neglects or refuses to restore the Premises to its former condition within ninety (90) days of such damage or destruction, Tenant may terminate this Lease upon thirty (30) days written notice to Landlord. In the event of such termination, Landlord and Tenant shall have no further obligations hereunder, except those obligations that expressly survive the expiration or earlier termination of the Lease. In the event the Premises are damaged by any of the aforesaid events, the Rent shall be abated in proportion to the percentage of untenable space in the Premises as relates to the total square footage of the Premises until such time that Landlord restores the Premises to its pre-casualty condition. If, in the sole discretion of

Tenant, the untenable portion of the Premises or the Building renders the Premises unusable for the Permitted Use, Tenant may unilaterally terminate this Lease upon thirty (30) days written notice to Landlord.

31. FORCE MAJEURE. Time periods for either Party's performance under any provision of this Lease shall be extended for periods of time during which the Party's performance is prevented due to circumstances beyond such Party's control, including without limitation, fires, floods, earthquakes, lockouts, pandemic, strikes, embargoes, governmental regulations, acts of God, public enemy, war, or other strife.
32. GOVERNING LAW. This Lease shall be governed by and construed in accordance with the laws of the State of Washington without giving effect to its conflicts of law rules or choice of law provisions.
33. COUNTERPARTS. This Lease may be executed in counterparts, each of which shall constitute an original and all of which constitute but one original. Execution copies of this Lease may be delivered by email, and the Parties hereto agree to accept and be bound by scanned signatures transmitted via email hereto, which signatures shall be considered as original signatures with the transmitted Lease having the binding effect as an original signature on an original document. Neither Party may raise the use of a scanned document or the fact that any signature was transmitted through the use of email as a defense to the enforcement of this Lease.

[No further text]

IN WITNESS WHEREOF, this Lease has been executed the day and year first above set forth.

LANDLORD:

HealthPoint,
a Washington nonprofit corporation

By: _____
Name: Lisa Yohalem
Title: President and Chief Executive Officer

TENANT:

King County,
a political subdivision of the State of
Washington

By: _____
Name: Drew Zimmerman
Title: Director, Facilities Management Division

APPROVED AS TO FORM:

By: _____
Name: Ryan W. Ridings
Title: Senior Deputy Prosecuting Attorney

APPROVED BY CUSTODIAL AGENCY:

By: _____
Name: Michael Gedeon
Title: Chief Administrative Officer,
Department of Public Health

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ 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 _____ of _____, a _____, its _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2024.

Notary Public: _____

Print Name: _____

My commission expires: _____

(Use this space for notarial stamp/seal)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that ____ signed this instrument, on oath stated that ____ was authorized to execute the instrument and acknowledged it as the _____ of KING COUNTY, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2024.

Notary Public: _____

Print Name: _____

My commission expires: _____

(Use this space for notarial stamp/seal)

Exhibit A
Legal Description

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

LOTS 7 AND 8 OF SECOMA BUSINESS PARK, ACCORDING TO PLAT RECORDED IN VOLUME 113
OF PLATS AT PAGES 37 THROUGH 40, INCLUSIVE, IN KING COUNTY, WASHINGTON.

(ALSO KNOWN AS BOUNDARY LINE ADJUSTMENT NUMBER BLA-91-0010 RECORDED ON JUNE
11, 1992 AS RECORDING NUMBER 9206119002, IN THE OFFICIAL RECORDS OF KING COUNTY,
WASHINGTON.)

Exhibit B-1
Depiction of the Premises
[to be completed prior to execution]

Exhibit B-2
Shared Space
[to be completed prior to execution]

Exhibit B-3
Parking Plan
[to be completed prior to execution]

Exhibit C
Property Security Requirements
[to be completed prior to execution]

Exhibit D
Schedule of Furniture Fixtures and Equipment
[to be completed prior to execution]

EXHIBIT H.

Please Return To:
King County Real Estate Services
Chinook Building
401 5th Ave. Suite 930
Seattle, WA 98104
Attn: Steven Tease

WASHINGTON STATE COUNTY AUDITOR/RECORDER INDEXING FORM

Document Title(s) *(or transactions contained therein):*

DECLARATION OF RESTRICTIVE COVENANT

Reference Number(s) of Documents assigned or released:

Additional reference numbers on page ____ of document

Grantor(s): *(Last name first, then first name and initials)*

1. **HEALTHPOINT**

Grantee(s): *(Last name first, then first name and initials)*

1. **KING COUNTY**

Legal Description: *(abbreviated form i.e. lot, block, plat name, section-township-range)*

SECOMA BUSINESS PARK LOTS 7 & 8 AKA BLA-91-0010 REC #9206119002

Additional legal is on Exhibit A of document

Assessor's Property Tax Parcel Account Number(s):

768190-0070

Documents Referenced_____

DECLARATION OF RESTRICTIVE COVENANT

THIS DECLARATION OF RESTRICTIVE COVENANT (“Covenant”) is made, established, and executed as of _____, 2024, by HealthPoint, a Washington nonprofit public benefit corporation (“HealthPoint”).

RECITALS

A. HealthPoint is a Washington nonprofit public benefit corporation recognized by the Internal Revenue Service as a public charity described in Section 501(c)(3) of the Internal Revenue Code and operates a system of community health centers recognized by the Health Resources and Services Administration federally qualified health centers as described in Section 330 of the Public Health Service Act.

B. HealthPoint acquired an interest in real property in Federal Way, King County, Washington (the “Federal Way Property”) from King County, a political subdivision of the State of Washington, historically occupied by Public Health of Seattle-King County for the purpose of providing health care services for the benefit of the general public. The Federal Way Property is legally described on Exhibit A attached to this Covenant and incorporated herein by this reference as if set forth in full.

C. Pursuant to a Memorandum of Real Estate Contract Sale executed between HealthPoint and King County on this same date and Recorded under King County Rec. No. _____ (the “Memorandum of Contract Sale”), HealthPoint is acquiring the Federal Way Property in a transaction pursuant to which a portion of the consideration is HealthPoint’s commitment to maintain operation of a federally qualified health center on the Federal Way Property on the terms and conditions of this Covenant.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, HealthPoint hereby declares as follows:

1. Operation of a Community Health Center on the Federal Way Property. Except as otherwise expressly authorized under Section 3 of this Covenant, at all times during the term of this Covenant, a community health center recognized as within the scope of a federally qualified health center grant as defined by Section 330 of the Public Health Service Act (“FQHC”), or any successor federal act, shall be operated at the Federal Way Property. The specific services to be provided at the Federal Way Property shall include one or more of the services within the scope of services funded by Section 330 of the Public Health Service Act as of the date of this Covenant or as amended from time to time such as primary care services, dental services, and/or behavioral health services.

2. Additional Restrictions on Use of the Federal Way Property. So long as a community health center is located at the Property in compliance with Section 1, above, the Federal Way Property may also be used by property owners, affiliates, and lessees to deliver health services and related services complementary to the operation of a community health center and intended to benefit public health and related community health needs. This Covenant restricts the use of the Federal Way property for any use not described in Section 1 or this Section 2.

3. Exceptions to Covenant. This Covenant does not require that the Federal Way Property be used exclusively for the uses described in this Covenant or that the Federal Way Property be used continually for such purposes so long as any lapses in providing the services referenced herein are limited to periods of construction on the Federal Way Property contemplated or incorporated by reference in the Memorandum of Contract Sale and any other period during which health care services cannot be delivered onsite due to casualty, pandemic, or other acts of God.

4. Term. This Covenant shall burden the Federal Way Property until the date fifteen (15) years from the date of this Covenant first written above.

5. Binding Effect. This Covenant shall run with the land including any future transfer, conveyance, division, or partition of the Federal Way Property, and shall be binding on the owner of, and all parties having any right, title, or interest in, the Federal Way Property, their respective successors or assigns, and shall inure to the benefit of King County, its successors and assigns, agents, invitees, tenants and lessees.

6. Waiver. The failure of King County at any time to require strict performance of any provision of this Covenant shall not in any way limit its right to enforce such provision at any time. Any waiver of any breach of this Covenant shall not be a waiver of any succeeding breach of this Covenant.

7. Modifications. King County is an expressly intended beneficiary of this Covenant. Any modifications of the terms and conditions contained herein may only be modified, changed, waived, discharged, or terminated by a written instrument approved by HealthPoint and King County, or their successors or assigns.

8. Severability. Each provision of this Covenant shall be treated as a separate and independent clause. If any provision of this Covenant is unenforceable for any reason, such provision shall be deemed severed from this Covenant and shall not invalidate or impair the enforceability of any other provision contained herein.

9. Governing Law; Venue. This Covenant shall be construed and governed by the laws of the State of Washington. In any suit related to or arising out of this Covenant, the Superior Court of King County shall have exclusive jurisdiction and venue.

10. Entire Agreement. This Covenant contains the entire declaration of HealthPoint with respect to the entire subject matter hereof, and there are no other representations, inducements, promises, or agreements, written or oral, express or implied. This Covenant supersedes any and all prior discussions, negotiations, commitments, and understandings related to the subject matter hereof. There are no conditions to the effectiveness of this Covenant except as expressly stated herein.

[Signature Page Follows]

IN WITNESS WHEREOF, this Declaration of Restrictive Covenant has been duly executed by the HealthPoint effective as of the date of signature below.

HealthPoint, a Washington nonprofit public benefit corporation

By: _____
Lisa Yohalem
President and Chief Executive Officer
Dated: _____

STATE OF WASHINGTON)

COUNTY OF KING) :ss
)

I certify that I know or have satisfactory evidence that Lisa Yohalem is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Chief Executive Officer of HealthPoint, a Washington nonprofit public benefit corporation, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 2024.

PRINT NAME:

NOTARY PUBLIC in and for
the State of Washington,
residing at:

My commission expires:

EXHIBIT “A”

LEGAL DESCRIPTION OF PROPERTY

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

LOTS 7 AND 8 OF SECOMA BUSINESS PARK, ACCORDING TO PLAT RECORDED IN VOLUME 113
OF PLATS AT PAGES 37 THROUGH 40, INCLUSIVE, IN KING COUNTY, WASHINGTON.

(ALSO KNOWN AS BOUNDARY LINE ADJUSTMENT NUMBER BLA-91-0010 RECORDED ON JUNE
11, 1992 AS RECORDING NUMBER 9206119002, IN THE OFFICIAL RECORDS OF KING COUNTY,
WASHINGTON.)

EXHIBIT E.

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

King County
500 Fourth Avenue, Suite 830
Seattle, WA 98104
Attn.: Steve Rizika

MEMORANDUM OF REAL ESTATE CONTRACT SALE

Buyer: HealthPoint

Seller: King County

Abbrev. Legal Description: SECOMA BUSINESS PARK LOTS 7 & 8 AKA BLA-91-0010 REC
#9206119002

Full legal description on Exhibit "1"

Assessor's Parcel No.: 768190-0070

Documents Referenced: Declaration of Restrictive Covenant in favor of King County, KC. Rec.
No. _____.

MEMORANDUM OF REAL ESTATE CONTRACT SALE

THIS MEMORANDUM OF REAL ESTATE CONTRACT SALE (this “**Memorandum**”) is made and entered into as of [date], by and between KING COUNTY, a political subdivision of the State of Washington (“**Seller**”), and HEALTHPOINT, a Washington nonprofit public benefit corporation (“**Buyer**”). Seller and Buyer are sometimes hereinafter each singularly referred to as a “**Party**” and collectively referred to as the “**Parties**.” This Effective Date of this Memorandum _____, 202_.

WHEREAS, Seller, through King County Public Health, serves poor and underserved populations through the provision of medical and related care and health services;

WHEREAS, Buyer, a public benefit nonprofit corporation, is a community-based, community-supported, and community-governed network of non-profit health centers dedicated to providing high quality care to all who need it, regardless of circumstances which qualifies as a Federally Qualified Health Center, as that term is defined in 42 USC § 1395x(aa)(4);

WHEREAS, the Parties have entered into that certain Real Estate Purchase and Sale Agreement, dated _____ (the “**PSA**”), for certain real property consisting of land and improvements located at 33431 13TH Place South, Federal Way, WA, King County Parcel No. 768190-0070, and legally described on the attached Exhibit “1” (the “**Property**”); and

WHEREAS, the Parties desire to execute and record this Memorandum in order to serve as notice to the public of the transaction contemplated by the PSA (the “**Transaction**”) and to set forth the terms of Buyer’s fulfillment of the cash consideration portion of the Transaction as set forth herein.

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

1. **RECITALS**. The foregoing recitals are true and correct and are hereby incorporated into this Memorandum.

2. **RELATED AGREEMENTS**. This Memorandum is subject to, and must be interpreted and executed, concurrently or otherwise, in accordance with all related agreements entered into by the Parties with respect to the Transaction and subject matter herein (the “**Related Agreements**”). The Related Agreements expressly contemplated by this Memorandum are the PSA, the certain Lease Agreement between Buyer and Seller dated [date of Lease] pursuant to which Buyer will lease back certain premises on the Property to Seller (the “**Lease Agreement**”), the certain Consideration Agreement between Buyer and Seller dated [date of Consideration Agreement] (the “**Consideration Agreement**”), and the Declaration of Restrictive Covenant made by Buyer for the benefit of Seller dated [date of Covenant] and recorded under KC Rec. No. _____ (the “**Covenant**”). In the event of any conflict between the terms of this

Memorandum and the terms of the Lease Agreement, the terms of this Memorandum shall control. In the event of any conflict between the terms of this Memorandum and the terms of the PSA, the terms of this Memorandum shall control. In the event of any conflict between the terms of this Memorandum and the terms of the Consideration Agreement, the terms of this Memorandum shall control. In the event of any conflict between the terms of this Memorandum and the terms of the Covenant, the terms of the Covenant shall control.

3. **TITLE OF SELLER.** Seller covenants that Seller has full power, right and authority to convey the Property to Buyer and that Seller has good and marketable title to the Property, free and clear of all liens, encumbrances, and defects, except those hereinabove described or as expressly provided in the PSA and this Memorandum.

4. **PURCHASE; EQUITABLE CLOSING; CONSIDERATION.** The Buyer shall acquire the Property from the Seller in exchange for the cash consideration and additional consideration described in this section below.

- a. **CASH CONSIDERATION.** Buyer shall pay to Seller the Purchase Price under the PSA. At the closing of equitable title on the Effective Date hereof ("**Equitable Closing**"), Buyer shall pay the first payment of the Purchase Price Payment Schedule, attached hereto as Schedule 1, and the remaining balance of the Purchase Price shall be paid in annual installments by Buyer to Seller according to the payment terms set forth in the Purchase Price Payment Schedule , with legal title passing to Buyer upon satisfaction of the conditions set forth in Section 5 of the Consideration Agreement ("**Closing**").
- b. **PREPAYMENT OF CASH CONSIDERATION.** Notwithstanding anything in this Memorandum or the PSA to the contrary, Buyer shall have the option, at any time, to pre-pay the entire amount of the unpaid Purchase Price. To exercise this option, Buyer must notify the Seller in writing of its intention to pre-pay the balance owing and must thereafter pay the full outstanding Purchase Price amount, along with any other amounts due to Seller under this Memorandum, within one hundred and eighty (180) days of such notice. The prepayment amount will be the amount of the unpaid balance of all the Purchase Price payments remaining pursuant to Schedule 1 on the date the prepayment is paid to Seller. Payment of the full Purchase Price is only one of the conditions to Closing, therefore, pre-payment of the Purchase Price shall not accelerate the anticipated Closing date unless pre-payment satisfies the last of the conditions set forth in Section 5 of the Consideration Agreement.
- c. **ADDITIONAL CONSIDERATION.** In addition to the Purchase Price, Seller has agreed to additional consideration for the Transaction in the form of Buyer's (i) obligations under the terms of that certain Lease Agreement pursuant to which Seller receives rights to occupy space on the Property from Buyer; (ii) commitment to invest in the redevelopment of the Property to be used for the delivery of public health services

thereon as set forth in the Consideration Agreement; and (iii) placement of a restrictive covenant on the real property limiting the use of the real property to the purposes described therein.

5. **FAIR MARKET VALUE.** At Equitable Closing, the fair market value of the Property was established by agreement of the Parties with reference to a third-party appraisal and is set forth in and further described in Schedule 2 attached hereto (“**Statement of Fair Market Value**”).

- a. In the event that the Property shall be sold, forfeited, condemned, or property interests divided between the Parties under the terms of this Memorandum during the Term, whether as a result of an uncured default under Section 18 herein, a statutory forfeiture action under ch. 61.30 RCW, a public sale of the Property ordered by a court of competent jurisdiction, a non-judicial foreclosure proceeding, or under any other circumstance where allocation of the Parties’ respective financial interests in the Property is expressly contemplated by the terms of this Memorandum (any such above event being referred to herein as an “**Allocation Event**”), the Statement of Fair Market Value shall serve as the baseline value for any calculation and allocation of the Buyer and Seller’s respective financial interests in the Property. Upon the occurrence of an Allocation Event, the Seller’s financial interest in the Property at the time of an Allocation Event, calculated in the manner described in Section 5.b below, shall be considered a lien against Buyer’s equitable interest in the Property, senior to all Buyer debt other than the Project Debt described in Section 7, and shall be allocated and/or paid to Seller prior to all Buyer’s junior debts.
- b. Seller’s financial interest in the Property upon such Allocation Event shall be determined as of the effective date of an Allocation Event, i.e., the date after which equitable title and legal title to the Property shall no longer be divided among Buyer and Seller as set for herein (the “**Allocation Date**”), and shall be calculated as follows: the Initial Fair Market Value agreed to in the Statement of Fair Market Value shall be updated to the Allocation Date by reference to an agreed appreciation rate of three percent (3%) per annum, calculated by reference to the number of months elapsed between the effective date of this Memorandum and the Allocation Date, with the appreciated fair market value amount then reduced by: (i) Buyer’s actual costs incurred and paid or outstanding in accordance with Section 3(b) of the Consideration Agreement prior to the Allocation Date provided such costs are bona fide and bear a clear and commercially reasonable relationship to Buyer’s obligations under Section 3(b) of the Consideration Agreement in fulfillment of its development obligations under this Memorandum or the Consideration Agreement and regardless of whether such costs are funded by grants or other contributions secured by HealthPoint for improvements to the Property; and (ii) the sum of all payments made by HealthPoint toward the Purchase Price prior to the Allocation Date.
- c. Upon satisfaction of Seller’s lien against the Property created by this Section 5 at the time of the Allocation Event, Buyer shall be allocated, paid, or entitled to retain the balance of any proceeds from the Allocation Event as well as any rights to title

of the Property, if any, held by the Parties following the Allocation Event. The provisions of this Section 5 shall survive termination of this Memorandum to the extent necessary to effectuate its intent.

6. **USE.** Use of the Property shall be restricted as set forth in the Covenant during all times under the term thereof, and, during the term of the Consideration Agreement, as provided therein.

7. **BUYER'S PROJECT BORROWING; SUBORDINATION; LIENS.** Buyer will secure public and/or private funding, such funding in the form of bridge loans, grants, construction loans, and/or other financing transactions in an amount determined, in Buyer's sole discretion, to be reasonably necessary to fully fund construction costs and other improvements to the Property during the term of this Memorandum ("**Project Debt**"). Project Debt shall fulfill and include, but not be limited to, funding used in satisfaction of Buyer's project development obligations described in Section 3 of the Consideration Agreement. Seller agrees to subordinate its interest in the Property, whether arising at law, by the terms of this Memorandum, or by the terms of any of the Related Agreements, as reasonably necessary for Buyer to secure Project Debt. Notwithstanding anything to contrary, the Covenant shall be first in priority with respect to the Property at all times during the term thereof, and shall survive foreclosure of any lien on the Property. Except for the Project Debt, this Memorandum shall not be subordinate to any lien, mortgage or deed of trust held by any creditor or lender, now or hereafter in force against the premises, the building, or the Property, or any part thereof, and to all advances made or to be made upon the security thereof.

8. **TERM.** Upon the Effective Date, the terms of the PSA shall be of no further force or effect and this Memorandum shall govern the terms of payment for and conveyance of legal title to the Property. This Memorandum shall remain in effect from the Effective Date until Closing, the occurrence of an Allocation Date, or until otherwise terminated by the mutual agreement of the Parties evidenced by a duly executed signed writing (the "**Term**").

9. **PURPOSE OF MEMORANDUM** This Memorandum shall provide record notice of the real estate contract sale by and between the Parties subject to the terms set forth herein. This Memorandum shall be indexed against the Property and recorded in the King County Recorder's Office.

10. **HAZARDOUS SUBSTANCES AND ENVIRONMENT.** Buyer shall not cause, permit, or allow any hazardous substance to be brought upon, kept, or used in, on or about the Property by Buyer, or by Buyer's agents, employees, contractors, licensees, invitees or lessees, except for such hazardous substances as may be necessary for Buyer's occupation, use and possession of the Property in a lawful manner and for the construction of the improvements thereon for Buyer's intended use. Any hazardous substances which by the foregoing provision are permitted to be brought upon, kept or used in, on or about the Property and all containers therefore, shall be used, kept, stored and disposed of in a manner that complies in all respects with all federal, state and local laws or regulations applicable to hazardous substances, including but not limited

to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") 42 U.S.C. § 9601, et seq.; the Super Fund Amendments and Reauthorization Act of 1986; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act ("RCRA") 42 U.S.C. § 6901 et seq.; the Clean Water Act, 33 U.S.C. § 1317, § 1321; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Clean Air Act, 42 U.S.C. § 7412; the Toxic Substances Control Act, 15 U.S.C. § 2606; the Washington Model Toxics Control Act ("MTCA"), RCW Ch. 70A.305, et seq.; State Environmental Policy Act ("SEPA"), RCW Ch. 43.21C; and Hazardous Waste Management Act, RCW Ch. 70A.300, including all amendments and recodifications thereof, all regulations promulgated thereunder and all other laws and regulations enacted by any governmental authority respecting hazardous substances. The term "hazardous substance(s)" as used in this Contract means any "hazardous waste" as defined by RCRA and the Hazardous Waste Management Act, as amended from time to time and regulations promulgated thereunder; any "hazardous substance" as defined by CERCLA, the Hazardous Waste Management Act and SEPA, as amended from time to time and any regulations promulgated thereunder; "hazardous waste," "solid waste," "pollutant," "irritant," or "contaminant" as described or defined in any of the foregoing statutes or regulations; any oil or petroleum or an constituent or fraction thereof; and any material substance or waste that is or becomes regulated by any federal, state or local government authority.

11. **MAINTENANCE OF PROPERTY.** At all times during the Term, and subject to the provisions set forth in the Consideration Agreement, Buyer shall be responsible to keep and maintain the condition of the Property , including without limitation, roof and structure of the building, landscaping, sewer lines (free flow up to the main sewer line), plumbing, electrical systems, storm water drains and pipes, parking areas, light standards and wiring and driveways in a neat, clean and sanitary condition.

12. **INSURANCE.** Buyer shall maintain the following minimum insurance coverage and limits during the Term. Upon request of Seller, and within five (5) business days, Buyer shall provide a certificate of insurance and additional insured endorsements evidencing such required insurance.

- a. **COMMERCIAL GENERAL LIABILITY.** \$4,000,000 per occurrence and \$6,000,000 in the aggregate for bodily injury, personal and advertising injury, and property damage. Coverage shall be at least as broad as that afforded under ISO form number CG 00 01 current edition, or its substantive equivalent. Such insurance shall include coverage for, but not limited to, premises liability, products and completed operations, ongoing operations, and contractual liability. Limits may be satisfied by a single primary policy or by a combination of separate primary and umbrella liability policies, provided that coverage under the latter shall be at least as broad as that afforded under the primary policy and satisfy all other requirements applicable to liability insurance. Buyer shall include Seller as additional insured, for full coverage and policy limits.

- b. ALL-RISK PROPERTY INSURANCE. Buyer shall maintain “All Risk” property insurance in an amount equal to the actual cash value of the building, its improvements on the Property, and its business personal property. Coverage shall include the perils of earthquake and flood. Seller will not carry insurance on Buyer’s property or business personal property. Buyer must include a waiver of subrogation in favor of the Seller. The policy shall be endorsed to cover the interests, as they may appear, of King County with King County listed as a loss payee.
- c. PROFESSIONAL LIABILITY (ERRORS AND OMISSIONS). Seller acknowledges that Buyer will provide professional services on the Property as a federally qualified health center deemed by the Health Resources and Services Administration to be covered by the Federal Tort Claims Act (FTCA) pursuant to 28 U.S.C. 1346(b), 2401(b), and 2679-81 (a “Deemed Entity”), and that, so long as Buyer’s professional activities on the Premises qualify as activities of a Deemed Entity, Buyer and its staff will be deemed to be agents of the federal government such that the United States will consent to be sued in place of the Buyer and the Buyer’s staff for any damages to property or for personal injury or death caused by the professional negligence or wrongful act or omission of the Buyer’s employees acting within the scope of their employment. See 28 U.S.C. Sections 2671-2680. Seller agrees that Buyer shall be in compliance with its professional liability insurance coverage requirements herein to the extent that it is providing professional medical, dental, or other services within the scope of the FTCA on the Premises and shall not be required to acquire insurance for its professional negligence that is covered by the FTCA.
- d. WAIVER OF SUBROGATION. Buyer waives all rights of subrogation against the Seller for damages caused by fire or other perils to the extent such damage is covered by property insurance or is required to be covered under this Memorandum. This release and waiver shall be binding upon Buyer whether or not insurance coverage is in force at the time of the loss or destruction of property.
- e. CONTRACTOR INSURANCE REQUIREMENT. Buyer must require each of its contractors/subcontractors to procure and maintain appropriate and reasonable insurance coverage and minimum insurance limits to cover each of the contractor’s/subcontractors’ liabilities given the scope of work and the services being provided. All liability insurance policies (except Professional Liability, Cyber Liability, and Workers Compensation policies) provided by the contractor(s)/subcontractor(s) must include the County, its officials, agents, and employees as additional insured or loss payee for full coverage and policy limits. The Buyer is obligated to require and verify that all contractors/subcontractors maintain insurance and ensure that the County is included as additional insured or loss payee. Upon request by the County, and within five (5) business days, the Buyer must provide evidence of contractor/subcontractor insurance coverage, including endorsements.

13. **INDEMNIFICATION.** Buyer agrees to indemnify and hold Seller harmless to the maximum extent possible under law as provided in this Section 13. Buyer agrees for itself, its successors, and assigns, to defend, indemnify, and hold harmless Seller, its appointed and elected officials, employees, agents, consultants, successors and assigns (collectively “**Seller Parties**”) from and against liability for all damages, claims, demands, suits, causes of action, agency orders, requirements or enforcement actions, other costs and expenses (including, without limitation, fines, penalties, judgements or attorneys’ fees incurred with or without litigation or on appeal), and judgments of any kind or character, including but not limited to any claim for injury to persons, death, or property damage, including costs of defense thereof (“**Claims**”) which is caused by, arises out of, or is incidental to Buyer’s or Buyer’s employees, agents, consultants, contractors of any grade, invitees, or permittees’ exercise of rights and privileges granted by this Memorandum. The Buyer’s obligations under this Section 13 shall include:

- a. The duty to promptly accept tender of defense and provide defense to Seller at Buyer’s own expense and with counsel of Buyer’s selection, which shall be subject to Seller’s reasonable approval;
- b. Indemnification of Claims made by the Buyer’s own employees or agents against Seller within the scope of the indemnification provided to Buyer herein; and
- c. Waiver of Buyer’s immunity under the industrial insurance provisions of Title 51 RCW but solely to the extent required to enforce the indemnification described in this section; provided, however, the foregoing waiver shall not in any way preclude Buyer from raising such immunity as a defense against any claim brought against Buyer by any of its employees. This waiver has been mutually negotiated by the Parties. In the event it is necessary for Seller to incur attorney's fees, legal expenses or other costs to enforce the provisions of this Section 13, all such fees, expenses and costs shall be recoverable from Buyer, its contractors and subcontractors.

Buyer shall additionally require its construction contractors and subcontractors of any tier to indemnify and hold Seller harmless from and against liability for all Claims arising out of or in connection with the design, development and construction of any improvements or alterations of the Property, except to the extent of Seller’s sole negligence. The indemnification and hold harmless language shall be at least as broad as that set forth in this Section 13.

Buyer shall not be required to indemnify, defend, or save harmless Seller if the claim, suit, or action for injuries, death, or damages is caused by the sole negligence of Seller or the Seller Parties or if such claim, suit, or action for injuries, death, or damages arises under Seller’s status as a lessee under the Lease Agreement. In the event any such liability arises from the concurrent negligence of Buyer and Seller, the indemnity obligation of this section shall apply only to the extent of the negligence of Buyer and its actors.

In the event it is determined that RCW. 4.24.115 applies to this or any other agreement between Buyer and Seller during the Term, the Buyer agrees to defend, hold harmless, and indemnify

Seller to the maximum extent permitted thereunder, and specifically for its negligence concurrent with that of Seller to the full extent of Buyer's negligence.

14. **EXPRESS PROCLAMATION OF REAL ESTATE CONTRACT SALE.** Buyer, by execution of this Memorandum, expressly acknowledges and agrees that it is the manifest intent of the Parties to enter into a "real estate contract" sale, as that phrase is defined in RCW 61.30.010, for the Property, whereby legal title to the Property shall be retained by Seller as security for payment of the Purchase Price, as set forth in the terms and conditions of this Memorandum and the fulfillment of the additional consideration as set forth in the Consideration Agreement have been satisfied. Notwithstanding the foregoing, due to Buyer's substantial investment in development of the Property during the Term, it is the Parties' express intent is to allocate the Parties' respective financial interests in the Property as described herein, including but not limited to the manner described in Section 5, above, even if Seller were to utilize the forfeiture procedures of RCW Chapter 61.30 or any other foreclosure procedure allowed by law for the Seller under a real estate contract. Seller therefore waives, to the fullest extent permitted by law, its forfeiture rights under RCW 61.30 and, to the extent such rights are not subject to waiver, agrees to substitute the terms and conditions of this Memorandum for the provisions of RCW 61.30.100.

15. **ASSIGNMENT OF INTERESTS.** Neither this Memorandum nor Buyer's equitable interest in any portion thereof shall be assignable or transferable by operation of law, or by any process or proceeding of any court or otherwise without the prior written consent of Seller, which consent shall be at Seller's sole and absolute discretion.

16. **NO IMPROPER ASSIGNMENT.** Neither Party may assign this Memorandum except that Buyer may assign this Memorandum (i) to a wholly-owned single-purpose affiliate entity or (ii) as may be required by a lender or other funding source providing Project Debt; each such instance upon reasonable notice and approval by the Seller, which will not be unreasonably denied.

17. **REAL ESTATE TAXES.** Seller is exempt by law from the payment of real property ad valorem taxes, LIDs and assessments on the Property. Buyer will be liable for the payment of some or all of such taxes, if any, upon and after delivery of Equitable Title. Buyer shall have the right, if exercised in good faith, at the sole cost and expense of Buyer and in Buyer's name, to contest or review in the manner required by law, any taxes or assessment, including penalties or interest thereon, respecting the Property, providing that any such contest or review operates to suspend collection and prevents sale of the Property to satisfy any such taxes or assessment. Pending any such contest or review and until such tax or assessment shall become final, and provided that Buyer shall not be in any uncured Default as set forth in Section 18.

18. **DEFAULT.** Buyer shall be in default of this Memorandum if Buyer (a) fails to timely and fully observe or perform any term, covenant, condition herein set forth and, except as otherwise provided herein, fails to cure any such default within one hundred eighty (180) days after notice thereof from Seller; (b) fails to make a Purchase Price payment when due hereunder

and as provided in Schedule 1 hereto, as such payment due date may have been extended as provided herein but in no case longer than one hundred eighty (180) days; (c) permits the Property or any part thereof or Buyer's interest therein to be attached, seized or in any manner restrained or impounded by process of any court, and fails to obtain the release of the Property within one hundred eighty (180) days of such attachment, seizure, restraint or impoundment; or (d) becomes or is declared insolvent or makes an assignment for the benefit of creditors, or files any debtor's petition or any petition is filed against Buyer under any bankruptcy, wage earners, reorganization or similar act. Notwithstanding anything to the contrary herein, Buyer may cure any default hereunder by paying the outstanding balance of principal under this Memorandum to Seller on or before the date due hereunder.

19. **SELLER'S REMEDIES; ENFORCEMENT.** In the event Buyer is in default beyond the opportunity to cure periods set forth in the Section 18 a, b and c, immediately above, Seller may, at Seller's election, exercise the following remedies:

- a. **SUIT FOR DELINQUENCIES.** Seller may institute suit for any sums then due and payable under this Memorandum as of the date of the judgment and any sums which have been advanced by Seller pursuant to the provisions of this Memorandum.
- b. **SPECIFIC PERFORMANCE.** Seller may institute suit to specifically enforce any of Buyer's covenants hereunder by injunction.
- c. **SUIT FOR JUDICIAL FORECLOSURE.** Seller may institute a suit for judicial foreclosure to specifically enforce all rights as a lienholder to the extent of the lien created pursuant to Section 5 of this Memorandum and holder of legal title hereunder and subject to all of the terms and conditions for the allocation of financial interests between the Parties described in Section 5, above.

All the foregoing remedies are cumulative and are not mutually exclusive and may be exercised in conjunction with each other to the extent permitted by law or in equity and shall be in addition to other rights or remedies granted by law or in equity for breach of this Memorandum not otherwise waived herein; provided however, except as provided in this Memorandum with respect to Buyer's sale, conveyance, assignment or transfer of the Property, or any portion thereof, or of this Memorandum, or any interest therein, in a manner other than as permitted by this Memorandum, Seller shall not have the right to accelerate the remaining purchase price balance in the event Seller elects to pursue any of the remedies described in paragraphs (a), (b), or (c) of this section. In the event that legal proceedings are commenced to enforce any provision of this Memorandum, the prevailing Party in such action shall be entitled to an award of costs and reasonable legal and attorneys' fees in addition to any other relief. Nothing contained herein shall be deemed to limit or restrict the rights of King County under any other agreement or contract. No third parties have any rights to enforce this Memorandum.

20. **NOTICE.** Any and all notices or other communications required or permitted to be given under any of the provisions of this Memorandum shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered, when receipt of notice by e-mail is acknowledged by the recipient, when sent by overnight courier, or two days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. All notices shall be addressed to the parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein:

If to Buyer: HealthPoint
 955 Powell Avenue SW
 Renton, Washington 98057
 Attention: Chief Executive Officer

With a copy to: Ogden Murphy Wallace PLLC
 701 Fifth Avenue, Suite 5600
 Seattle, WA 98104
 Attention: Steve Burgon

If to Seller: King County
 Chinook Building
 401 5th Ave. Suite 930
 Seattle, WA 98104 Attention: Steve Rizika

With a copy to: King County Prosecuting Attorney's Office
 701 Fifth Avenue, Suite 600
 Seattle, Washington 98104
 Attention: Ryan W. Ridings

21. **INVALIDITY.** In the event any portion of this Memorandum should be held to be invalid by any court of competent jurisdiction, such holding shall not affect the remaining provisions hereof so long as the remainder of the Memorandum can be enforced in a manner consistent with the overall intent of the Parties at the time they entered into this Memorandum and at the time of any subsequent amendments hereto.

22. **ESCROW AGENT; DELIVERY OF DEED.** Seller and Buyer designate First American Title Company as their Escrow Agent and have contemporaneously herewith executed Escrow Instructions in form satisfactory to Escrow Agent, which Escrow Instructions are by this reference incorporated herein as though fully set forth herein as a part of this Memorandum. The Escrow Instructions shall instruct the Escrow Agent to hold the Deed (defined below) in escrow until Buyer has notified Escrow Agent and Seller that Buyer has met all the conditions listed in the Escrow Instructions as conditions for releasing the Deed to Buyer (the "Buyer's Notice"). The Escrow Instructions shall list the conditions for releasing the Deed to Buyer as: (a) payment of the Purchase Price in full; (b) satisfaction of the conditions of Section 5(c) of the Consideration Agreement as incorporated by reference hereby ; and (c) Buyer's certification of compliance with

the requirements of this Memorandum as of the date of the Buyer's Notice in the form of an affidavit executed by a duly authorized officer of Buyer attesting to the Buyer's compliance with all such requirements. The Escrow Instructions shall further require the Escrow Agent to deliver the Deed to Buyer upon receiving Buyer's Notice promptly upon the earlier of receipt of a confirming notice from Seller that the above conditions have been satisfied or the passage of five (5) business days from the delivery of Buyer's Notice to Escrow Agent and Seller. All purchase price installments including prepayment(s) thereof shall be paid to Escrow Agent and shall be credited to the account of Seller pursuant to the Escrow Instructions.

23. **WARRANTY DEED.** Seller contemporaneously deposits with Escrow Agent a Statutory Warranty Fulfillment Deed ("Deed") conveying the Property to Buyer in the form required by the PSA. Buyer has seen and reviewed the Deed deposited in escrow and approved its form and content as sufficient to convey title to the Property as warranted by Seller.

24. **DAMAGE AND DESTRUCTION.** For the duration of the Term, the risk of loss relating to the Property shall rest with the Buyer. Risk of Loss shall be deemed to include any property damage occurring as a result of an "Act of God," including, but not limited to, fire, earthquakes, tremors, wind, rain or other natural occurrences ("Casualty").

- a. **REPAIR OR RECONSTRUCTION.** In the event of a Casualty that does not result in the destruction or material damage to the Property, Buyer shall commence repair or reconstruction of the Property or improvements thereon to the same condition or better as existed prior to such Casualty upon receipt of the proceeds of such insurance required under Section 12.b, above, provided such repair or reconstruction shall be made in accordance with the then existing laws, ordinances or land use regulations applicable.
- b. **DESTRUCTION OR MATERIAL DAMAGE TO THE PROPERTY.** If the Property is destroyed or materially damaged by Casualty and Buyer does not elect to rebuild or otherwise reconstruct the Property, either upon notice from the Buyer or upon twenty-four (24) months from the event of Casualty, Seller may proceed with all claims and right to proceeds as a loss payee insured under the All-Risk Property Insurance Policy in Section 12.b, above, (except any use and occupancy insurance, rent loss and business interruption insurance, and any similar insurance for the benefit of Buyer's ordinary business operations, as distinguished from any insurance for the benefit of the Property) that may be payable to Buyer on account of any such Casualty, to the extent such proceeds have not been previously expended or are otherwise required to reimburse for actual expenditures of restoration.

25. **ANTI-DISCRIMINATION.** Buyer shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. Buyer shall comply fully with all applicable federal, state and local laws, ordinances,

executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Memorandum and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Memorandum and may result in ineligibility for further agreements with Seller.

26. **FORCE MAJEURE.** Neither Party shall be liable to the other or deemed in default under this Memorandum if and to the extent that such Party's timely performance of this Memorandum is prevented by reason of Force Majeure. "Force Majeure" shall be defined as an occurrence that is beyond the control of the Party affected and could not have been avoided by exercising reasonable diligence. Force Majeure includes strikes; lockouts; labor disputes; Acts of God; inability to procure labor, materials, or reasonable substitutes therefor; delay by reason of the diminution of power or power failure(s); restrictive governmental laws or controls; judicial orders; enemy or hostile action; civil commotion; fire or other casualty. "Acts of God" mean naturally occurring events that cannot be avoided, such as earthquake, tornado, flood or global health crises such as an epidemic or pandemic as determined by the relevant governmental authorities having jurisdiction over the Property. Notwithstanding anything to the contrary contained herein, Buyer shall **NOT** be relieved of its obligations to make timely payments of the Purchase Price or to make payment of any other sums to Seller owing under this Memorandum throughout the pendency of any Force Majeure, and Buyer's failure to make timely payments or other sums owing throughout the pendency of such Force Majeure shall be subject to the Default provisions of Section 18 herein.

27. **LEGAL RELATIONSHIPS.** No partnership, joint venture or joint undertaking shall be construed from this Memorandum and, except as herein specifically provided, neither Party shall have the right to make any representation for, act on behalf of, or be liable for the debts of the other. Unless otherwise specifically provided herein, no third party is intended to be benefited by this Memorandum.

28. **GOVERNMENTAL AUTHORITY.** Buyer shall fully and timely comply with and not be in violation of all statutes, rules, ordinances and regulations of King County, the State of Washington, United States Government, including all amendments and recodifications thereof and all regulations, guidelines, standards, or policies promulgated thereunder and all the respective agencies and any other authority with jurisdiction as may be required or imposed by any such authorities on the Property, or Buyer's use, occupancy, or control thereof. Buyer shall comply in every respect, in a full and timely manner, with any direction pursuant to law of any public official or officer who shall impose any duties upon Buyer with respect to the Property or the use, occupancy or control thereof, and the conduct of business thereon.

29. **NON-WAIVER.** No action or failure to act by Buyer or Seller shall constitute a waiver of any right or duty afforded it under this Memorandum.

30. **CAPTIONS.** The captions in this Memorandum are for convenience only and do not in any way limit or amplify the provisions set forth herein.

31. **DEFINITIONS.** Capitalized terms not defined in this Memorandum shall have the meaning given to them under the Related Agreements.

32. **COUNTERPARTS.** This Memorandum may be executed in several counterparts, which shall be treated as originals for all purposes, and all counterparts so executed shall constitute one agreement, binding on all the parties hereto, notwithstanding that all the parties are not signatory to the original or to the same counterpart. Any such counterpart shall be admissible into evidence as an original hereof against the person who executed it.

33. **APPLICABLE LAW; JURISDICTION AND VENUE.** This Memorandum and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law rules or choice of law provisions. In the event that either Party shall bring a lawsuit related to or arising out of this Memorandum, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

[Signatures appear on next two pages.]

SIGNATURE PAGE TO MEMORANDUM OF REAL ESTATE CONTRACT SALE
(Signature Page 1 of 2)

IN WITNESS WHEREOF, this Memorandum has been executed by each of the Parties as of the dates set forth below.

SELLER:

KING COUNTY,
a political subdivision of the State of Washington

Dated: _____

By: _____

Name: Drew Zimmerman

Approved as to form:

Director, Facilities Management Division

By: _____

Ryan W. Ridings

Deputy Prosecuting Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that she/he signed this instrument, on oath stated that she/he was authorized to execute the instrument and acknowledged it as the _____ of **KING COUNTY**, a political subdivision of the State of Washington, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

DATED: _____.

Print Name: _____

Residing at: _____

My appointment expires: _____

SIGNATURE PAGE TO MEMORANDUM OF REAL ESTATE CONTRACT SALE
(Signature Page 2 of 2)

IN WITNESS WHEREOF, this Memorandum has been executed by each of the Parties as of the dates set forth below.

BUYER:

HEALTHPOINT,
a Washington nonprofit public benefit corporation

Dated: _____

By: _____

Name: Lisa Yohalem

Its: President and Chief Executive Officer

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that she/he signed this instrument, on oath stated that she/he was authorized to execute the instrument and acknowledged it as the _____ of **HEALTHPOINT**, a Washington nonprofit public benefit corporation, to be the free and voluntary act of such nonprofit public benefit corporation for the uses and purposes mentioned in the instrument.

DATED: _____.

Print Name: _____

Residing at: _____

My appointment expires: _____

EXHIBIT "1"

LEGAL DESCRIPTION OF PROPERTY

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

LOTS 7 AND 8 OF SECOMA BUSINESS PARK, ACCORDING TO PLAT RECORDED IN VOLUME 113 OF
PLATS AT PAGES 37 THROUGH 40, INCLUSIVE, IN KING COUNTY, WASHINGTON.

(ALSO KNOWN AS BOUNDARY LINE ADJUSTMENT NUMBER BLA-91-0010 RECORDED ON JUNE 11,
1992 AS RECORDING NUMBER 9206119002, IN THE OFFICIAL RECORDS OF KING COUNTY,
WASHINGTON.)

SCHEDULE 1

PURCHASE PRICE PAYMENT SCHEDULE

The Purchase Price payments shall be made in advance of each year. Payment number 1 shall be due at the Equitable Closing. Payments number 2 through 10 shall be due on the first day of the calendar month that follows the anniversary date of Equitable Closing.

Payment Number	Year of Payment	Amount of Payment
1	2024	\$80,000
2	2025	\$84,000
3	2026	\$88,200
4	2027	\$92,610
5	2028	\$97,241
6	2029	\$102,103
7	2030	\$107,208
8	2031	\$112,568
9	2032	\$118,196
10	2033	\$124,106
	Total amt. paid:	\$1,006,231

SCHEDULE 2
STATEMENT OF FAIR MARKET VALUE

The attached appraisal is adopted by the Buyer and Seller as the initial basis for establishing fair market value for the Property. The Parties have reduced the appraised value to account for certain building conditions excluded from consideration by the appraiser. The Fair Market Value of the Property at Equitable Closing, as defined in the Memorandum of Real Estate Contract, is agreed to be Five Million, Seven Hundred Ninety Thousand and No/100 Dollars (\$5,790,000.00).

EXHIBIT F.

**CONSIDERATION AGREEMENT BETWEEN KING COUNTY
AND HEALTHPOINT
Federal Way Public Health Property Redevelopment**

This Consideration Agreement ("**Agreement**") is entered into by HEALTHPOINT, a Washington nonprofit public benefit corporation ("**HealthPoint**"), and KING COUNTY, a political subdivision of the State of Washington (the "**County**" or "**King County**", and together with HealthPoint, collectively, the "**Parties**"). This Agreement has an Effective Date of _____, 2024.

RECITALS

A. This Agreement sets forth the basic terms for the renovation and operation of certain real property located at 33431 13th Place South in Federal Way, King County, State of Washington, and legally described on Exhibit A (the "**Property**").

B. HealthPoint and King County both use the Property to provide certain medical and health related services for persons of lower incomes and other underserved populations with more limited access to quality health care.

C. HealthPoint is a community-based, community-supported, and community-governed network of non-profit health centers which qualify as a Federally Qualified Health Center, as that term is defined in 42 USC § 1395x(aa)(4) and is dedicated to providing high quality care to all who need it, regardless of circumstances (together with the direct health care services delivered by the County and described below shall be referred to herein as the "**Health Services**").

D. King County, through King County Public Health, serves poor and underserved populations through the provision of medical and related care and health services in King County.

E. Since 1993, King County Public Health and HealthPoint have been co-located at the Property owned by King County and have been able to coordinate in making cross-referrals but have not been able to offer integrated services out of the location because the layout of the building lends itself to co-location but not integration.

F. The Property is in need of substantial repairs in order for it to be able to continue to deliver Health Services and the Parties envision that, by making strategic renovations to the Property in addition to the necessary repairs, an integrated center for health and wellness in south King County could result at that location that would increase capacity for services to the community into the coming decades in a renovated facility that is modern and welcoming.

G. HealthPoint is willing to make the necessary Property repairs, Property renovations, and other investments in the development of the integrated health and wellness center on the Property but requires an ownership interest in the Property in order to accomplish these objectives.

H. King County intends to convey the Property to HealthPoint under the terms of that certain Purchase and Sale Agreement dated _____, 2024 (the “PSA”).

I. The PSA expressly and purposely manifests the intent of the Parties to enter into a “real estate contract” sale, as that phrase is defined in RCW 61.30.010.

J. Contemporaneous with conveyance of equitable title under the PSA, the Parties will enter into a Memorandum of Real Estate Contract Sale to be recorded against the Property and memorializing certain terms and conditions in accordance therewith including the fulfillment of the Purchase Price under the PSA and other key terms of the “real estate contract” sale (the “**Memorandum**”).

K. In addition to the Purchase Price under the PSA, the Parties have agreed to certain additional consideration that is part of the overall public purpose for King County agreeing to convey the Property under the terms of the PSA and the Memorandum.

L. The parties intend that such additional consideration beyond payment of the Purchase Price under the PSA and Memorandum for the Property include (i) HealthPoint spending eight million dollars (\$8,000,000) on the initial repair, construction, and redevelopment of the Property in support of the shared vision for an integrated health and wellness center at the site of the Property (the “**Project**”) as more particularly described in the definition of HealthPoint’s Project Development Obligations below; (ii) HealthPoint’s leasing back, as lessor, to King County, as lessee, of certain premises within the Property to be improved as part of the Project for an initial term of ten (10) years on the terms and conditions of a that certain Lease Agreement dated on or about the date hereof (the “**Lease Agreement**”), (iii) the operation of the Property, by King County and HealthPoint, as an integrated health and wellness center (the Integrated Health and Wellness Center defined in Section 4 herein), and (iv) recording the Declaration of Restrictive Covenant against the Property (the “**Covenant**”, and together with the Lease Agreement, the PSA and the Memorandum, the “**Related Agreements**”) obligating the operation of a community health center clinic eligible for funding as a Federally Qualified Health Center for a period of fifteen (15) years from the Effective Date of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Purpose.

(a) The purposes of this Agreement are:

(i) to set forth the Parties’ agreement on certain material terms in the overall fulfillment of the Project and the transactions underlying it that are outside the scope of the Related Agreements, and which shall be binding upon the Parties as conditions of the fulfillment of the contract of sale described in the Memorandum;

(ii) to specify terms and conditions of HealthPoint’s Property development obligations with respect to the Project as set forth in Section 3 herein;

(iii) to document expectations for the Parties' collaboration on the development of an integrated health and wellness center for south King County at the Property as set forth in Section 4(a) herein; and

(iv) to describe the Parties' respective rights and obligations for the operation of the Property prior to completion of the Project.

(b) The fulfillment of the above purposes on the further terms and conditions set forth herein and in accordance with the Related Agreements forms the non-monetary consideration for the County's conveyance of the Property to HealthPoint (the "**Additional Consideration**"). The Additional Consideration is an integral and material rationale for the County's agreement to convey the Property to HealthPoint on the terms and conditions set forth herein and in the Additional Agreements.

2. Reserved.

3. Development Project.

(a) **Project Scope and HealthPoint Project Development Obligations.** The Parties acknowledge that the scope of the property redevelopment project required by this Agreement will be defined through the planning process described below (the "Project Scope"). The Parties further acknowledge that the redevelopment plan is anticipated to provide for repair and renovation work to be completed in phases to allow for the continued delivery of Health Services at the Property and that only those initial phases explicitly required by this Agreement shall be within the Project Scope. HealthPoint may make further improvements to the Property after completion of the Project Scope which, although during the term of this Agreement, are not subject to the requirements of this Section 3. The Parties further acknowledge that the redevelopment plan may sequence the work such that not all major repairs and deferred maintenance are completed prior to the renovation work if such repairs would be duplicated as part of the renovation work. Based on these mutual understandings, the Parties hereby agree that HealthPoint's "**Project Development Obligations**" for purposes of this Agreement and to satisfy its construction and redevelopment of the Property obligations under the Memorandum are defined as follows:

(i) Complete the Project milestones described in sub-paragraph (b) of this section on the timelines described therein or as modified by mutual signed agreement of the Parties subsequent to the execution of this Agreement; and

(ii) Spend not less than eight-million dollars (\$8,000,000) on designing, planning, financing, pre-construction, and construction-related costs as evidenced by periodic reports in a form approved by King County prepared by HealthPoint and delivered to King County.

The County acknowledges that HealthPoint will have satisfied its Project Development Obligations under this Agreement and its construction and redevelopment of the Property

obligations under the Memorandum so long as the two requirements described above are satisfied.

(b) **Project Milestones.** All timeframes identified below are calculated from the Effective Date of this Agreement. All deadlines are subject to change by mutual written agreement of the Parties.

(i) **Phase 1 Design.** HealthPoint shall prioritize renovation of the Premises (as such term is defined in the Lease Agreement) as Phase 1 of the Project. Within _____ () months[to be agreed upon and completed prior to execution], HealthPoint shall develop and secure all reasonable and necessary approvals from the City of Federal Way of a comprehensive set of plans and specifications for redevelopment of the Premises.

(ii) **Phase 1 Project Budget and Funding.** Within _____ () [to be agreed upon and completed prior to execution], HealthPoint will share with County a budget demonstrating completion values with the plans and specifications for Phase 1 of the Project and confirm with County that it has the necessary funds to complete the improvements to the Premises as approved through the process described above.

(iii) **Phase 1 Project Bond.** Within _____ () months [to be agreed upon and completed prior to execution], HealthPoint will provide a performance and payment bond for Phase 1 of the Project.

(iv) **Phase 1 Construction.** Within _____ () months [to be agreed upon and completed prior to execution], HealthPoint will have commenced construction on Phase 1 of the Project, as evidenced by the delivery of a copy to King County of a duly authorized notice to proceed issued by HealthPoint's general contractor.

(v) **Phase 1 Substantial Completion.** Within thirty-six (36) months, HealthPoint will have substantially completed construction on Phase 1 of the Project, as evidenced by the delivery of a copy to King County of a certificate of occupancy or equivalent issued by the Buildings Division of the City of Federal Way or equivalent jurisdictional authority.

(vi) **Satisfaction of HealthPoint Project Development Obligations.** Phase 2 of the Project shall be HealthPoint's repair, improvement, and/or redevelopment of other portions of the Property not included in Phase 1 of the Project in satisfaction of that portion of its Project Development Obligations described in Section 2(a)(ii) of this Agreement. HealthPoint may, at its election, design, finance, and construct Phase 2 contemporaneously with Phase 1 or at any time after such work has begun on Phase 1 so long as its Project Development Obligations under subparagraphs (b)(i) through (b)(v) of this Section 3 are satisfied within thirty-six (36) months of the Effective Date.

(c) **Pre-Construction, Construction Periods, and Post-Project facility operations:**

(i) **Pre-Construction:** On the Closing Date of the PSA, HealthPoint will obtain equitable title to the Property and assume responsibility for costs associated with the Property limited only by lessee costs assumed by the County under the Lease Agreement, if any, as amended from time to time. The County will cooperate with HealthPoint's management and operation of the Property during a transition period of not more than one (1) year by providing access to staff familiar with the Property, making introductions as appropriate to vendors providing services to the Property, and other information to assist HealthPoint's transition to ownership and management of the Property. The Parties will continue to provide Health Services on the Property consistent with past practice except as modified by the terms of the Lease Agreement. The Parties will also cooperate in the planning for the Integrated Health and Wellness Center at the Property and implement any preliminary changes that can reasonably and successfully be implemented prior to the modernization of the building facilities.

(ii) **Construction Periods:** The Parties will cooperate in their development and approval of phased Project construction activities, consistent with Project expectations and the terms and conditions of the Lease Agreement, to minimize the impact of the construction on the delivery of Health Services to the community and the continuing implementation of the strategies for creating the Integrated Health and Wellness Center on the Property. The Parties agree to use best efforts to coordinate space use during construction to allow each Party to continue to provide services out of the Property during the Construction Periods. The Parties agree to hold standing meetings on not less than a bi-weekly basis during all active periods of Project planning and construction. The meetings shall include, when appropriate, the Project architect and/or general contractor (or authorized decision-making designee thereof). It is the intent of the Parties that the County, through King County Public Health, shall be reasonably able to maintain the same or substantially the same level of service during construction; shall have substantially equivalent examination room space; shall have sufficient health space to continue to provide equivalent WIC services; shall have sufficient office and health spaces to continue to be able to provide First Steps services; and that a space for a navigator for enrollment services shall at all times be clear and available. In furtherance of Phase 1 and Phase 2 and in meeting the objectives set forth in this subsection (ii), HealthPoint may identify temporary space for one or both Parties to use in the delivery of Health Services during the periods of construction, such temporary space which may be on-site or off-site. HealthPoint agrees to pay for all costs incurred in moving and in otherwise accommodating both Parties' use of any such temporary facilities, including but not limited to IT and network requirements of both Parties, establishing appropriate examination rooms, furniture, fixtures, and equipment that are ordinary and typical in the delivery of the contemplated Health Services and commercially reasonable in availability and cost.

(iii) **Post-Project:** The Parties will implement those strategies for creating the Integrated Health and Wellness Center on the Property and other integrated community services offerings that required redevelopment of the Property. All other Property-

related rights and obligations will be as described in the Lease Agreement as amended from time to time.

(d) **Payment and Performance Bond.** HealthPoint expressly agrees that prior to any redevelopment of any portion of the Property, where such work exceeds one hundred thousand dollars (\$100,000.00), HealthPoint shall cause its general contractor or construction manager to provide a performance and payment bond covering the total GC/CM contract cost of such project, and for subcontractors performing any work on any project on the Property where the contract amount exceeds \$100,000.00 to provide performance and payment bonds for the value of the subcontract.

(e) **Insurance.** At all times during the Project, HealthPoint will cause its general contractor(s) and subcontractors of any tier to procure and maintain insurance limits as set forth in Section 12(e) of the Memorandum.

(f) **Indemnity.** At all times during the Project, HealthPoint shall require its general contractor(s) and subcontractors of any tier to indemnify and hold King County harmless as set forth in Section 13 of the Memorandum.

(g) **Public Works.** In the event that the Project is determined or otherwise agreed to be a "Public Work" and subject to public works procurement requirements including those specific requirements set forth in Chapters 39.04 RCW (general public works requirements), 39.12 (prevailing wage), 36.32 (County-specific requirements), together with any King County Code or other relevant policies, HealthPoint will, as appropriate, follow a competitive, qualifications based contractor selection process, pay prevailing wages, and adhere to bonding and workforce requirements. Nothing contained in this Agreement or any of the Related Agreements shall be interpreted to require compliance with the requirements set forth in this Section 3(g) where compliance with such requirements would not otherwise be required.

(h) **Good faith and cooperation.** At all times under this Agreement, HealthPoint will communicate with King County all material issues and concerns related to the Project, cooperate with King County toward all public health delivery goals, and the Parties mutually agree to act fairly and in good faith in accordance with this Agreement and the Related Agreements.

4. Delivery of Public Health Services

(a) **Integrated Health and Wellness Center Model.** The Parties' shared vision for the Property is to create an "**Integrated Health and Wellness Center**," which is defined for purposes of this Agreement as a model that: (a) expands the Parties' historical relationship to increase capacity for Health Services to the community in a renovated facility that is modernized and welcoming; (b) continues and advances the shared goals to better serve individuals and families in the Federal Way community with an integrated model that provides all King County Public Health Center clients with full access to the services offered by HealthPoint at the Property and HealthPoint patients and clients with full access to the services

that King County Public Health provides in the Federal Way community; (c) serves as a vehicle for implementing programs and services in response to periodic community health needs assessments conducted by the Parties from time to time; (d) serves as a vehicle for partnerships with other organizations that provide services needed by Federal Way residents, including services that address social determinants of health; and (e) provides more effective services to Black, Indigenous, and other People of Color (BIPOC) and other marginalized communities to counter racism and to address persistent health disparities. HealthPoint commits to working diligently with the County toward their shared vision of the Integrated Health and Wellness Center throughout the term of this Agreement.

(b) **Use of the Property for Public Health Delivery Goals.** HealthPoint will operate a community health center clinic providing services qualifying for recognition as a federally qualified health center on the Property, as that term is defined in Section 330 of the Public Health Service Act and as set forth in the Covenant. Such operation shall include services such as primary health care services, dental services, behavioral health services, maternity and early child health services, and reproductive health services. HealthPoint will further ensure that the Property is operated in furtherance of certain public health delivery goals, including culturally responsive integrated services with King County Public Health, whole person healthcare, and community outreach.

5. Term; Termination; and Satisfaction of Conditions Necessary for Closing Contract of Sale Transaction.

(a) **Term.** The term of this Agreement shall commence on the Effective Date and expire upon the transfer of legal title to the Property pursuant to the terms in Section 4.a of the Memorandum unless terminated under the terms of this Agreement prior to Closing.

(b) **Termination.** This Agreement shall terminate prior to the expiration of the Term only in the event of: (i) County's election to terminate the Agreement for default pursuant to Section 6(d) of this Agreement; (ii) termination of the Memorandum according to its terms prior to Closing and the transfer of legal title to HealthPoint; or (iii) the mutual agreement of the Parties.

(c) **Satisfaction of Conditions of Contract of Sale.** HealthPoint shall be deemed to have satisfied the conditions of this Agreement necessary to comply with the obligations of the contract of real estate sale described in the Memorandum upon completion of Project Development Obligations described in Section 3 of this Agreement so long as at such time HealthPoint has diligently pursued operation of the Integrated Health and Wellness Center described in Section 4(a) in reasonable compliance with this Agreement and is not otherwise in default with its obligations hereunder.

6. Miscellaneous Provisions.

(a) **Incorporation of Recitals.** The foregoing recitals are true and correct and are hereby incorporated herein.

(b) **Related Agreements; Conflict with Related Agreements.** In the event of any conflict between the terms of this Agreement and the terms of the Lease Agreement, the terms of this Agreement shall control. In the event of any conflict between the terms of this Agreement and the terms of the PSA, the terms of this Agreement shall control. In the event of any conflict between the terms of this Agreement and the terms of the Memorandum, the terms of the Memorandum shall control. In the event of any conflict between the terms of this Agreement and the terms of the Covenant, the terms of the Covenant shall control.

(c) **No Assignment.** This Agreement shall not be assignable or transferable by operation of law, or by any process or proceeding of any court or otherwise without the prior written consent of the Parties hereto, which consent shall be at each Party's sole and absolute discretion. Notwithstanding the foregoing, HealthPoint may assign this Agreement to a wholly-owned single-purpose affiliate entity in accordance with a concurrent assignment of the Memorandum upon the reasonable approval of the County.

(d) **Default.** HealthPoint shall be in default of this Agreement if HealthPoint (a) fails to timely and fully observe or perform any term, covenant, condition herein set forth including but not limited to its obligation to secure sources of funding for the Project as required by Section 3(b)(ii) of this Agreement and, except as otherwise provided herein, fails to cure any such default within one hundred eighty (180) days after notice thereof from County; or (b) becomes or is declared insolvent or makes an assignment for the benefit of creditors, or files any debtor's petition or any petition is filed against HealthPoint under any bankruptcy, wage earners, reorganization or similar act.

(e) **Force Majeure.** Neither Party shall be liable to the other or deemed in default under this Agreement if and to the extent that such Party's timely performance hereunder is prevented by reason of Force Majeure. "Force Majeure" shall be defined as an occurrence that is beyond the control of the Party affected and could not have been avoided by exercising reasonable diligence. Force Majeure includes strikes; lockouts; labor disputes; Acts of God; inability to procure labor, materials, or reasonable substitutes therefor; delay resulting by reason of the diminution of power or power failure(s); restrictive governmental laws or controls; judicial orders; enemy or hostile action; civil commotion; fire or other casualty. "Acts of God" mean naturally occurring events that cannot be avoided, such as earthquake, tornado, flood or global health crises such as an epidemic or pandemic as determined by the relevant governmental authorities having jurisdiction over the Property.

(f) **Non-Discrimination.** HealthPoint shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. HealthPoint shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of

1964. Any violation of this provision shall be considered a default of this Agreement and shall be grounds for cancellation, termination, or suspension, in whole or in part, of this Agreement and the Related Agreements and may result in ineligibility for further agreements with King County.

(g) **Applicable Law; Jurisdiction and Venue.** This Agreement and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law rules or choice of law provisions. In the event that either Party shall bring a lawsuit related to or arising out of this Agreement, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

(h) **Severability.** In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, then such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated or voided.

(i) **Notices.** Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered, when receipt of notice by e-mail is acknowledged by the recipient, when sent by overnight courier, or two days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. All notices shall be addressed to the parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein:

If to HealthPoint: HealthPoint
955 Powell Avenue SW
Renton, Washington 98057
Attention: Chief Executive Officer

With a copy to: Ogden Murphy Wallace PLLC
701 Fifth Avenue, Suite 5600
Seattle, WA 98104
Attention: Steve Burgon

If to County: King County
Chinook Building
401 5th Ave. Suite 930
Seattle, WA 98104
Attention: Steve Rizika

With a copy to: King County Prosecuting Attorney's Office
701 Fifth Avenue, Suite 600
Seattle, Washington 98104
Attention: Ryan W. Ridings

(j) **Dispute Resolution.** The Parties agree to negotiate in good faith to resolve any disputes arising under this Agreement so that the purposes of this Agreement are not frustrated, and before seeking to resolve disputes in a court of law or any other forum. Neither Party may seek relief in a court of law until and unless the dispute resolution process set forth in this Section 6(j) has been completed in good faith.

(i) The Parties shall designate representatives for purposes of managing this Agreement and the dispute resolution process under this Section 6(j). The Parties' initial Designated Representatives shall be the Chief Administrative Officer for Public Health for the County and the Chief Financial Officer for HealthPoint, or such other persons as the Parties may designate in writing from time to time by giving notice. The Parties' Designated Representatives shall communicate regularly to discuss the status of the tasks and services to be performed and to prevent disputes from arising.

(ii) If a dispute arises, then

Step One: The Parties' Designated Representatives shall confer and attempt to resolve the dispute within ten (10) business days of written notification by either Party.

Step Two: If the Parties' Designated Representatives are unable to resolve the dispute within ten (10) business days, either Party may refer the dispute to HealthPoint's Chief Executive Officer and the County's Division Director for Administrative Services or their designees. HealthPoint's Chief Executive Officer and the County's Division Director for Administrative Services shall confer and attempt to resolve the dispute within ten (10) business days of receiving the referral. The conference may be in person or by other means, such as telephone conference, videoconference, etc.

(iii) If the Parties cannot resolve the dispute utilizing the process in Section 6(j)(ii), the Parties may, by agreement, submit the matter to non-binding mediation. The Parties shall split the mediator's fees, costs and expenses on an equal basis. Each Party shall pay its own costs to prepare for the mediation, including any attorney fees or costs.

(iv) During the course of conflict or dispute resolution efforts, the Parties agree to continue to diligently perform their respective responsibilities under this Agreement.

(k) **Amendment.** Except as otherwise provided herein, this Agreement may only be amended in a writing signed by the Parties hereto. Notwithstanding the foregoing, the Parties

acknowledge that it is the intent of the Parties that modifications to the timing of the Project Milestones described in Section 3(b) and modification of the objectives of the Integrated Health and Wellness Center described in Section 4(a) may be modified without formal amendment to this Agreement so long as documentation of the mutual intent of the Parties to such changes is available to document the agreed modifications.

(l) **Legal Relationships.** No partnership, joint venture or joint undertaking shall be construed from this Agreement and, except as herein specifically provided, neither Party shall have the right to make any representation for, act on behalf of, or be liable for the debts of the other. Unless otherwise specifically provided herein, no third party is intended to be benefited by this Agreement.

(m) **Non-Waiver.** No action or failure to act by HealthPoint or County shall constitute a waiver of any right or duty afforded it under this Agreement.

(n) **Captions.** The captions in this Agreement are for convenience only and do not in any way limit or amplify the provisions set forth herein.

(o) **Definitions.** Capitalized terms not defined in this Agreement shall have the meaning given to them under the Related Agreements.

(p) **Counterparts.** This Agreement may be executed in several counterparts, which shall be treated as originals for all purposes, and all counterparts so executed shall constitute one agreement, binding on all the Parties hereto, notwithstanding that all the Parties are not signatory to the original or to the same counterpart. Any such counterpart shall be admissible into evidence as an original hereof against the person who executed it.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

HealthPoint,
a Washington nonprofit corporation

King County,
a political subdivision of the State of Washington

By: _____
Lisa Yohalem,
President and Chief Executive Officer

By: _____
Drew Zimmerman,
Director, Facilities Management Division

APPROVED AS TO FORM:

By: _____
Ryan W. Ridings,
Senior Deputy Prosecuting Attorney

APPROVED BY CUSTODIAL AGENCY:

By: _____
Michael Gedeon,
Chief Administrative Officer,
King County Public Health

EXHIBIT G.

LEASE AGREEMENT

BY AND BETWEEN

KING COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF WASHINGTON

AND

HEALTHPOINT, A WASHINGTON NONPROFIT PUBLIC BENEFIT CORPORATION

DATED: _____, _____2024

BASIC LEASE PROVISIONS

The words and figures set forth in Paragraphs A to O shall have the following meanings throughout the Lease except as expressly modified elsewhere in the Lease.

- A. Landlord: HealthPoint
- B. Tenant: King County
- C. Property Address: 33431 13th Place South, Federal Way, Washington
- D. Premises: the approximately 7,500 square feet of dedicated space (see Exhibit B-1) and approximately 1,990 square feet of shared space with HealthPoint (see Exhibit B-2)
- E. Permitted Use: Primary medical and dental care; other health and human services and other public health services; all consistent with restrictive covenant against the property.
- F. Term: An initial term of one hundred twenty (120) months beginning on the Commencement Date and terminating on the last day of the month of the day in which the 120-month period expires.
- G. Optional Renewal Terms: two (2) consecutive five (5) year tenant options to extend.
- H. Commencement Date: [_____, 2024]
- I. Monthly Base Rent for Initial Term: zero dollars (\$0.00)
- J. Additional Rent for Initial Term: n/a
- K. Security Deposit: none
- L. Prepaid Rent: none
- M. Renewal Option Notice Date(s): [_____, 2033 and _____, 2038]
(twelve months before the end of term)
- N. Landlord's Address for Notices:
HealthPoint
955 Powell Avenue SW
Renton, Washington 98057
Attention: Chief Executive Officer
- O. Tenant's Address for Notices:
King County Real Estate Services Section
King County Administration Building
500 4th Avenue, Suite 830
Seattle, WA 98101

LEASE AGREEMENT

This Lease Agreement (“Lease”) is made by and between HEALTHPOINT, a Washington nonprofit public benefit corporation (“Landlord”), and KING COUNTY, a political subdivision of the State of Washington (“Tenant”) and is effective as of _____ (“Lease Date”). Landlord and Tenant are each generically referred to herein as a “Party” and collectively as the “Parties”.

RECITALS

- A. Landlord, a public benefit nonprofit corporation, is a community-based, community-supported, and community-governed network of non-profit health centers dedicated to providing high quality care to all who need it, regardless of circumstances which qualifies as a Federally Qualified Health Center, as that term is defined in 42 USC § 1395x(aa)(4); and provides access to medical care to poor and underserved populations in King County.
- B. Tenant, through King County Department of Public Health, serves low income, marginalized, and underserved populations through the provision of medical and related care and health services in King County.
- C. Landlord is the owner of the real property located at 33431 13th Place South in Federal Way, King County, State of Washington, and legally described on Exhibit A (the “Property”) pursuant to a real estate contract sale (as that phrase is defined in RCW 61.30.010) for the sale of the Property by Tenant, as Seller, to Landlord, as Buyer, memorialized under that certain Memorandum of Contract Sale and recorded against the Property under KC Rec No. _____ (the “Memorandum of Contract Sale”).
- D. The terms of the Memorandum of Contract Sale require that Landlord perform certain improvements upon the Property (the “Project”) resulting in an integrated health and wellness center to be operated by Landlord and Tenant as King County Public Health.
- E. Landlord and Tenant have entered into that certain consideration agreement dated on or about the date hereof (the “Consideration Agreement”) which provides, among other things, (i) that Landlord will complete Phase 1 of the Project (herein “Phase 1”) and Phase 2 of the Project (herein “Phase 2”) as those terms are defined and on certain terms and conditions set forth therein and (ii) that Landlord will thereafter provide health services to Medically Underserved Populations with King County Public Health (the “Health Services”).
- F. The costs of completing the Project are a portion of the consideration provided by Landlord to Tenant for the sale of the Property.
- G. The Project contains certain demised premises (the “Premises”, as set forth and defined herein) within the Property for the exclusive use and control by King County Public Health, and certain shared spaces (“Shared Space”, as set forth and defined herein) within the Property to be used jointly by Tenant and Landlord in the provision of Health Services.

- H. Tenant's leasehold in the Premises and the Shared Space is an additional part of the consideration provided by Landlord to Tenant for the sale of the Property.

AGREEMENT

For and in consideration of the mutual promises, covenants, and conditions herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **PREMISES; USE:**

- 1.1. **Premises and Shared Space.** Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, those certain premises consisting of approximately 7,500 square feet of dedicated space shown and defined on Exhibit B-1 (the "Premises") within the building located on the Property (the "Building"). In addition, Tenant shall have the right to use, on a non-exclusive basis in collaboration with Landlord, that shared space shown on Exhibit B-2 (the "Shared Space"). Tenant's Share (as defined below) of the Shared Space consists of approximately 1,190 square feet, for a total leased area of approximately 8,690 square feet. Tenant's total leased square feet is 8,690 as shown on Exhibit B-2. For the purposes of this Lease, the Parties agree that the total leased square feet means a rental area as determined by [ANSI/BOMA] Standard of Measurement.
- 1.2. **Provision of the Premises and Shared Space.** Upon commencement of the Term of this Lease, and subject to Landlord's ongoing maintenance and repair obligation set forth in this Lease, Landlord shall not be obligated to perform any alterations or improvements to the Premises, the Shared Space or elsewhere, provided only that Landlord agrees to complete the Project pursuant to Section 3 of the Consideration Agreement. Upon completion of Phase 1, as provided under Section 3 of the Consideration Agreement, Landlord shall provide and maintain Building-wide standard furniture (including, without limitation, desks, chairs, book cases, and file cabinets but specifically excluding art decorations, computers, telephones, copy machines, IT systems or other equipment specific to Tenant) for the Premises and the Shared Space (defined below) as set forth on the Schedule of Furniture, Fixtures and Equipment attached hereto as Exhibit D (collectively, the "Initial Furniture"). Tenant shall have meaningful opportunity to review the Initial Furniture and to set forth certain ergonomic requirements.
- 1.3. **Use.** Tenant may use the Premises for the purpose of primary medical and dental care, and to provide other health and human services and public health services that are complementary thereto for persons of lower incomes and other underserved populations with more limited access to quality health care in King County together with all reasonably related office and administrative uses and any other legally permissible use consistent with the Restrictive Covenant dated [_____, 2024] recorded against the Property.
- 1.4. **Project Delivery.** Landlord and Tenant acknowledge and agree that they are committed to integrated service delivery within the Project and agree that one (1) or more representative(s) appointed by Landlord and one (1) or more representatives appointed by

Tenant shall participate in a committee intended to establish policies and procedures for the shared provision of Health Services, including without limitation the use of the Shared Space.

2. TERM

2.1. Initial Term. The Term of this Lease shall be for one hundred twenty (120) full calendar months ("Term"), commencing on the date that Tenant shall have conveyed to Landlord equitable title to the Property and the Memorandum of Contract Sale shall have been duly executed by both Parties (the "Commencement Date"), and terminating on the last day of the 120th full calendar month thereafter.

2.2. Renewal Terms. Provided that Tenant is not in default under the terms of this Lease, Tenant shall have two (2) options to extend the Term of this Lease for an additional five (5) years each (each, an "Extended Term"), subject to providing Landlord no less than twelve (12) months' prior written notice of Tenant's intent to exercise said option(s). Tenant's extension rights shall apply to all of the Premises then leased by Tenant under this Lease. From and after the commencement of the Extended Term, all of the terms, covenants, and conditions of the Lease shall continue in full force and effect as written, except that the monthly Rent for the Extended Term shall be at Fair Market Rent. The term "Fair Market Rent" for the purposes of this Lease shall mean the annual amount per rentable square foot that a willing, comparable, non-expansion, non-renewal, non-equity tenant would pay, and a willing, comparable landlord of a comparable building in the Federal Way market would accept under the transaction as further defined above, for new leases of similar space, considering, size, use type, and creditworthiness of tenant on or about the date on which the Fair Market Rent is being determined hereunder. The Fair Market Value rentable square foot rate determined above shall be determined for the respective market values for the Premises and Shared Space, as described in Section 1.1, above.

3. RENT:

3.1. Initial Term Rent. Tenant shall not pay base rent or operating expenses during the Initial Term of this Lease but shall pay rent during any Extended Term as described in Section 2.2, above.

3.2. Extended Term Rent. During any Extended Term, the Parties anticipate that this Lease shall convert to a triple net agreement in accordance with prevailing market terms at such time.

3.3. Improved Premises as Consideration. It is the shared understanding and intent of the Parties that the Tenant shall enjoy Premises and Shared Space that are renovated upon Landlord's completion of Phase 1 in accordance with the Consideration Agreement. In any event where Landlord shall not have substantially completed Phase 1 prior to the end of the thirty-sixth (36th) month of this Lease, Landlord shall grant Tenant the right to either (i) a rent payment credit of not less than Twenty Dollars and No/100 (\$20) per square foot, as adjusted to the day for each day that shall pass until substantial completion of Phase 1 of the Project as set forth under Section 3(b) of the Consideration Agreement; or (ii) a lease term credit providing an according number of days at the Initial Term Rent rate set

forth in Section 3.1 to be added to the end of the Initial Term for each day that shall pass until substantial completion of Phase 1 of the Project as set forth under Section 3(b) of the Consideration Agreement.

4. UTILITIES AND SERVICES: So long as Tenant is not in default under this Lease, Landlord shall provide gas, steam, electricity, heat, ventilation, air-conditioning, water, elevator service, trash removal, snow and ice removal, medical facility janitorial services, sewer and storm water, and other customary services or utilities without interruption. Landlord shall pay all real estate and ad valorem taxes, as may be applicable. All other costs necessary for Tenant to do business in the Premises will be paid directly by Tenant, including expressly telephone and internet connection. Landlord agrees to provide third-party security at the Building for the benefit of both Landlord and Tenant's operations, and shall maintain electronic security measures, including but not limited to access controls, cameras and intrusion systems as described on Exhibit C attached hereto.
5. COMMON AREAS: Landlord also grants Tenant a nonexclusive license to use, in common with Landlord, other lessees (if any), and their respective guests and invitees, those portions of the Building and the Property incident to and necessary for Tenant's use of the Premises and Shared Space, including but not limited to any utility rooms, cable and communication closets, or other spaces containing operational infrastructure, and which shall be accessible to Tenant at all times (the "Common Areas").
6. REPAIRS AND MAINTENANCE: Landlord shall keep the Premises, Shared Space, and the Common Areas of the Building in operating condition and repair at least as good as the condition of the Building on the Commencement Date, the completion of Phase 1 or the completion of Phase 2, as the case may be, including but not limited to walks, landscaping, service areas, mechanical rooms, loading areas, and the roof and the exterior of the Building, reasonable use and wear and tear and damage by fire and other casualty excepted, Landlord shall promptly repair malfunctioning fixtures, plumbing, HVAC and electrical systems in the Premises, Shared Space and public and common areas. Landlord shall further maintain in condition and operating order at least as good as the condition of the Building on the Commencement Date and reasonably keep in repair consistent with plans for renovation of the Building (a) the structural portions of the Building, including the foundation, floor/ceiling slabs, roof, curtain wall, exterior glass and mullions, columns, beams, shafts (including elevator shafts), base Building stairs and stairwells, Landlord's art work, Building mechanical, electrical and telecom closets (collectively, the "Building Structure"), (b) the base building mechanical, electrical, life safety, plumbing, sprinkler and HVAC systems of the Building (collectively, the "Building Systems"), and (c) the common areas and signage. In the event that such repairs are required as a result, in whole or in part, of the act or neglect of any duty by Tenant its agents, servants, employees, or invitees, then Tenant shall pay to Landlord the reasonable and actual cost of such maintenance and repairs. Landlord shall provide janitorial service for the Premises. Tenant shall, at its own expense and at all times, keep the Premises neat, clean and in a sanitary condition. Tenant shall permit no waste, damage or injury to the Premises. Tenant shall promptly provide Landlord with written notice of the need for any repairs or maintenance to the Premises or the Building. Landlord shall be responsible for the maintenance and repairs to the Premises, the Building, Building systems, and common areas which shall include but not limited to interior lighting (including replacement of

light bulbs, ballasts and starters as required); electrical, plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual); floor coverings; window coverings; inside and outside walls (including windows and entrance and exit doors); all structural portions of the Building (including the roof and the watertight integrity of same); restrooms, common area hallways, porches, stairways; sidewalks; exterior lighting; parking lot (including snow removal, cleaning and restriping as required); wheel bumpers; drainage; landscaping and continuous satisfaction of all governmental requirements (example: fire, building energy codes, indoor air quality and requirements to provide architecturally barrier-free premises for persons with disabilities, etc.).

7. ALTERATIONS: Tenant shall be entitled to perform alterations and/or improvements to the Premises (including, without limitation, the installation of fixtures and signs) subject to Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed. Upon Tenant's request, Landlord agrees to perform such alterations or improvements on Tenant's behalf, subject to reimbursement from Tenant for Landlord's actual and reasonable costs. Tenant may from time to time remove any fixtures, alterations or improvements installed by Tenant in or to the Premises; provided that Tenant agrees to repair any damage caused by such removal. Notwithstanding the foregoing, Tenant may perform alterations and/or improvements to the Premises without obtaining Landlord's prior consent so long as such alterations and/or improvements: (i) do not exceed \$25,000 per project, (ii) are not visible from the exterior of the Building or from the Shared Space or Common Areas, (iii) do not adversely affect any Building system or the structural strength of the Building, and (iv) do not require penetrations into the roof of the Building. As an alternative, upon mutual agreement, Tenant may request work to be completed by Landlord, and Tenant shall be billed at the pre-approved, mutually agreed upon amount. In such instance(s), Tenant shall have the right to approve in advance the scope and estimated costs of such work to be completed.
8. CONDEMNATION OR DAMAGE TO THE PROPERTY: In the event a substantial part of the Premises is taken by the right of eminent domain, or purchased by the condemnor, in lieu thereof, or damaged by casualty, so as to render the remaining Premises economically untenable as a result of any of the foregoing, then this Lease shall be canceled as of the time of taking at the option of either party. The Parties shall refer to the Consideration Agreement for the allocation of rights in the property if any such event occurs prior to Landlord's satisfaction of the terms and conditions of the Consideration Agreement.
9. PARKING: Tenant shall have an exclusive right to dedicated parking stalls numbered _____ as shown on Exhibit B-3 attached hereto for fleet parking. In addition, Tenant shall have the non-exclusive right, during the Term of the Lease, to use the shared parking spaces shown on Exhibit B-3 attached hereto.
10. LIENS AND INSOLVENCY: Tenant shall keep the Premises free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by Tenant and shall hold Landlord harmless against the same. In the event Tenant becomes insolvent, bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of Tenant, Landlord may cancel this Lease at its option.

11. DISPUTE RESOLUTION: The Parties agree to negotiate in good faith to resolve any disputes arising under this Agreement so that the purposes of this Agreement are not frustrated, and before seeking to resolve disputes in a court of law or any other forum. Neither Party may seek relief in a court of law until and unless the dispute resolution process set forth in this Section 11 has been completed in good faith.

11.1. Designated Representatives. The Parties shall designate representatives for purposes of managing this Agreement and the dispute resolution process under this Section 11. The Parties' initial Designated Representatives shall be the Chief Administrative Officer for Public Health for the County and the Chief Financial Officer for HealthPoint, or such other persons as the Parties may designate in writing from time to time by giving notice. The Parties' Designated Representatives shall communicate regularly to discuss the status of the tasks and services to be performed and to prevent disputes from arising.

11.2. Informal Dispute Resolution Process. If a dispute arises, then:

Step One: The Parties' Designated Representatives shall confer and attempt to resolve the dispute within ten (10) business days of written notification by either Party.

Step Two: If the Parties' Designated Representatives are unable to resolve the dispute within ten (10) business days, either Party may refer the dispute to HealthPoint's Chief Executive Officer and the County's Division Director for Administrative Services or their designees. HealthPoint's Chief Executive Officer and the County's Division Director for Administrative Services shall confer and attempt to resolve the dispute within ten (10) business days of receiving the referral. The conference may be in person or by other means, such as telephone conference, videoconference, etc.

11.3. Non-Binding Mediation. If the Parties cannot resolve the dispute utilizing the process in Section 11.2, the Parties may, by agreement, submit the matter to non-binding mediation. The Parties shall split the mediator's fees, costs and expenses on an equal basis. Each Party shall pay its own costs to prepare for the mediation, including any attorney fees or costs.

11.4. Continued Diligence. During the course of conflict or dispute resolution efforts, the Parties agree to continue to diligently perform their respective responsibilities under this Agreement.

12. SUBLETTING OR ASSIGNMENT: Tenant may assign this Lease in whole or in part or sublet all or any portion of the Premises to a related entity or affiliate upon notification to Landlord. In addition, Tenant shall have the right to assign this Lease in whole or in part or sublet all or any portion of the Premises to unrelated entities with the prior written consent of Landlord, which may be withheld or conditioned as set forth: Landlord will agree to the sublease and assignment provided that (a) the use of the Premises by said related entity or affiliate must be similar to Tenant's use and consistent with the Permitted Uses described herein, (b) such sublessee or

assignee organization and clientele shall not be incompatible with HealthPoint's market space or business practices, and (c) the subtenant or assignee must not use the Premises in any way that will create a nuisance to Landlord or any other tenants of the Building. Landlord shall not have the right to recapture any sublease or assignment space without Tenant's express written consent. Landlord acknowledges that Tenant is a home rule charter county and political subdivision of the State of Washington and is comprised of many separate departments and divisions. As such, use or occupancy of the Premises by any Tenant department or division shall not constitute a sublease or assignment under this Section 12.

13. ACCESS: Landlord shall have the right to enter the Premises at all reasonable times for the purpose of inspection or of making repairs, additions, or alterations upon not less than ten (10) business days' notice to Tenant.

14. INDEMNIFICATION; INSURANCE:

14.1. County Self-Insurance. Landlord acknowledges that Tenant, a Charter County Government under the Constitution of the State of Washington, maintains a fully funded self-insurance program as defined in King County Code 2.21 for the protection and handling of the Tenant's liabilities, including injuries to persons and damage to property. Tenant shall, at its own expense, maintain, through its self-funded program, coverage sufficient for all of its liability exposures for this Lease. Tenant shall provide Landlord with at least thirty (30) days prior written notice of any material change in Tenant's self-funded program and shall provide Landlord with a certificate of self-insurance as proof of coverage. Landlord further acknowledges that Tenant does not maintain a commercial General Liability Insurance policy and is a self-insured government entity; therefore, Tenant does not have the ability to add Landlord as an additional insured to such policy. Should Tenant cease self-insuring its liability exposure and purchase a Commercial General Liability Insurance Policy, Tenant shall add Landlord as an additional insured to such policy. Tenant shall at all times maintain its self-funded program or a Commercial General Liability Insurance Policy, each in an amount sufficient to cover its liability exposure under this Lease.

14.2. Landlord Insurance: Landlord shall maintain throughout the Term insurance as set forth in Section 12(b) of the Memorandum of Contract.

14.3. Indemnification. Each Party shall defend, indemnify and hold the other harmless from and against any claims, suits, causes of action, judgments, damage, loss or liability for injuries to persons or property (excluding consequential damages such as lost profits) (collectively, "Claims") to the extent caused by the negligent acts or omissions of their respective agents, officers and employees, arising out of or incidental to the exercise of rights and obligations under this Lease. Where such Claims result from the concurrent negligence of the Parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each Party's negligence. Each of the Parties agrees that its obligations under this Section 14 extend to any claim, demand, cause of action and judgment brought by, or on behalf of, any of its employees or agents. For this purpose, each of the Parties, by mutual negotiation, hereby waives, with respect to each of the other Party's only, any immunity

that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW. In the event that any of the Parties incurs any judgment, award, and/or cost arising therefrom, including attorney fees, expenses, and costs shall be recoverable from the responsible Party to the extent of that Party's negligence.

15. COST AND ATTORNEY'S FEES: If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this Lease, a legal action is instituted, the prevailing party shall recover its reasonable costs and attorney's fees in connection therewith. It is agreed that the venue of any legal action brought under the terms of this Lease shall be in King County Superior Court.

16. LIENS. Landlord and Tenant shall keep the Premises and the Building free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant or Landlord, and each shall indemnify and hold harmless the other from and against all liabilities, losses, damages and costs (including reasonable attorney fees and costs) incurred in connection with any such lien. Landlord or Tenant may contest the validity or amount of any such lien or encumbrance in good faith provided that, within forty-five (45) days after the filing of such lien or encumbrance, Landlord or Tenant discharges the same by providing and recording a bond which complies with the requirements of RCW 60.04.161 eliminating said lien and/or encumbrance.

17. HAZARDOUS MATERIALS.

17.1. Definitions. For purposes of this Lease, the term "Environmental Law" shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, RCW ch. 70A.305 ("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70A.300; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Lease, the term "Hazardous Material" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law.

17.2. Landlord Representations and Warranties. Landlord represents and warrants to Tenant that there is no Hazardous Material on, in, or under the Premises or the Real Property as of the Commencement Date. If there is any Hazardous Material on, in, or under the Premises or the Real Property which has been or thereafter becomes released, then Landlord (i) shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law and (ii) shall indemnify, defend and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims,

attorneys' fees, consultant fees and expert fees, incurred either during or after the Lease term as the result of such release.

- 17.3. Hazardous Waste Restrictions. Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, except in strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred either during or after the Lease term ("Claims") to the extent that said Claims are a result of said breach. Tenant shall promptly notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third Party regarding the actual or suspected presence of Hazardous Material on the Premises or the Property.
- 17.4. Tenant Remediation. Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any release of any Hazardous Material on the Premises or the Real Property, Tenant shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law. Landlord's approval of such remediation shall first be obtained, which approval shall not be unreasonably withheld, conditioned or delayed, provided, however, that Tenant shall be entitled to respond immediately to an emergency without prior approval from Landlord, including but not limited to taking actions necessary to prevent the release from migrating, leaching or otherwise spreading, and actions necessary to respond to any immediate obligations imposed on Tenant by Environmental Law. To the extent such Hazardous Material becomes comingled with Hazardous Material released by Landlord or other Parties, nothing in this Lease shall prevent Tenant from seeking to recover costs, expenses or any other damages incurred as a result of the presence of such Hazardous Material that was released by Landlord or other Parties.
- 17.5. Landlord Remediation. Landlord shall remediate any Hazardous Material discovered in the course of carrying out Landlord's Work at Landlord's sole cost and expense.
- 17.6. Title 51 Waiver. Each of the Parties agrees that its obligations under this Section 17 extend to any claim, demand, cause of action and judgment brought by, or on behalf of, any of its employees or agents. For this purpose, each of the Parties, by mutual negotiation, hereby waives, with respect to each of the other Party's only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW.
- 17.7. Survival. The provisions of this Section 17 shall survive expiration or earlier termination of this Lease.

- 17.8. Indemnification. All claims, judgements, damages, penalties, fines, costs, liabilities and losses involving the release or presence of Hazardous Material shall be subject to this Section 17, and not the indemnity and liability provisions of Section 14.
18. NO WAIVER OF COVENANTS: Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future similar breach. This Lease contains all the agreements between the parties with respect to the Lease except to the extent other agreements between the Parties are expressly referenced herein; and there shall be no modification of the agreements contained herein except by written instrument.
19. SURRENDER OF PREMISES: Subject to Section 2.2, Tenant agrees, upon expiration of the Term or other termination of this Lease, to peacefully quit and surrender the Premises without notice, remove all of Tenant's personal property, leave the Premises neat and clean and to deliver all keys to the Premises to Landlord.
20. HOLDING OVER: If Tenant, with the implied or express consent of Landlord, shall hold over after the expiration of the term of this Lease, Tenant shall remain bound by all the covenants and agreements herein, except that the tenancy shall be from month to month and Monthly Rent shall be at rate established under any "Extended Term" above.
21. BINDING ON HEIRS, SUCCESSORS AND ASSIGNS: The covenants and agreements of this Lease shall be binding upon the heirs, executors, administrators, successors and assigns of both parties hereto, except as hereinabove provided.
22. NOTICE: All notices hereunder shall be in writing and shall be delivered personally or by recognized overnight courier addressed as follows:

To Tenant:

King County Real Estate Services Section
Chinook Building
401 5th Ave. Suite 930
Seattle, WA 98104

Copy to:

King County Prosecuting Attorney's Office
701 Fifth Avenue, Suite 600
Seattle, WA 98104
Attention: Ryan Ridings

To Landlord:

HealthPoint
955 Powell Avenue SW
Renton, Washington 98057
Attention: Chief Executive Officer

Copy to:

Ogden Murphy Wallace PLLC
701 Fifth Avenue, Suite 5600
Seattle, WA 98104
Attention: Steve Burgon

or to such other respective addresses as either Party hereto may hereafter from time to time designate in writing. Notices shall be deemed delivered (i) when personally delivered; or (ii) on the first business day after deposit with a recognized overnight courier if deposited in time to permit overnight delivery by such courier as determined by its posted cutoff times for receipt of items for overnight delivery to the recipient. Payments may be made in the manner provided for notice or may be delivered by regular mail (postage prepaid); provided, payments made by regular mail (postage prepaid) shall be deemed delivered when actually received by Landlord.

23. **BROKERS.** Landlord and Tenant each warrant to the other that it has had no discussions, negotiations and/or other dealings with any real estate broker or agent in connection with the negotiation of this Lease, and that it knows of no other real estate broker or agent who is or may be entitled to any commission or finder's fee in connection with this Lease. Landlord and Tenant each agree to indemnify and hold the other harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation, attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of such party's discussions, negotiations and/or dealings with any real estate broker or agent. This Section is not intended to benefit any third parties and shall not be deemed to give any rights to brokers or finders. No commission(s) or finder's fee(s) shall be paid to Tenant, employee(s) of Tenant or any unlicensed representative of Tenant.
24. **CONSENT.** Whenever Landlord's or Tenant's prior consent or approval is required by this Lease, the same shall not be unreasonably withheld, conditioned or delayed, unless otherwise specifically provided by this Lease. All requests for Tenant consents or approvals required under this Lease shall be submitted to the Facilities Management Director or his or her functional successor. Whenever the consent of Tenant to any act to be performed under this Lease, Landlord must obtain the consent or approval expressly for purposes of this Lease, regardless of whether a consent or approval shall have been granted by Tenant in its regulatory, public utility, or other capacity. No permission, consent, or approval of Tenant contained herein or given pursuant to this Lease is, or shall be construed as, a representation or assurance that the matter consented to or approved complies with applicable laws, regulations, ordinances or codes, nor shall any such consent or approval be construed to authorize any failure to comply with any of the foregoing.

25. RELATIONSHIP TO LANDLORD AND TENANT. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture partners, and no provision contained in this Lease, nor any acts of Landlord or Tenant shall be deemed to create any relationship other than that of Landlord and Tenant.
26. TIME. Time is of the essence of each and every one of each Party's obligations, responsibilities and covenants under this Lease.
27. ANTI-DISCRIMINATION. Landlord shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression, sex, status as a family caregiver, military status or status as a veteran who was honorably discharged or who was discharged solely as a result of the person's sexual orientation or gender identity or expression, or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16. Landlord shall comply fully with all applicable federal, state, and local laws, ordinances, executive orders, and regulations that prohibit such discrimination. These laws include, but are not limited to, King County Charter Section 840, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Lease and may result in ineligibility for further agreements with King County. Notwithstanding anything to the contrary, Tenant shall be entitled to terminate this Lease effective upon written notice to Landlord in the event that Landlord violates the requirements of this Section 27.
28. DEFAULTS/REMEDIES
- 28.1. Termination. Should an Event of Default exist, as defined in Section 28.2 below, Landlord may, unless otherwise provided in this Lease, terminate the Lease. Notwithstanding anything to the contrary contained in this Lease, if Landlord elects to terminate this Lease in accordance with this Section 28.1, Tenant shall have no liability for any obligations under this Lease which arise from and after the date of termination of this Lease.
- 28.2. Breach and Default by Tenant. Each of the following events shall be an "Event of Default" by Tenant and a "breach" of this lease:
- (a) Failure to perform any term, condition, covenant, or requirement of this Lease:
 - (b) The appointment of a receiver to take possession of the Premises or of Tenant's interest in, to, and under this Lease, the leasehold estate or of Tenant's operations on the Premises for any reason, including, without limitation, assignment for benefit of creditors or voluntary or involuntary bankruptcy proceedings, when not released within ninety (90) days; and
 - (c) The subjection of any right or interest of Tenant to or under this Lease to attachment, execution, or other levy, or to seizure under legal process when the claim against Tenant is not released within ninety (90) days.

- 28.3. Notice as a Precondition to Landlord's Remedies. As a precondition to pursuing any remedy for an Event of Default by Tenant, Landlord shall, before pursuing any remedy, (a) where the alleged default is a failure to pay any installment of Rent or other sum when due pursuant to this Lease, give Tenant a thirty (30) day written notice of default and opportunity to cure, specifying in reasonable detail the amount of money not paid and the nature and calculation of each such payment, or (b) where the alleged default is the failure to perform or observe any covenant, condition, or agreement to be performed by Tenant under this Lease, other than a failure to pay rent or any other sum when due, give Tenant a sixty (60) day written notice of default, providing details of the default, and provide Tenant a reasonable opportunity to cure. Where such default other than the failure to pay any installment of Rent or other sum cannot, with reasonable diligence, be cured within such sixty (60) day period, Landlord shall not pursue any remedy provided curative action is commenced within such sixty (60) day period and thereafter pursued with due diligence to completion.
- 28.4. Waiver of Breach. The waiver by Landlord of any breach by Tenant of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Tenant of either the same or a different provision of this Lease.
- 28.5. Landlord's Default. Landlord shall be in default under this Lease if Landlord fails to cure any breach of its obligations under this Lease within sixty (60) days after receipt of written notice from Tenant specifying in reasonable detail the nature of Landlord's breach; provided, however, that if the nature of Landlord's breach is such that more than sixty (60) days are required for performance, then Landlord shall not be in default if Landlord commences the cure of such breach within sixty (60) days of the receipt of such notice from Tenant. If any Landlord breach is not cured within any required time period under such notice, Tenant may terminate this Lease and have no further obligations hereunder by providing written notice as required herein.
29. SEVERABILITY. Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision of this Lease.
30. DAMAGE OR DESTRUCTION.
- 30.1. During the Initial Term, all provisions for damage or destruction of the Premises, Shared Space or the Building shall be set forth in Section 24 of the Memorandum.
- 30.2. During any Extended Term, in the event the Premises, or Building are destroyed or damaged by fire, earthquake or other casualty so as to render the Premises or Building, in Tenant's sole judgment, unfit for occupancy or Tenant's intended purpose, and the Landlord neglects or refuses to restore the Premises to its former condition within ninety (90) days of such damage or destruction, Tenant may terminate this Lease upon thirty (30) days written notice to Landlord. In the event of such termination, Landlord and Tenant shall have no further obligations hereunder, except those obligations that expressly survive the expiration or earlier termination of the Lease. In the event the Premises are damaged by any of the aforesaid events, the Rent shall be abated in proportion to the percentage of untenable space in the Premises as relates to the total square footage of the Premises until such time that Landlord restores the Premises to its pre-casualty condition. If, in the sole discretion of

Tenant, the untenable portion of the Premises or the Building renders the Premises unusable for the Permitted Use, Tenant may unilaterally terminate this Lease upon thirty (30) days written notice to Landlord.

31. FORCE MAJEURE. Time periods for either Party's performance under any provision of this Lease shall be extended for periods of time during which the Party's performance is prevented due to circumstances beyond such Party's control, including without limitation, fires, floods, earthquakes, lockouts, pandemic, strikes, embargoes, governmental regulations, acts of God, public enemy, war, or other strife.
32. GOVERNING LAW. This Lease shall be governed by and construed in accordance with the laws of the State of Washington without giving effect to its conflicts of law rules or choice of law provisions.
33. COUNTERPARTS. This Lease may be executed in counterparts, each of which shall constitute an original and all of which constitute but one original. Execution copies of this Lease may be delivered by email, and the Parties hereto agree to accept and be bound by scanned signatures transmitted via email hereto, which signatures shall be considered as original signatures with the transmitted Lease having the binding effect as an original signature on an original document. Neither Party may raise the use of a scanned document or the fact that any signature was transmitted through the use of email as a defense to the enforcement of this Lease.

[No further text]

IN WITNESS WHEREOF, this Lease has been executed the day and year first above set forth.

LANDLORD:

HealthPoint,
a Washington nonprofit corporation

By: _____
Name: Lisa Yohalem
Title: President and Chief Executive Officer

TENANT:

King County,
a political subdivision of the State of
Washington

By: _____
Name: Drew Zimmerman
Title: Director, Facilities Management Division

APPROVED AS TO FORM:

By: _____
Name: Ryan W. Ridings
Title: Senior Deputy Prosecuting Attorney

APPROVED BY CUSTODIAL AGENCY:

By: _____
Name: Michael Gedeon
Title: Chief Administrative Officer,
Department of Public Health

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ 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 _____ of _____, a _____, its _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2024.

Notary Public: _____

Print Name: _____

My commission expires: _____

(Use this space for notarial stamp/seal)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that ____ signed this instrument, on oath stated that ____ was authorized to execute the instrument and acknowledged it as the _____ of KING COUNTY, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2024.

Notary Public: _____

Print Name: _____

My commission expires: _____

(Use this space for notarial stamp/seal)

Exhibit A
Legal Description

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

LOTS 7 AND 8 OF SECOMA BUSINESS PARK, ACCORDING TO PLAT RECORDED IN VOLUME 113
OF PLATS AT PAGES 37 THROUGH 40, INCLUSIVE, IN KING COUNTY, WASHINGTON.

(ALSO KNOWN AS BOUNDARY LINE ADJUSTMENT NUMBER BLA-91-0010 RECORDED ON JUNE
11, 1992 AS RECORDING NUMBER 9206119002, IN THE OFFICIAL RECORDS OF KING COUNTY,
WASHINGTON.)

Exhibit B-1
Depiction of the Premises
[to be completed prior to execution]

Exhibit B-2
Shared Space
[to be completed prior to execution]

Exhibit B-3
Parking Plan
[to be completed prior to execution]

Exhibit C
Property Security Requirements
[to be completed prior to execution]

Exhibit D
Schedule of Furniture Fixtures and Equipment
[to be completed prior to execution]

EXHIBIT H.

Please Return To:
 King County Real Estate Services
 Chinook Building
 401 5th Ave. Suite 930
 Seattle, WA 98104
 Attn: Steven Tease

WASHINGTON STATE COUNTY AUDITOR/RECORDER INDEXING FORM

Document Title(s) *(or transactions contained therein):*

DECLARATION OF RESTRICTIVE COVENANT

Reference Number(s) of Documents assigned or released:

Additional reference numbers on page ____ of document

Grantor(s): *(Last name first, then first name and initials)*

1. **HEALTHPOINT**

Grantee(s): *(Last name first, then first name and initials)*

1. **KING COUNTY**

Legal Description: *(abbreviated form i.e. lot, block, plat name, section-township-range)*

SECOMA BUSINESS PARK LOTS 7 & 8 AKA BLA-91-0010 REC #9206119002

Additional legal is on Exhibit A of document

Assessor's Property Tax Parcel Account Number(s):

768190-0070

Documents Referenced _____

DECLARATION OF RESTRICTIVE COVENANT

THIS DECLARATION OF RESTRICTIVE COVENANT (“Covenant”) is made, established, and executed as of _____, 2024, by HealthPoint, a Washington nonprofit public benefit corporation (“HealthPoint”).

RECITALS

A. HealthPoint is a Washington nonprofit public benefit corporation recognized by the Internal Revenue Service as a public charity described in Section 501(c)(3) of the Internal Revenue Code and operates a system of community health centers recognized by the Health Resources and Services Administration federally qualified health centers as described in Section 330 of the Public Health Service Act.

B. HealthPoint acquired an interest in real property in Federal Way, King County, Washington (the “Federal Way Property”) from King County, a political subdivision of the State of Washington, historically occupied by Public Health of Seattle-King County for the purpose of providing health care services for the benefit of the general public. The Federal Way Property is legally described on Exhibit A attached to this Covenant and incorporated herein by this reference as if set forth in full.

C. Pursuant to a Memorandum of Real Estate Contract Sale executed between HealthPoint and King County on this same date and Recorded under King County Rec. No. _____ (the “Memorandum of Contract Sale”), HealthPoint is acquiring the Federal Way Property in a transaction pursuant to which a portion of the consideration is HealthPoint’s commitment to maintain operation of a federally qualified health center on the Federal Way Property on the terms and conditions of this Covenant.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, HealthPoint hereby declares as follows:

1. Operation of a Community Health Center on the Federal Way Property. Except as otherwise expressly authorized under Section 3 of this Covenant, at all times during the term of this Covenant, a community health center recognized as within the scope of a federally qualified health center grant as defined by Section 330 of the Public Health Service Act (“FQHC”), or any successor federal act, shall be operated at the Federal Way Property. The specific services to be provided at the Federal Way Property shall include one or more of the services within the scope of services funded by Section 330 of the Public Health Service Act as of the date of this Covenant or as amended from time to time such as primary care services, dental services, and/or behavioral health services.

2. Additional Restrictions on Use of the Federal Way Property. So long as a community health center is located at the Property in compliance with Section 1, above, the Federal Way Property may also be used by property owners, affiliates, and lessees to deliver health services and related services complementary to the operation of a community health center and intended to benefit public health and related community health needs. This Covenant restricts the use of the Federal Way property for any use not described in Section 1 or this Section 2.

3. Exceptions to Covenant. This Covenant does not require that the Federal Way Property be used exclusively for the uses described in this Covenant or that the Federal Way Property be used continually for such purposes so long as any lapses in providing the services referenced herein are limited to periods of construction on the Federal Way Property contemplated or incorporated by reference in the Memorandum of Contract Sale and any other period during which health care services cannot be delivered onsite due to casualty, pandemic, or other acts of God.

4. Term. This Covenant shall burden the Federal Way Property until the date fifteen (15) years from the date of this Covenant first written above.

5. Binding Effect. This Covenant shall run with the land including any future transfer, conveyance, division, or partition of the Federal Way Property, and shall be binding on the owner of, and all parties having any right, title, or interest in, the Federal Way Property, their respective successors or assigns, and shall inure to the benefit of King County, its successors and assigns, agents, invitees, tenants and lessees.

6. Waiver. The failure of King County at any time to require strict performance of any provision of this Covenant shall not in any way limit its right to enforce such provision at any time. Any waiver of any breach of this Covenant shall not be a waiver of any succeeding breach of this Covenant.

7. Modifications. King County is an expressly intended beneficiary of this Covenant. Any modifications of the terms and conditions contained herein may only be modified, changed, waived, discharged, or terminated by a written instrument approved by HealthPoint and King County, or their successors or assigns.

8. Severability. Each provision of this Covenant shall be treated as a separate and independent clause. If any provision of this Covenant is unenforceable for any reason, such provision shall be deemed severed from this Covenant and shall not invalidate or impair the enforceability of any other provision contained herein.

9. Governing Law; Venue. This Covenant shall be construed and governed by the laws of the State of Washington. In any suit related to or arising out of this Covenant, the Superior Court of King County shall have exclusive jurisdiction and venue.

10. Entire Agreement. This Covenant contains the entire declaration of HealthPoint with respect to the entire subject matter hereof, and there are no other representations, inducements, promises, or agreements, written or oral, express or implied. This Covenant supersedes any and all prior discussions, negotiations, commitments, and understandings related to the subject matter hereof. There are no conditions to the effectiveness of this Covenant except as expressly stated herein.

[Signature Page Follows]

IN WITNESS WHEREOF, this Declaration of Restrictive Covenant has been duly executed by the HealthPoint effective as of the date of signature below.

HealthPoint, a Washington nonprofit public benefit corporation

By:_____

Lisa Yohalem

President and Chief Executive Officer

Dated:_____

STATE OF WASHINGTON)

COUNTY OF KING) :ss
)

I certify that I know or have satisfactory evidence that Lisa Yohalem is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Chief Executive Officer of HealthPoint, a Washington nonprofit public benefit corporation, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 2024.

PRINT NAME:
NOTARY PUBLIC in and for
the State of Washington,
residing at:

My commission expires:

EXHIBIT “A”

LEGAL DESCRIPTION OF PROPERTY

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

LOTS 7 AND 8 OF SECOMA BUSINESS PARK, ACCORDING TO PLAT RECORDED IN VOLUME 113
OF PLATS AT PAGES 37 THROUGH 40, INCLUSIVE, IN KING COUNTY, WASHINGTON.

(ALSO KNOWN AS BOUNDARY LINE ADJUSTMENT NUMBER BLA-91-0010 RECORDED ON JUNE
11, 1992 AS RECORDING NUMBER 9206119002, IN THE OFFICIAL RECORDS OF KING COUNTY,
WASHINGTON.)



King County

Dow Constantine

King County Executive

401 Fifth Avenue, Suite 800

Seattle, WA 98104-1818

206-263-9600 Fax 206-296-0194

TTY Relay: 711

www.kingcounty.gov

January 21, 2025

The Honorable Girmay Zahilay
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Zahilay:

This letter transmits a proposed Ordinance that, if enacted, will enable King County to sell surplus property located at 33431 13th Place S., Federal Way, Washington, to Healthpoint in support of the provision of King County operations and services.

This proposed Ordinance and attached Purchase and Sale Agreement (PSA) encompasses the sale, renovation, and continued joint use of the Federal Way Public Health Center (FWPHC) by Public Health-Seattle and King County (PHSKC) and Healthpoint (HP) to serve the south county area. PHSKC currently provides reproductive health, parent/child health services (Women Infants and Children program, First Steps program), and navigator services to marginalized, low-income, and underserved populations from this location.

Healthpoint is a community-based, community-supported, and community-governed network of non-profit health centers that use evidence-based care and are dedicated to providing expert, high-quality care to all who need it, regardless of circumstances. By selling the building to Healthpoint, entering into leaseback agreements, and recording a restrictive covenant to guarantee the future provision of health services, this agreement allows for HP and PHSKC to continue to provide uninterrupted service.

If approved, King County will transfer ownership of the facility to HP in exchange for HP's renovation of the building and a granting of free rent to the County for 10 (ten) years, among other financial considerations.

This transaction is unrelated to recent funding challenges for the Public Health Centers, as initial conversations contemplating this transaction began prior to the global COVID-19 pandemic, with progress slowed as a result of the pandemic.

The Honorable Girmay Zahilay

January 21, 2025

Page 2

This transaction is recommended per the rationale and considerations provided in the attached property summary.

Thank you for your consideration of this proposed ordinance.

If your staff have any questions, contact Drew Zimmerman, Acting Director, Facilities Management Division at 206-263-5935.

Sincerely,

A handwritten signature in black ink, appearing to read "Drew Zimmerman", with a large circular flourish at the end.

for

Dow Constantine

King County Executive

cc: King County Councilmembers

ATTN: Stephanie Cirkovich, Chief of Staff, King County Council

Melani Hay, Clerk of the Council

Karan Gill, Chief of Staff, Office of the Executive

Penny Lipsou, Council Relations Director, Office of the Executive

Lorraine Patterson-Harris, County Administrative Officer, Department of Executive Services (DES)

Drew Zimmerman, Acting Director, Facilities Management Division (FMD), DES

Dr. Faisal Kahn, Director, Public Health – Seattle & King County

Sale Property Summary

Photo of Property



Address:	33431 13th Place S, Federal Way, WA
Sale Price:	\$1,006,231 paid over 10 years per the payment schedule+10 years of a full-service gross lease
Sale Area:	113,274 square feet
Assessor's Parcel:	768190-0070
Zoning:	City of Federal Way Office Park (OP)
Council District:	Seven
Funding Source:	Public Health
Declared Surplus:	June 16, 2022
Template Status:	County template with modifications
Offer Expiration:	Proposed Ordinance must be effective by May 5, 2025 per the terms of the Purchase and Sale Agreement. King County has an optional 90-day extension, extending the deadline to August 5, 2025.

Property Information

The Purchase and Sale Agreement (PSA) for this property encompasses the sale, renovation, and continued joint use of the Federal Way Public Health Center (FWPHC) by Public Health-Seattle and King County (PHSKC) and Healthpoint (HP) to serve the south county area. PHSKC currently provides reproductive health, parent/child health services (Women Infants and Children program, First Steps program), and navigator services to marginalized, low-income, and underserved populations in the south county area from this property. The PSA includes four attached agreements between the parties (Exhibits E, F, G, and H) that reflect the full terms of the sale, including a Memorandum of Contract (real estate contract sale agreement), Consideration Agreement, Leaseback Agreement, and a Restrictive Covenant.

Should the PSA be approved by the Council, King County will transfer ownership of the facility to HP. HP will perform substantial renovations (at least \$8 million) of the building and grant free rent to the County for 10 years. The County may extend the lease at the end of the 10-year term. The lease contains two five-year lease extension options for the County to extend the lease at market value lease rate at the time the option is exercised.

Context

Rationale for transaction: The Federal Way Public Health Center (FWPHC) was built in 1993. Many of its originally installed systems and components are now beyond their useful life. Per Public Health, FWPHC it is located in an area of the county with one of the highest utilization rates of the County's public health care centers. Improvements and upgrades to the facility's aging systems are needed to continue to provide services to this community. This purchase and sale agreement allows for both PHSKC and HP to continue to provide vital health care services uninterrupted at the FWPHC while the facility undergoes a comprehensive renovation. The comprehensive renovation encompasses several overarching goals: (1) integrate the delivery of health care services by PHSKC and HP to provide a seamless customer experience; (2) modernize the aged tenant improvements throughout the facility; and (3) reconfigure existing space to expand capacity for delivery of services, while maintaining a similar footprint for PHSKC. In summary, the integration of care, efficiency of patient-flow, and

maximizing use of the footprint to increase capacity for service to the community are the main construction goals. HP will manage the construction project while maintaining current services. HP has managed similar construction projects at other properties it operates.

Initial conversations contemplating this transaction began prior to the pandemic, and progress on this concept was subsequently slowed during the pandemic. This transaction is unrelated to recent funding challenges for the Public Health Centers.

Policy considerations: PHSKC's mission is to improve the health and well-being of all people in King County. This agreement will improve the ability of PHSKC to deliver on that mission by improving the quality of the facility by supports capital improvements that PHSKC likely cannot support on its own.

Political considerations: N/A

Community considerations

or partnerships: Healthpoint is a community-based, community-supported, and community-governed network of non-profit health centers that use evidence-based care and are dedicated to providing expert, high-quality care to all who need it, regardless of circumstances. By selling the building to Healthpoint, entering into leaseback agreements, and recording a restrictive covenant to guarantee the future provision of health services, this agreement allows for HP and PHSKC to continue to provide uninterrupted service, additionally supporting HealthPoint's mission statement, "to strengthen communities and improve people's health by delivering quality health care services, breaking down barriers, and providing access to all."

Fiscal considerations: The appraised value of the property as of April 2024, was \$5,790,000 in its as-is condition. The County will receive monetary and other consideration from Healthpoint, including:

1. HP will pay \$1,006,231 in cash in installments over 10 (ten) years per the payment schedule (Schedule 1 of the Memorandum of Contract).

2. HP will expend a minimum of \$8M in renovation construction costs, subject to County's review and approval.
3. HP will grant PHSKC a no-rent leaseback of a similar footprint in the building for a period of 10 (ten) years at a value of \$3.8M.
4. Upon completion of the construction work, a restrictive covenant shall be recorded to limit the use to a Federally Qualified Health Center for 15 years.

Other considerations: n/a

CIP/operational impacts: HP has experience managing capital improvement plan projects in operational clinics and medical office spaces. This will allow for the continuation of services with as little of interruption as possible during the project.

Change in property use: There will be no change in the use of the property.

SEPA Review Required yes/no: No

Equity and Social Justice impact: In accordance with Real Property Asset Management Plan (RAMP) policy, the Facilities Management Division and PHSKC reviewed this legislation for Equity and Social Justice (ESJ) impacts. Enacting this agreement enables King County and HP to continue to provide equitable access to quality health care services the south county area.

Surplus Process

Interest from other county agencies? No

Property suitable for affordable housing? No

Property determined to be surplus? Yes

Marketing and Sale

Indicate whether the property was marketed or not, and if so, how it was marketed:

<input type="checkbox"/>	MLS
<input type="checkbox"/>	Commercial Broker
<input type="checkbox"/>	County Website (number of website views: _____)
<input type="checkbox"/>	Social Media
<input type="checkbox"/>	Onsite Signage
<input checked="" type="checkbox"/>	Not Marketed (briefly explain) Direct negotiation under 4.56.100.A.9

Appraisal Process

Summary

Date of valuation: April 4, 2024

Appraised by: McKee Appraisal

Appraisal factors: Ongoing public health clinic.

Comps analysis: After adjustments, the sale comparisons indicate an adjusted range of values from \$242/sf to \$319/sf and average \$281/sf. Sale No. 1 is the most recent sale indication and is also the closest sale indication to the subject, but it is a much smaller medical office property. Sale Nos. 4 through 6 are more similar in overall size to the subject. We have valued the subject as if the roof were repaired. We have concluded that the sales indicate a value of about \$280/sf.

Estimated FMV: \$5,790,000

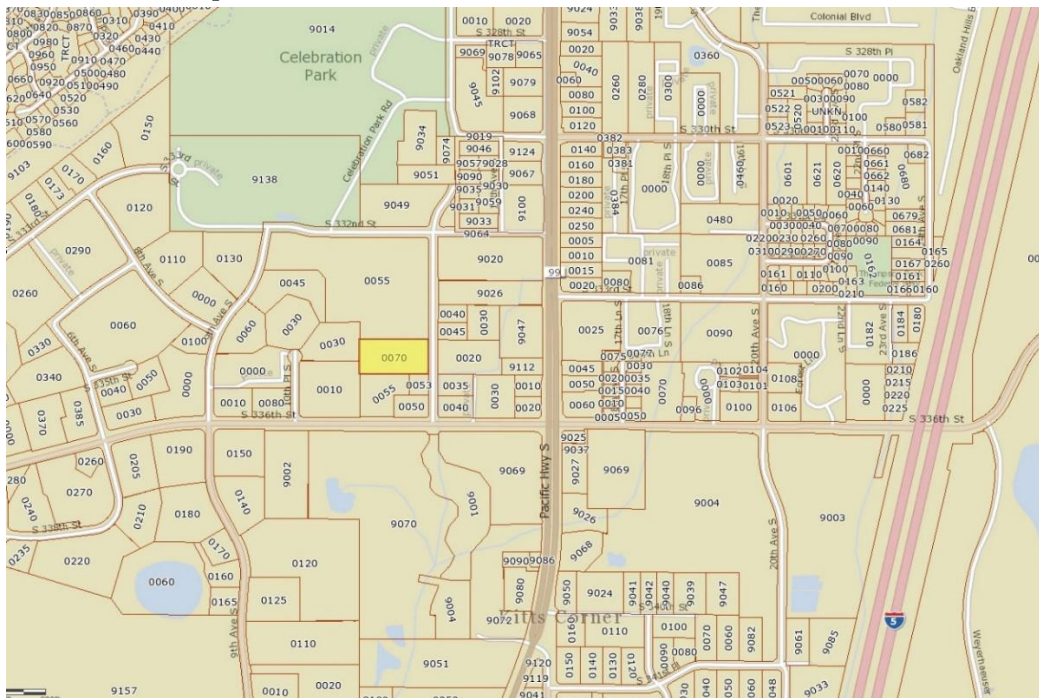
Appraisal Summary Chart

Sale Comparison Number		1	2	3	4	5	6
Property Name	Subject	NW Sports Rehab	Dental Condo	Medical Condo	Forum 1 and II Buildings	West Campus Professional Bldg	Recovery Innovations International
Transaction Price		\$1,250,000	\$1,200,000	\$1,134,000	\$4,500,000	\$2,650,000	\$10,150,000
Property Rights		0%	5%	5%	0%	0%	0%
Financing Terms		0%	0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%	0%
Expenditures after Sale		\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Price		\$1,250,000	\$1,260,000	\$1,190,700	\$4,500,000	\$2,650,000	\$10,150,000
Unit of Comparison (sf)	23,700	4,130	3,508	4,012	22,453	11,572	24,928
Adjusted Unit Price		\$303	\$359	\$297	\$200	\$229	\$407
Date of Sale	3/8/2024	Oct-23	Apr-22	Apr-22	Jan-23	Oct-22	Sep-22
Market Conditions Adjustment	Appraisal Date	-2%	-13%	-13%	-9%	-12%	-13%
Subtotal Unit Price (sf)		\$297	\$312	\$258	\$182	\$202	\$354
Location/Access		0%	10%	10%	0%	0%	0%
Parking Ratio		0%	0%	0%	0%	0%	10%
Age/Quality/Condition		0%	0%	10%	20%	0%	(20%)
Buildout/Medical		0%	0%	0%	25%	25%	0%
Functionality/Configuration		0%	0%	0%	0%	0%	0%
Building Size		(10%)	(10%)	(10%)	0%	(5%)	0%
Net Other Adjustments		(10%)	0%	10%	45%	20%	(10%)
Indicated Unit Value for Subject		\$267	\$312	\$284	\$264	\$242	\$319

Vicinity View Map



Parcel Map



KING COUNTY FISCAL NOTE - *Property Leases and Sales*

GENERAL TRANSACTION INFORMATION

Ordinance/Motion:					
Title:	Sale of Federal Way Public Health Center			Transaction Duration:	NA yrs
Affected Agency/Agencies:	Public Health and General Fund			Fair Market Value:	\$ 5,790,000
Note Prepared By:	Carolyn Mock / Steven Tease	Date Prepared:	11/4/24	Legal Transaction Type:	Sale & Lease
Note Reviewed By:		Date Reviewed:		Fiscal Transaction Type:	Stand Alone
Description of Request:	Sale of Federal Way Public Health Center at 33431 13th Pl S, Federal Way WA				

FINANCIAL IMPACTS

Part 1 - Net Present Value Analysis Results

Net Present Value to King County (all impacts): ***	NA	Net Present Value to Primary Impacted Agency (customer of transaction): ***	NA
--	----	--	----

Part 2 - Revenue and Expenditure Impacts

As of the preparation date of this fiscal note, the impact of the above legislation on the financial affairs of King County is *estimated* to be as indicated below:

Revenue to: ^{2,3,5}

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Revenue Account Code and Source/Description	Sum of Revenues Prior to 2023	2023 / 2024	2025 / 2026	2027 / 2028	Sum of Outyear Impacts ²
General Fund	0	0.00	0010		39512 - Sale of Real Property / Purchase Price Payments from Healthpoint	\$ -	\$ -	\$ 164,000	\$ 180,810	\$ 661,422
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL						\$ -	\$ -	\$ 164,000	\$ 180,810	\$ 661,422

Expenditures from: ^{2,3,4,5}

Appropriation Unit/Expenditure Type	Appr. Number	Department	Fund Number	Project Number	Expenditure Notes	Sum of Expenditures Prior to 2023	2023 / 2024	2025 / 2026	2027 / 2028	Sum of Outyear Impacts ²
Real Estate Services Labor Costs						\$ -	\$ -	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M						\$ -	\$ -	\$ -	\$ -	\$ -
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ -	\$ -	\$ -	\$ -
Real Estate Services Labor Costs						\$ -	\$ -	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M						\$ -	\$ -	\$ -	\$ -	\$ -
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL						\$ -	\$ -	\$ -	\$ -	\$ -

APPROPRIATION IMPACTS

As of the preparation date of this fiscal note, the impact of the above legislation on the budget appropriation of King County is *estimated* to be as indicated below: ¹

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Appropriation Notes	2023 / 2024 Appropriation Change	Total 6-Year CIP Outyear Planning Level Costs
					The transaction was anticipated in the current budget; no supplemental appropriation is required.	\$ -	\$ -
						\$ -	\$ -
						\$ -	\$ -
TOTAL						\$ -	\$ -

Assumption and Additional Notes:

*** An NPV analysis was not performed because this is a sale of a surplus property currently used as King County's Federal Way Public Health Center. Buyer will renovate the building and lease back to King County rent free for 10 years.

- The transaction involves the sale of a property and the expenditures associated with this sale are limited to transaction costs. No long-term expenditures requiring resource backing are associated with this transaction.
- A detailed explanation of how the revenue/expenditure impacts were developed is provided below, including major assumptions made in developing the values presented in the fiscal note and other supporting data:
 - Healthpoint will pay King County \$800,000 plus 5% simple interest in annual installments over 10 years totalling \$1,006,231.
 - Healthpoint will pay a minimum of \$8,000,000 in renovation construction costs.
 - Healthpoint will leaseback space in the building to KC Public Health rent free for 10 years. This is valued at \$3.8 million.
 - King County will have two options to extend the lease for an additional 5 years each. During the extended term, King County will pay rent and operating costs in accordance with prevailing market terms.
 - When construction is completed, a 15 year restrictive covenant will be recorded to limit use of the site to a Federally Qualified Health Center.



King County

Metropolitan King County Council Budget and Fiscal Management Committee

STAFF REPORT

Agenda Item:	6-7	Name:	Gene Paul Olivia Brey
Proposed No.:	2025-0118 2025-0119	Date:	May 14, 2025

SUBJECT

Proposed Ordinance 2025-0119: An Ordinance relating to the placement of a proposition on the November 4, 2025, ballot to authorize a six-year property tax levy to support countywide Medic One/Emergency Medical Services to residents of Seattle and King County through a regional response system.

Proposed Ordinance 2025-0118: An Ordinance to accept and approve the 2026-2031 Medic One/Emergency Medical Services Strategic Plan.

SUMMARY

The King County Medic One/Emergency Medical Services (EMS) system is primarily funded with a countywide, voter-approved EMS levy. The current levy expires at the end of 2025.

Proposed Ordinance 2025-0119, if approved by Council,¹ would place on the November 4, 2025, ballot a proposition authorizing a six-year property tax levy that would generate approximately \$1.4 billion (including Seattle) in levy proceeds during the levy period to support the King County Medic One/EMS system.

The initial levy rate is proposed at \$0.250 per \$1,000 assessed value (AV) based on the August 2024 economic forecast. For the owner of a home with a \$844,000 AV,² the annual levy cost would be \$211 in 2026.³

¹ Per [RCW 82.52.069](#), for countywide levies, a majority of at least 75% of cities over 50,000 in population must approve the levy proposal in order for a countywide EMS levy to be placed on the ballot.

² The assessed value of a median valued home in 2024 is \$844,000, according to the [King County Assessor's Office](#).

³ For comparison, at the current EMS levy rate in 2025 (\$0.265 per \$1,000 AV) the cost for the same homeowner would be \$223 for 2026.

Proposed Ordinance 2025-0118, if approved, would accept and approve the proposed 2026-2031 Medic One/EMS Strategic Plan. The proposed EMS Strategic Plan is the primary policy and financial document that would direct the Medic One/EMS system from 2026 to 2031, and it forms the basis for the levy renewal proposal, Proposed Ordinance 2025-0119, that the Council would ask voters to approve.

BACKGROUND

King County EMS System. King County's Medic One/Emergency Medical Services (EMS) system provides residents of Seattle and King County with life-saving pre-hospital emergency care through an internationally recognized, tiered regional response system. This system relies upon coordinated partnerships with fire departments, paramedic agencies, dispatch centers, hospitals, and education programs.

The City of Seattle operates and funds a Medic One emergency services program that is separate from the County program but is part of the regional EMS delivery system. All EMS levy proceeds collected from taxable property within the City of Seattle are reimbursed and transferred to the City, per an interlocal agreement between the County and the City,⁴ and used solely for the Seattle Medic One EMS program, which is coordinated through Seattle Fire Department.

The use of a tiered response system ensures the most appropriate care provider responds to each 9-1-1 call. The tiered regional Medic One/EMS system consists of five major components:

1. *Access to EMS System:* A patient or bystander accesses the Medic One/EMS system by calling 9-1-1 for medical assistance. Bystanders' reactions and rapid responses to the scene can greatly impact the chances of patient survival. The EMS Division offers programs to King County residents to train them to administer life-saving treatments on the patient until providers arrive.
2. *Triage by Dispatcher:* Calls to 9-1-1 are received and triaged by professional dispatchers at one of four dispatch centers, who determine the most appropriate level of care needed. Dispatchers are trained to provide pre-arrival instructions for most medical emergencies and guide the caller through providing life-saving steps, including cardiopulmonary resuscitation (CPR) and using an automated external defibrillator (AED) until the Medic One/EMS provider arrives.
3. *First Tier of Response – Basic Life Support (BLS) Services:* BLS personnel, usually first to arrive on scene, provide immediate basic life support medical care that includes advanced first aid and CPR/AED to stabilize the patient.⁵ Emergency medical technicians (EMTs) are staffed by firefighters and receive

⁴ The current ILA with the City of Seattle ([King County – File #: 2019-0472](#)) expires in 2025. According to Executive staff, the City of Seattle is aware and working on a renewal of the current ILA. The transmittal date is unknown.

⁵ Some non-emergent calls may be referred to a nurse line for medical advice and additional care instructions in lieu of dispatching EMS resources.

190 hours of BLS training. EMTs are certified by the state and are required to complete ongoing training to maintain their certification.

4. *Second Tier of Response – Advanced Life Support (ALS) Services:* Paramedics provide out-of-hospital emergency care and usually arrive second on the scene to provide emergency care for life-threatening injuries and illness. Regional paramedic services are provided by five agencies⁶ operating 27 medic units throughout King County.^{7, 8} Paramedics receive more than 2,500 hours of intensive training through the University of Washington/Harborview Medical Center Paramedic Training Program.
5. *Additional Medical Care:* Once a patient is stabilized, it is determined whether transport to a hospital or clinic for further medical attention is needed. Transport is most often provided by an ALS or BLS agency, private ambulance, or taxi/ride-share options for lower-acuity situations.

In addition to these components of the system, the EMS Division of Public Health – Seattle King County (PHSKC) oversees strategic initiatives and regional services. These core programs and services provide for regional coordination and consistent quality across all jurisdictions in King County. Regional services include program supervision, BLS EMT staff training, dispatch training, medical data collection and analysis, financial oversight, contract administration, and division management. The EMS Division regularly integrates strategic initiatives that are aimed at preventing/reducing emergency calls and improving the quality of the services.

Additionally, the EMS Advisory Committee, which has provided guidance to the EMS Division since 1997 on regional Medic One/EMS policies and practices in King County, monitors the implementation of strategic initiatives and medic unit recommendations.

Funding of EMS Services. The Medic One/EMS system is primarily funded with a countywide, voter-approved EMS levy. State law authorizes EMS levies and stipulates that revenues collected may only be used for EMS operations and support purposes.⁹ This type of levy is considered an excess levy and is collected outside the \$1.80 limit for county taxing authority and the \$5.90 limit for the maximum aggregate rate of \$5.90 per \$1,000 of assessed value for counties, cities, fire districts, library districts, and certain other junior taxing districts.¹⁰ In other words, an EMS levy does not impact (i.e., through

⁶ Bellevue Medic One, King County Medic One, Northeast King County Medic One (Redmond), Seattle Medic One, and Shoreline Medic One.

⁷ ALS services are provided to the Skykomish and King County Fire District 50 area, from Baring to Stevens Pass, through a contract with Sky Valley Fire (formerly known as Snohomish Fire District #26).

⁸ [Ordinance 18479](#), enacted in March 2017, approved a Memorandum of Agreement (MOA) regarding the merger of Vashon Island's advanced life support paramedic services into the KCM1 program, and [Ordinance 18495](#), enacted in April 2017, approved a corresponding transition MOA.

⁹ [RCW 84.52.069\(5\)](#) states that "Any tax imposed under this section [RCW 84.52.069] may be used only for the provision of emergency medical care or emergency medical services, including related personnel costs, training for such personnel, and related equipment, supplies, vehicles and structures needed for the provision of emergency medical care or emergency medical services."

¹⁰ [RCW 84.52.043](#)

prorating) the capacity of taxing districts whose levies are collected within the \$5.90 limit.

Under RCW 84.52.069, EMS levies are permitted to be approved for six years, ten years, or on a permanent basis. EMS levies in King County have typically been approved for six-year periods. Past levy periods and rates are shown in Table 1.

Table 1. EMS Levy History

Levy Period	Starting Rate per \$1,000 AV
2019 – 2025	\$0.265
2014 – 2019	\$0.335
2008 – 2013	\$0.300
2002 – 2007	\$0.250
1999 – 2001 ¹¹	\$0.290
1992 – 1997	\$0.250
1986 – 1991	\$0.250
1980 – 1985	\$0.210

2020-2025 EMS Levy. The current EMS levy rate was approved by voters in the November 2019 General Election at a levy rate not to exceed \$0.265 per \$1,000 AV. Levy revenues for the 2020-2025 are anticipated to total approximately \$1.1 billion over the six-year collection period, providing annual revenues of approximately \$169 million (2020 collections) to \$192 million (2025 projections, based on March 2025 Office of Economic and Financial Analysis [OEFA] forecast). Annual levy amounts and rates for the current levy are identified in Table 2.¹²

**Table 2. 2020-2025 EMS Levy Annual Tax Collections
Per the March 2025 OEFA Forecast**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Amount	\$169,415,530	\$173,903,481	\$178,625,807	\$183,314,814	\$187,581,907	\$191,836,242
Rate¹³	\$0.265	\$0.265	\$0.24841	\$0.20922	\$0.22678	\$0.22146
2020-2025 Projected Net Total EMS Levy Proceeds						
\$1,084,677,781						

The 2020-2025 EMS levy expires December 31, 2025.

EMS Levy Renewal Planning. Overseeing the development and vetting of the Medic One/EMS levy is the EMS Advisory Task Force. This 20-body group consists of elected officials from the county, cities, and fire districts, representing those who administer, authorize, and are served by the system.^{14, 15} The Task Force was charged with

¹¹ In the fall of 1997, voters failed to approve a six-year levy for Medic One. In February 1998, a three-year EMS levy was approved by the voters, which provided for the second half of 1998 expenditures and for the ensuing three years (1999-2001).

¹² These calculations exclude the City of Milton, as the portion of the city within King County is excluded from the county's EMS levy through an exemption in state law ([RCW 84.52.069\(10\)](#)).

¹³ Actual rate values are shown from the King County Assessor [Annual Statistical Reports](#).

¹⁴ According to Executive staff, the EMS Advisory Task Force was originally created in 2007 through [Ordinance 15862](#) and modified most recently through Executive Order PHL-9-1-EO in 2017.

reviewing and endorsing the Medic One/EMS program recommendations and a supporting levy rate. The EMS Advisory Task Force convened on February 15, 2024, beginning the levy renewal planning process.

The Task Force formed four subcommittees to conduct the bulk of the program and cost analyses. The subcommittees concentrated on the different program areas of ALS, BLS, Regional Services, and Finance. Each subcommittee, chaired by an EMS Advisory Task Force member, included additional subject matter experts from all aspects of the Medic One/EMS system. The subcommittees met regularly to determine system needs and priorities. Subcommittees reported back to the Task Force every two or three months.

On September 26, 2024, the Task Force endorsed the programmatic and financial recommendations that informed the proposed Strategic Plan and renewal levy proposal transmitted to Council by the Executive.

Task Force Recommendations. The recommended financial plan from the Task Force, based on the August 2024 financial forecast, would support a six-year EMS budget (2026-2031) with a levy rate of \$0.250 per \$1,000 AV and was forecasted to generate approximately \$1.5 billion during the levy period.

An overview of the Task Force subcommittee recommendations is provided in Table 3.

Table 3. Task Force Subcommittee Recommendations¹⁶

Subcommittee	Recommendation
ALS	<ol style="list-style-type: none"> 1. Continue the unit allocation to fund ALS and maintain the current level of ALS service 2. Establish a placeholder in the financial plan to potentially fund an additional unit if needed 3. Continue to use reserves and contingencies to cover costs outside the allocation 4. Continue contracting with Sky Valley Fire 5. Continue support for ALS-based programs that support the region
BLS	<ol style="list-style-type: none"> 6. Increase BLS funding to offset costs of providing EMS services, including Mobile Integrated Healthcare (MIH) 7. Inflate funding annually 8. Incorporate the BLS training and quality improvement program funding into the BLS Basic Allocation 9. Distribute new BLS funding and annual increases using a more equitable methodology 10. Support mental wellness and Diversity, Equity, Inclusion (DEI)/Equity, Racial and Social Justice effort (ERSJ)

¹⁵ A list of the task force members can be found on page 3 of the EMS Strategic Plan, which is contained in Attachment 1 to this staff report.

¹⁶ [Notes and presentations](#) from September 26, 2024, Task Force Meeting

	11. Develop exceptions for the use of MIH restricted funds
Regional Services & Strategic Initiatives	12. Continue delivering programs that provide essential support to the system 13. Enhance programs to meet regional needs 14. Maintain and develop strategic initiatives that leverage previous investments to improve patient care
Finance	15. Conduct a risk analysis to determine the appropriate reserve funding 16. Support the programmatic recommendations developed by the other subcommittees 17. Support the level of supplemental/economic reserves in the financial plan 18. Support forwarding the Updated Initial Proposed Financial Plan

ANALYSIS

2026-2031 EMS Renewal Levy Proposal (PO 2025-0119) - Overview

The transmitted 2026-2031 levy proposal (Proposed Ordinance 2025-0119) puts forward a levy of 25-cents or less per \$1,000 of assessed valuation for six years. The forecast and levy rates for subsequent years projected for the proposed levy were expected to generate approximately \$1.47 billion in property tax over the six-year collection period.¹⁷ This estimate was based on the August 2024 OEFA forecast, which was the latest available while the EMS Advisory Task Force was working on the levy plan. The OEFA forecast from March 2025 projects \$46.9 million less during that same six-year period for an estimated total of \$1.42 billion in property tax.¹⁸

Due to the limitations of state law,¹⁹ total property tax collections in the county cannot exceed an increase of more than one percent per year plus new construction; if assessed values were to grow at a rate higher than one percent, as is projected over the life of the proposed levy, the levy rate would reduce to not exceed the allowed amount under state law. The estimated annual net levy amounts and rates for each of the six years are identified in Table 4. The table includes the data in the proposed Strategic Plan, which used the August 2024 OEFA forecast, and data from the March 2025 OEFA forecast.²⁰

¹⁷ Based on the August 2024 OEFA forecast and levy rates varying from .245 to .224 cents (Page 63 of proposed Strategic Plan).

¹⁸ March 2025 OEFA EMS Property Tax Forecast.

¹⁹ [RCW 84.55](#).

²⁰ These calculations exclude the City of Milton, as the portion of the city within King County is excluded from the county's EMS levy through an exemption in state law ([RCW 84.52.069\(10\)](#)).

Table 4. Estimated Property Tax Collections for Proposed EMS Levy at 25 Cents per August 2024 and March 2025 Economic Forecasts

	2026	2027	2028	2029	2030	2031	Total
Aug. 2024 Estimated Levy Rate	\$0.2500	\$0.24502	\$0.23994	\$0.23488	\$0.22918	\$0.22414	--
Aug. 2024 Estimated Revenues	\$231.146 M	\$237.046 M	\$242.415 M	\$247.862 M	\$253.383 M	\$259.008 M	\$1.470 B
March 2025 Estimated Revenues	\$225.090 M	\$230.462 M	\$235.080 M	\$239.706 M	\$244.406 M	\$249.183 M	\$1.423 B

Summary of Levy Proposal Sections. Proposed Ordinance 2025-0119 consists of twelve sections as follows:

SECTION 1. Approval of cities over 50,000 in population. Per RCW 84.52.069, approval to place this countywide EMS levy proposal on the November 4, 2025, ballot will be obtained from the legislative authority of a majority of at least three-fourths of cities over 50,000 in population.^{21, 22}

SECTION 2. Definitions. The following are defined terms in the proposed ordinance, which were defined the same way for the previous levy:

County: Refers to King County.

Levy: The levy of regular property taxes, for the specific purpose and term provided in this ordinance and authorized by the electorate in accordance with state law.

Levy Proceeds: The principal amount of monies raised by the levy, any interest earnings on the funds and the proceeds of any interim financing following authorization of the levy.

SECTION 3. City of Seattle reimbursement.²³ Section 3 identifies that the City of Seattle's Medic One emergency services program is separate from the County program but part of the regional delivery system, and directs that all EMS levy proceeds collected within the legal boundaries of the City of Seattle shall be reimbursed and transferred to the city and used solely for the Seattle Medic One EMS program in accordance with RCW 84.52.069.

²¹ Prior to a 2018 change in state law (Chapter 136, Laws of 2018), approval to place a countywide EMS levy proposal on the ballot was required from every city in the county with a population in excess of 50,000.

²² Cities in King County with a population over 50,000: Auburn, Bellevue, Burien, Federal Way, Kent, Kirkland, Redmond, Renton, Sammamish, Seattle and Shoreline.

²³ Of historical note, all levy proceeds collected in Seattle are reimbursed and transferred to the city per an agreement with the County in place since the establishment of the countywide EMS levy. All other levy proceeds are deposited into the County Emergency Medical Services Fund, which is also identified in Section 5 of PO 2025-0119 (Deposit of Levy Proceeds).

SECTION 4. Levy submittal to voters. Section 4 specifies the levy period as six consecutive years, with collection beginning in 2026 at a rate not to exceed \$0.25 per \$1,000 AV. This section also states that this levy is exempt from the \$5.90 limit under RCW 84.52.043, but that it is subject in years two through six to the limitations imposed under RCW 84.55 (i.e., one percent plus the value of new construction).

SECTION 5. Deposit of levy proceeds. Except for the levy proceeds transferred to the City of Seattle, all levy proceeds would be deposited into the County EMS Fund.

SECTION 6. Eligible Expenditures. If approved by voters, all proceeds of the levy authorized in this ordinance would be used in accordance with RCW 84.52.069 (Emergency Medical Care and Service Levies).

SECTION 7. Call for special election. Section 7 calls for a special election to be held in conjunction with the general election on November 4, 2025. This section also includes draft ballot measure language.

SECTION 8. Interlocal agreement. Section 8 authorizes and directs the County Executive to enter into an Interlocal Agreement (ILA) with the City of Seattle relating to the Medic One program, to implement the provisions of Section 3 of this ordinance. Of note, the current ILA expires at the end of 2025, so a new ILA is expected to be transmitted for County Council approval (subsequent to Seattle City Council approval).

SECTION 9. Local voters' pamphlet. Section 9 indicates that the Director of Elections is authorized and requested to prepare and distribute a local voters' pamphlet, pursuant to King County Code 1.10.010, for the special election called for in the ordinance. This section specifies that the cost of the pamphlet is included as part of the election cost.

SECTION 10. Exemption. Section 10 states that the property taxes authorized by the levy would be included in the real property tax exemption program authorized by RCW 84.36.381, which exempts some seniors, disabled individuals, and veterans.

SECTION 11. Ratification. Section 11 ratifies and confirms certification of the proposition by the Council Clerk to the Director of Elections.

SECTION 12. Severability. Section 12 states that if any provision of the ordinance is held invalid, the remaining provisions or the application of the provisions to other persons or circumstances would not be affected.

2026-2031 Proposed EMS Strategic Plan (PO 2025-0118) - Overview

Proposed Ordinance 2025-0118 would accept and approve the proposed 2026-2031 Medic One/EMS Strategic Plan, which is the primary policy and financial document for the EMS system. The plan defines the roles, responsibilities, and programs for the system and establishes a levy rate to fund these approved functions. It is based on the planning efforts and recommendations of the EMS Advisory Task Force. As stated in the proposed ordinance, the recommendations contained in the Strategic Plan would inform and update the provision of emergency medical services throughout King County until 2031. Throughout the levy period, if approved by voters, members of the EMS

Advisory Committee would convene on a quarterly basis to review implementation of the Strategic Plan and other proposals, including strategic initiatives and medic unit recommendations.

The following table summarizes how the 2020-2025 and 2026-2031 Strategic Plans recommended allocating the County EMS levy funds:

Table 5. Comparison of 2020-2025 and 2026-2031 EMS Strategic Plan Expenditure Allocations

Program Area	2020-2025 Percentage of EMS Expenditures	2026-2031 Percentage of EMS Expenditures
Advanced Life Support (ALS) Services	59	56
Basic Life Support Services (BLS), including Mobile Integrated Healthcare (MIH)	27	30
Regional Support Services	13	13
Strategic Initiatives	1	1

The following sections describe the program areas and recommended spending allocations in greater detail.

Advanced Life Support (ALS). As of 2024, there are 27 medic units in Seattle and King County managed by five area agencies.²⁴ Four of the agencies are fire-based with firefighters trained as paramedics; King County Medic One operates as a paramedic-only agency. A paramedic unit is typically staffed by two paramedics and provides service 24-hours per day, 365 days per year.

The standard unit allocation is the basis for funding each full-time, 24-hour medic unit and is based on fully covering eligible ALS-related expenses to prevent cost-shifting to agencies. During the 2020-2025 levy planning process, the unit allocation methodology was revised to accommodate different types of costs and is divided into four parts: Medic Unit Allocation, Program/Supervisory Allocation, ALS System Allocation, and Equipment Allocation. This methodology was maintained in the development of the 2026-2031 Strategic Plan, with slight adjustments, to ensure fair and equitable distribution of funds across agencies.

Total projected ALS service expenses for the County EMS fund during the 2026-2031 levy period are approximately \$511.8 million.

Basic Life Support (BLS). The EMS levy, since the first levy, has provided BLS agencies²⁵ with an allocation to offset costs of providing EMS services and was never

²⁴ Units may respond to areas where the municipal boundaries or the fire agency's response district crosses into neighboring counties. According to the proposed Strategic Plan, if service into these areas exceeds established levels, the receiving jurisdictions reimburses for such services as outlined in EMS policies.

²⁵ There are 23 fire agencies that provide BLS services throughout the region; however, the levy provides partial funding to 21 BLS agencies and does not provide funding to the City of Seattle and the Port of Seattle Fire Departments.

intended to fully fund BLS. Agencies use the allocation to pay for a variety of EMS-specific items including personnel, equipment, and supplies.

For the 2026-2031 levy period, the proposed EMS Strategic Plan includes a recommendation to increase the first year's allocation by \$3 million, in addition to the standard Consumer Price Index inflator, to reflect the growth in inflation, population, and BLS responsibilities. Additionally, a change to the allocation methodology for the first year's increased funding and future annual increases was recommended to more equitably distribute funding towards agencies with higher call volumes, based on the experiences during the current levy period.²⁶

Total projected BLS service expenses for the County EMS fund during the 2026-2031 levy period are approximately \$223.9 million.

Mobile Integrated Healthcare (MIH). The MIH program, for individuals who are referred by dispatched BLS units, deploys multidisciplinary teams to connect those individuals with appropriate local area health and social services for non-emergency 9-1-1 calls. The teams focus on identifying the root causes of frequent non-urgent use of emergency medical services and aims to reduce unnecessary emergency department visits and alleviate BLS agency responses for non-emergency calls. According to Executive staff, there are currently 11 MIH programs in operation that cover much of King County and each program is uniquely tailored to the communities it serves.

The proposed EMS Strategic Plan strongly recommended the need to maintain support for the MIH program during the 2026-2031 levy period and increase the first year's funding allocation by \$2 million to support increasing connections with service providers, expanding MIH's role in mitigating the opioid epidemic's impact on communities, supporting personnel mental health, and refining data collection. A total of \$50 million for the 6-year levy period is proposed to be allocated to the MIH program, an increase of 92 percent of funding from the previous levy period. Like the BLS allocation, a change to the allocation methodology was also recommended to more equitably distribute funding towards programs with higher call volumes.

Total projected MIH service expenses during the 2026-2031 levy period are approximately \$50 million.

Regional Services & Strategic Initiatives. Regional Services are programs that support the direct service and key elements of the Medic One/EMS system. Examples of regional services include EMT and dispatch training, EMT and paramedic continuing education, collective paramedic service planning, and administrative support and financial management of the regional EMS Levy Fund.²⁷

²⁶ The current distribution methodology, in use since the 2008-2013 levy span, allocates funding to agencies based 50% on call volume, and 50% on AV. In developing the new methodology, it was identified that call volumes are associated with need, and need is often a reflection of inequitable access to care in the community. The new distribution will be based on 60% call volume and 40% AV.

²⁷ The EMS Division of PHSKC is responsible for managing the levy fund in accordance with the EMS Strategic Plan, the EMS Financial Plan, EMS financial policies, and ordinances and motions as adopted by the County Council. EMS Division responsibilities include the review and evaluation of allocations and management of the Regional Services and Strategic Initiatives, contingencies, and reserves as reflected in EMS Strategic Plan, the EMS Financial Plan, and associated County ordinances.

Strategic Initiatives are innovative pilot programs and operations aimed to improve the quality of Medic One/EMS services. Strategic Initiatives are continually assessed, may be reconfigured based on emergent needs, and may be transitioned into regional services as ongoing programs if proven successful. Strategic Initiatives that were funded in prior levy periods and are recommended to continue include EMS Community Health Outreach (ECHO)²⁸ and Pioneering Research for Improved Medical Excellence (PRIME).²⁹

Total projected expenses during the 2026-2031 levy period are approximately \$124.8 million for Regional Services expenses and approximately \$8.4 million for Strategic Initiatives expenses. A list of Regional Services activities planned for the 2026-2031 levy, if approved, is provided in Appendix A of the proposed Strategic Plan.

A summary of programmatic recommendations from the proposed 2026-2031 EMS Strategic Plan is provided in Table 6.

Table 6. Proposed 2026-2031 EMS Strategic Plan Programmatic Recommendations Summary

ALS Program Allocations	Consistent with Task Force Recommendation in Table 3
Maintain current level of ALS Service (19 medic units for King County; 8 medic units for Seattle)	1, 4
Zero additional units planned	
\$15.8 million "placeholder" reserve to fund a 12-hour medic unit during the last 2 years of the levy span, if needed ³⁰	1, 2
Determine costs using the unit allocation methodology, consisting of: <ul style="list-style-type: none"> • Medic Unit Allocation includes direct paramedic service costs (paramedic salaries, benefits, medical supplies, pharmaceuticals, vehicle operations and maintenance, etc.) • Program/Supervisory Allocation includes costs related to the management and supervision of direct paramedic services (administration, finances, analysis, etc.). • ALS System Allocation addresses costs that can vary during the levy period (paramedic student costs, dispatch, whole blood, medical direction, etc.) • Equipment Allocation includes equipment with a lifespan of more than a year (medic units, staff vehicles, defibrillators, stretchers, etc.) 	1

²⁸ Formerly called Vulnerable Populations, which aimed to improve interactions between EMS and historically underserved communities.

²⁹ Formerly called Accelerating Evaluation and Innovation: an Opportunity for Unprecedented Quality Improvement (AEIOU), which focused on technological work between regional partners.

³⁰ This is a \$4.2 million increase for the "placeholder" medic unit compared to the 2020-2025 EMS levy. Executive staff noted that the increase is primarily due to inflation, as well as fully funding equipment costs.

Average Unit Allocation over span of levy: \$4.1 million ³¹	
2 Reserve/Contingency categories to cover ALS-specific unanticipated, one-time expenses: <ul style="list-style-type: none"> Operational Contingencies includes PTO amounts, other cost increases, and unplanned expenses Programmatic Reserves includes ALS equipment reserves and capacity reserves (new unit, facility reservations, etc.) 	3, 17
Support two ALS-based programs that benefit the regional system: <ul style="list-style-type: none"> ALS support of BLS activities Having paramedics guide and train students at Harborview's Paramedic Training Program 	5

BLS Program Allocations	Consistent with Task Force Recommendation in Table 3
Consolidate BLS training and quality improvement funding into the Basic BLS allocation; remove requirements that it be spent on quality improvement activities	8
Allocate new funding and annual increases to BLS agencies using methodology that is based on 60% call volumes and 40% assessed valuation	6, 9

MIH Program Allocations	Consistent with Task Force Recommendation in Table 3
Provide \$50 million over the levy period for MIH	6
Distribute new funding in the first year across all agencies using new BLS allocation methodology of 60% call volumes and 40% assessed valuation	9, 11

Regional Service and Strategic Initiative Program Allocations	Consistent with Task Force Recommendation in Table 3
Fund regional services that focus on superior medical training, oversight, and improvement; innovative programs and strategies; regional leadership, effectiveness and efficiencies; and strengthening community interactions and partnerships	12
Enhance programs to meet regional needs	13
Support existing and new strategic initiatives that leverage previous investments made to improve patient care and outcomes including: <ul style="list-style-type: none"> Continue implementing next stages of ECHO (formerly Vulnerable Populations) and PRIME (formerly AEIOU) Develop 1 new initiative focused on Emergency Medical 	12, 14

³¹ This is a \$0.9 million increase in the average unit allocation from the 2020-2025 EMS levy. As indicated by Executive staff, the increase above inflation includes funding to cover increased number of paramedic students and equipment.

Dispatch	
Support King County Fire Chiefs Association proposals promoting mental wellness and ERSJ/DEI	10

Inflator	Consistent with Task Force Recommendation in Table 3
All programs, except for the ALS equipment allocation , are proposed to be increased by the local CPI-W + 1%. ³² ALS equipment allocation inflator is proposed as the Producer Price Index.	7

Finance – Overview

Planning Forecast and Assumptions. The EMS Levy financial plan was prepared in 2024 and based on "a post-pandemic economic recovery, which stabilized the economy after a period of high inflation and increased mortgage rates."³³ The financial plan, based on OEFA forecasting from that time, assumed lower inflation with rates stabilizing at less than three percent in 2027 and 2028 and the gradual lowering of mortgage rates. Additionally, the financial plan assumed that residential assessed values would continue to increase at rates higher than commercial properties and that commercial assessed value outside of Seattle would remain more stable, which had the combined result of reducing Seattle's percentage of the property tax.

Finance Subcommittee Recommendations on Risk and Reserves. Because the 2020-2025 levy period was one of high inflation and dynamic assessed values, the Finance Subcommittee recommended that the levy's financial plan continue to include economic/supplemental reserves to cover for potential reduced tax revenues or increased expenses. These economic/supplemental reserves are in addition to programmatic and rainy day reserves consistent with County financial policies.

To determine the amount of economic/supplemental reserves, the Finance Subcommittee examined three potential ways that property tax revenues could be reduced: reduced AV, reduced new construction, and a change in the proportion of revenues between Seattle and the County EMS Fund. The subcommittee also considered increased inflation for expenses. The combined range of least to most pessimistic impacts for these four factors on the King County EMS Fund was a decrease of roughly \$32 million to a decrease of roughly \$77 million.³⁴ Consequently, the subcommittee recommended that the financial plan include \$47 million for economic/supplemental reserves.

Although the March 2025 OEFA forecast projected \$46.9 million less in total levy property tax collections over the 2026-2031 time period, the decreased revenues are

³² Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) plus 1%. The CPI assumptions used in the financial plan were provided by King County's Office of Economic Forecast. The 1% added to CPI acknowledges expenses, such as step increases, benefits, and other expenses such as pharmaceuticals that typically increase at rates higher than the inflationary assumptions included in the regional CPI-W.

³³ "Economic Forecast," Strategic Plan, page 39.

³⁴ The City of Seattle sets its own separate reserves for its portion of the EMS levy.

expected to be offset by carrying more reserves forward from the 2020-2025 levy. The net impact of decreased revenues and increased 2025 reserves is a decrease of \$26.4 million in the supplemental/economic reserves and an expected supplemental/economic reserve balance of \$20.4 million at the end of the levy period. Executive staff have expressed confidence that the \$20.4 million in supplemental reserves is sufficient. This \$20.4 million, roughly equivalent to 45 days of operating expenses, is again in addition to the other contingencies or reserves typically required for County funds.

Table 7: Total Reserves for 2026-2031 Levy Period

	Financial Plan using August 2024 Forecast	Update using March 2025 Forecast
Contingencies & Programmatic Reserves ³⁵	\$26.5M	\$26.5M
Rainy Day Reserve ³⁶	\$41.2M	\$41.2M
Total Regular Reserves	\$67.7M	\$67.7M
Supplemental/Economic Reserves	\$47.0M	\$20.4M

Finance Subcommittee Recommendation on Expenditures. The Finance Subcommittee recommended the proposed budget that included \$1.5 billion in projected expenditures over the six-year levy. The programmatic budget, based on the recommendations of the other Task Force subcommittees, would maintain funding for key services and reflect increases in BLS and MIH funding to address inflation, population growth, and enhanced support for MIH. The recommended program budgets were increased annually with an inflation factor, which was generally the local CPI-W plus one percent.³⁷ As previously described, the reserves and contingencies in the budget are based on programmatic needs and compliance with current County financial policies.

The revenues were planned to cover the expenditures across the levy period. The property tax revenue needs were reduced by carrying forward an expected \$64.4 million from the 2020-2025 levy. Based on the March 2025 update, this carryforward amount is actually expected to be \$81.8 million. At the conclusion of the 2024 planning process, the Finance Subcommittee ultimately recommended the levy rate of 25 cents per \$1,000 of AV. The anticipated revenues and expenditures to support EMS programs and reserves for 2026-2031 are summarized in Table 8.

³⁵ Contingencies reserves include funding for significant operating costs that cannot be accommodated by normal program allocations. Programmatic reserves include funding for unplanned equipment costs, a placeholder for a new ALS unit, and costs to move to a new location.

³⁶ King County Financial Management Policy sets the reserve for special levy funds as 90-days of operating expenses.

³⁷ Only the ALS equipment budget uses a different inflation factor, which is a constant 3%. The additional 1% in CPI-W +1% accommodates benefits and other costs, such as pharmaceuticals, that often increase at rates higher than CPI-W.

Table 8. 2026-2031 EMS Projected Revenues, Expenditures, and Reserves per March 2025 OEFA forecast, (in millions; using 25 cents levy rate)

Revenues	Seattle³⁸	County	Total
2026-2031 Property tax forecast	\$502.5	\$921.4	\$1,423.9
Other revenue (KC EMS Fund)		\$20.6	\$20.6
Carryforward reserves from 2020-2025		\$81.8	\$81.8
Total Revenues	\$502.5	\$1023.8	\$1,526.3
Expenditures			
ALS		\$511.8	\$511.8
BLS & MIH		\$273.9	\$273.9
Regional Services		\$124.9	\$124.9
Strategic Initiatives		\$8.4	\$8.4
Total Expenditures	\$518.9	\$919.1	\$1,438.0
Reserves³⁹			
Programmatic Reserves		\$26.5	\$26.5
Rainy day fund (90-day operating expenses)		\$41.2	\$41.2
Total Programmatic Reserves		\$67.7	\$67.7
2026-2031 TOTAL (Expenditures w/ Reserves)	\$518.9	\$986.8	\$1,505.9
Supplemental Reserves/Revenue		\$20.4	\$20.4

Other revenue considerations besides the levy rate include the division of property tax revenues between the City of Seattle and the County EMS Levy Fund (shown in Table 9), interest income on fund balance, and other revenues⁴⁰ received by property tax funds at King County. As previously mentioned, the assumption that residential assessed values would continue to increase at rates higher than commercial properties and that commercial assessed values outside of Seattle would remain more stable had the combined result of reducing Seattle's percentage of the property tax for the 2026-2031 period to around 35 percent of the total property tax revenues. From 2018 to 2022, Seattle's percentage of the property tax was closer to 40 percent.

³⁸ The City of Seattle, as described in the proposed Strategic Plan, places all funds not targeted for ALS into BLS; other city funds are used for programs (e.g. Health One Pilot Program) similar to those in the KC EMS Fund.

³⁹ Note: Reserves roll over year-to-year during the levy period.

⁴⁰ In addition to income on the KC EMS Fund balance, other miscellaneous revenues include County revenues distributed proportionately to property tax funds, such as lease and timber tax revenues.

**Table 9. 2026-2031 Forecast Property Tax Revenue per March 2025 OEFA
Forecast, (in millions; 25 cents levy rate)**

	2026	2027	2028	2029	2030	2031	Total
City of Seattle	\$78.6	\$80.8	\$82.8	\$84.9	\$86.7	\$88.8	\$502.5
<i>Proportion</i>	34.9%	35.1%	35.2%	35.4%	35.5%	35.6%	-
KC EMS Fund	\$146.5	\$149.7	\$152.3	\$154.9	\$157.7	\$160.4	\$921.4
<i>Proportion</i>	65.1%	64.9%	64.8%	64.6%	65.5%	65.4%	-
Total	\$225.1 M	\$230.5 M	\$235.1 M	\$239.7 M	\$244.4 M	\$249.1 M	\$1,423.9
Annual Growth in Total Levy	-	2.39%	2.00%	1.97%	1.96%	1.95%	-

Next Steps and Key Dates

Proposed Ordinance 2025-0119, the EMS levy ordinance, has been referred only to the Budget and Fiscal Management Committee. Proposed Ordinance 2025-0118, the Strategic Plan ordinance, has been dually referred first to the Budget and Fiscal Management Committee and second to the Regional Policy Committee. The BFM and RPC chairs have agreed to the schedules below:

EMS Levy Ordinance (PO 2025-0119) Schedule – REFERRAL TO BFM ONLY

Action	Committee/ Council	Date	Amendment Deadlines
Transmittal		4/10/2025	
Exec Staff Briefing	BFM	4/30/2025	
Discussion only	BFM	5/14/25	
Briefing (Legislation in BFM control)	RPC	5/14/25	
Discussion and Possible Action	BFM	5/28/25	Striker Direction: End of Day 5/16 Striker Distribution: End of Day 5/21 Line Amd direction: End of Day 5/22
Possible Final Action (Regular Course)	Full Council	6/10/2025	Striker Direction: End of Day 5/30 Striker Distribution: End of Day 6/4 Line Amd direction: End of Day 6/6
Possible Final Action (if delayed until possible final action on PO 2025-0118)	Full Council	6/24/2025	Striker Direction: End of Day 6/13 Striker Distribution: End of Day 6/18 Line Amd direction: End of Day 6/20

EMS Levy Strategic Plan (PO 2025-0118) Schedule – MANDATORY DUAL REFERRAL TO RPC AND BFM

Action	Committee/ Council	Date	Amendment Deadlines
Transmittal		4/10/2025	
Exec Staff Briefing	BFM	4/30/2025	
Discussion only	BFM	5/14/25	
Briefing (Legislation in BFM control)	RPC	5/14/25	
Discussion and Possible Action	BFM	5/28/25	Striker Direction: End of Day 5/16 Striker Distribution: End of Day 5/21 Line Amd direction: End of Day 5/22
Discussion and Possible Action	RPC	6/11/2025	Striker Direction: End of Day 5/30 Striker Distribution: End of Day 6/4 Line Amd direction: End of Day 6/5
Possible Final Action	Full Council	6/24/2025	Striker Direction: End of Day 6/13 Striker Distribution: End of Day 6/18 Line Amd direction: End of Day 6/20
<i>If rereferred to RPC</i>	RPC	7/9/2025	Striker Direction: End of Day 6/26 Striker Distribution: End of Day 7/1 Line Amd direction: End of Day 7/3
Final Action	Full Council	7/22/2025	

The following are key full Council meeting deadlines⁴¹ to place this measure on the November 4, 2025, ballot for voter approval⁴²:

- Last regular Council meeting with maximum processing time (25 days) is July 8, 2025.
- Last regular Council meeting with minimum processing time (10 days) and to pass the ordinance as an emergency is July 22, 2025.
- Last special Council meeting to pass as emergency is August 5, 2025.⁴³

⁴¹ Council Clerk's memorandum on Deadlines for Adoption of Ballot Measures in 2025 (Attachment 7).

⁴² State law ([RCW 84.52.069](#)) requires a simple majority (no less than 51%) voter approval for renewal of a six-year or ten-year EMS levy.

⁴³ Council recess is August 4-15, 2025.

- Deadline for King County Elections to receive effective ordinance: August 5, 2025.

It is important to again note that current state law requires that a majority of at least three-fourths of cities over 50,000 in population must approve the levy proposal in order for a countywide EMS levy to be placed on the ballot.⁴⁴ This requirement is usually accomplished by each city passing a resolution endorsing the levy; the City of Seattle usually supports the levy by passing legislation approving an Interlocal Agreement with King County to provide EMS services. Executive staff have indicated that they will work with the cities on this process, and that this work is done concomitantly with the legislative process at the County Council.

INVITED

1. Michele Plorde, Division Director – Emergency Medical Services, Public Health – Seattle & King County (PHSKC)
2. Helen Chatalas, Deputy Division Director – Emergency Medical Services, PHSKC

ATTACHMENTS

1. Proposed Ordinance 2025-0118 (2026-2031 Medic One/EMS Strategic Plan)
2. Transmittal Letter for 2025-0118
3. Fiscal note for 2025-0118
4. Proposed Ordinance 2025-0119 (EMS levy proposal)
5. Transmittal Letter for 2025-0119
6. Fiscal note for 2025-0119
7. Council Clerk's memorandum on Deadlines for Adoption of Ballot Measures in 2025

⁴⁴ [RCW 84.52.069\(6\)](#).



KING COUNTY
Signature Report

ATTACHMENT 1
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Ordinance

Proposed No. 2025-0118.1

Sponsors Dunn, Dembowski, Quinn and
Balducci

1 AN ORDINANCE accepting and approving the Medic
2 One/Emergency Medical Services 2026-2031 Strategic
3 Plan submitted by the executive.

4 **PREAMBLE:**

5 Emergency medical services are among the most important services
6 provided to county residents. Those services include basic and advanced
7 life support, regional medical control and quality improvement,
8 emergency medical technician training, emergency medical dispatch
9 training, cardiopulmonary resuscitation and defibrillation training,
10 paramedic continuing education, injury prevention education, and related
11 services. In combination, those services have made the emergency
12 medical services network in King County an invaluable lifesaving effort
13 and an important part of the quality of life standards afforded residents of
14 the county.

15 The Medic One/emergency medical services system in King County is
16 recognized as one of the best emergency medical services program in the
17 country. With an international reputation for innovation and excellence, it
18 offers uniform medical care regardless of location, incident circumstances,
19 day of the week, or time of day. It serves over 2.2 million people

20 throughout the region and provides life-saving services on average every
21 two minutes.

22 The King County regional system has among the finest of medical
23 outcomes in the world for out-of-hospital cardiac arrest. In 2023, the
24 system achieved a fifty-one-percent survival rate for cardiac arrest, which
25 is among the highest-reported rates in the nation. Compared to other
26 communities, Seattle and King County cardiac arrest victims are two to
27 three times more likely to survive.

28 The system's success can be traced to its unique design that is built upon
29 the following components:

- 30 1. Regional, collaborative, cross jurisdictional and coordinated
31 partnerships that allow for "seamless" operations;
- 32 2. Emergency medical services that are derived from the highest
33 standards of medical training, practices and care, scientific evidence and
34 close supervision by physicians experienced in emergency medical
35 services care;
- 36 3. A commitment to equitable medical care that uplifts and safeguards
37 the well-being of all King County communities;
- 38 4. Programmatic leadership and innovative strategies that allow the
39 system to obtain superior medical outcomes and meet the needs and
40 expectations of its varied communities and users;

41 5. Sustained regional focus on operational and financial efficiencies that
42 have led to the system's financial viability and stability, even throughout
43 the economic recession; and

44 6. Stable funding by a voter approved levy that makes the services it
45 provides less vulnerable, though not immune, to fluctuations in the
46 economy.

47 King County should continue to exercise leadership and assume
48 responsibility for assuring the consistent, standardized, effective, and cost-
49 efficient development and provision of emergency services throughout the
50 county.

51 The emergency medical services advisory task force reconvened in 2024
52 to develop interjurisdictional agreement on an emergency medical services
53 strategic plan and financing package for the 2026-2031 levy funding
54 period.

55 Beginning in February 2024, the emergency medical services advisory
56 task force worked collaboratively with emergency medical services
57 partners to review system needs and regional priorities and develop
58 programmatic and financial recommendations that ensure the integrity of
59 the world-class Medic One/emergency medical services system is
60 maintained. On September 26, 2024, the emergency medical services
61 advisory task force endorsed its Programmatic Needs Recommendations,
62 which became the foundation of the Medic One/Emergency Medical
63 Services 2026-2031 Strategic Plan.

64 The Medic One/Emergency Medical Services 2026-2031 Strategic Plan
65 outlines how the region will execute the operational and financial
66 recommendations that the emergency medical services advisory task force
67 endorsed on September 26, 2024. It is the primary policy and financial
68 document that directs the emergency medical services network into the
69 future.

70 The policies embedded within the Medic One/Emergency Medical
71 Services 2026-2031 Strategic Plan ensure that the emergency medical
72 services system serving Seattle and King County: remains an adequately
73 funded, regional tiered system; reflects the existing successful medical
74 model; and continues to provide state of the art science-based strategies,
75 programs and leadership.

76 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

77 SECTION 1. The council hereby accepts and approves the Medic
78 One/Emergency Medical Services 2026-2031 Strategic Plan, dated February 2025, which
79 is Attachment A to this ordinance. The recommendations contained in the Medic
80 One/Emergency Medical Services 2026-2031 Strategic Plan shall inform and update the

- 81 provision of emergency medical services throughout King County during the 2026-2031
82 time span.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Girmay Zahilay, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Shannon Braddock, County Executive

Attachments: A. Medic One-EMS 2026-2031 Strategic Plan



MEDIC ONE/ EMERGENCY MEDICAL SERVICES

2026-2031 STRATEGIC PLAN

Acknowledgements

The EMS system in King County has a long history of collaboration, and this Medic One/EMS 2026-2031 levy planning process was no exception. The EMS Division, Public Health – Seattle & King County, would like to thank the EMS Advisory Task Force and the numerous participants who so willingly gave us their time, insight, and expertise to ensure our nationally-recognized system will continue to thrive far into the future. We appreciate your commitment to this undertaking.

King County Executive

Karan Gill Chief of Staff to Executive Dow Constantine; Task Force Chair

King County Council

Reagan Dunn Councilmember

Tom Goff Director of Local and Regional Affairs

Cities over 50,000 in Population

Angela Birney Mayor, City of Redmond; Regional Services Subcommittee Chair

Brian Carson Fire Chief, Puget Sound Regional Fire Authority, representing the City of Kent

Jim Ferrell Mayor, City of Federal Way

Karen Howe Deputy Mayor, City of Sammamish

Armondo Pavone Mayor, City of Renton; BLS Subcommittee Chair

Lynne Robinson Mayor, City of Bellevue; Finance Subcommittee Chair

Kevin Schilling Mayor, City of Burien

Harold Scoggins Fire Chief, City of Seattle

Keith Scully Councilmember, City of Shoreline; ALS Subcommittee Chair

Penny Sweet Councilmember, City of Kirkland

Brad Thompson Fire Chief, Valley Regional Fire Authority, representing the City of Auburn

Cities under 50,000 in Population

Catherine Cotton Councilmember, City of Snoqualmie

Vic Kave Mayor, City of Pacific

Sean Kelly Mayor, City of Maple Valley

King County Fire Commissioners

Don Gentry Fire Commissioner, Mountain View Fire & Rescue

Jenny Jones Fire Commissioner, Enumclaw Fire Department

Anita Sandall Fire Commissioner, Eastside Fire & Rescue

If you have questions about the Medic One/EMS 2026-2031 levy reauthorization process or Strategic Plan, please contact:

Helen Chatalas, Deputy Director

Emergency Medical Services Division

Department of Public Health - Seattle & King County

401 5th Ave., Suite 1200, Seattle, WA 98104

Email: Helen.Chatalas@kingcounty.gov Website: www.kingcounty.gov/health/ems

Levy Planning Process Partners

Will Aho, Eastside Fire & Rescue
Dan Alexander, Renton Regional Fire Authority
Eric Andrews, Sky Valley Fire
Marc Bellis, Bellevue Fire MPD
Rachel Bianchi, City of Sammamish
Nate Blakeslee, Renton Regional Fire Authority
Schon Branum, Seattle Fire
Matt Burrow, Bellevue Fire
Brant Butte, AMR
Jasmine Chau, Chinese Information & Service Center
Charles Chen, Burien Fire
Andrea Coulson, King County Medic One
Matt Cowan, Shoreline Fire
Kevin Crossen, South King Fire
Brian Culp, KCFD #27 – Fall City
Ben Davidson, Vashon Island Fire & Rescue
Tim Day, Valley Regional Fire Authority
Andrea DeCaro, Northeast KC Medic One
Lisa Defenbaugh, South King Fire
Marianne Deppen, NORCOM
Chuck DeSmith, Renton Regional Fire Authority
Alexa Dilhoff, Bellevue Fire
Larry Doll, Seattle Fire
Cody Eccles, King County Council
Maggie Eid, City of Kirkland
Scott Faires, Eastside Fire & Rescue
Jamie Formisano, Eastside Fire & Rescue
Greg Garat, Eastside Fire & Rescue
Rachel Garlini, Shoreline Fire
Matt Gau, Tri-Med Ambulance
Jason Gay, Burien Fire
Natasha Grossman, Bellevue Fire
Jay Hagen, Bellevue Fire
Maymuna Haji, Somali Health Board
Katie Halse, City of Bellevue
Steve Heitman, Renton Regional Fire Authority
Veronica Hill, City of Kirkland
Mark Horaski, Valley Regional Fire Authority
Cory James, NORCOM
Dawn Judkins, Mountain View Fire & Rescue
Raman Kaur, City of Seattle
Tony Kuzma, AMR
Ben Lane, Eastside Fire & Rescue
Eric Lee, Bellevue Fire
Herlinda Martin, St. Vincent de Paul
Lizbeth Martin-Mahar, King County
Rebeccah Maskin, King County
Vonnie Mayer, Valley Com
Doug McDonald, Eastside Fire & Rescue
Graham McGinnis, King County Medic One
Hendrika Meischke, University of Washington

Wayne Metz, Burien Fire
Stephanie Miller, Lake WA School District
Tania Mondaca, King County Council
Joan Montegary, Eastside Fire & Rescue
Amy Moorhead, Northeast KC Medic One
Mirya Munoz-Roach, St. Vincent de Paul
Bill Newbold, Kirkland Fire
Rick Olson, Valley Regional Fire Authority
Andres Orams, Shoreline Fire
Brian Parry, Sound Cities Association
Eric Perry, City of Renton
Steve Perry, King County Medic One
Mark Peterson, Shoreline Fire
Kaleigh Phillips, Redmond Fire
Drew Pounds, King County
Josh Pratt, Kirkland Fire
Michael Rogers, Seattle Fire
Chris Santos, Seattle Fire
Mark Sawdon, King County Medic One
Cal Schlegel, King County Medic One
Susan Schoeld, King County
Adrian Sheppard, Redmond Fire
Mohamed Shidane, Somali Health Board
Pete Simmons, Sky Valley Fire
Scott Symons, Bellevue Fire
Dave Tait, Bellevue Fire
Eric Timm, Paramedic Training Program
Kenney Tran, Seattle OEM
Liz Tusing, Redmond Fire
Aaron Tyerman, Puget Sound Regional Fire Authority
Evan Van Otten, King County Medic One
Dave Van Valkenburg, South King Fire
Melissa Vieth, NORCOM
Simon Vila, King County
Matt Vinci, Vashon Island Fire & Rescue
Brian Wallace, Seattle Fire
Jimmy Webb, South King County Fire Training Consortium
Jim Whitney, Redmond Fire
Todd Wollum, Shoreline Fire
Kwan Wong, City of Bothell
Ryan Woodey, Kirkland Fire
Mei Po Yip, Chinese Information & Service Center

EMS Division, Public Health – Seattle & King County

Mary Alice Allenbach	Jason Hammond
Jen Blackwood	Kristine Mejilla
Cynthia Bradshaw	Laura Miccile
Juan Diaz	Kelly O'Brien
Markisha Dixon	Michele Plorde
Leah Doctorello	Dr. Tom Rea
Chris Drucker	Amy Warrior
Becky Ellis	Rose Young

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*For over 40 years,
the region has worked together to create
a system with patient outcomes
that people from all corners of the world
seek to replicate.*

*This speaks to the strength of its partnerships,
and the ability for King County jurisdictions
to collectively recognize these regional benefits
and consider needs beyond
their local boundaries and interests.*

*The expertise shared, and
efforts expended, by our partners
during this levy planning process
are constant reminders of exactly why
the Medic One/EMS system of
Seattle and King County
continues to succeed and serve
as an international model.*

EXECUTIVE SUMMARY

The Medic One/Emergency Medical Services (EMS) system serving Seattle and King County is known worldwide for its excellent medical results. By simply dialing 9-1-1, all residents have immediate access to the best possible medical care, regardless of location, circumstances, or time of day. For 45 years, the system's commitment to medicine, science, innovation, and partnerships has resulted in thousands of lives saved and an EMS program that is second to none.

The system is primarily funded by a countywide, voter-approved EMS levy (per RCW 84.52.069). Mandated by state law to be exclusively used to support emergency medical services, the levy is a reliable and secure source for funding our successful and highly acclaimed system.

The current six-year levy expires December 31, 2025. To ensure continued emergency medical services in 2026 and beyond, King County undertook an extensive planning process in 2024 to develop a Strategic Plan and finance plan (levy) for King County voters to consider renewing in 2025. This process brought together regional leaders, decision-makers, and partners to assess the needs of the system and collectively develop recommendations to direct the system into the future. As in past years, the EMS Advisory Task Force, comprised of regional elected officials, oversaw the development of the recommendations and was responsible for endorsing broad policy decisions including the levy rate, length, and ballot timing.

As the EMS system's primary policy and financial document, the Strategic Plan defines the roles, responsibilities, and programs for the system and establishes a levy rate to fund these approved functions. On September 26, 2024, the Task Force endorsed the programmatic and financial recommendations that form the basis of this Medic One/EMS 2026-2031 Strategic Plan.

The 2026-2031 Medic One/EMS Strategic Plan includes the following key elements:

- A six-year Medic One/EMS levy at \$.25 per \$1,000 Assessed Value (AV);
- Fully funding eligible Advanced Life Support (referred to as ALS, or paramedic services) costs;
- Including an ALS unit "placeholder" should service demands increase beyond what is anticipated and new units are required;
- Increasing funding for Basic Life Support (referred to as BLS, or first responders);
- Continued commitment to Mobile Integrated Healthcare (MIH) to support community needs;
- Sustained funding and enhancements for regional programs that provide essential support to the Medic One/EMS system and are critical for providing the highest emergency medical care possible;
- Initiatives that encourage efficiencies, innovation, and leadership and build upon previous efforts to improve patient care and outcomes;
- Reserve funding that provides additional protection and flexibility against unforeseen financial risks;
- Carrying forward \$64 million of 2020-2025 reserves to help reduce the initial levy rate, and
- Placement of an EMS levy on the November 2025 general election ballot in King County.

The proposed levy rate of 25 cents /\$1,000 AV means that an owner of a \$844,000 home in King County will pay \$211 in 2026 for some of the nation's most highly-trained medical personnel to arrive within minutes of an emergency – at any time of day or night, no matter where in King County.

This Medic One/EMS Strategic Plan is designed to meet the needs of the EMS system, its users, and the community. The proposals incorporated within this Plan support the Medic One/EMS system's strong tradition of service excellence, effective leadership, and regional collaboration. The well-balanced approach outlined in this plan will allow the system to meet the needs and expectations of residents now and in the future.

KEY COMPONENTS

Survival from cardiac arrest is an EMS system benchmark condition used throughout the nation. This is due to the discrete nature of a cardiac arrest: a patient has stopped breathing, and their heart is not pumping. Because patient who is discharged alive from the hospital following a cardiac arrest is identifiable and measurable, it is an easily comparable metric across systems and communities. The survival rate of cardiac arrest patients is a gold standard for measuring the overall functionality and quality of an EMS system.¹

In 2023, the survival rate for witnessed ventricular fibrillation (VF) cardiac arrest throughout King County was 51 percent. Because of the system's strong collaborative and standardized programs, cardiac arrest patients in the region are two to three times more likely to survive, compared to other communities.² This resuscitation success is a tribute to the immense dedication and efforts by all the partners of the regional EMS system.

As a result of these findings, the Medic One/EMS system serving Seattle and King County has earned an international reputation for innovation and excellence, and regularly hosts visitors from all over the world seeking to learn more about how the system works. The system's success can be traced to its design which is based on the following:

Regional System Based on Partnerships

The Medic One/EMS system in King County is built on partnerships that are rooted in regional, collaborative, and cross-jurisdictional coordination. While each provider operates individually, the care provided to the patient operates within a "seamless" system. It is this continuum of consistent, standardized medical care and collaboration between 23 fire agencies, five paramedic agencies, four EMS dispatch centers, more than 20 hospitals, the University of Washington, and the residents throughout King County that allows the system to excel in pre-hospital emergency care. Medical training is provided on a regional basis to ensure that, no matter the location within King County, whether at work, play, home or traveling, medical triage and delivery of medical care is consistent and equitable.

Tiered Medical Model

Medicine is the foundation of the Medic One/EMS system. The services provided by EMS personnel are derived from the highest standards of medical training, clinical practices and care, scientific evidence, and close supervision by physicians experienced in EMS care. The system uses a tiered response model which is centered on having BLS agencies respond to every incident to stabilize the patient. This allows reserving the more limited resource of ALS (known locally as paramedic service) to respond to serious or life-threatening injuries and illnesses. Reserving the number of calls to which paramedics respond helps ensure that paramedic services will be readily available when needed for those serious calls, keeping paramedics well practiced in the life-saving patient skills required for critical incidents.

Compared to systems that send paramedics on all calls, the Medic One/EMS system in King County provides excellent response and patient care with fewer paramedics. It is this tiered medical model response system, working hand-in-hand with the regional medical program direction, intensive dispatch, and evidence-based EMT and paramedic training and protocols, that has led to great success in providing high-quality patient care throughout the demographically diverse King County region.

¹ Mickey S. Eisenberg, *Resuscitate: How Your Community Can Improve Survival from Sudden Cardiac Arrest* (Seattle: University of Washington Press, 2009)

² McBride O, et al. "Temporal Patterns in Out-of-Hospital Cardiac Arrest Incidence and Outcome: A 20 Year King County Experience". In Press. *JAMA Cardiology*

Equity Led

The Medic One/EMS system In King County is equity-driven and committed to care that uplifts and safeguards the well-being of all King County communities. Recognizing that measurable outcomes in public health are negatively imbalanced due to racial and other demographic factors, the EMS system is committed to ensuring equity, racial, and social justice (ERSJ) principles influence decision making processes in the delivery of pre-hospital care throughout the region. Partners support organizational equity and inclusion efforts so that the communities served feel valued and included in the vision for a healthy and safe King County.

Programs & Innovative Strategies

Programmatic leadership and state-of-the-art science-based strategies have allowed the Medic One/EMS system serving Seattle and King County to obtain superior medical outcomes. Rather than focusing solely on ensuring a fast response by EMTs or paramedics, the system is comprised of multiple elements – including a strong, evidence-based medical approach. Continual quality improvement activities to systematically identify how patient care can be improved across the region help support the best possible outcomes of care. Testing advanced medical treatments, like the administering of whole blood for hemorrhagic shock and the offering of buprenorphine for opioid use disorder, has allowed the EMS system to adapt to meet the needs and expectations of its varied communities and users.



Focus on Effectiveness and Efficiencies

The Medic One/EMS system has maintained financial viability and stability due to the region's focus on operational and financial efficiencies. The tiered response improves the efficiency and effectiveness of the Medic One/EMS system by ensuring the most appropriate level of services is sent to the incident. Transferring non-emergent 9-1-1 calls to a 24-hour consulting nurse line for medical advice effectively helps keep resources available for higher acuity medical emergencies. Programs focus on better understanding and serving complex, diverse, and lower-acuity patients in the field, improving the quality of care and contributing to the overall efficiency of service delivery. Streamlining contract administration within the EMS Division of Public Health – Seattle & King County eliminates inefficiencies and reduces costs for executing separate program agreements. Strategies that address operational and financial efficiencies are continually pursued and practiced.

Maintaining an EMS Levy as Funding Source

The Medic One/EMS system is primarily funded with a countywide, voter-approved EMS levy. Authorized by RCW 84.52.069 which mandates that levied funds be exclusively used to support emergency medical services, the levy is a reliable and secure source for funding this world-renowned system. The EMS levy falls outside the statutory limits with senior and junior taxing districts and therefore does not “compete” for capacity, alleviating a significant concern for the region.

The proposed starting rate for the 2026-2031 span is 25 cents per \$1,000 of assessed value (AV), which is less than the starting rate of the expiring levy. This rate means that the owner of a \$844,000 priced home would pay \$211 a year to know that at any time of day or night, no matter where in the county, some of the most highly trained medical personnel will be there within minutes to treat any sort of medical emergency.

MEDIC ONE/EMS SYSTEM OVERVIEW

Any time you call 9-1-1 in King County for a medical emergency, you are using the Medic One/EMS system. The Medic One/EMS system serving Seattle and King County is distinct from other EMS systems in that it is a regional, medically based, and tiered out-of-hospital response system. Its successful outcomes depend upon community involvement and extensively trained dispatchers, firefighter/emergency medical technicians (EMTs) and highly specialized paramedics. Strong and collaborative partnerships provide a continuum of consistent, standardized medical care that allows the system to excel and achieve the best possible patient outcomes.

The response system is tiered to ensure 9-1-1 callers receive medical care by the most appropriate care provider. There are five major components in the tiered regional Medic One/EMS system.

EMS TIERED RESPONSE SYSTEM



ACCESS TO EMS SYSTEM

Bystander calls 9-1-1



TRIAGE BY DISPATCHER

Use of Emergency Medical Response Assessment Criteria



FIRST TIER OF RESPONSE

Basic Life Support (BLS) by firefighter/EMTs



SECOND TIER OF RESPONSE

Advanced Life Support (ALS) by paramedics



ADDITIONAL MEDICAL CARE

Transport to hospital

ACCESS TO EMS SYSTEM: A patient or bystander accesses the Medic One/EMS system by calling 9-1-1 for medical assistance. Bystanders' reactions and rapid responses to the scene can greatly impact the chances of patient survival – studies have shown that survival rate increases from 10 percent to 43 percent if cardiopulmonary resuscitation (CPR) is given within four minutes, and defibrillation in less than eight minutes. The EMS Division offers programs to King County residents so that they can administer life-saving treatments on the patient until providers arrive at the scene. Comprehensive CPR classes train thousands of secondary school students in CPR and automated external defibrillator (AED) use each year. The regional coordinated AED program registers and places devices in the community within public facilities, businesses, and even private homes of high-risk patients, and provides training in AED use. Because of this program, the number of registered AEDs is nearing 7,000 in King County.

TRIAGE BY DISPATCHER: 9-1-1 calls are received and triaged by telecommunicators at one of four dispatch centers. Dispatchers are the first point of contact with the public, asking medically based questions to determine the appropriate level of care to be sent. Amid a wide range of needs, they provide pre-hospital instructions and even guide callers through providing life-saving steps such as CPR and using a defibrillator until the Medic One/EMS providers arrive. The medical dispatch triage guidelines that King County dispatchers follow were developed by the EMS Division and have been internationally recognized as an innovative approach to emergency medical dispatching.

FIRST TIER OF RESPONSE - BASIC LIFE SUPPORT (BLS) SERVICES: BLS personnel are the first responders to an incident, providing immediate basic life support medical care (e.g. first aid, CPR, defibrillation) and stabilizing the patient. Staffed by firefighters trained as emergency medical technicians (EMTs) aboard fire trucks and aid cars, BLS arrives at the scene in less than five minutes (on average). Some non-emergent calls qualify to be referred to a nurse line for medical advice and care instructions in lieu of dispatching EMS resources. The 4,300 EMTs in Seattle and King County receive 190 hours of quality BLS training and continuing education. The EMS levy provides some funding to BLS providers to help ensure uniform and standardized patient care and enhance BLS services to reduce the impact on ALS resources. However, the great majority of BLS funding is provided by local fire departments.

SECOND TIER OF RESPONSE - ADVANCED LIFE SUPPORT (ALS) SERVICES: Paramedics provide out-of-hospital emergency medical care for critical or life-threatening injuries and illnesses. As the second on scene, they provide airway control, heart pacing, the dispensing of medicine and other life-saving procedures. ALS is provided by highly trained paramedics who have completed an extensive program at Harborview Medical Center in conjunction with University of Washington School of Medicine and are certified by the state. These paramedics remain well practiced and use their skills routinely to provide effective care when it is needed most. Paramedics operate in teams of two on medic units. There are 27 medic units strategically placed across King County that are deployed regionally to critical or life-threatening emergencies. A contract with Sky Valley Fire (Snohomish County Fire District 26) provides ALS services to the Skykomish and King County Fire District 50 area, from Baring to Stevens Pass. ALS is the primary recipient of regional funding and is the first commitment for funding within the EMS system. The EMS levy provides virtually 100 percent of support for paramedic services in the regional system.

ADDITIONAL MEDICAL CARE: Once a patient is stabilized, EMS personnel determine whether transport to a hospital or clinic for further medical attention is needed. Transport is provided by an ALS or BLS agency, private ambulance, or taxi/ride-share options for lower-acuity situations.

SYSTEM OVERSIGHT

Statutes and policies at the state, County, and local levels standardize and influence the Medic One/EMS system of Seattle and King County.

The **Medic One/EMS Strategic Plan** is the primary policy and financial document directing the Medic One/EMS system in its work. Defining the responsibilities, functions, and programs of the successful EMS system, the Plan presents a comprehensive strategy to ensure the system can continue to meet its commitments. It documents the system's current structure and priorities and summarizes the services, programs, and initiatives supported by the countywide, voter-approved EMS levy. While the Plan outlines the necessary steps to direct the system into the future, it still allows for flexibility in addressing emerging community health needs.

The **EMS Division** of Public Health - Seattle & King County works with its regional partners to implement the Strategic Plan. The EMS Division manages core support functions that tie together the regional model, providing consistency, standardization, and oversight of the direct services provided by the system's numerous partners. It is more cost-efficient for the EMS Division to produce, administer and share initial training, continuing education and instructor education for 4,300 EMTs; to manage the certification process for EMTs countywide; and to provide medical oversight, quality improvement and performance standards for the system as a whole than to have each local response agency develop, implement and administer its own such programs. Regional support services managed by the EMS Division can be found in **Appendix A: Proposed 2026-2031 Regional Services** on page 54.

Since 1997, the **EMS Advisory Committee (EMSAC)** has provided guidance to the EMS Division about regional Medic One/EMS policies and practices in King County. The group, comprised of regional EMS partners, convenes on a quarterly basis to review implementation of the Strategic Plan as well as other proposals including strategic initiatives and medic unit recommendations. The EMS Division submits an Annual Report to the King County Council highlighting the status and progress of items identified in the Medic One/EMS Strategic Plan.

Regional System Policies ratified by Public Health – Seattle & King County document the general framework for medical oversight and management of EMS in King County, and financial guidance of the EMS levy.

The **Revised Code of Washington (RCW)**, the **Washington Administrative Code (WAC)**, and **King County Code** regulate different aspects of EMS, from defining “emergency medical services” to financing service delivery. **Appendix D: EMS Citations** on page 60 compiles the different codes that govern EMS.

RCW 84.52.069 allows jurisdictions to levy a property tax “for the purpose of providing emergency medical services.” The levy is subject to the growth limitations contained in RCW 84.55.010 of one percent per year plus the assessment on new construction, even if assessed values increase at a higher rate.

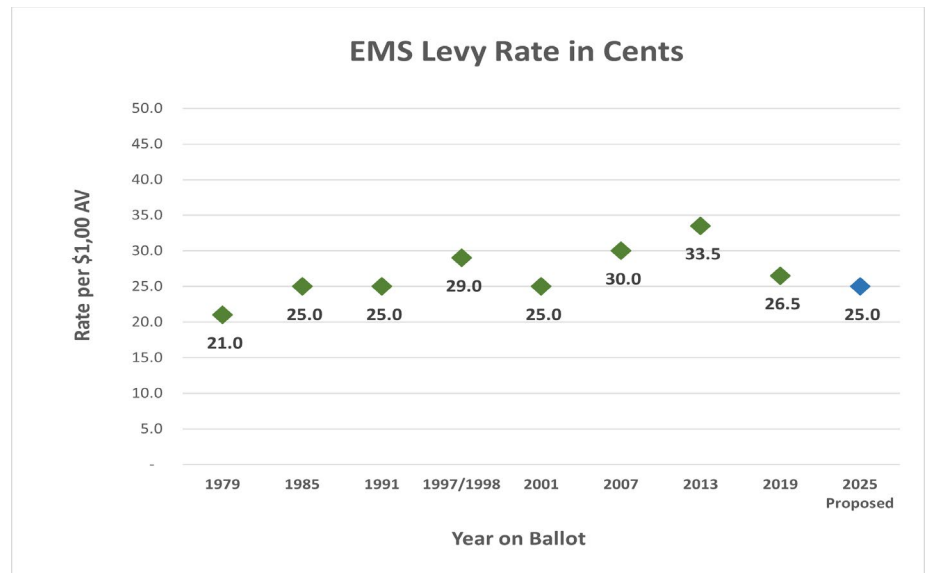
Specifically, RCW 84.52.069:

- Allows a jurisdiction to impose an additional regular property tax up to \$0.50 per \$1,000 Assessed Value (AV);
- Allows for a six-year, 10-year, or permanent levy period;
- Mandates for a countywide levy that the legislative bodies of King County and 75 percent of cities with populations in excess of 50,000 authorize the levy proposal prior to placement on the ballot, ³ and
- Requires a simple majority vote for the “subsequent renewal” of a previously imposed EMS levy.

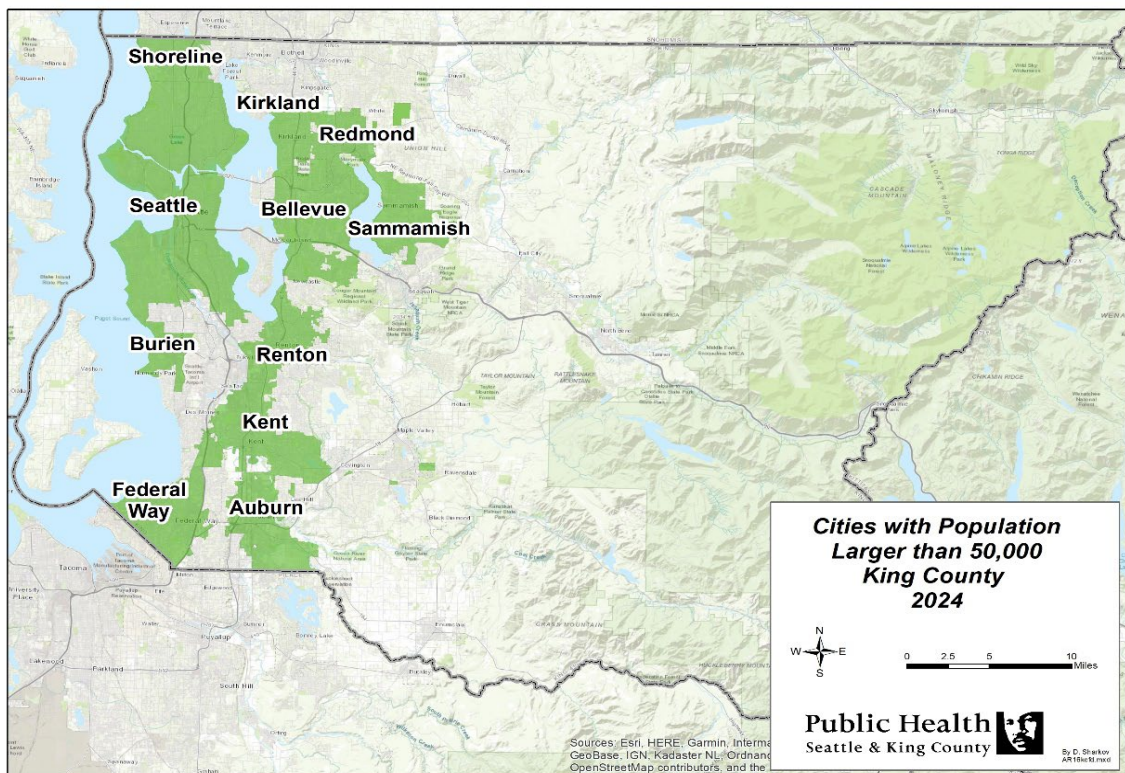
³ Amended approval and validation requirements effective June 7, 2018, per SHB 2627.

EMS LEVY STATUTE

The maximum levy rate ever approved by voters in King County was .335 cents per \$1,000 AV in 2013. The proposed rate for 2026 is .25 cents per \$1,000 AV. EMS levies require voter approval every levy period.



As stated previously, RCW 84.52.069 requires 75 percent of cities with 50,000 or more in population to approve placing a countywide EMS levy on the ballot. Since King County currently has 11 such cities - Auburn, Bellevue, Burien, Federal Way, Kent, Kirkland, Redmond, Renton, Sammamish, Seattle, and Shoreline - it would need to gain the approval from at least nine out of the 11 cities, as well as the King County Council.



Per an agreement in place since the creation of the countywide EMS levy, **Seattle receives all Medic One/EMS levy funds raised within the city limits. County funds are placed in the King County (KC) EMS Fund and managed regionally by the EMS Division** based on EMS system and financial policies ratified by Public Health – Seattle & King County, Strategic Plan guidelines, and EMSAC recommendations.

THE STRATEGIC PLAN & LEVY PLANNING PROCESS

With the 2020-2025 EMS levy expiring December 31, 2025, a new strategic plan to outline the roles, responsibilities, and programs for the system and a levy rate to fund these approved functions, needed to be developed. This would entail not just a detailed review of the concepts and operations of the Medic One/EMS system, but also an all-inclusive planning process to secure consensus for the plan among Medic One/EMS providers in the region.

The EMS Advisory Task Force

The region assembled the EMS Advisory Task Force to oversee the development and vetting of this Strategic Plan and levy. Consisting of elected officials from the County, cities, and fire districts, the group was charged with reviewing and approving Medic One/EMS program recommendations and a supporting levy rate to be put before King County voters. While not every member of the Task Force was an EMS expert, each had a stake in ensuring the continuity in the provision of EMS services in King County. Its membership collectively represented a balanced geographic distribution of those jurisdictions that are required to endorse the levy proposal prior to its placement on the ballot, per RCW 84.52.069.

Responsibilities of the Task Force included evaluating and endorsing recommendations regarding:

- Current and projected EMS system needs;
- A financial plan based on those needs, and
- Levy type, levy length, and when to run the levy ballot measure.

Current and Projected EMS System Needs

The Strategic Plan is designed to reflect the regional system's commitment to providing cohesive, medically based patient care, using a tiered response system designed to ensure the highest level of patient care through the coordination and collaboration of all Medic One/EMS partners.

Financial Plan to Meet Those Needs

The financial plan proposes adequate funding to support the programmatic needs of the system. However, the Plan also recognizes individual jurisdictions' needs for local autonomy to meet their communities' expectations and Medic One/EMS services.

Levy Type, Length, and Ballot Timing

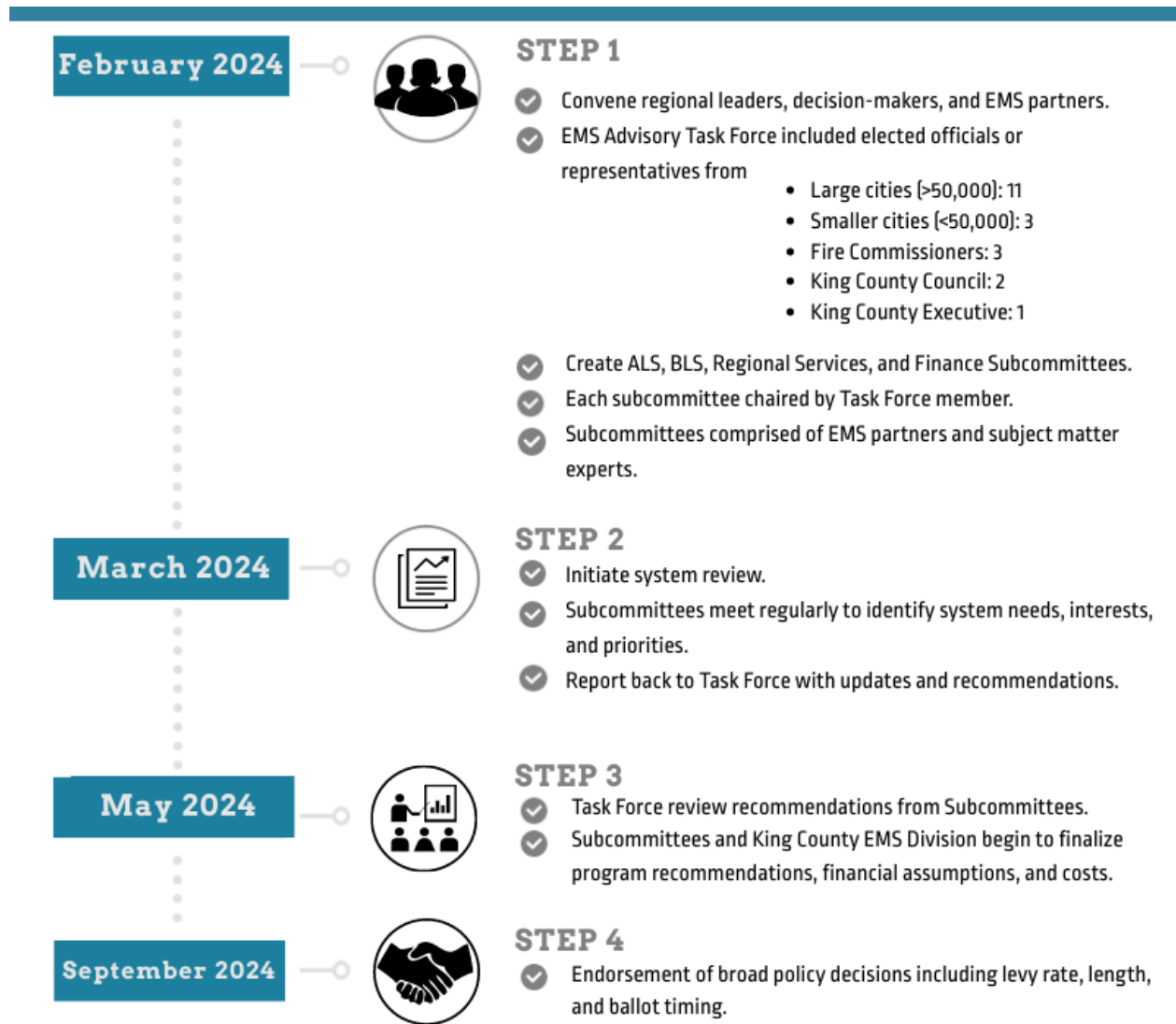
Levy Type: While the Medic One/EMS system has historically been funded through a Medic One/EMS levy, other potential options exist to support the system, such as King County General Fund property tax levy lid lifts. These alternatives do not require that cities with over 50,000 in population approve placing the levy on the ballot, nor are they subject to the one percent growth limitation ratified by Initiative 747, but they could negatively impact junior taxing districts.

Levy Length: State law offers three levy length options for a Medic One/EMS levy: six years, 10 years, or permanent. The Medic One/EMS levy in King County has historically been approved by voters for six-year levy periods. This allows EMS partners to periodically gather to strategically plan for emerging regional needs. Six-year periods help reduce the range of financial risk because the longer the projection period, the greater the variability.

Levy Timing: EMS levy validation requirements at the state level were amended in 2018, opening up the option of running the levy measure at a primary election. Task Force members were willing to consider this contingent upon what other issues may be on the same ballot.

Levy Planning Process

The EMS Advisory Task Force convened on February 15, 2024, officially launching the start of the 2026-2031 Medic One/EMS levy planning process. Regional leaders, decision-makers, and EMS/Medic One partners came together to assess the needs of the system and develop recommendations to direct the system into the future. The Task Force formed four subcommittees organized around the primary service areas to conduct the bulk of the program and cost analysis. Each subcommittee was chaired by an EMS Advisory Task Force member, included subject matter experts from all aspects of the Medic One/EMS system, and met regularly to review system needs and priorities.



Subcommittees met 17 times in total over eight months and generated recommendations that came to the Task Force for approval. True to the ethos of the Medic One/EMS system, partners reviewed current and future system needs through a lens of science, innovation, equity, and effectiveness. Ideas were evaluated by balancing their merits of furthering the goals of the system against the challenges of constrained revenues. In late September 2024, the Task Force adopted the subcommittees' finalized programmatic and financial recommendations which then became the basis of this Medic One/EMS 2026-2031 Strategic Plan.

2026-2031 STRATEGIC PLAN OVERVIEW

The Medic One/EMS 2026-2031 Strategic Plan builds upon the system's successful medical model and regional approach. It commits to innovative strategies, leadership, and equity while remaining focused on effectiveness and efficiencies. In outlining the roles and responsibility of EMS providers, it further strengthens the foundation for ongoing coordination and regionalization.

FUNDING

As mentioned, the City of Seattle receives all Medic One/EMS levy funds raised within the city limits and manages its own funding. This Strategic Plan recommends spending the **KC EMS Fund** in these four main areas:

ADVANCED LIFE SUPPORT (ALS) SERVICES

Funding ALS services has been, and continues to be, the priority of the Medic One/EMS levy, which fully funds ALS services primarily through the ALS unit allocation model. ALS services are provided by five agencies: Bellevue, Redmond, Seattle, Shoreline, and King County Medic One. Exceptions to the unit allocation model are sometimes required, as in the case of Sky Valley Fire (Snohomish County Fire District #26) for service in the Skykomish/Stevens Pass area and are made based on the specifics of the service issue. ALS is proposed to account for 56 percent of KC EMS expenditures in the 2026-2031 levy.

BASIC LIFE SUPPORT (BLS) SERVICES

BLS providers receive an annual distribution of levy revenue to help offset the costs of providing EMS services. The level of funding is based on a combination of the volume of responses to calls for EMS services and assessed property values within fire agencies' jurisdictions. The allocation was developed as a way to recognize and support BLS for its significant contribution to the success of the EMS system and not intended to fully fund BLS. Local jurisdictions cover the majority of BLS costs, a strategy, which has helped King County seek a lower levy rate. BLS services are provided by 23 fire agencies, including Seattle. BLS, including Mobile Integrated Healthcare (MIH), is proposed to account for 30 percent of KC EMS expenditures in the 2026-2031 levy.

REGIONAL SUPPORT (RS) SERVICES

The EMS Division of Public Health – Seattle & King County manages core regional Medic One/EMS programs critical to providing the highest quality out-of-hospital emergency care available. The programs and services emphasize uniformity of medical care across jurisdictions, consistency in excellent training, medical quality assurance, centralized data collection, and contract and financial management. Centrally delivering these services on a regional basis is more effective and efficient because it avoids unnecessary duplication of effort. Regional services are proposed to account for 13 percent of KC EMS expenditures in the 2026-2031 levy.

STRATEGIC INITIATIVES (SI)

Strategic initiatives are pilot programs designed to improve the quality of Medic One/EMS services and help manage the growth and costs of the system. Initiatives that achieve their intended outcomes or demonstrate efficiency may be incorporated into regional services as ongoing programs. Strategic initiatives are proposed to account for one percent of KC EMS expenditures in the 2026-2031 levy.

Contingencies and reserves fund unanticipated/one-time costs. EMS reserves follow use and access policies included in the Medic One/EMS Strategic Plan. For additional information about contingencies and reserves, please see page 41.

ALIGNMENT WITH GOALS AND OBJECTIVES

The 2026-2031 Strategic Plan aligns with the objectives, policies and goals of the regional EMS system and King County government as outlined below.

Alignment with Regional EMS System Global Objectives

The Plan is built upon the system's current configuration and strengths, advancing the following global objectives to ensure the EMS system remains tiered, regional, cohesive, and medically based:

1. Maintaining the Medic One/EMS system as an integrated regional network of basic and advanced life support services provided by King County, local cities, fire authorities, and fire districts.
 - Emergency Medical Dispatchers receive 9-1-1 calls from residents and rapidly triage the call to send the most appropriate level of medical aid to the patient while providing pre-arrival instructions to the caller.
 - Firefighters, trained as Emergency Medical Technicians (EMTs), provide rapid, first-on-scene response to emergency medical service calls and deliver immediate basic life support services.
 - Paramedics, trained through the Paramedic Training Program at Harborview Medical Center in conjunction with the University of Washington School of Medicine, provide out-of-hospital emergency medical care for serious or life-threatening injuries and illnesses. As has been adopted in prior Medic One/EMS strategic and master plans and confirmed by an independently conducted ALS Study, advanced life support services will be most cost effective through the delivery of paramedic services on a sub-regional basis with a limited number of agencies.
 - Regional programs emphasize uniformity of medical care across jurisdictions, consistency and excellence in training, and medical quality assurance.
2. Making regional delivery and funding decisions cooperatively and balancing the needs of Advanced Life Support (ALS), Basic Life Support (BLS), and regional programs from a system-wide perspective.
3. Developing and implementing strategic initiatives to provide greater system efficiencies and effectiveness to:
 - Maintain or improve current standards of patient care;
 - Improve the operational efficiencies of the system to help contain costs, and
 - Manage the rate of growth in the demand for Medic One/EMS services.

EMS System Policies

This Medic One/EMS 2026-2031 Strategic Plan reinforces EMS System and Financial Policies which provide a general framework for medical oversight and financial management of emergency medical services in King County. The EMS System Policies underscore the regional commitment to the medical model and tiered system, while the EMS Financial Policies provide guidance and oversight for all components related to financial management of the EMS levy fund. In addition, policies regarding ALS services outside King County establish the formation of a service threshold for the purpose of cost recovery.

2026-2031 STRATEGIC PLAN OVERVIEW

Summary of EMS System Policies (PHL 9-1 and PHL 9-3)

The EMS Division will **work in partnership** with regional EMS agencies to regularly review and assess EMS system needs and develop financial and programmatic policies and procedures necessary to meet those needs.

The EMS Division will ensure the EMS system in King County remains an **integrated regional system** that provides cohesive, medically based patient care within a tiered response system to ensure the highest level of patient care.

The EMS Division will ensure the EMS system in King County provides **paramedic training through the UW/HMC-based educational program** that meets or exceeds the standards.

The EMS Division will **maintain a rigorous and evidence-based system** with medical oversight of the EMS system to ensure the provision of quality patient care.

The Medical Program Director will **adhere to the principles of regional medical oversight** of EMS personnel.

The EMS Division recognizes the existence of **automatic aid** between agencies within King County and between counties; however, should established service thresholds be reached, affected EMS agencies will review options and establish terms for reasonable cost recovery.

Alignment with King County Government Values

The Medic One/EMS 2026-2031 Strategic Plan is consistent with King County's commitment to provide fiscally responsible, quality driven local and regional services, and embodies the County's values of operating efficiently and effectively and being accountable to the public. Working with cities and EMS partners to provide services more efficiently; pursuing technologies that improve patient outcomes while reducing delivery cost; and managing assets in a way that maximizes their productivity and value exemplify the EMS system's commitment to delivering high-quality services with sound financial management.

EMS programs are also guided by shared values of being inclusive and collaborative, diverse and people-focused, responsive and adaptive, transparent and accountable, racially just, and focused where needs are greatest so every person can thrive. The ongoing centering of equity and underrepresented communities through local area partnerships was embedded in the most recent EMS levy planning process and reflects the alignment between EMS and County's values.

The EMS system's mission also aligns with the core values and priorities of Public Health – Seattle & King County. Public Health's focus is to protect and improve the health and well-being of all people in King County. The provision of EMS services is an integral part of achieving optimum health, helping Public Health meet its goal of increasing the number of healthy years lived. EMS priorities align with those of the Public Health – Seattle & King County 2024–2029 Strategic Plan which is rooted in anti-racism and equity. Specific programs that support communities with less than equitable access to healthcare have resulted in strengthening these partners' voices, which is a key priority of the Strategic Plan. With additional focus on information, impact, and innovation, as well as workforce and infrastructure, EMS continues to value the input of its employment community in creating policy.

2026-2031 STRATEGIC PLAN HIGHLIGHTS

Operational and Financial Proposals for the Medic One/EMS 2026-2031 Levy

The EMS Advisory Task Force endorsed the following at its September 26, 2024, meeting:

Reauthorize a six-year EMS levy to fund the EMS system for the years 2026-2031 per RCW 84.52.069.

Enact a levy rate of 25 cents/\$1,000 Assessed Valuation to fund projected expenditures and reserves of \$1.5 billion over 2026-2031. This levy rate means that an owner of an \$844,000 home will pay \$211 a year in 2026 for highly trained medical personnel to arrive within minutes of an emergency, any time of day or night, no matter where in King County.

Renew the EMS levy in 2025 preferably at the General election, unless there are competing levy measures; in that case, renew the levy at the Primary election.

Continue using financial policies guiding the most recent levy. Such policies have provided a very strong foundation for the upcoming levy and should meet the needs of the 2026-2031 levy span.

Continue services from 2020-2025 levy through the 2026-2031 levy. The next levy should fully fund and continue operations with the current ALS units in service; partially fund first responder services for local fire and emergency response departments; help support MIH programs to assist lower acuity and complex patients; maintain programs that provide essential support to the system; and pursue initiatives that encourage efficiencies, innovation, and leadership.

Meet future demands over the span of the 2026-2031 levy. Services include enhancing programs to meet increased EMT hiring, low-acuity patients and community needs, and existing data and e-learning technology; strengthening community interactions and partnerships; and including a “placeholder” for the equivalent of a new medic unit, should service demands be higher than originally anticipated.

Operational and Financial Fundamentals of the Medic One/EMS 2026-2031 Levy

Endorsed by the EMS Advisory Task Force on 9/26/2024

CONTINUE with EMS levy:

- Six-year EMS levy, per RCW 84.52.069
- Levy rate of 25 cents/\$1,000 Assessed Valuation
- Forecasted revenues and reserves of \$1.5 billion over six-year span (including Seattle)
- Run at the 2025 General election, unless there are competing ballot measures; if so, run at Primary

ADVANCED LIFE SUPPORT (ALS) RECOMMENDATIONS*

- CONTINUE using the unit allocation to fund ALS; slightly revise to better ensure full funding and prevent cost shifting to providers
- MAINTAIN the current level of ALS service; INCLUDE a “place holder” in the financial plan to protect the system, should service demands require additional units over the span of the 2026-2031 levy
- MAINTAIN contingencies and reserves to cover unanticipated and one-time expenses
- CONTINUE support for ALS-based programs (ALS Support for BLS Activities; having paramedics train paramedic students) that benefit the region

BASIC LIFE SUPPORT (BLS) RECOMMENDATIONS*

- INCREASE total BLS funding to help offset costs of providing EMS services
- INCORPORATE the BLS Training & QI funding into the BLS Allocation; REMOVE requirement that this funding be spent on training and QI activities
- INCREASE funding support for Mobile Integrated Healthcare (MIH) that addresses community needs
- DISTRIBUTE new BLS and MIH funding and annual increases using a more equitable methodology that is more weighted toward service level and need over assessed value
- SUPPORT mental wellness and DEI/ERSJ efforts proposed by the King County Fire Chiefs Association

REGIONAL SERVICES & STRATEGIC INITIATIVES (RS/SI) RECOMMENDATIONS*

- CONTINUE delivering programs that provide essential support to the system
- ENHANCE programs to meet regional needs
- CONTINUE AND DEVELOP strategic initiatives that leverage previous investments made by the region to improve patient care and outcomes

FINANCE RECOMMENDATIONS**

BASE financial plan on financial policies that provide stability to the system by:

- Incorporating sufficient reserves to mitigate unforeseen financial risk
- Ensuring additional protection and flexibility to meet emerging needs

* Program recommendations apply to King County outside the City of Seattle

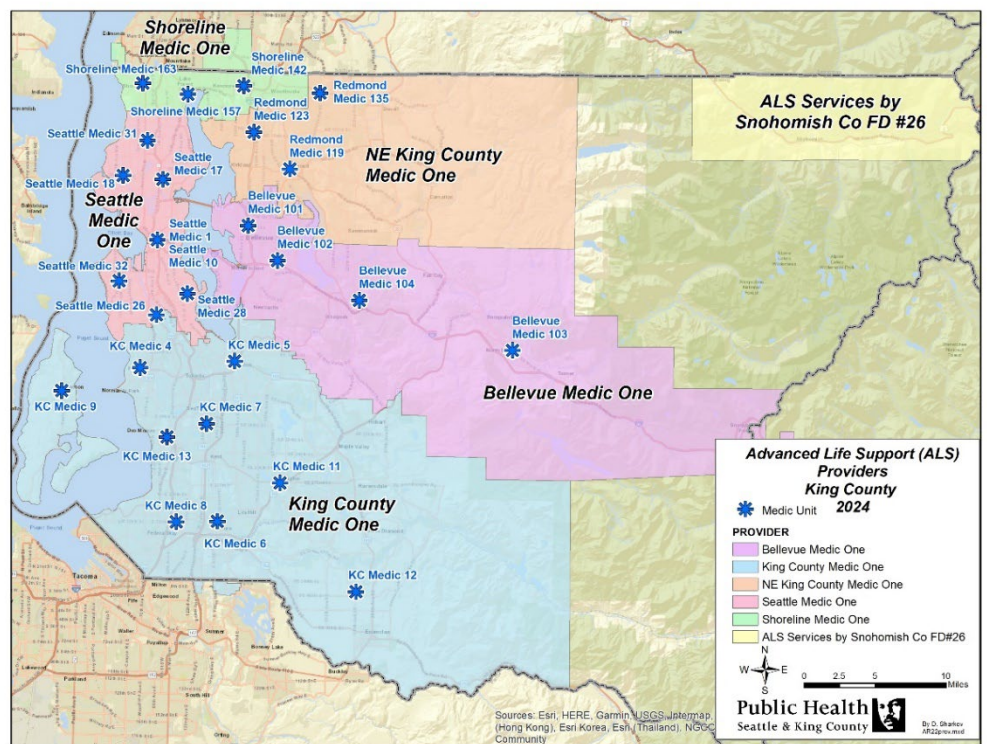
** Finance recommendations include the City of Seattle

LEVY PROGRAM AREAS

As discussed throughout this document, paramedics provide out-of-hospital emergency care for serious or life-threatening injuries and illnesses. As typically the second on scene for critically ill patients, paramedics deliver Advanced Life Support (ALS) to patients including airway management, heart pacing, the dispensing of medicine, and other lifesaving out-of-hospital procedures under the medical supervision of the Medical Program Director. Paramedic interns receive more than 2,100 hours of highly specific and intensive emergency medical training through the Paramedic Training Program at Harborview Medical Center in conjunction with the University of Washington School of Medicine, which is nearly double the required number of hours for Washington State paramedic certification.

In King County, a paramedic unit is typically staffed by two paramedics and provides service 24-hours per day, 365 days per year. The two-paramedic provider model was developed in Seattle in the early 1970s and has proven to be the most effective model for enhanced patient care outcomes when incorporated into a regionally coordinated tiered response system that includes dispatch and Basic Life Support (BLS).

Medic units are positioned throughout the region to best respond to service demands. As of 2024, there are 27 units in Seattle and King County managed by five agencies: Bellevue Medic One, King County Medic One, Northeast King County Medic One (Redmond), Seattle Medic One, and Shoreline Medic One. Of these five agencies, four are fire-based with firefighters trained as paramedics, and King County Medic One operates as a paramedic-only agency. Paramedic service is provided to the Skykomish area through a contract with Sky Valley Fire (formerly known as Snohomish Fire District #26). Units may respond to areas where the municipal boundaries or the fire agency's response district crosses into neighboring counties. If service into these areas exceeds established levels, the receiving jurisdictions reimburses for such services as outlined in EMS policies.



Adding a medic unit to maintain critical service levels and address service challenges is a complex undertaking. Prior to adding a unit, the region conducts a thorough analysis, considering a variety of elements including workload (call volumes), response time, availability in primary service area, frequency and impact of multiple alarms, and medic exposure to critical skills. Analysis also includes possible dispatch criteria revisions and an assessment of whether medic units could be moved to other locations to improve workload distributions and response times. The decision to add or relocate units relies on obtaining regional consensus. **Appendix B: Advanced Life Support (ALS) Units** on page 56 provides a complete history of medic units in King County, highlighting when and where units were added.

In 2023, paramedics responded to more than 51,000 calls for emergency medical care throughout the region. The median response time of medic units is 7.7 minutes, with units responding to 94 percent of the calls in less than 14 minutes. These response times have remained stable over the past three levy periods despite increases in King County's overall population. EMS data shows that paramedics respond to cardiac conditions (16 percent of ALS calls) and attend to older patients (33 percent of ALS calls are for people 65+ years of age).⁴

ALS SUBCOMMITTEE

Chair: The Honorable Keith Scully, Shoreline City Councilmember

The ALS Subcommittee recognized its tasks as determining the number of medic units needed in the upcoming levy period and establishing the cost of each unit. Workload, service trends, and demographics were all factors considered by the group as it assessed future service demands and system needs. The Subcommittee reviewed in depth the standard medic unit allocation, analyzing actual expenditures for providing ALS services and comparing costs and trends across agencies. Revisiting the unit allocation resulted in slight revisions to the methodology that will help ensure sufficient funding for program oversight and support. Subcommittee participants weighed in on the benefits and costs of ALS-specific programs that support the entire regional system.

The ALS Subcommittee recommendations are as follows:

ALS RECOMMENDATION 1:

CONTINUE using the unit allocation methodology to determine costs. Update methodology to help ensure sufficient funding for program oversight and support.

The **standard unit allocation** is the basis for funding each full-time, 24-hour medic unit in King County. This allocation methodology is based on fully covering eligible ALS-related expenses to prevent cost-shifting to agencies. This cost model calculates the average annual costs across all ALS agencies to run a two-paramedic, 24-hour medic unit. Each individual paramedic agency's annual ALS funding is determined by multiplying the number of operating medic units by the unit allocation.

The unit allocation is an average of agency expenditures and was developed to ensure a fair and equitable distribution of funds across agencies. It provides a set amount of funding to each agency with the flexibility to manage funds based on its specific cost structure and needs. Annual comparison of costs on a unit basis allows the region to understand differences between agencies, share efficiencies, and identify potential new costs being experienced early by one or two agencies. These annual reviews help document and justify ALS allocation costs and evaluate if the allocation is covering 100 percent of eligible ALS costs.

During the 2020-2025 levy planning process, the unit allocation methodology was revised to simplify and better accommodate different types of costs. The Subcommittee agreed to maintain this current methodology for the 2026-2031 levy which breaks the overall unit allocation into four parts:

The **Medic Unit Allocation** includes direct paramedic services costs, such as paramedic salaries and benefits, medical supplies, pharmaceuticals, vehicle and facility operating and maintenance costs, communications, and other costs associated with direct paramedic services.

The **Program/Supervisory Allocation** (previously referred to as the Program Administration Allocation) includes costs related to the management and supervision of direct paramedic services such as the management, administration, supervision, finances, and analysis (including quality improvement) of direct paramedic services.

⁴ Emergency Medical Services Division 2024 Annual Report

The **ALS System Allocation** addresses costs that vary significantly between providers or are anticipated to vary during the levy period. This allocation is intended to reimburse agencies for highly mutable costs associated with paramedic students as well as costs associated with the paramedic recruitment cycle and any changes in program medical direction. Costs that vary between agencies include dispatch, whole blood, and medical direction. While the funds budgeted are shown on a per unit basis, agencies are reimbursed for actual costs incurred, with the EMS Division tracking costs against overall funding. Use of funds are monitored and reported.

The **Equipment Allocation** covers expenses related to equipment. Included are medic units, Medical Services Officer (MSO) and staff vehicles, defibrillators, stretchers, radios and communications equipment, stretcher systems, and other equipment with a lifespan of more than one year. This allocation includes items such as radios and mobile data computers that could be classified as operating by individual agencies.

The Subcommittee endorsed making slight adjustments to the Equipment and System Allocations to help cover vehicle and defibrillator costs that were increasing higher than inflation, and to accommodate the increased number of paramedic students. The distribution methodology for the Program/Supervisory Allocation was amended to distribute fixed costs by agency and more variable costs by unit, with no change to the total funding level.

ALS RECOMMENDATION 2:

CONTINUE INFLATING annual ALS operating allocation costs using CPI-W + 1% inflator; inflate equipment costs using equipment inflator.

During the 2020-2025 levy span, ALS allocations were inflated by the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) +1 percent. For 2026-2031, the Subcommittee supported continuing with the identified inflators and assessing them throughout the levy period. For additional information on financial assumptions used in the 2026-2031 levy financials, please see the Finance Key Assumptions Section on page 45.

ALS RECOMMENDATION 3:

MAINTAIN the current level of ALS service. The regional system has sufficient capacity to address current demand but should continue to monitor medic unit performance on an annual basis to ensure continued high performance.

ALS Capacity Analysis

ALS capacity analysis assesses the ability of current medic units to accommodate anticipated future demand for services, specifically through to the end of the levy period. This assessment includes consideration of unit performance trends and critical factors driving demand in addition to mitigation techniques such as the review of Criteria Based Dispatch (CBD) guidelines to reduce unnecessary ALS responses or relocation of units to better distribute calls among the units. Discussing the relocation of medic units to new locations is an important function of a regional system.

The ALS Subcommittee reviewed five-year (2018-2022) unit performance trends and exposures to critical skills and noted an innate challenge to interpreting the data and projecting demand for future services due to the 2020 pandemic's impact on call volumes and response times. The group concluded that while there was sufficient current capacity within the region, they strongly advocated for a CBD guideline review process to mitigate any potential growth in calls (CBD guideline review is anticipated in 2025) and to include a medic unit placeholder in the financial plan to ensure access to funds if needed.

Medic Unit Analysis

The ALS Subcommittee concluded there was currently sufficient medic unit capacity (outside the City of Seattle) and supported continuing the annual review of medic units to ensure continued high performance. The regional medic unit analysis considers the following key performance indicators: unit workload (call volumes), median unit response times, availability in the primary service area and responses from units outside of the primary service area; and paramedic exposure to critical skills (e.g. intubations, response to cardiac arrest events).

While performance indicators do not serve as automatic prompts for adding new paramedic services, they do help with assessment of overall performance and direct attention to a geographical area of the Medic One/EMS system that may need further examination. This approach to medic unit analysis is useful since some units operate in small, highly dense areas with high call volumes and short response times, while others operate in larger, more rural areas with lower call volumes and longer response times. Monitoring unit performance in rolling five-year increments allows the region to identify both individual unit and overall trends to better understand the magnitude of service gaps and ascertain the need for additional service.

As noted, prior to implementation of new paramedic service, the region outside the City of Seattle conducts a thorough analysis of medic unit performance to assess whether mitigation strategies could address increasing stress on the system, including revisions to the CBD guidelines or medic unit relocations. If the regional review concludes that additional medic unit service is the only option remaining, a process of review and approval by the EMS Advisory Committee and the King County Council ensues through the budget process.

ALS RECOMMENDATION 4:

CONTINUE having a medic unit placeholder (reserve) in the financial plan to ensure access to resources should demand analysis support the addition of a medic unit during the 2026-2031 levy span.

Establishing a placeholder in a reserve fund provides access to funds to support additional medic unit service should mitigation attempts fail to improve ALS response capacity. The financial plan shows reserve funding of \$15.8 million to potentially fund a 12-hour unit in the third (2028) and fifth (2030) years of the levy period. *This is a resource to be used only if demand for ALS services exceeds existing available capacity despite mitigation attempts. It is not included as a definitive plan for adding medic units.*

Prior to any request for access to this reserve fund, a comprehensive medic unit analysis and discussion with regional partners would occur to consider alternative options. Per EMS Financial Policies, the use of reserves requires review by the EMS Advisory Committee Financial Subcommittee, and the EMS Advisory Committee. If additional appropriation authority is needed, the County's budgeting process would be followed.

ALS RECOMMENDATION 5:

CONTINUE to use contingencies and reserves to cover unanticipated/one-time expenses. Contingencies and reserves are appropriate mechanisms to cover unanticipated and one-time expenses.

Contingencies can be used to cover increases in operating costs that cannot be covered by the ALS allocation or program balances. This includes paid time off (PTO) above amounts included in the allocation, and other potential cost increases above amount included in allocations. Contingency funding may also cover unplanned expenses

related to regional services and initiatives. In the 2020-2025 levy span, contingency funding was used to expand initial EMT training to accommodate the significant increase in new EMT hires and to create the ALS support for BLS activities program.

Analysis conducted within the ALS Subcommittee resulted in a funding recommendation of \$1.3 million a year for the 2026-2031 levy span.

Programmatic reserves can be used for other ALS expenses that may not be covered by allocations, program balances, or contingencies. Like in the previous levy span, the ALS Subcommittee recommended the 2026-2031 levy include programmatic reserves related to ALS equipment and ALS capacity (including a “placeholder for a potential new unit(s)” as outlined in **ALS Subcommittee Recommendation #4**). The group proposed that the levy fund’s Rainy Day Reserve be accessed for risk issues including responses to major events and other issues as appropriate.

EQUIPMENT RESERVES

The ALS Subcommittee recommended funding ALS Equipment Reserves at \$1.3 million. This could cover ALS equipment costs such as new technology not currently included or accommodated within the equipment allocation or contingencies.

CAPACITY RESERVES

The ALS Subcommittee recommended funding the ALS Capacity Reserve at a total of \$17.4 million. This includes \$1.6 million for facility renovations to accommodate moving a medic unit into a station, investments needed at the current location, and temporary capacity increases. The remainder, approximately \$15.8 million, is set aside as a placeholder for a potential new unit, per **ALS Subcommittee Recommendation #4**. For more information on Contingencies and Reserves, please see **Finance Subcommittee Recommendation #2** on page 40.

ALS RECOMMENDATION 6:

CONTINUE to address service challenges presented in outlying areas through a regional approach.

The provision of paramedic services in the **Skykomish region** in the northeast corner of King County offers an example of the challenge serving outlying areas. This isolated area of King County is accessible only via Snohomish County and US-2 highway. The King County border starts just before the town of Baring and continues through Stevens Pass to the border with Chelan County. This area is primarily forest service land and includes the town of Skykomish and Stevens Pass Ski Resort.

There are a number of unique aspects in the Skykomish region relative to other provider areas, including required passage through Snohomish County in order to access to the region, call volumes less than 100 per year, seasonal demand for services peaks during the wintertime, a high percentage of trauma patients, and response and transport times that exceed the average urban and suburban times.

Since 2006, Sky Valley Fire (Snohomish County Fire District 26) has provided paramedic services to the adjacent areas in Snohomish County with a fire station located approximately 15 minutes from the King County border. Sky Valley Fire has worked closely with King County Fire District 50 to create an approach that provides excellent patient care to those living in or visiting the Skykomish Valley. After a detailed review, EMS partners determined that Sky Valley Fire remained in the best position to be able to provide consistent service to the isolated area and

recommended that it continue providing contract services for that area. EMS partners also agreed to review and update the terms and conditions of the EMS policy regarding ALS service to outlying areas in advance of the 2026-2031 levy period.

ALS RECOMMENDATION 7:

CONTINUE to support two ALS-based programs that benefit the regional system.

Paramedics play a number of roles outside of first response duties that contribute to the quality of the regional system. These roles include instruction, training, and quality assurance/quality improvement (QA/QI). These activities support all tiers of the EMS system and foster improvements in patient outcomes. Conducting these activities on a regional basis ensures greater integration and participation and supports cohesive and consistent countywide training.

- The ALS Support of BLS Activities program assists ALS agencies in conducting BLS Run review, enhanced training, and activities focused on improving interaction between the ALS and BLS tiers in the EMS system. Fire agencies' BLS Training & QI funding supplemented this program during the 2020-2025 levy span. The recommendations for 2026-2031 support sufficiently funding this program without these monies, thereby "returning" this funding to BLS agencies to use as needed.
- There is value in incorporating certified field paramedics in the development of up-and-coming student interns at the Paramedic Training program at Harborview. This support helps students rise to the challenge befitting their duty as medical providers in the community, but also reinforces their field skills and commitment to the regional system. The recommendations for 2026-2031 support continuing this collaborative arrangement with the Paramedic Training program.

<u>ALS Programmatic Comparison Between Levies</u>	
2020-2025 Levy	2026-2031 Levy
Maintain current level of ALS service	Maintain current level of ALS service
0 planned additional units \$11.6 million “placeholder”/reserve should service demands require additional units over the span of the 2020-2025 levy	0 planned additional units \$15.8 million “placeholder”/reserve should service demands require additional units over the span of the 2026-2031 levy
Determine costs using the unit allocation methodology	Determine costs using the unit allocation methodology
Average Unit Allocation over span of levy (KC): \$3.2 million	Average Unit Allocation over span of levy (KC): \$4.1 million
2 Reserve/Contingency categories to cover ALS-specific unanticipated/one-time expenses - Operational Contingencies - Expenditure Reserves	2 Reserve/Contingency categories to cover ALS-specific unanticipated/one-time expenses - Operational Contingencies - Programmatic Reserves
Operating Allocation Inflater: CPI (using CPI-W + 1%) to inflate annual costs Equipment allocation: Transportation Equipment PPI	Operating Allocation Inflater: CPI (using CPI-W + 1%) to inflate annual costs Equipment allocation: Transportation Equipment PPI
Piloted two ALS-based programs that benefit the regional system in 2024-2025 - ALS Support of BLS Activities - Having paramedics guide and train students at Harborview’s Paramedic Training Program	Support two ALS-based programs that benefit the regional system - ALS Support of BLS Activities - Having paramedics guide and train students at Harborview’s Paramedic Training Program

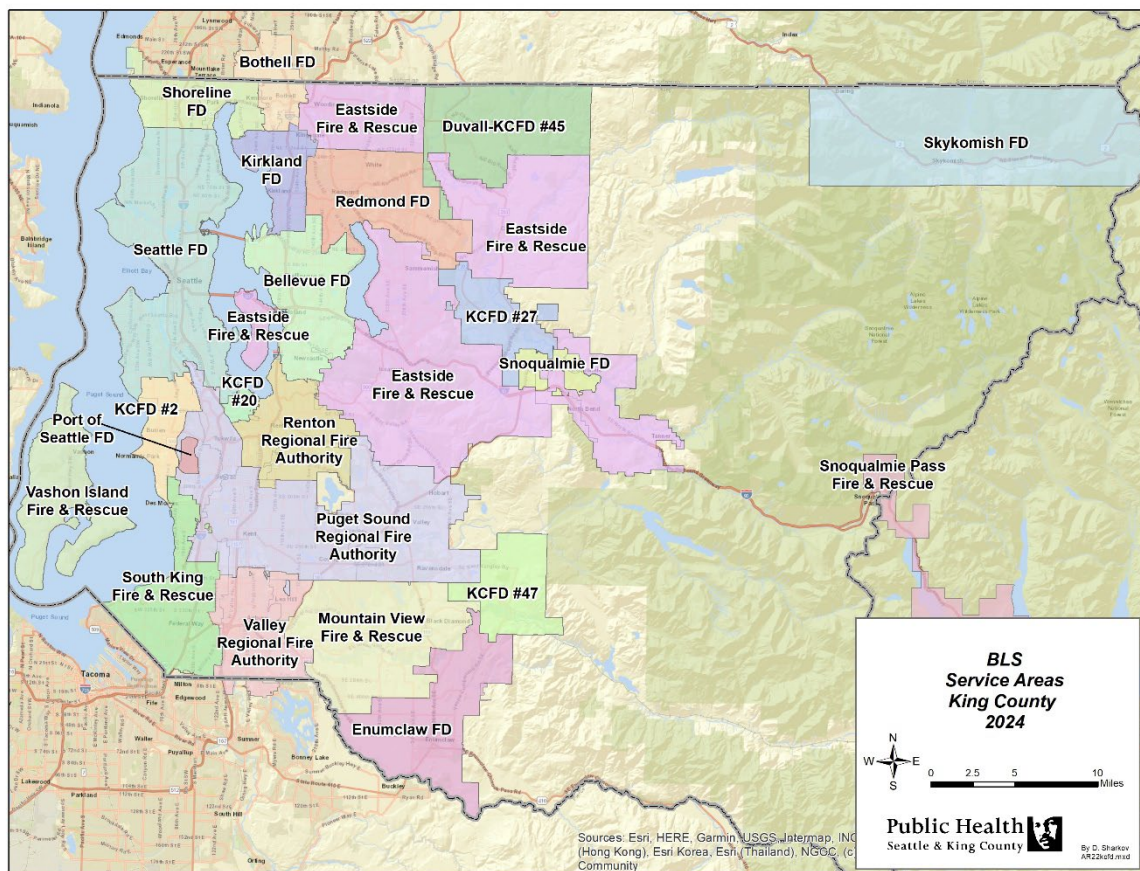
BASIC LIFE SUPPORT (BLS)

Basic Life Support (BLS) personnel are the first responders to an incident, providing immediate basic life support medical care that includes advanced first aid, High performance CPR, and AED use to stabilize the patient. Provided by approximately 4,300 EMTs throughout the region, BLS is the foundation of all medical responses within the EMS system serving Seattle and King County.

EMTs in this regional system are among the most trained in the nation, receiving approximately 190 hours of emergency medical response training and hospital experience with additional training in CPR, cardiac defibrillation (electrical shocks given to restore a heart rhythm), and airway management. EMTs are certified by the State of Washington and must complete ongoing continuing education and quarterly trainings to maintain their certification. Like their ALS counterparts, EMTs are highly practiced and use their BLS skills daily.

As the first-on-scene provider, BLS contributes significantly to the success of the Medic One/EMS system. BLS agencies must arrive quickly, assess each situation, and provide effective and precise medical care. Although BLS receives limited funding through the EMS levy, it is an integral piece of the interdependency on which the entire EMS response system in King County is built.

Regional data shows that in 2023, EMTs responded to over 205,000 calls for emergency medical care throughout the region. The median response time of BLS units in Seattle and King County is 5.2 minutes. EMTs are more likely to respond to incidents involving trauma (57 percent), and younger patients (57 percent of BLS calls are for people 25-64 years of age).⁵



⁵ Emergency Medical Services 2024 Annual Report

BLS SUBCOMMITTEE

Chair: The Honorable Armondo Pavone, Mayor of Renton

Total BLS funding, its distribution methodology, and addressing community needs were core topics of discussion for the BLS Subcommittee. Members endorsed modifying the BLS funding formula to help address equity and need, as well as increasing total BLS funding to reflect the growth in inflation, population, and BLS responsibilities. Mobile Integrated Healthcare (MIH) remained a regional priority, and the Subcommittee directed new funding into the program over the next levy span.

The [BLS Subcommittee recommendations](#) are described on the following pages.

BLS RECOMMENDATION 1:

INCREASE total BLS funding by at least \$3 million in the first year of the new levy, and up to \$5 million if that can be done within a 26.5-cent levy rate.

The BLS Subcommittee discussed five scenarios of possible funding levels. These options ranged from a 30 percent increase over 2020-2025 to a 50 percent increase over 2020-2025 levels. They acknowledged the need to balance the desire for increased funding with concerns about voter tax fatigue. Partners settled on \$3 million in new funding but requested that it be increased to \$5 million if it could fit within a 26.5-cent levy rate.

The August 2024 financial forecast showed that \$5 million in new funds could be accommodated within the proposed 25-cent levy rate.

BLS RECOMMENDATION 2:

A. ATTRIBUTE 60 percent of this new funding to the BLS Basic Allocation.

Since its inception, the regional Medic One/EMS levy has provided BLS agencies with an allocation to help offset costs of providing EMS services. The allocation was developed as a way to recognize and support BLS for its significant contribution to the success of the EMS system but was never intended to fully fund BLS. The Subcommittee directed \$3 million of this new \$5 million into the basic allocation for agencies to use on a variety of EMS-specific items including personnel, equipment, and supplies.

B. ATTRIBUTE 40 percent of this new funding to Mobile Integrated Healthcare (MIH).

The Subcommittee was adamant about the need to maintain support for the MIH program over the next levy span. Members endorsed a proposal that includes increasing connections with service providers, expanding MIH's role to help mitigate the opioid epidemic's impact on communities, supporting MIH ground-level personnel mental wellness, and leveraging proven tools (such as Julota software) to further refine how MIH programs collect data. They directed \$2 million of this new \$5 million into MIH for 2026 and beyond.

BLS RECOMMENDATION 3:

INFLATE annual costs using CPI-W + 1%. This inflator will be based on the forecast from the King County Office of Economic and Financial Analysis.

BLS agencies use the Medic One/EMS levy allocation to pay for different EMS-specific items. Since these items have differing inflationary trends, no one specific inflator would accurately reflect their increasing costs. However, since most BLS costs are related to wages and benefits, the BLS Subcommittee determined that using a standard CPI inflator tied to wages (CPI-W) as forecast by the King County Office of Economic and Financial Analysis was preferable.

BLS RECOMMENDATION 4:

INCORPORATE the BLS Training & QI program funding into the BLS Basic Allocation. Remove requirements that this funding be spent on training and QI activities.

The BLS Training & QI program provides BLS agencies with funding to pay paramedics and certified competency-based training (CBT) instructors for conducting run review and related EMT training. In 2023, the region initiated the ALS Support of BLS Activities program which provides funding directly to ALS agencies to conduct those training and QI activities that were previously funded by BLS training and QI monies. The BLS Subcommittee supported folding the BLS Training and QI funding into the Basic Allocation so that it is no longer earmarked specifically for QI and agencies can use the funds at their discretion.

BLS RECOMMENDATION 5:

DISTRIBUTE NEW BLS funding and annual increases using a more equitable distribution methodology of 60 percent call volume/40 percent Assessed Value (AV). Do not reset the first year of levy funding.

The current distribution methodology, in use since the 2008-2013 levy span, allocates funding to agencies based 50 percent on call volume, and 50 percent on AV. This methodology acknowledges and balances jurisdictions' services needs with financial investment. When examining different funding alternatives and distribution options, the conversation focused on finding a more equitable way to distribute the funds. Identifying that call volumes are associated with need, and need is often a reflection of inequitable access to care in the community, the Subcommittee revised the distribution methodology to be more weighted toward call volumes. This new ratio better balances the financial contribution with calls for service.

For the 2020-2025 levy span, the first year's total funding levels were reset which distributed the full allocation based on the most updated call volume and AV data. The Subcommittee opted against initiating a reset for the 2026-2031 levy span as resetting models showed large deviations to agency allocations.

BLS RECOMMENDATION 6:

SUPPORT King County Fire Chiefs Association Mental Wellness and Equity, Racism & Social Justice/Diversity, Equity & Inclusion proposals.

The King County Fire Chiefs Association (KCFA) has partnered with the King County EMS Division to develop strategies that address mental wellness for all first responders and advance equity in EMS organizations and the diverse communities they serve. The Subcommittee endorsed continuing these efforts that further advance such causes for the 2026-2031 levy span:

Mental Wellness:

KCFA proposes to create and implement a comprehensive approach across King County to support the health of our region's first responders, medics, and dispatchers. This will focus on a regional system of support, reflect the needs of frontline workers, and garner the expertise of leaders in the mental wellness field. It includes consulting authorities in first responder mental wellness, continuing peer support training, and organizing other learning opportunities for EMS personnel.

Diversity, Equity and Inclusion/Equity, Racial and Social Justice:

This proposal would evenly divide resources between fire agencies and the EMS Division to pursue parallel DEI and ERSJ priorities. For EMS agencies, this entails investing in continued recruitment and hiring workshops and partnering with the frontline-led DEI Network. For the EMS Division, this will focus on integrating ERSJ efforts within the Division with Public Health - Seattle & King County business and supporting outward facing work that connects communities to EMS skills and knowledge. This includes the community-based Vulnerable Populations Strategic Initiative along with the Strategic Training and Recruitment (STAR) program and the Future Women in EMS/Fire recruitment programs.

BLS RECOMMENDATION 7:

DEVELOP exceptions for the use of MIH restricted funds for those agencies unable to fully expend their MIH funding.

There are some BLS agencies, particularly in rural areas, that cannot implement a traditional MIH program. They may lack a sufficient volume of MIH-type calls; the levy funding available to them may not sustain an MIH program; or their location may exclude partnering with an existing MIH program. The EMS Division proposed authorizing these agencies to use their MIH funding in other ways to provide flexibility in meeting the needs of their communities. This would be discussed and determined on a case-by-case basis with regional review and consensus.

BLS Programmatic Comparison Between Levies

2020-2025 Levy	2026-2031 Levy
Consolidate the funding for the BLS Core Services program and the BLS Training and QI Initiative with the allocation to simplify contract administration; maintain designated programmatic funding and usage requirements.	Consolidate BLS Training & QI funding into the Basic BLS allocation; remove requirements that it be spent on QI activities
For the first year, distribute full funding amount across all agencies using BLS allocation methodology of 50% AV and 50% call volumes; reset the first year using updated data; increase funding to ensure consistency in the first year.	Allocate new funding and annual increases to BLS agencies using methodology that is based on 60% Call Volumes and 40% Assessed Valuation.
Inflate costs at CPI-W + 1%	Inflate costs at CPI-W + 1%

**Mobile Integrated Healthcare (MIH)
Programmatic Comparison Between Levies**

2020-2025 Levy	2026-2031 Levy
Provide \$26 million over 6 years for MIH.	Provide \$50 million over 6 years for MIH.
For the first year, distribute full funding amount across all agencies using BLS allocation methodology of 50% AV and 50% call volumes.	For the first year, distribute new funding across all agencies using new BLS allocation methodology of 60% Call Volumes and 40% Assessed Valuation.
Inflate each agency's funding in subsequent years of levy by CPI-W + 1%.	Inflate costs annually at CPI-W + 1%. Distribute subsequent years' funding using 60% CV/40% AV methodology.

REGIONAL SERVICES/STRATEGIC INITIATIVES

Regional Services are programs that support the direct service activities and key elements of the Medic One/EMS system. They are critical to providing the highest quality out-of-hospital emergency care available. Helping to tie together the regional medical model components, these programs support the system by providing uniform regional medical direction, standardized EMT and emergency dispatch training, EMT and paramedic continuing education, centralized data collection and expert analysis, collective paramedic service planning and evaluation, and administrative support and financial management of the regional EMS levy fund.

Strategic Initiatives are innovative pilot programs and operations aimed to improve the quality of Medic One/EMS services and manage the growth and cost of the system. Testing new approaches, Strategic initiatives are continually assessed and may be reconfigured, if needed, to broaden the reach, advance their objectives, or meet emergent needs. Once completed and having achieved their intended outcomes or demonstrated efficacy to partners in the community, they may be transitioned into regional services as ongoing programs. Strategic initiatives have not only allowed the Medic One/EMS program throughout King County to maintain its role as a national leader in the field of emergency medical services but have also been instrumental in the system's ability to manage its costs.

Regional services and strategic initiatives contribute to the regional system's medical effectiveness. These programs extend across the segments of the Medic One/EMS system and are not centered solely on fast EMT or paramedic responses. For example, the system provides injury prevention programs to help ensure the safe use of car seats for infants and prevent falls among the elderly. These are important programs in managing the occurrence of medical emergencies that impact the system. CPR and automated external defibrillator (AED) programs help ensure bystander witnesses to cardiac arrests have the necessary training to assist by notifying 9-1-1 quickly and providing initial care at the scene until EMTs and paramedics arrive to provide patient care and transport. Revising the region's criteria based guidelines which determine the appropriate level of EMS response has resulted in delays of adding new medic units and helped the system defray additional expenses. By forwarding lower-acuity calls to a Nurseline instead of sending a BLS response allows for BLS resources to be available for more acute patients. Having these programs coordinated at the regional level ensures prehospital patient care is delivered at the same standards across the system; policies and practices that reflect the diversity of needs are maintained; and local area service delivery is balanced with regional interests.

The **EMS Division** oversees these regional services and strategic initiatives and plays a significant role in developing, administering, and evaluating critical EMS system activities.

REGIONAL SERVICES SUBCOMMITTEE

Chair: The Honorable Angela Birney, Redmond Mayor

The Regional Services Subcommittee systematically reviewed core programs and strategic initiatives to assess how well the activities were reaching their audiences and accomplishing intended goals. Partners discussed the benefits of the programs and attested to how the activities undertaken are making a difference in the community. This detailed review identified EMS system emergent needs and generated ideas to bring greater benefits to the system.

The concerns brought forth to this Subcommittee such as hiring issues; increased training for first responders; continued ALS/BLS interactions and quality improvement; and mental wellness support, were similar to issues identified by the other subcommittees, reiterating the need for a regional solution to these shared issues. The EMS Division worked with various partners to develop ideas and proposals for review by the Regional Services Subcommittee.

REGIONAL SERVICES/STRATEGIC INITIATIVES

The Regional Services Subcommittee recommendations are as follows:

RS/SI RECOMMENDATION 1:

CONTINUE delivering programs that provide essential support to the system.

The Regional Services Subcommittee recommended continuing core regional services that support the key elements of the Medic One/EMS system. Such programs and services are the foundation of the direct services provided by EMS personnel, ensuring consistency and standardization throughout the system. These programs focus on superior medical training, quality improvement, and innovation, as well as strengthen community interactions and partnerships. Following are descriptions of these services. Please see **Appendix A: Proposed 2026-2031 Regional Services** on page 54 for a full list.

Regional Medical Control

Best medical practices drive every aspect of the Medic One/EMS system and are a main component of the system's success. Vital to this is a strong Medical Program Director to oversee all aspects of medical care and hold people within the system accountable. Responsibilities for this role include: writing and approving the patient care protocols for paramedics and EMTs; approving initial and continuing EMT medical education; approving criteria based dispatch (CBD) guidelines; developing new and updating existing medical quality improvement activities; and initiating disciplinary actions.

Regional Medical Quality Improvement

At the heart of quality patient care is the practice of quality improvement, or QI. EMS medical QI is the on-going programmatic and scientific review of the EMS system's performance to assure excellence in patient care. Impacting all components of the regional system, QI projects and programs require collaboration across both the academic and operational Medic One/EMS community. For example, evaluating the use of administering whole blood for hemorrhagic shock, the efficiencies of an updated nurse line for lower acuity calls, and the role of different CPR strategies for patients in cardiac arrest will help to advance the science of EMS care throughout the region.

Training

EMT Training: The EMS Division provides initial training, continuing education, and instructor/evaluator education for EMTs in King County. Through research, coordination, and communication among Medic One/EMS stakeholders and the regional Medical Program Directors, the Division develops curricula so that the training and educational programs meet individual agency, Washington State Department of Health, and national requirements. The Division is the liaison between the Washington State Department of Health and the 23 EMS/fire agencies in King County. It oversees the recertification and regulatory and policy changes to Medic One/EMS agencies.

Dispatch Training: Sending the appropriate resource in the appropriate manner is a critical link in the EMS system. The EMS Division provides comprehensive initial and continuing education training to dispatchers in King County outside the City of Seattle. King County dispatchers follow medically approved emergency triage CBD guidelines. These guidelines were developed by the EMS Division. CBD uses specific medical criteria based on signs and symptoms to send the appropriate level of care with the proper urgency.



REGIONAL SERVICES/STRATEGIC INITIATIVES

CPR/AED Training: The EMS Division of Public Health – Seattle and King County offers educational programs to King County residents, teaching them to administer life-saving techniques until EMS agencies arrive at the scene. This includes CPR classes with an emphasis on training teachers and students. Thousands of secondary school students receive instruction on CPR and AED use each year. In addition, regionally coordinated AED programs register and place automated defibrillators in the community within public facilities, businesses, and even private homes for high-risk patients, along with providing training in their use.

Community Centered Programs

The complex health needs of King County's residents can be as diverse as its communities. The EMS Division and its partners offer a wide variety of community centered services and programs to ensure emergency medical services provided are equitable, appropriate, and of the highest quality. This includes targeted community



interventions to help manage the rate of call growth in the EMS system and address the demand for services. Programs like the Communities of Care and the Vulnerable Populations Strategic Initiative provide community-specific education and training about the appropriate use of EMS services and how to receive the proper level of care. The Taxi Voucher Program, Nurseline and Mobile Integrated Healthcare programs offer alternative, high-quality care to 9-1-1 patients with lower acuity medical needs. The region reviews and revises dispatch

guidelines so that specific types of calls are receiving the most appropriate level of response. In addition, the EMS Division works with its partners on efforts preventing the need to call 9-1-1 in the first place, with programs designed to appropriately install child seats and mitigate potential falls among older adults.

Regional Leadership and Management

The EMS Division provides financial and administrative leadership and support to both Public Health – Seattle & King County government as well as external EMS partners, bringing expertise, knowledge, and stability to the system, thereby preserving the integrity and transparency of the entire system. The EMS Division actively engages with regional partners to implement the Medic One/EMS Strategic Plan; manage EMS levy funds; monitor contract and medical compliance and performance; identify and participate in countywide business improvement processes; facilitate the recertification process for the 4,300 EMTs in King County; and maintain the continuity of business in collaboration with Medic One/EMS partners. This also includes regional planning for the Medic One/EMS system which monitors medic unit performance, the periodic assessment of medic unit placement, and other system parameters. Regional planning analyzes medic unit demand projections and measures the impacts of regional programs, supported by ongoing data quality improvement activities.

REGIONAL SERVICES/STRATEGIC INITIATIVES

Center for the Evaluation of Emergency Medical Services (CEEMS)

CEEMS conducts research aimed at improving the delivery of pre-hospital emergency care and advancing the science of cardiac arrest resuscitation. It is funded by grants from private foundations, state agencies, and federal institutions. CEEMS is a collaborative effort between the EMS Division and academic faculty from the University of Washington who are recognized nationally for their contributions in the care and treatment of cardiac emergencies. Achievements made by this collective effort continue to improve outcomes from sudden cardiac arrest and advance evidenced-based care and treatment.

RS/SI RECOMMENDATION 2:

ENHANCE programs to meet regional needs.

- The region continues to see a record number of EMT hires throughout the EMS system. Increasing the number of initial EMT training classes is required to get these new hires certified and meet the growing demands of EMS in the county.
- When the Telephone Referral Program, or Nurseline, contract was discontinued in 2023, the region supported finding a way to preserve this critical service. An even more comprehensive Nurse Navigation program was initiated in late 2024 which will help decrease non-emergent dispatches and improve the overall efficiency of the EMS system. Maintaining this renovated program is a priority for the 2026-2031 levy span.
- The STRIVE Initiative, implemented during the 2020-2025 levy period, modernized the EMS Division's online continuing medical education platform, EMS Online. Converting STRIVE's ongoing operations and maintenance into regional support services and providing funding for 2026-2031 will help ensure the EMS Division can meet the region's changing educational, data, and technological needs of the eLearning environment.

RS/SI RECOMMENDATION 3:

MAINTAIN AND DEVELOP Strategic Initiatives that leverage previous investments made by the region to improve patient care and outcomes.

Areas identified by the Regional Services Subcommittee include continued focus on vulnerable populations, enhancing quality improvement capabilities, and supporting mental wellness and equity and social justice efforts.

1. Vulnerable Populations Strategic Initiative (VPSI) – CONTINUING AS EMS Community Health Outreach (ECHO)

VPSI was launched during the 2014-2019 levy period to improve interactions between EMS and historically underserved communities. Continued support for VPSI efforts throughout the 2026-2031 levy span will further enable communities to remain actively engaged with EMS agencies and continue to address disparities in access to services. This includes expanding community partnerships, connecting local EMS agencies to community-led organizations, and introducing new education and outreach topics to meet the evolving needs of the communities. To better represent this work and align with the commitment to equity and social justice, VPSI will be renamed **EMS Community Health Outreach (ECHO)** for the 2026-2031 levy span.

2. Accelerating Evaluation and Innovation: an Opportunity for Unprecedented Quality Improvement (AEIOU) Strategic Initiative - CONTINUING AS Pioneering Research for Improved Medical Excellence (PRIME) Strategic Initiative

AEIOU built upon the technological work between regional partners from all parts of the EMS system to bolster the region's quality improvement abilities, capacity, and efforts. It included creating standardized systems for data analysis, updating data-sharing mechanisms, and contributing toward advancements of medical research. **PRIME** is the next iteration in upgrading current data processes and enhancing overall data management capabilities, contributing to medical quality improvement efforts. It includes improvements to the patient care records software (ESO Solutions), data sharing, standardization, and data automation; improving integration pertaining to data systems with Public Health, ESO, and agencies; and conducting pilot projects to foster innovation.

3. Emergency Medical Dispatch Strategic Initiative - NEW

This Initiative invests in emergency medical dispatch (EMD) improvements, including identification of an external vendor to host the electronic criteria based dispatch (eCBD) guidelines used to determine the appropriate level of care and response type. Using an outside vendor brings greater security, more rapid eCBD updates, and increased interoperability between systems that exchange information. It also provides funding to explore EMD-focused pilots for continuous quality assurance/quality improvement activities during and after 9-1-1 calls.

4. King County Fire Chiefs Association Mental Wellness & Equity, Racism & Social Justice/Diversity, Equity & Inclusion proposals

The King County Fire Chiefs Association (KCFCA) has partnered with the EMS Division to develop strategies to address mental wellness for all first responders and advance equity in EMS organizations and the diverse communities they serve. Like the BLS Subcommittee, the Regional Services Subcommittee endorsed continuing these efforts that further advance such causes for the 2026-2031 levy span:

Mental Wellness:

KCFCA proposes to create and implement a comprehensive mental wellness approach across King County to support the health of our region's first responders, medics, and dispatchers. This effort will focus on a regional system of support, reflect the needs of frontline workers, and garner the expertise of leaders in the mental wellness field. It will include consulting authorities in first responder mental wellness, continuing peer support training, and organizing other learning opportunities for EMS personnel.

Diversity, Equity and Inclusion/Equity, Racial and Social Justice:

This proposal would evenly divide resources between fire agencies and the EMS Division to pursue parallel DEI and ERSJ priorities. For EMS agencies, this entails investing in continued recruitment and hiring workshops and partnering with the frontline-led DEI Network. For the EMS Division, this will focus on integrating ERSJ efforts within the Division with Public Health - Seattle & King County business and supporting outward facing work that connects communities to EMS skills and knowledge. This includes the community-based Vulnerable Populations Strategic Initiative along with the Strategic Training and Recruitment (STAR) program and the Future Women in EMS/Fire recruitment programs.

REGIONAL SERVICES/STRATEGIC INITIATIVES

Programmatic Comparison Between Levies	
2020-2025 Levy	2026-2031 Levy
Regional Services (RS)	
Fund regional services that focus on superior medical training, oversight, and improvement; innovative programs and strategies; regional leadership, effectiveness and efficiencies.	Fund regional services that focus on superior medical training, oversight, and improvement; innovative programs and strategies; regional leadership, effectiveness and efficiencies; and strengthening community interactions and partnerships.
Move BLS Core Services program out of Regional Services budget and into BLS allocation.	Enhance programs to meet regional needs.
Inflate costs at CPI-W + 1%	Inflate costs at CPI-W + 1%
Strategic Initiatives (SI) and other programs	
<p>Convert or integrate five strategic initiatives with other programs to supplement system performance. Explore a Mobile Integrated Healthcare (MIH) model to address community needs.</p> <ul style="list-style-type: none"> ○ Convert BLS Efficiencies into ongoing programs ○ Transition CMT and E&E into MIH exploration ○ Convert RMS into ongoing programs ○ Integrate the BLS Training and QI SI into the BLS Allocation 	
<p>Support existing and new strategic initiatives that leverage previous investments made to improve patient care and outcomes.</p> <ul style="list-style-type: none"> ○ Continue implementing next stages of Vulnerable Populations ○ Develop two new Initiatives: 1) AEIOU and 2) STRIVE ○ Transition Community Medical Technician into MIH exploration <p>Provide regular updates to past audit recommendations</p> <p>Inflate costs at CPI-W + 1%</p>	<p>Support existing and new strategic initiatives that leverage previous investments made to improve patient care and outcomes.</p> <ul style="list-style-type: none"> ○ Continue implementing next stages of Vulnerable Populations -> ECHO and AEIOU -> PRIME ○ Develop one new Initiative focused on Emergency Medical Dispatch ○ Support KCFA proposals promoting mental wellness and ERSJ/DEI <p>Inflate costs at CPI-W + 1%</p>

ECONOMIC FORECAST

The Medic One/EMS Levy financial plan is based on a post-pandemic economic recovery, which stabilized the economy after a period of high inflation and increased mortgage rates. Based on projections from the King County Office of Economic and Financial Analysis (OEFA), the financial plan assumes lower inflation with rates stabilizing at less than three percent in the second and third years of the levy period and the gradual lowering of mortgage rates. King County inflation is projected to remain higher than the national average.

In addition, residential assessed value (AV), particularly for single-family homes, is increasing at rates higher than commercial and industrial properties both in Seattle and King County. Commercial AV outside of the City of Seattle has remained more stable. As a result, OEFA has forecast a reduction in the City of Seattle's percentage of property tax relative to levels prior to 2022.

Given the experience of the 2020-2025 levy period with high inflation and dynamics affecting both AV projections and the distribution of AV between the City of Seattle and the KC EMS Fund (remainder of King County), it was deemed prudent by the Finance Subcommittee to continue to include economic/supplemental reserves to cover the potential of reduced property taxes or increased expenses related to inflation.

FINANCE SUBCOMMITTEE

Chair: The Honorable Lynne Robinson, Mayor of Bellevue

The Finance Subcommittee assessed the programmatic recommendations developed by the other subcommittees and provided financial perspective and advice to the Task Force. As the ALS, BLS and Regional Services Subcommittees each developed its own set of recommendations specific to its program areas, the Finance Subcommittee reviewed the proposals as a whole package, rather than as individual and independent pieces, to ensure the financial plan was well balanced and financially prudent.

The Subcommittee also looked at the recommendations within the perspective of the levy planning economic environment, economic forecasts, and the potential for changes in the economic forecast. Significant efforts went toward analyzing financial implications of changes in economic conditions to develop appropriate contingency and reserve levels.

The [Finance Subcommittee recommendations](#) are as follows:

FINANCE RECOMMENDATION 1:

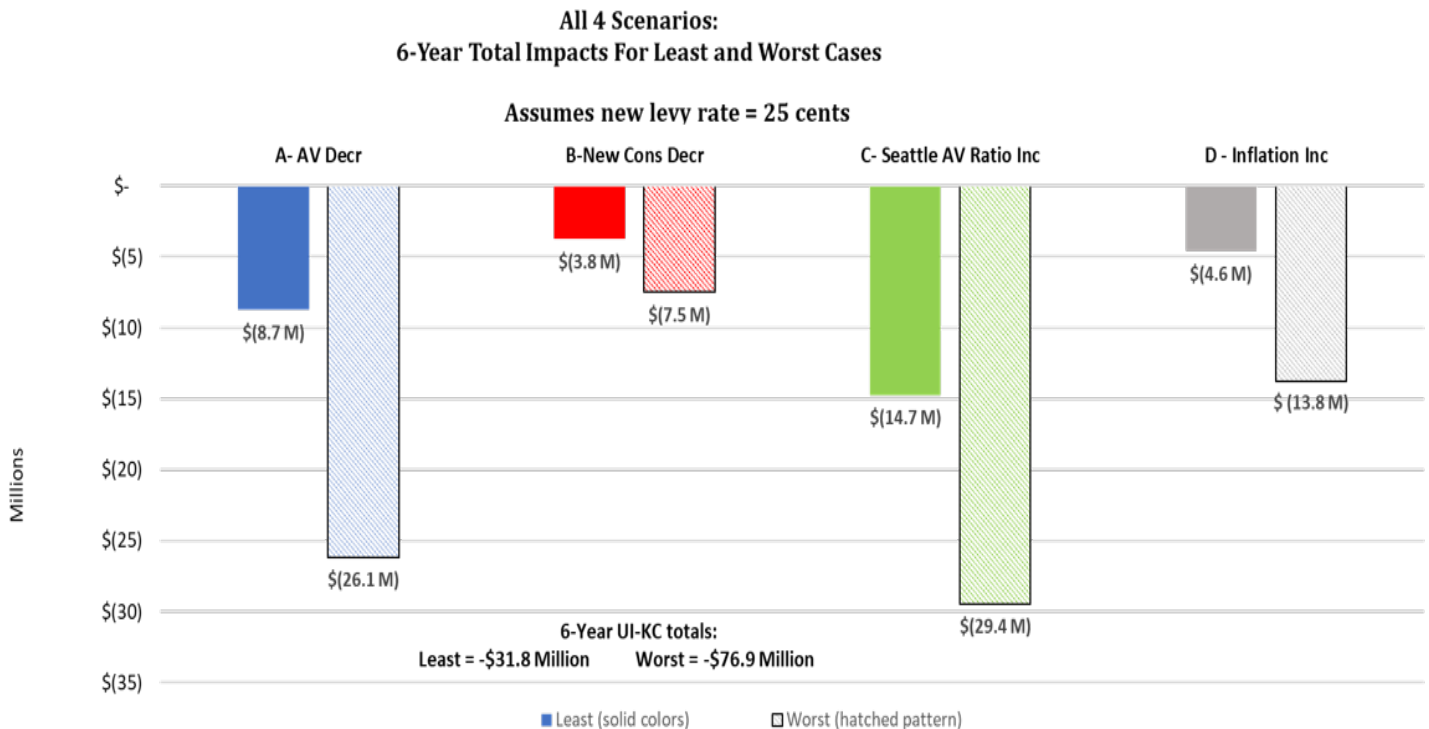
CONDUCT A RISK ANALYSIS to determine appropriate reserve funding to help safeguard the Medic One/EMS system from unforeseen financial risk.

To better understand the level of risk for the next levy span, the Subcommittee requested that King County staff prepare different "what-if" scenarios (sensitivity analyses) to evaluate how changes to the proposed revenue and expenditures could impact the financial plan. The scenarios assumed:

- Potential of reduced property taxes, and
- Potential of higher inflation that could increase costs of planned services.

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The revenue scenarios considered three different ways property taxes could be less than planned: reduced AV; reduced new construction, and a change in the proportion of funds between the City of Seattle and the King County EMS Fund. The expenditure scenarios looked at potential increased inflation and evaluated inflation increases from 0.5 percent to 1.5 percent higher than planned. Each scenario contained a least and worst case situation for the Subcommittee to consider.



Subcommittee members used this information to determine whether the planned reserves could accommodate a potential change in economic conditions. Since the City of Seattle funds reserves separately from EMS levy funds, the Subcommittee focused on appropriate reserves for the King County EMS Fund. The potential impacts on the King County EMS Fund ranged from a decrease of \$31.8 million to a decrease of \$76.9 million. The financial plan includes approximately \$47.0 million for Economic/Supplemental Reserves. These reserves allow the EMS levy to remain whole even if many of these scenarios occur. Based on the potential for economic volatility, the Subcommittee recommended fully funding reserves and placing any additional funds into supplemental reserves.

FINANCE RECOMMENDATION 2:

INCORPORATE sufficient reserves and contingencies, with appropriate access policies, to mitigate financial risk and provide flexibility; adapt policies as needed for alignment with King County financial policies.

Reserves were first explicitly included in the 2008-2013 Medic One/EMS financial plan when regional partners wanted to ensure that funds were available to address emerging needs, particularly larger one-time expenses and unexpected/unplanned expenses. Now an integral and expected part of the levy's financial plan, EMS reserves are routinely reviewed and adjusted to better meet the needs of the regional system and consistency with updated King County Financial Policies.

2026-2031 Proposed Contingencies and Reserves

Subcommittee members agreed that the financial plan should include adequate and reasonable reserves and contingencies to fund unanticipated or one-time costs. The group supported fully funding programmatic and King County-required rainy day reserves (90-day funding). In addition, Subcommittee members prioritized placing remaining funds in the Economic/Supplemental Reserves to protect the system should the economy change. Revenues received that are not needed to cover program and reserve needs will be placed in the Economic/Supplemental Reserves to supplement existing reserves, and/or be used to buy down a future levy rate. Reserves and contingencies would continue to have appropriate access and usage policies and would be consistent with King County financial policies.

Based on the system's programmatic needs as determined in the other three subcommittees and the desire to be prepared in the event of an economic downturn, the Finance Subcommittee recommended the following for Contingencies and Reserves.

- **Fund Contingencies** at \$1.3 million a year to cover significant increases in operating costs that cannot be accommodated by the ALS allocation or program balances. An example is paid-time-off above amounts included in the allocation (due to the need to backfill paid-time-off). On a limited basis, allow contingency funding to be available to cover unplanned expenses related to regional services and initiatives.
- **Fund Programmatic Reserves** that include:
 - \$1.3 million for ALS equipment** – covers unplanned costs related to equipment including potential addition of new equipment, decreased lifespans of equipment or need for early replacement, and increased costs not accommodated within the Equipment Allocation, and
 - \$17.4 million for ALS Capacity** – includes \$1.6 million to accommodate moving a medic unit to a new location or cover significant investments needed at current locations, and temporary capacity increases; and \$15.8 million as a placeholder for new units. This is consistent with **ALS Subcommittee Recommendations #4 and #5**.
- **Funding the Rainy Day Reserve** consistent with King County policy (currently 90-days). This is estimated at \$41.2 million.
- **Placing any other available funds in the Economic/Supplemental Reserve** to accommodate potential economic downturn. The current estimate is \$47 million.

Total Contingencies & Reserves Budget for the 2026 - 2031 Levy Period	
	2026-2031 Total
Contingencies & Programmatic Reserves	\$26.5 million
Rainy Day Reserve	\$41.2 million
Total Programmatic Reserves	\$67.7 million
Economic/Supplemental/Rate Stabilization	\$47.0 million

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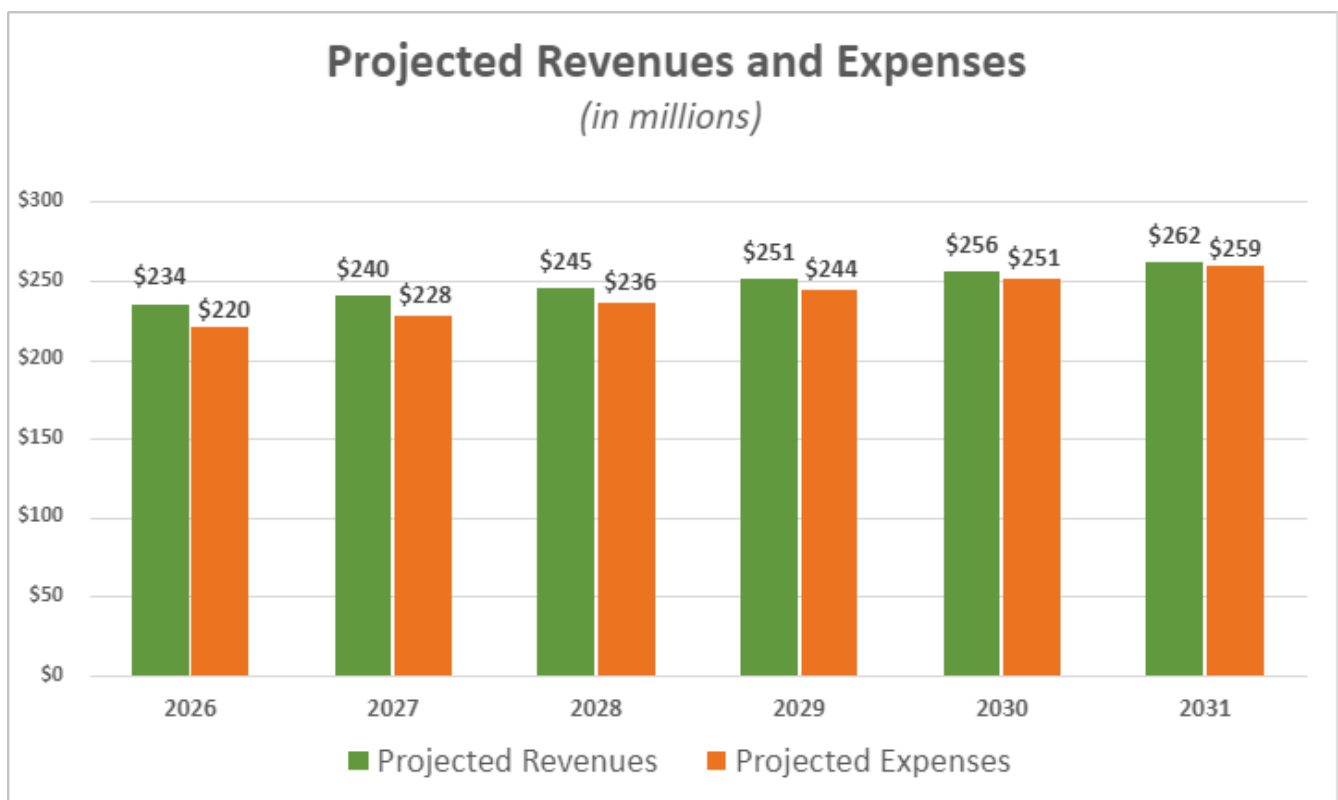
FINANCE RECOMMENDATION 3:

EXPENDITURES AND RESERVES projected at \$1.5 billion over the six-year span. The budget supports maintaining current services and meeting anticipated future demand.

The proposed budget maintains funding for the system's key services of ALS, BLS, regional programs, and initiatives. An increase in BLS funding reflects the growth in inflation, population, and BLS responsibilities, while a revised BLS basic allocation helps address equity and need. There is enhanced support for the MIH program, two reconfigured strategic initiatives, and a new initiative focused on dispatch.

The 2026-2031 levy financial plan maximizes savings from the current levy period to fund future reserves. It assumes that a total of \$64.4 million from 2020-2025 levy reserves will carry forward to the 2026-2031 levy period to reduce the need to raise funds in the next levy span to fund reserves. This \$64.4 million is comprised of \$34.7 million from the rainy day fund, and \$29.7 million from the economic/supplemental reserves, and helps to reduce the starting levy rate.

The following chart compares projected revenues to expenditures for the 2026-2031 levy.



FINANCIAL PLAN OVERVIEW & ASSUMPTIONS

The 2026-2031 financial plan endorsed by the EMS Advisory Task Force meets the programmatic needs identified in the subcommittees, maintains financial policies used during previous levy spans, and provides adequate reserves to ensure continuation of essential EMS services in the case of an economic downturn.

It was developed based on widely understood and accepted regional principles of the tiered system:

- The Medic One/EMS levy will continue to support the delivery of quality pre-hospital emergency medical services and supply adequate funding to provide these services;
- Advanced Life Support (ALS) services will remain the priority of the Medic One/EMS levy;
- Basic Life Support (BLS) services will be funded through a combination of local taxes and Medic One/EMS levy funds;
- The EMS Division is responsible for:
 - coordinating and convening regional partners to facilitate collaborative activities necessary to assure the success of the regional strategic and financial plans;
 - managing and ensuring the transparency of system finances, and
 - continuing to innovate and evaluate the efficacy and funding of programs from a system-wide perspective.

Financial Oversight and Management

The EMS Division is responsible for managing the levy fund in accordance with the Medic One/EMS Strategic Plan, the EMS financial plan, EMS Financial Policies PHL 9-2 (see below), and adopted King County Ordinances. Public Health - Seattle & King County's Chief Financial Officer provides general oversight of the EMS Division financial plan. Financial policies will continue to be updated to document and meet system needs including adapting to updated King County Financial Policies (within funding limits of the levy) and reflect financial decisions and recommendations from the adopted Medic One/EMS 2026-2031 Strategic Plan. EMS Division responsibilities include the review and evaluation of allocations, and the management of regional services and strategic initiatives, Contingencies and Reserves as reflected in the Plan, the EMS financial plan and associated King County ordinances.

EMS Financial Policies – PHL 9-2
Oversight and management of EMS levy funds;
Methodology for appropriately reimbursing ALS agencies for eligible costs, including responsibilities by both the EMS Division and ALS agencies related to Operating and Equipment Allocations;
Required reporting by ALS agencies with review and analysis by EMS Division;
Methodologies for BLS, regional services and strategic initiatives funding;
Regional services and strategic initiatives management , and
Review and management of reserves and designations including program balances.

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Considerations & Drivers

This financial plan is based on key regional priorities outlined in this document to aggressively manage resources and the growth of services, create efficiencies, address uncertainty, and build on previous investments. Although experiencing a strong economy, the region was concerned about potential economic changes during the span of the next levy. Steps taken to help address uncertainties include continuing the ALS allocation structure with subtle updates, using the more conservative 65 percent confidence level in forecasting revenues (per King County policy) and ensuring sufficient contingencies and reserves. Reserve recommendations include fully funding programmatic and rainy day reserves plus directing any additional funds available in a 25.0 cent levy into an Economic/Supplemental reserve that could be used in the case of an economic downturn. In determining Economic/Supplemental reserve levels, King County prepared four different scenarios to evaluate how changes to the proposed AV, new construction, inflation, and City of Seattle AV could impact the EMS levy financials.

Primary cost drivers relate to increases in the costs of providing services, demand for services, and changes in the types of services to meet community needs. Primary revenue drivers include 2026 starting AV and assumptions related to new construction.

Expenditures are based on Subcommittees' recommendations and are inflated yearly based on forecasts from the King County Office of Economic and Financial Analysis. Reserves and contingencies are based on programmatic needs and updated for compliance with King County Financial Policies, including a 90-day rainy ray reserve requirement for all levy supported funds. Economic/Supplemental reserves are consistent with the rate stabilization reserve category in the financial policies.

Revenues are planned to cover expenditures across the 2026-2031 levy period. Revenue needs were reduced by carrying forward approximately \$64.4 million from the 2020-2025 levy. The recommended 25.0 cent per \$1,000 AV levy rate allows supplemental reserves of \$47 million that could be available in an economic downturn.

Medic One/Emergency Medical Services 2026-2031 Levy <i>(in millions)</i>			
	Seattle	KC EMS	Total
Revenues			
Property Taxes	\$518.9	\$951.9	\$1,470.8
Other Revenue		\$17.5	\$17.5
Carryforward Reserves from 2020-2025		\$64.4	\$64.4
Total Available Revenues	\$518.9	\$1,033.8	\$1,552.7
TOTAL Expenditures	\$518.9	\$919.1	\$1,438.0
Programmatic & Rainy Day Reserves		\$67.7	\$67.7
TOTAL Expenditures and Reserves	\$518.9	\$986.8	\$1,505.7
Funds available for Supplemental Reserves		\$47.0	\$47.0
Levy Rate	25.0 cents		

FINANCIAL PLAN ASSUMPTIONS

The 2026-2031 financial plan, like other financial plans, is based on numerous assumptions and acknowledges that actual conditions may differ from the original projections. The objective is to have a financial plan flexible enough to handle changes as they occur. Key financial assumptions provided by the King County Economist include new construction growth, assessed value, inflation, and cost indices. Actuals are through 2023. Most of the assumptions for the 2026-2031 financial plan include inflation and growth assumptions for 2025 as well as 2026-2031.

This section documents key assumptions and shows projected costs related to inflation increases and distribution of property taxes. It also outlines estimated revenues, expenditures, and reserves that constitute the 2026-2031 financial plan. Note that when numbers are rounded to millions for presentation purposes, some rounding errors will occur.

Total expenditures are projected to be \$1.4 billion over the 2026-2031 levy period, with \$919 million projected for the King County EMS Fund. The financial plan includes carrying forward \$64.4 million in rainy day and economic/supplemental reserves from the 2020-205 levy which reduces the funding and levy rate needed for the 2026-2031 levy. A 25.0 cent per \$1,000/AV rate is proposed to fund the 2026-2031 levy period.

KEY ASSUMPTIONS

Revenues

The 2026-2031 financial plan is based on an EMS property tax levy as the primary source of funding. The revenue forecast is built on assumptions including the AV at the start of the levy period, AV growth, and new construction AV, as forecast by the King County Office of Economic and Financial Analysis (OEFA). Other considerations include the division of property tax revenues between the City of Seattle and the King County EMS Fund, interest income on fund balance, and other revenues received by property tax funds at King County. While previous levy periods assumed a one percent delinquency rate, King County now forecasts without it.

The plan is based on increases in King County AV from 2020 to 2025 followed by a forecast of more moderate increases between 2026 and 2031. The forecast assumes growth of new construction AV from \$10.4 billion in 2026 (the first year of the levy) and end the levy period at \$11.8 billion in 2031. The EMS levy does not receive new construction funds in the first year of the levy.

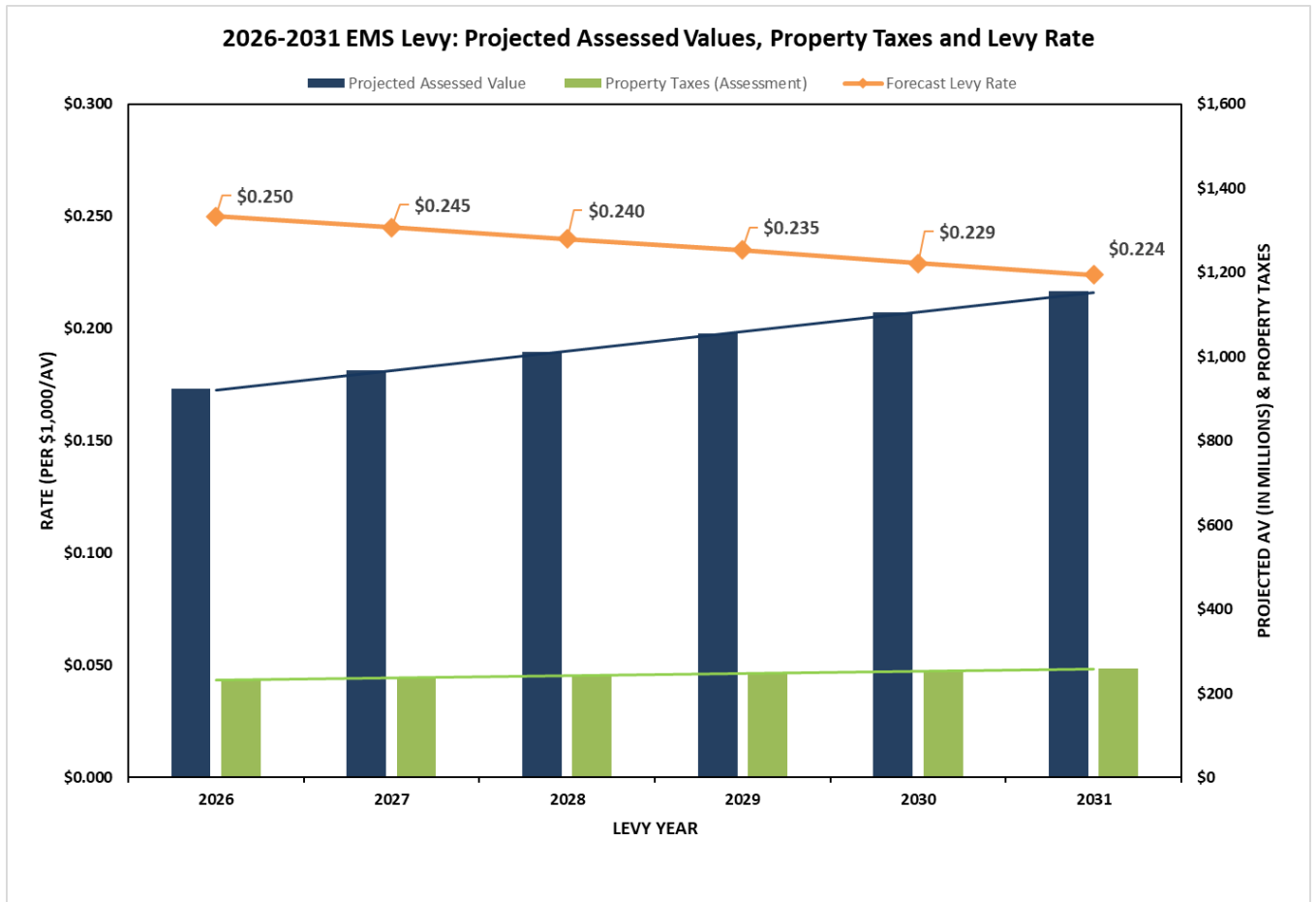
Key Assumptions: 2026 - 2031 Forecast

Rate of Growth	2026	2027	2028	2029	2030	2031
New Construction		3.57%	2.00%	2.48%	2.19%	2.48%
Growth in Existing AV	5.87%	4.64%	4.43%	4.45%	4.77%	4.52%

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Assessment (Property Taxes):

Per RCW 84.55.010, increases in assessments (property taxes) are limited to one percent plus assessments on new construction. Forecast property tax increases exceeding one percent are due to new construction. The following chart and table show the relationship between assessed value, levy assessment (property taxes), and levy rate as currently forecasted. While the growth in AV from 2026 to 2031 averages just under five percent per year, projected property taxes (property taxes/assessment) are projected to average just over two percent per year. Assessment includes a one percent increase on existing properties and the addition of new construction. Based on these increases, the levy rate is projected to decline from 25.0 cents to 22.4 cents per \$1,000 AV in the last year of the levy (2031).



Levy Year	Projected AV	Property Taxes (Assessment)	Forecast Levy Rate	Growth in AV	Growth in Assessment
2026	\$924,584,361,939	\$231,146,090	\$0.250		
2027	\$967,445,977,367	\$237,045,806	\$0.245	4.64%	2.55%
2028	\$1,010,332,965,793	\$242,414,877	\$0.240	4.43%	2.26%
2029	\$1,055,291,690,277	\$247,862,021	\$0.235	4.45%	2.25%
2030	\$1,105,597,146,946	\$253,383,158	\$0.229	4.77%	2.23%
2031	\$1,155,558,905,321	\$259,007,621	\$0.224	4.52%	2.22%

Division of Revenues:

Revenues raised within the City of Seattle are sent directly to the City by King County; revenues for the remainder of King County are deposited in the King County EMS Fund. The percentage of overall AV in the City of Seattle has decreased during the current levy period from 40.1 percent in 2020 to 35.5 percent in 2025 but is forecast to increase slightly over the 2026-2031 levy period.

The following table shows AV trends for the 2026-2031 levy:

Estimated Value of Assessments for the 2026 - 2031 Levy Period (in millions)				
	Average % of Assessed Value	Estimated Tax Revenue	Estimated Other Revenue	Estimated Total
City of Seattle	35.27%	\$518.9		\$518.9
KC EMS Fund	64.73%	\$951.9	\$17.5	\$969.4

The following table shows forecast property tax assessments based on the forecast division of property taxes by King County OEFA. Forecast levy revenue above one percent is due to new construction.

Forecast Property Tax Assessment 2026 - 2031 (in millions)							
	2026	2027	2028	2029	2030	2031	2026-2031 Total
City of Seattle	\$80.7	\$83.0	\$85.3	\$87.7	\$89.9	\$92.3	\$518.9
<i>Growth in City of Seattle</i>		2.85%	2.77%	2.81%	2.51%	2.67%	
KC EMS Fund	\$150.5	\$154.0	\$157.1	\$160.1	\$163.5	\$166.7	\$951.9
<i>Growth in KC EMS Fund</i>		2.36%	1.97%	1.95%	2.10%	1.96%	

Other Revenues:

In addition to property taxes from the Medic One/EMS levy, the KC EMS Fund receives interest income on its fund balance, and other miscellaneous King County revenues distributed proportionately to property tax funds (such as lease and timber taxes).

Other Revenue Assumptions KC EMS Fund		
Revenues	Estimate	% of Total Revenue
Interest Income	\$15,127,000	86.3%
Other Revenue Sources	\$2,400,000	13.7%
Total Other Revenue	\$17,527,000	100.0%

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Expenditures

Total expenditures, including both City of Seattle and KC EMS Fund are estimated at \$1.4 billion with \$519 million estimated for the City of Seattle and \$919 million estimated for the King County EMS Fund. The remainder of this section covers KC EMS Fund expenditures.

The KC EMS Fund finances four main program areas related to direct service delivery or support programs:

- Advanced Life Support (ALS)
- Basic Life Support (BLS), including Mobile Integrated Healthcare (MIH)
- Regional Services (RS)
- Strategic Initiatives (SI)

In addition, funding for contingencies and reserves is allocated within the financial plan.

Program budgets are increased yearly with inflators appropriate to the program. All programs, except for the ALS equipment allocation, are proposed to be increased by the local CPI-W + 1%. The one percent accommodates benefits and other costs, such as pharmaceuticals, that often increase at rates higher than CPI-W. The CPI assumptions used in this financial plan were provided by King County OEFA. Expenditures are inflated by the previous year's actuals (through June).

CPI Assumptions – CPI-W							
Levy Year	2025	2026	2027	2028	2029	2030	2031
CPI-W	3.63%	3.46%	2.96%	2.62%	2.84%	2.60%	2.49%

The current CPI-W for the Seattle area is CPI-W Seattle-Tacoma-Bellevue. The ALS equipment allocation is inflated by the Producer Price Index for transportation equipment: other trucks and vehicles, complete, produced on purchased chassis, except upfitting trucks. If the definition of these indices is updated or discontinued, EMS will use the updated indices (such as the change in the PPI for transportation equipment in the past levy period) or choose a closely aligned index as reviewed by the King OEFA. If needed, an alternative index could be proposed and reviewed by the EMS Advisory Committee and King County OEFA.

Programmatic expenditure levels for the 2026-2031 levy period are based on increases using the identified inflator for the program, the timing of new services, and cash flow projections for individual strategic initiatives. The actual allocation will differ slightly based on actual (rather than forecast) economic indices.

Expenditures by Program Areas

The following table includes the expenditures by program area for the KC EMS Fund.

Program Area Expenses	King County
Advanced Life Support (ALS)	\$511,807,522
Basic Life Support (BLS & MIH)	\$273,916,796
Regional Support Services	\$124,933,604
Strategic Initiatives	\$8,493,623
Sub-Total	\$919,151,545
Reserves	\$67,686,382
Total Programmatic Proposal	\$986,837,927
Economic/Supplemental Reserves	\$46,974,700

Advanced Life Support (ALS) Services

Since the first Medic One/EMS levy in 1979, regional paramedic services have been largely supported by, and are the funding priority of, the Medic One/EMS levy. Costs have been forecasted as accurately as feasible; but should the forecasts prove insufficient, ALS remains the first priority for any available funds. Contingency and reserve funds are available if needed. Funding levels for Bellevue Medic One, Northeast King County Medic One (Redmond), Shoreline Medic One, and King County Medic One are allocated on a per unit cost basis, as shown in the chart below.

Advanced Life Support (ALS) Standard Unit Cost: 2026 Allocations		
Category	Average Costs	%
Medic Unit Allocation	\$2,821,501	69.51%
Supervisory/Program Allocation	\$711,281	17.52%
System Allocation	\$375,176	9.24%
Subtotal Operating Allocations	\$3,907,958	96.27%
Equipment Allocation	\$151,271	3.73%
ALS Per Unit Total	\$4,059,229	100.00%

The equipment allocation is based on average cost of equipment purchases, the expected lifespan of the equipment, and the number needed per unit. Each medic unit is budgeted to have two vehicles – primary and back-up for when the primary is out-of-service, there is an overlap between shifts, and times when an extra response unit may be needed (such as in the event of a storm or flood).

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ALS operating allocations are proposed to increase yearly by CPI-W + 1%. The equipment allocation will remain inflated using a PPI related to transportation equipment, as recommended by the King County Auditor's Office. The King County Economist recommends using a 40-year average of that PPI for forecast purposes.

ALS Allocation - Inflation Assumptions

Inflation Assumption	Calculation Basis	Source	2026	2027	2028	2029	2030	2031
Operating Allocation	Local CPI-W +1% (CWURS49DSA0)	KC OEFA	4.46%	3.96%	3.62%	3.84%	3.60%	3.49%
Equipment Allocation	WPU14130294	KC OEFA	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

The following table shows estimated ALS costs for the KC EMS Fund.

Total Projected ALS Service Expenses During the 2026-2031 Levy Period

	2026	2027	2028	2029	2030	2031	2026-2031 Total
KC EMS Fund	\$77,669,176	\$80,720,142	\$83,626,832	\$86,815,477	\$89,925,097	\$93,050,798	\$511,807,522

The 2026-2031 financial plan recommends an annual review of ALS costs to minimize cost-shifting to agencies. As has been the practice, a group that includes representatives from the different ALS agencies will meet annually or as appropriate to review costs and provide recommendations on the adequacy of the allocations.

Basic Life Support (BLS) Services

Total BLS funding, including Mobile Integrated Healthcare (MIH), for 2026-2031 is estimated at \$273 million.

Basic Life Support Funding: While there are 23 fire agencies that provide BLS services throughout the region, the levy provides partial funding to 21 BLS agencies (excluding the City of Seattle and the Port of Seattle Fire Departments) to help ensure uniform and standardized patient care and enhance BLS services. BLS funding is inflated at CPI-W + 1% per year. In addition, \$3 million will be added to the baseline 2026 allocation and will be allotted in the first year using the newly revised BLS allocation distribution methodology. The one percent added to CPI acknowledges expenses, such as step increases, benefits, and other expenses such as pharmaceuticals that typically increase at rates higher than the inflationary assumptions included in the regional CPI-W.

Total Projected BLS Service Expenses During the 2026-2031 Levy Period

	2026	2027	2028	2029	2030	2031	2026-2031 Total
King County	\$33,962,126	\$35,307,026	\$36,585,141	\$37,990,010	\$39,357,652	\$40,731,235	\$223,933,190

MIH Funding: The 2026-2031 levy includes funding the MIH program to address community needs. MIH allocations inflate at CPI-W +1%. In addition, \$2 million will be added to the baseline 2026 allocation and will be distributed the first year using the same methodology as the BLS allocation. For additional information on MIH, please refer to page 29.

Total Projected Annual MIH Expenses During the 2026-2031 Levy Period

	2026	2027	2028	2029	2030	2031	2026-2031 Total
King County	\$7,580,607	\$7,880,799	\$8,166,084	\$8,479,662	\$8,784,930	\$9,091,524	\$49,983,606

Regional Services

The EMS Division is responsible for managing regional Medic One/EMS programs and services that support critical functions that are essential to providing the highest quality out-of-hospital emergency care available. Funds to support overall infrastructure and expenses related to managing the regional system are budgeted in Regional Services. Regional services are inflated at CPI-W + 1% per year. For additional information on regional services, please refer to page 33.

Total Projected Regional Services Expenses for 2026-2031 Levy Period

	2026	2027	2028	2029	2030	2031	2026-2031 Total
King County	\$18,947,663	\$19,697,991	\$20,411,058	\$21,194,843	\$21,957,859	\$22,724,190	\$124,933,604

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Strategic Initiatives

Strategic initiatives are pilot projects geared to improve the quality of EMS services, contain costs, and/or manage the rate of system growth. Strategic initiatives are funded with lifetime budgets that include inflationary assumptions similar to those used by regional services. Increased funding for the programs and new projects is reviewed and recommended by the EMS Advisory Committee and the King County Council through the normal County budget process. For additional information on strategic initiatives, please refer to page 33.

Total Projected Strategic Initiatives Expenses for the 2026-2031 Levy Period							
	2026	2027	2028	2029	2030	2031	2026-2031 Total
ECHO	\$482,988	\$559,292	\$638,787	\$663,316	\$687,195	\$711,179	\$3,742,757
PRIME	\$247,500	\$257,301	\$266,616	\$276,854	\$286,820	\$296,828	\$1,631,919
EMD SI	\$275,000	\$224,356	\$229,491	\$235,136	\$240,631	\$246,149	\$1,450,763
Mental Wellness	\$176,000	\$182,970	\$189,593	\$196,873	\$203,961	\$211,079	\$1,160,476
ERSJ/DEI	\$77,000	\$80,049	\$82,947	\$86,132	\$89,233	\$92,347	\$507,708
TOTAL King County	\$1,258,488	\$1,303,968	\$1,407,434	\$1,458,311	\$1,507,840	\$1,557,582	\$8,493,623

Reserves and Contingencies

Reserves were added during the 2008-2013 levy planning process and continue to be refined for this levy period. The reserve levels proposed are consistent with updated King County Financial Policies requiring 90-day reserves for levy funds and reflect the Task Force's concerns about being sufficiently resilient and able to provide services during a potential economic downturn.

Categories include programmatic, rainy day, and economic/supplemental reserves. Contingency funding, while technically not a reserve, is rolled into the programmatic category. Programmatic reserves are designed to cover potential ALS costs related to equipment and expanding capacity (including \$15.8 million "placeholder" that could cover costs related to adding up to two 12-hour ALS units). The plan includes a 90-day rainy day reserve, in adherence with King County financial policies. To ensure resiliency, funds above the amount needed to cover programmatic needs (expenditures, contingencies, and reserves) will be placed in an economic/supplemental reserve. These funds will be available to address funding if there is an economic downturn and can replenish other reserves during the levy period. If not used during the levy period, these reserves and contingency are intended to buy down a future levy rate. Use of programmatic reserves and contingency will be reviewed by the EMSAC Financial Subcommittee and the EMS Advisory Committee. The funds would also require appropriation by King County.

If needed to address emerging conditions, changed economic circumstances and/or King County policies, changes to reserves can be implemented during the 2026-2031 levy period. Such changes would require review and approval by the EMS Advisory Committee, the Executive, and the King County Council.

Reserves included in the 2026-2031 levy plan are shown in the following table.

Projected Annual Reserves Levels: 2026-2031 Levy

	2026	2027	2028	2029	2030	2031
Programmatic Reserves	\$26,470,000	\$26,470,000	\$26,470,000	\$26,470,000	\$26,470,000	\$26,470,000
Rainy Day Reserve	\$34,377,056	\$35,731,215	\$37,034,766	\$38,450,541	\$39,830,148	\$41,216,382
Total Programmatic Reserves	\$60,847,056	\$62,201,215	\$63,504,766	\$64,920,541	\$66,300,148	\$67,686,382
Economic/ Supplemental Reserves	\$17,935,149	\$28,730,755	\$37,075,300	\$42,643,462	\$46,020,165	\$46,974,700

Note: Reserves roll over year-to-year; total budget dedicated to programmatic reserves is \$67.7 million

To encourage cost efficiencies and allow for variances in expenditure patterns, program balances were added during the 2002-2007 levy and have remained in practice. Program balances allow agencies to save funds from yearly allocations to use for variances in expenditures in future years. They are primarily used by ALS agencies to accommodate cashflow peaks related to completing labor negotiations – particularly related to back wages. Within the Regional Services budget, use of program balances may be related to the timing of special projects (particularly projects supporting ALS or BLS agencies). Program balances are proposed to continue in the 2026-2031 levy period. Program balances are not shown in the proposed levy financial plan but are reviewed on a regular basis.

Appendix A: Proposed 2026-2031 Regional Services

Regional services planned in the 2026-2031 levy, including converted strategic initiatives are as follows:

TRAINING AND EDUCATION
<p>EMT TRAINING</p> <ul style="list-style-type: none">• Basic Training: Entry-level training to achieve WA State certification• EMS Online Continuing Education (CE) Training: Web-based training to maintain/learn new skills and meet state requirements• CBT Instructor Workshops: Training for Senior EMT instructors• Regionalized Initial Training: Condensed training conducted zonally• EMT Certification Recordkeeping: Monitor and maintain EMS certification records• Strategic Training and Research (STAR) program: Training opportunities for traditionally under-represented students• STRIVE: The modernized EMS Online teaching platform supporting a Learning Management System (LMS) and Learning Records Store (LRS) for enhanced reporting capabilities <p>PARAMEDIC TRAINING</p> <ul style="list-style-type: none">• EMS Online Continuing Education modules: Web-based training to maintain skills, developed in coordination with UW Harborview Paramedic Training program• Paramedic Training: Certified paramedics support students at the UW Harborview Paramedic Training program• Harborview Series: Posting of “Tuesday Series” on EMS Online <p>EMERGENCY MEDICAL DISPATCH (EMD) TRAINING</p> <ul style="list-style-type: none">• Basic Training: 40 hours entry level Criteria Based Dispatch training• Continuing Education: Eight-hour hybrid (in-class and EMS online web-based) instruction to reinforce training/learn new skills• Advanced EMS Training: Enhanced medical dispatching concepts• EMS Instructor Training: Instructor training for Basic Dispatch <p>CPR/AED TRAINING: Secondary School Students: Conduct CPR instructor training, purchase training supplies and equipment, train students</p>
COMMUNITY BASED PROGRAMS
<p>INJURY PREVENTION</p> <ul style="list-style-type: none">• Fall Prevention for Older Adults: Home fall hazard mitigation and patient assessment• Shape-up 50+ for a Healthy & Independent Lifestyle: A community awareness campaign regarding exercise opportunities for seniors to prevent falls and injuries• Child Passenger Safety Program: Proper car seat fitting and installation for populations not served by other programs• Targeted Age Driving: Safety interventions, include preventing driving and texting <p>TRP/NURSELINE: Divert low-acuity BLS calls to Nurseline for assistance in lieu of sending a unit response</p> <p>TAXI TRANSPORT VOUCHER: Transport patients at lower costs using taxis as an alternative to private ambulances</p> <p>COMMUNITIES OF CARE: Evaluate 9-1-1 calls for services and educate licensed care facilities on appropriate use of EMS resources</p> <p>MOBILE INTEGRATED HEALTHCARE: Providing alternative yet still most appropriate care for lower-acuity and complex patients</p>

REGIONAL MEDICAL QUALITY IMPROVEMENT (QI)

REGIONAL MEDICAL DIRECTION: Oversight of all medical care; approval of protocols, continued education, and quality improvement projects

PATIENT SPECIFIC MEDICAL QI: Review medical conditions to improve patient care

CARDIAC CASE REVIEW: Assessment and feedback re: cardiac arrest events throughout King County

EMERGENCY MEDICAL DISPATCH QI: Evaluation and improvement of medical 9-1-1 call handling and dispatch decisions

CRITERIA-BASED DISPATCH (CBD) GUIDELINES: CBD Revisions: Analysis to safely limit frequency that ALS is dispatched

DISPATCHER-ASSISTED CPR QI: Review of the handling of cardiac arrest calls; evaluate and provide feedback

PUBLIC ACCESS DEFIBRILLATION (PAD)

- **PAD Registry:** Maintain registry/ provide PAD location to dispatchers
- **Project RAMPART:** Funding to buy/place AEDs in public areas; provide CPR training to public sector employees
- **PAD Community Awareness:** Increase public placement and registration of AEDs (SI converted to RS for 2014-2019 levy)

ALS/BLS PATIENT CARE PROTOCOLS: Development of EMT and Medic protocols/standards for providing pre-hospital care

REGULATORY COMPLIANCE: Ensure system-wide contractual/quality assurance compliance

EMS DATA MANAGEMENT

EMS DATA COLLECTION: Oversee collection/integration/use of EMS system data, including Medical Incident Reports

EMS DATA ANALYSIS: Analyze system performance and needs

REGIONAL RECORDS MANAGEMENT SYSTEM (RMS) /SEND: Improved network of data collection throughout the region with numerous EMS partners, including dispatch and hospitals

EMS SUPPORT FOR SMALL AGENCIES: Supports IT assistance and equipment purchases necessary for agencies to participate in the regional EMS system.

REGIONAL LEADERSHIP AND MANAGEMENT

REGIONAL LEADERSHIP, MANAGEMENT, AND SUPPORT: Provide financial and administrative leadership and support to internal and external customers; implement EMS Strategic Plans, best practices, business improvement process

MANAGE EMS LEVY FUND FINANCES: Oversee all financial aspects of EMS levy funding

CONDUCT LEVY PLANNING AND IMPLEMENTATION: Develop EMS Strategic Plan; implement programs

MANAGE HR, CONTRACTS, AND PROCUREMENT: Oversee contract compliance and continuity of business with EMS partners

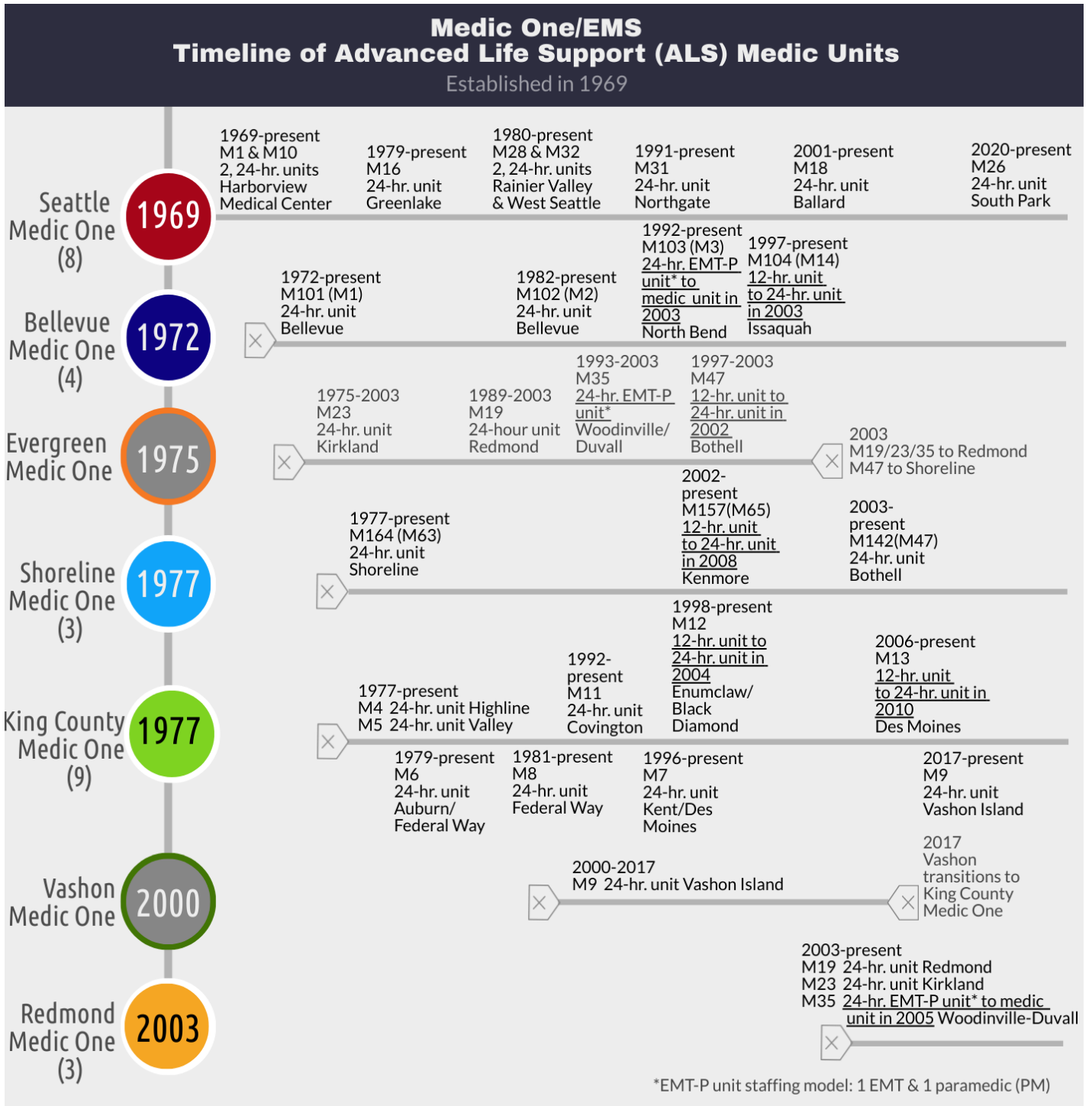
INDIRECT AND INFRASTRUCTURE

INFRASTRUCTURE SUPPORT: Infrastructure costs to support EMS Division including leases, vehicles, copier, etc.

INDIRECT AND OVERHEAD (INCLUDES INFORMATION TECHNOLOGY & BUSINESS SYSTEMS): Costs associated with EMS Division including payroll, human resources, contract support, other services, and overhead

Appendix B: Advanced Life Support (ALS) Units

The Medic One/EMS system serving Seattle and King County is recognized as the first EMS system established in the United States in 1969. The timeline below identifies the year that each Medic One ALS Program was established and key dates when medic units were added into service or removed from service. Full-time medic units staffed with two paramedics provide 24-hour service. Half-time units staffed with two paramedics provide 12-hour service. EMT-P units were used primarily to provide service to outlying areas and were staffed with an emergency medical technician and paramedics.



Appendix C: Comparisons Between Levies

Program Area	2020-2025 Levy	2026-2031 Levy
Advanced Life Support (ALS)	Maintain current level of ALS service	Maintain current level of ALS service
	0 planned additional units	0 planned additional units
	\$11.6 million “placeholder”/reserve should service demands require additional units over the span of the 2020-2025 levy	\$15.8 million “placeholder”/reserve should service demands require additional units over the span of the 2026-2031 levy
	Determine costs using the unit allocation methodology	Determine costs using the unit allocation methodology
	Average Unit Allocation over span of levy (KC): \$3.2 million	Average Unit Allocation over span of levy (KC): \$4.1 million
	2 Reserve/Contingency categories to cover ALS-specific unanticipated/one-time expenses <ul style="list-style-type: none"> - Operational Contingencies - Expenditure Reserves 	2 Reserve/Contingency categories to cover ALS-specific unanticipated/one-time expenses <ul style="list-style-type: none"> - Operational Contingencies - Programmatic Reserves
	INFLATORS Operating Allocation Inflater: CPI (using CPI-W + 1%) to inflate annual costs Equipment allocation: Transportation Equipment PPI	INFLATORS Operating Allocation Inflater: CPI (using CPI-W + 1%) to inflate annual costs Equipment allocation: Transportation Equipment PPI
	Support two ALS-based programs that benefit the regional system <ul style="list-style-type: none"> - ALS Support of BLS Activities - Having paramedics guide and train students at Harborview’s Paramedic Training Program 	Support two ALS-based programs that benefit the regional system <ul style="list-style-type: none"> - ALS Support of BLS Activities - Having paramedics guide and train students at Harborview’s Paramedic Training Program
BASIC LIFE SUPPORT (BLS)	Consolidate funding for the BLS Core Services program and the BLS Training and QI Initiative with the allocation to simplify contract administration; maintain designated programmatic funding and usage requirements	Consolidate BLS Training & QI funding into the Basic BLS allocation; remove requirements that it be spent on QI activities
	Allocate funds to BLS agencies using methodology that is based on 50% Call Volumes and 50% Assessed Valuation; reset the first year using updated data that better reflects agencies’ current Assessed Valuation and service levels; increase funding to ensure consistency in the first year	Allocate new funding and annual increases to BLS agencies using methodology that is based on 60% Call Volumes and 50% Assessed Valuation
	Inflate costs at CPI-W + 1%	Inflate costs at CPI-W + 1%

Program Area	2020-2025 Levy	2026-2031 Levy
Advanced Life Support (ALS)	Maintain current level of ALS service	Maintain current level of ALS service
	0 planned additional units	0 planned additional units
	\$11.6 million “placeholder”/reserve should service demands require additional units over the span of the 2020-2025 levy	\$15.8 million “placeholder”/reserve should service demands require additional units over the span of the 2026-2031 levy
	Determine costs using the unit allocation methodology	Determine costs using the unit allocation methodology
	Average Unit Allocation over span of levy (KC): \$3.2 million	Average Unit Allocation over span of levy (KC): \$4.1 million
	2 Reserve/Contingency categories to cover ALS-specific unanticipated/one-time expenses <ul style="list-style-type: none"> - Operational Contingencies - Expenditure Reserves 	2 Reserve/Contingency categories to cover ALS-specific unanticipated/one-time expenses <ul style="list-style-type: none"> - Operational Contingencies - Programmatic Reserves
	INFLATORS Operating Allocation Inflater: CPI (using CPI-W + 1%) to inflate annual costs Equipment allocation: Transportation Equipment PPI	INFLATORS Operating Allocation Inflater: CPI (using CPI-W + 1%) to inflate annual costs Equipment allocation: Transportation Equipment PPI
BASIC LIFE SUPPORT (BLS)	Support two ALS-based programs that benefit the regional system <ul style="list-style-type: none"> - ALS Support of BLS Activities - Having paramedics guide and train students at Harborview’s Paramedic Training Program 	Support two ALS-based programs that benefit the regional system <ul style="list-style-type: none"> - ALS Support of BLS Activities - Having paramedics guide and train students at Harborview’s Paramedic Training Program
	Consolidate funding for the BLS Core Services program and the BLS Training and QI Initiative with the allocation to simplify contract administration; maintain designated programmatic funding and usage requirements	Consolidate BLS Training & QI funding into the Basic BLS allocation; remove requirements that it be spent on QI activities
	For the first year, distribute full funding amount across all agencies using BLS allocation methodology of 50% AV and 50% call volumes; reset the first year using updated data; increase funding to ensure consistency in the first year.	Allocate new funding and annual increases to BLS agencies using methodology that is based on 60% Call Volumes and 40% Assessed Valuation
	Inflate costs at CPI-W + 1%	Inflate costs at CPI-W + 1%

MOBILE INTEGRATED HEALTHCARE (MIH)	Provide \$26 million over 6 years for MIH	Provide \$50 million over 6 years for MIH
	Distribute first year of funding across all agencies using BLS allocation methodology of 50% AV and 50% call volumes	Distribute new funding in the first year across all agencies using new BLS allocation methodology of 60% Call Volumes and 40% Assessed Valuation
	Inflate each agency's funding in subsequent years of the levy by CPI-W + 1%	Inflate costs annually at CPI-W + 1%. Distribute subsequent years' funding using 60% CV/40% AV methodology
Regional Services (RS)	Fund regional services that focus on superior medical training, oversight and improvement; innovative programs and strategies; regional leadership, effectiveness and efficiencies	Fund regional services that focus on superior medical training, oversight and improvement; innovative programs and strategies; regional leadership, effectiveness and efficiencies; and strengthening community interactions and partnerships
	Move BLS Core Services program out of Regional Services budget and into BLS allocation	Enhance programs to meet regional needs
	Inflate costs at CPI-W + 1%	Inflate costs at CPI-W + 1%
Strategic Initiatives (SI)	Convert or integrate five strategic initiatives with other programs to supplement system performance. Explore a <u>Mobile Integrated Healthcare, or MIH</u> , model to address community needs <ul style="list-style-type: none"> - Convert <u>BLS Efficiencies</u> into ongoing programs - Transition <u>CMT</u> and <u>E&E</u> into MIH exploration - Convert <u>RMS</u> into ongoing programs. - Integrate the <u>BLS Training and QI SI</u> into the BLS allocation 	
	Support existing and new strategic initiatives that leverage previous investments made to improve patient care and outcomes <ul style="list-style-type: none"> - Continue implementing next stages of Vulnerable Populations - Develop 2 new Initiatives: 1) <u>AEIOU</u> and 2) <u>STRIVE</u> 	Support existing and new strategic initiatives that leverage previous investments made to improve patient care and outcomes <ul style="list-style-type: none"> o Continue implementing next stages of <u>Vulnerable Populations -> ECHO and AEIOU -> PRIME</u> o Develop 1 new Initiative focused on Emergency Medical Dispatch Support King County Fire Chiefs Association proposals promoting Mental Wellness and ERSJ/DEI
	Transition <u>Community Medical Technician</u> into MIH exploration	
	Provide regular updates to past audit recommendations	
	Inflate costs at CPI-W + 1%	Inflate costs at CPI-W + 1%

Appendix D: EMS Citations

Citation	Chapters
<u>Chapter 18.71 RCW</u>	Defining EMS personnel requirements: Physicians
18.71.021	License required.
18.71.030	Exemptions.
18.71.200	Emergency medical service personnel – Definitions.
18.71.205	Emergency medical service personnel – Certification.
18.71.210	Emergency medical service personnel – Liability.
18.71.212	Medical program directors – Certification.
18.71.213	Medical program directors – Termination – Temporary delegation of authority.
18.71.215	Medical program directors – Liability for acts or omissions of others.
18.71.220	Rendering emergency care – Immunity of physician or hospital from civil liability.
<u>Chapter 18.73 RCW</u>	Defining EMS practice: Emergency medical care and transportation services
<u>Chapter 35.21.930 RCW</u>	Community Assistance Referral and Education Services program (CARES)
<u>Chapter 36.01.095 RCW</u>	Authorizing counties to establish an EMS System: Emergency medical services – Authorized – Fees
<u>Chapter 36.01.100 RCW</u>	Ambulance service authorized – Restriction
<u>Chapter 70.05.070 RCW</u>	Mandating public health services by requiring the local health officer to take such action as is necessary to maintain the health of the public Local health officer – powers and duties
<u>Chapter 70.46.085 RCW</u>	County to bear expense of providing public health services
<u>Chapter 70.54 RCW</u>	Miscellaneous health and safety provisions
<u>70.54.060 RCW</u>	Ambulances and drivers.
<u>70.54.065 RCW</u>	Ambulances and drivers—Penalty.
<u>70.54.310 RCW</u>	Semiautomatic external defibrillator—duty of acquirer—immunity from civil liability.
<u>70.54.430 RCW</u>	First responders—Emergency response service—Contact information
<u>Chapter 70.168 RCW</u>	Revising the EMS & trauma care system: Statewide trauma care system
<u>70.168.170 RCW</u>	Patient transportation—Mental health or chemical dependency services
<u>Chapter 74.09.330 RCW</u>	Reimbursement methodology for ambulance services—Transport of a medical assistance enrollee to a mental health facility or chemical dependency program
<u>Chapter 84.52.069 RCW</u>	Allowing a taxing district to impose an EMS levy: Emergency medical care and service levies

Title 246-976 WAC	Establishing the trauma care system: Emergency medical services and trauma care systems
	TRAINING
246-976-022	EMS training program requirements, approval, reapproval, discipline.
246-976-023	Initial EMS training course requirements and course approval.
246-976-024	EMS specialized training.
246-976-031	Senior EMS instructor (SEI) approval.
246-976-032	Senior EMS instructor (SEI) reapproval of recognition.
246-976-033	Denial, suspension, modification, or revocation of SEI recognition.
246-976-041	To apply for EMS training.
	CERTIFICATION
246-976-141	To obtain initial EMS agency certification following the successful completion of Washington state approved EMS course.
246-976-142	To obtain reciprocal (out-of-state) EMS certification, based on a current out-of-state or national EMS certification approved by the department.
246-976-143	To obtain EMS certification by challenging the educational requirements, based on possession of a current health care providers credential.
246-976-144	EMS certification.
246-976-161	General education requirements for EMS agency recertification.
246-976-162	The CME method of recertification.
246-976-163	The OTEP method of recertification.
246-976-171	Recertification, reversion, reissuance, and reinstatement of certification.
246-976-182	Authorized care – Scope of practice.
246-976-191	Disciplinary actions.
	LICENSURE AND VERIFICATION
246-976-260	Licenses required.
246-976-270	Denial, suspension, revocation.
246-976-290	Ground ambulance vehicle standards.
246-976-300	Ground ambulance and aid service – Equipment.
246-976-310	Ground ambulance and aid service – Communications equipment.
246-976-320	Air ambulance services.
246-976-330	Ambulance and aid services – Record requirements.
246-976-340	Ambulance and aid services – Inspections and investigations.
246-976-390	Trauma verification of pre-hospital EMS services.
246-976-395	To apply for initial verification or to change verification status as a pre-hospital EMS service.
246-976-400	Verification – Noncompliance with standards.

	TRAUMA REGISTRY
246-976-420	Trauma registry – Department responsibilities.
246-976-430	Trauma registry – responsibilities.
	DESIGNATION OF TRAUMA CARE FACILITIES
246-976-580	Trauma designation process.
246-976-700	Trauma service standards.
246-976-800	Trauma rehabilitation service standards.
	SYSTEM ADMINISTRATION
246-976-890	Inter-hospital transfer guidelines and agreements.
246-976-910	Regional quality assurance and improvement program.
246-976-920	Medical program director.
246-976-930	General responsibilities of the department.
246-976-935	Emergency medical services and trauma care system trust account.
246-976-940	Steering committee.
246-976-960	Regional emergency medical services and trauma care councils.
246-976-970	Local emergency medical services and trauma care councils.
246-976-990	Fees and fines.
Title 296-305-02501 WAC	Emergency medical protection
Title 458-19-060 WAC	Emergency medical service levy
King County Code Section 2.35A.030	<p>Establishing the Emergency Medical Services Division within the Department of Public Health and describing the duties of the division.</p> <p>The duties of the EMS division shall include the following:</p> <p>A. Tracking and analyzing service and program needs of the EMS system in the county, and planning and implementing emergency medical programs, services and delivery systems based on uniform data and standard emergency medical incident reporting;</p> <p>B. Providing medical direction and setting standards for emergency medical and medical dispatch training and implementing EMS personnel training programs, including, but not limited to, public education, communication and response capabilities and transportation of the sick and injured;</p> <p>C. Administering contracts for disbursement of Medic One EMS tax levy funds for basic and advanced life support services and providing King County Medic One advanced life support services;</p> <p>D. Coordinating all aspects of emergency medical services in the county with local, state, and federal governments and other counties, municipalities, and special districts for the purpose of improving the quality of emergency medical services and disaster response in King County; and</p> <p>E. Analyzing and coordinating the emergency medical services components of disaster response capabilities of the department. (Ord. 17733 § 5, 2014).</p>

Appendix E: Financial Plan

EMERGENCY MEDICAL SERVICES LEVY OVERVIEW - (August 2024 Forecast) - 25.0 cents

11/22/2024
DRAFT FINAL

	2026 Proposed	2027 Proposed	2028 Proposed	2029 Proposed	2030 Proposed	2031 Proposed	2026-2031
REVENUES							
Countywide Assessed Value (EMS Only) ¹	924,594,361,939	967,445,977,367	1,010,332,965,793	1,055,291,690,277	1,105,597,146,946	1,155,558,905,321	
Countywide EMS Levy	231,146,090	237,045,806	242,414,877	247,862,021	253,383,158	259,007,621	1,470,859,574
Levy Rate	0.25000	0.24502	0.23994	0.23488	0.22918	0.22414	
Proportion	34.90%	35.02%	35.21%	35.40%	35.47%	35.64%	
Projected Net Seattle Property Taxes	80,665,278	83,012,115	85,353,232	87,730,781	89,884,469	92,302,524	518,948,399
Seattle Revenue	80,665,278	83,012,115	85,353,232	87,730,781	89,884,469	92,302,524	518,948,399
Proportion	65.10%	64.98%	64.79%	64.60%	64.53%	64.36%	100.00%
Projected Net King County Property Taxes	150,480,812	154,033,691	157,061,645	160,131,241	163,498,688	166,705,097	951,911,475
Projected King County Other Revenue	3,345,000	3,026,000	2,783,000	2,791,000	2,791,000	2,791,000	17,527,000
King County Revenue	153,825,812	157,059,691	159,844,645	162,922,241	166,289,688	169,496,097	969,438,475
TOTAL REVENUE	234,491,090	240,071,806	245,197,877	250,653,021	256,174,158	261,798,621	1,488,386,574
EXPENDITURES							
Total City of Seattle	(80,665,278)	(83,012,115)	(85,353,232)	(87,730,781)	(89,884,469)	(92,302,524)	(518,948,399)
Advanced Life Support Services -- King County	(77,669,176)	(80,720,142)	(83,626,832)	(86,815,477)	(89,925,097)	(93,050,797)	(511,807,522)
Basic Life Support Services -- King County	(41,542,733)	(43,187,825)	(44,751,225)	(46,469,672)	(48,142,562)	(49,822,759)	(273,916,796)
Regional Services	(18,947,663)	(19,697,991)	(20,411,058)	(21,194,843)	(21,957,859)	(22,724,190)	(124,933,604)
Strategic Initiatives	(1,258,488)	(1,303,968)	(1,407,434)	(1,458,311)	(1,507,840)	(1,557,582)	(8,483,623)
Total King County EMS Fund	(139,418,060)	(144,809,926)	(150,196,549)	(155,938,303)	(161,533,378)	(167,155,328)	(919,151,545)
TOTAL EXPENDITURES	(220,083,338)	(227,922,042)	(235,549,781)	(243,669,084)	(251,417,848)	(259,457,852)	(1,438,099,945)
DIFFERENCE Revenues/Expenditures	14,407,752	12,149,765	9,648,096	6,983,937	4,756,310	2,340,769	50,286,629
RESERVES (not cumulative)							
KC Expenditure Reserves	(26,470,000)	(26,470,000)	(26,470,000)	(26,470,000)	(26,470,000)	(26,470,000)	(26,470,000)
KC Economic/Supplemental Reserves ²	(17,935,149)	(28,730,755)	(37,075,300)	(42,643,462)	(46,020,165)	(46,974,700)	(46,974,700)
KC Rainy Day Reserves (90 day requirement) ³	(34,377,056)	(35,731,215)	(37,034,766)	(38,450,541)	(39,830,148)	(41,216,382)	(41,216,382)
TOTAL RESERVES	(78,782,205)	(90,931,970)	(100,580,066)	(107,564,003)	(112,320,313)	(114,661,082)	(114,661,082)

¹ Does not include City of Millon

² EMS Economic/Supplemental Reserves consistent with KC Financial Policies Rate Stabilization Reserves

³ EMS Rainy Day Reserves consistent with KC Financial Policies Rainy Day Reserve policies for property tax funds



King County

Shannon Braddock
King County Executive

401 Fifth Avenue, Suite 800
Seattle, WA 98104

206-296-9600 Fax 206-296-0194
TTY Relay: 711
www.kingcounty.gov

April 10, 2025

The Honorable Girmay Zahilay
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Zahilay:

I am pleased to transmit to you the February 2025 Medic One/Emergency Medical Services 2026-2031 Strategic Plan (Strategic Plan) and a proposed Ordinance that would, if enacted, accept and approve the Strategic Plan. The recommendations contained in the Plan inform and update the provision of emergency medical services throughout King County during the 2026-2031 time span.

The current Medic One/EMS levy will expire December 31, 2025. To ensure continued Emergency Medical Services (EMS) in 2026 and beyond, regional partners undertook an extensive planning process in 2024 to develop a Strategic Plan and financing plan (levy) for consideration by King County voters to renew the levy in 2025. This process brought together regional leaders, decision-makers, and EMS partners to assess the needs of the system and collectively develop recommendations to direct the system into the future. As in past years, the EMS Advisory Task Force oversaw the development of the recommendations, and endorsed broad policy decisions, including the levy rate, length, and ballot timing outlined in the Strategic Plan.

The enclosed Strategic Plan is the primary policy and financial document that directs the system in its work. The Strategic Plan outlines the services, programs and initiatives that would be supported by a voter-approved, countywide, EMS levy. The Strategic Plan reflects a proposed a six-year, 25-cent Medic One/EMS levy that:

- Assures advanced life support (ALS), basic life support (BLS), and regional services programmatic needs will be met by:
 - Continuation of fully funding eligible ALS costs; includes a placeholder for the equivalent of a new unit if service demands increase beyond what is anticipated;
 - Increased funding for BLS and mobile integrated healthcare program to address community needs, and
 - Maintains regional programs that support the system; continuing focus on improving patient care and outcomes.
- Carries forward \$64 million of 2020-2025 reserves to help reduce the starting levy rate, and
- Includes sufficient reserves to address the Task Force's concerns to protect the system from unforeseen financial risk.

The proposed 25-cent levy rate would cost \$211 per year for the median King County homeowner, based on a \$844,000 home value. A proposed ballot measure placing the Medic One/Emergency Medical Services reauthorization levy on the November General Election ballot is transmitted separately and simultaneously with this proposed Ordinance.

The Strategic Plan reflects King County's mission to provide fiscally responsible, quality driven local and regional services. EMS responses are distributed throughout the region based on service criteria, areas with economic challenges are provided the same level of service as areas with economic prosperity, ensuring access to vital services. In addition, EMS programs directly align with Public Health – Seattle & King County's core values and priorities of protecting and improving the health and well-being of all people in King County.

The Strategic Plan supports the Medic One/EMS system's tradition of service excellence, effective leadership, and regional collaboration. Including equity and social justice in the EMS levy planning process helped ensure equity principles influence decision-making for delivering pre-hospital care throughout the region. This well-balanced approach will allow the system to meet the needs and expectations of the system and its users, now and in the future. I want to thank all those who worked diligently to develop this Strategic Plan.

Thank you for your consideration of the Medic One/Emergency Medical Services 2026-2031 Strategic Plan. If your staff have questions, please contact Michele Plorde, Emergency Medical Services Division Director, at 206-263-8603.

The Honorable Girmay Zahilay

February 15, 2025

Page 3

Sincerely,

A handwritten signature in black ink, appearing to read 'Shannon Braddock', with a stylized flourish at the end.

for

Shannon Braddock

King County Executive

Enclosures

cc: King County Councilmembers

ATTN: Stephanie Cirkovich, Chief of Staff, King County Council

Melani Pedroza, Clerk of the Council

Karan Gill, Deputy Executive, Chief of Staff, Office of the Executive

Penny Lipsou, Council Relations Director, Office of the Executive

Faisal Khan, Director, Public Health Seattle & King County (PHSKC)

Michele Plorde, Emergency Medical Services Division Director, PHSKC

2025 FISCAL NOTE

Ordinance/Motion:	
Title:	Medic One/EMS 2026-2031 Strategic Plan
Affected Agency and/or Agencies:	Emergency Medical Services-EMS (Department of Public Health-DPH)
Note Prepared By:	Cynthia Brashaw, Emergency Medical Services Division (DPH)
Date Prepared:	January 15, 2025
Note Reviewed By:	Drew Pounds, Office of Performance, Strategy, and Budget
Date Reviewed:	February 6, 2025

Description of request:

Ordinance accepting and approving the Medic One/Emergency Medical Services 2026-2031 Strategic Plan submitted by the executive.

Revenue to:

Agency	Fund Code	Revenue Source	2025	2026-2027	2028-2029
Emergency Medical Services	1190		0	0	0
TOTAL			0	0	0

Expenditures from:

Agency	Fund Code	Department	2025	2026-2027	2028-2029
Emergency Medical Services	1190	DPH	0	0	0
TOTAL			0	0	0

Expenditures by Categories

	2025	2026-2027	2028-2029
TOTAL	0	0	0

Does this legislation require a budget supplemental? No

Notes and Assumptions:



KING COUNTY
Signature Report

ATTACHMENT 4
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Ordinance

Proposed No. 2025-0119.1

Sponsors Dunn, Dembowski, Quinn and
Balducci

1 AN ORDINANCE relating to the funding and provision of
2 Medic One emergency medical services; providing for the
3 submission to the qualified electors of King County, at
4 special election on November 4, 2025, of a proposition to
5 fund the countywide Medic One emergency medical
6 services by authorizing the continuation of a regular
7 property tax levy for a consecutive six year period, for
8 collection beginning in 2026, at a rate of \$0.25 or less per
9 \$1,000 of assessed valuation, to provide for Medic One
10 emergency medical services.

11 PREAMBLE:

12 The Medic One Emergency Medical Services ("EMS") system of King
13 County, publicly known as Medic One, is an integrated publicly funded
14 partnership between the county, cities, fire districts, regional fire
15 authorities, hospitals, and the University of Washington.

16 Medic One/EMS is a tiered response system that is based on the regional
17 medical model and collaborative partnerships. The services that EMS
18 personnel provide are derived from the highest standards of medical
19 training, practices and care, scientific evidence, and close supervision by

20 physicians experienced in EMS care. It includes basic life support by city,
21 fire district, and regional fire authority emergency medical technicians,
22 advanced life support by University of Washington/Harborview Medical
23 Center trained paramedics, and regional support programs that provide
24 citizen and EMS personnel training, regional medical control, and quality
25 improvement.

26 The Medic One/EMS system of King County is recognized as one of the
27 best emergency medical services program in the country. It saves
28 thousands of lives every year, providing life-saving services on average
29 every two minutes. Compared to other communities, cardiac arrest
30 victims are two to three times more likely to survive in King County. In
31 2023, King County achieved a fifty-one-percent survival rate for cardiac
32 arrest, which is among the highest reported rate in the nation.

33 The provision of Medic One emergency medical services on a countywide
34 basis is a public purpose of King County. King County supports Medic
35 One emergency medical services as a regional service that requires a
36 continuing leadership role for the county. The county should continue to
37 exercise its leadership and assume responsibility for assuring the orderly
38 and comprehensive development and provision of Medic One emergency
39 medical services throughout the county.

40 The concern for assuring the continuance of a countywide Medic
41 One/EMS program is shared by King County cities, fire protection

42 districts, and regional fire authorities that participate in the Medic One
43 emergency medical services programs.

44 Sustained funding for the regional Medic One/EMS system is needed to
45 continue this essential service for the residents of King County.

46 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

47 **SECTION 1. Approval of cities over 50,000 in population.** Pursuant to RCW
48 84.52.069, before submission to the electors of King County at a special election on
49 November 4, 2025, approval to place this countywide levy proposal on the ballot will be
50 obtained from the legislative authority of a majority of at least seventy-five percent of all
51 cities in the county over 50,000 in population.

52 **SECTION 2. Definitions.** The definitions in this section apply throughout this
53 ordinance unless the context clearly requires otherwise.

54 A. "County" means King County.

55 B. "Levy" means the levy of regular property taxes, for the specific purpose and
56 term provided in this ordinance and authorized by the electorate in accordance with state
57 law.

58 C. "Levy proceeds" means the principal amount of monies raised by the levy, any
59 interest earnings on the funds and the proceeds of any interim financing following
60 authorization of the levy.

61 **SECTION 3. City of Seattle reimbursement.** It is recognized that the city of
62 Seattle operates and funds a Medic One emergency medical services program that is
63 separate from the county program but part of the regional delivery system. All levy
64 proceeds collected pursuant to the levy authorized in this ordinance from taxable property

located within the legal boundaries of the city of Seattle shall be reimbursed and transferred to the city of Seattle and used solely for the Seattle Medic One emergency medical services program in accordance with RCW 84.52.069.

SECTION 4. Levy submittal to voters. To provide necessary funding for the Medic One/EMS system under the authority of RCW 84.52.069, the county council shall submit to the qualified electors of the county a proposition authorizing a regular property tax levy for six consecutive years, with collection commencing in 2026, at a rate not to exceed \$0.25 per one thousand dollars of assessed value. As provided under state law, this levy shall be exempt from the rate limitations under RCW 84.52.043, but subject in years two through six to the limitations imposed under chapter 84.55 RCW.

SECTION 5. Deposit of levy proceeds. Except for the levy proceeds transferred to the city of Seattle under section 3 of this ordinance, all levy proceeds shall be deposited into the county emergency medical services fund.

SECTION 6. Eligible expenditures. If approved by the qualified electors of the county, all proceeds of the levy authorized in this ordinance shall be used in accordance with RCW 84.52.069.

SECTION 7. Call for special election. In accordance with RCW 29A.04.321, a special election is called for November 4, 2025, to consider a proposition authorizing an additional regular property tax levy for the purposes described in this ordinance. The director of elections shall cause notice to be given of this ordinance in accordance with the state constitution and general law and to submit to the qualified electors of the county, at the said special election, the proposition hereinafter set forth. The clerk of the council

shall certify that proposition to the director of elections, in substantially the following form:

PROPOSITION ONE: The King County Council adopted Ordinance _____ concerning continuation of funding for the county-wide Medic One emergency medical services system. Should King County be authorized to replace an expiring levy by imposing regular property taxes of \$0.25 or less per thousand dollars of assessed valuation for each of six consecutive years, with collection beginning in 2026, as provided in King County Ordinance ____, to continue paying for Medic One emergency medical services:

Yes _____

No _____

SECTION 8. Interlocal agreement. The county executive is hereby authorized and directed to enter into an interlocal agreement with the city of Seattle relating to the Medic One program, to implement the provisions of section 3 of this ordinance.

SECTION 9. Local voters' pamphlet. The director of elections is hereby authorized and requested to prepare and distribute a local voters' pamphlet, pursuant to K.C.C. 1.10.010, for the special election called for in this ordinance, the cost of the pamphlet to be included as part of the cost of the election.

SECTION 10. Exemption. The additional regular property taxes authorized by this ordinance shall be included in any real property tax exemption authorized by RCW 84.36.381, if that statute is amended by the state legislature during the term of this levy.

109 **SECTION 11. Ratification.** Certification of the proposition by the clerk of the
110 county council to the King County director of elections in accordance with law before the
111 election on November 4, 2025, and any other act consistent with the authority and before
112 the effective date of this ordinance are hereby ratified and confirmed.

113 **SECTION 12. Severability.** If any provision of this ordinance or its application
114 to any person or circumstance is held invalid, the remained of the ordinance or the
115 application of the provision to other persons or circumstances if not affected.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Girmay Zahilay, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Shannon Braddock, County Executive

Attachments: None



King County

Shannon Braddock
King County Executive

401 Fifth Avenue, Suite 800
Seattle, WA 98104

206-296-9600 Fax 206-296-0194
TTY Relay: 711
www.kingcounty.gov

April 10, 2025

The Honorable Girmay Zahilay
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Zahilay:

I am pleased to transmit to you a proposed Ordinance that would, if enacted, place a measure on the November 2025 general election ballot to reauthorize the six-year Medic One/Emergency Medical Services (EMS) levy at 25-cents per \$1,000 assessed value. The current levy expires on December 31, 2025. If approved by King County voters, the renewed EMS levy would enable the Medic One/EMS system in King County to continue to provide essential life-saving services throughout the region, regardless of location, incident circumstances, day of the week, or time of day.

The 25-cent levy rate supports the programmatic and fiscal proposals developed collaboratively by the region, endorsed by the *EMS Advisory Task Force* in September 2024, and affirmed in the Medic One/EMS 2026-2031 Strategic Plan. The Strategic Plan is transmitted separately and simultaneously with this proposed levy Ordinance.

Medic One/EMS are vital services provided to County residents and visitors, as well as an important part of the quality of life standards afforded to residents of this area. Our regional system is recognized as one of the best emergency medical service programs in the country, and is acclaimed for its patient outcomes, including among the highest reported survival rates in the treatment of out-of-hospital cardiac arrest patients across the nation.

Developing the Strategic Plan and levy rate to support the Medic One/EMS system was truly a regional and collaborative effort. Beginning in early 2024, the *EMS Advisory Task Force* worked collaboratively with partners from all parts of the EMS system to develop the future

direction and basis for the next Medic One/EMS levy. The result of this inclusive and complex discussion is a proposal that meets the needs of the EMS system, its users, and our community.

Specifically, the 25-cent levy rate:

- Fully funds eligible advanced life support (referred to as ALS, or paramedic services) costs;
- Continues and increases the contribution to support basic life support (referred to as BLS or “first responders”) and Mobile Integrated Healthcare to address community needs;
- Sustains funding for regional programs and Initiatives that provide essential support to the Medic One/EMS system and are critical for providing the highest emergency medical care possible;
- Funds responsible levels of reserves for unanticipated costs; and
- Upholds current financial policies that provide security yet allow flexibility, including the ability to direct balances into reserves or buy down a future levy rate.

The proposed 25-cent levy rate would cost \$211 per year for the median King County homeowner, based on a \$844,000 home value.

Policies guiding the current levy allow the EMS Division to carry forward \$64 million of 2020-2025 reserves into 2026-2031 reserves for additional security. Partners were committed to maintaining these policies for the 2026-2031 levy so that any funding that is received in excess of anticipated program and reserve needs can be used to reduce a future levy rate.

In accordance with the Revised Code of Washington 84.2.069, approval for placing a 25-cent Medic One/EMS levy on the ballot will be sought from at least 75 percent of those cities with populations exceeding 50,000. Such cities are Auburn, Bellevue, Burien, Federal Way, Kent, Kirkland, Redmond, Renton, Sammamish, Seattle, and Shoreline. Representatives from these 11 cities served on the *EMS Advisory Task Force* and were deeply engaged throughout this collaborative process.

The Medic One/EMS 2026-2031 Strategic Plan reflects King County’s mission to provide fiscally responsible, quality driven local and regional services. EMS responses are distributed throughout the region based on service criteria, areas with economic challenges are provided the same level of service as areas with economic prosperity, ensuring access to vital services. In addition, EMS programs directly align with Public Health – Seattle & King County’s core values and priorities of protecting and improving the health and well-being of all people in King County.

Thank you for your prompt consideration of this EMS levy proposal for 2026-2031. If your staff have questions, please contact Michele Plorde, Emergency Medical Services Division Director, at 206-263-8603.

The Honorable Girmay Zahilay

April 10, 2025

Page 3

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon Braddock".

for

Shannon Braddock
King County Executive

Enclosures

cc: King County Councilmembers
ATTN: Stephanie Cirkovich, Chief of Staff
Melani Pedroza, Clerk of the Council

Karan Gill, Deputy Executive, Chief of Staff, Office of the Executive
Penny Lipsou, Council Relations Director, Office of the Executive
Faisal Khan, Director, Public Health – Seattle & King County (PHSKC)
Michele Plorde, Emergency Medical Services Division Director, PHSKC

2025 FISCAL NOTE

Ordinance/Motion:	
Title:	2026-2031 Medic One/EMS Levy
Affected Agency and/or Agencies:	Emergency Medical Services-EMS (Department of Public Health-DPH)
Note Prepared By:	Cynthia Brashaw, Emergency Medical Services Division (DPH)
Date Prepared:	January 9, 2025
Note Reviewed By:	Drew Pounds, Office of Performance, Strategy, and Budget
Date Reviewed:	January 10, 2025

Description of request:

Ordinance approving the 2026-2031 Medic One/Emergency Medical Services Levy submitted by the executive.

Revenue to:

Agency	Fund Code	Revenue Source	2025	2026-2027	2028-2029
Emergency Medical Services	1190	Property Taxes		304,514,503	317,192,886
Emergency Medical Services	1190	Other Revenue		6,371,000	5,574,000
TOTAL			0	310,885,503	322,766,886

Expenditures from:

Agency	Fund Code	Department	2025	2026-2027	2028-2029
Emergency Medical Services	1190	DPH		284,327,986	306,134,852
TOTAL			0	284,327,986	306,134,852

Expenditures by Categories

	2025	2026-2027	2028-2029
Advanced Life Support (ALS)		158,389,318	170,442,309
Basic Life Support (BLS)		84,730,558	91,220,897
Regional Services (RS)		38,645,654	41,605,901
Strategic Initiatives (SI)		2,562,456	2,865,745
TOTAL	0	284,327,986	306,134,852

Does this legislation require a budget supplemental? Yes/No**Notes and Assumptions:**

Includes funds related to KC EMS Fund; does not include funds associated with City of Seattle

Other revenues include interest income, and taxes distributed to all property tax funds in King County.

Revenues exceeding expenditures support reserves as described in the Strategic Plan.



King County

MEMORANDUM

April 3, 2025

TO: All Councilmembers
All Council Staff
FM: Melani Hay, Clerk of the Council
RE: Deadlines for Adoption of Ballot Measures in 2025

The deadlines for adoption of ballot measures for 2025 elections are in the table below. This schedule is predicated on the Council meeting as set out in the current Council Rule 4 (KCC 1.24.035), including first 4 Tuesdays a month as well as no Council meetings being held during the December 2024 recess (Dec. 11, 2024, through Jan. 2, 2025), the second week of April 2025 (April 7-11), or in the first two weeks of August 2025 (Aug. 4-15)

2025 Election Dates

	<u>2/11¹</u>	<u>4/22¹</u>	<u>8/5²</u>	<u>11/4³</u>
Last regular council meeting with maximum processing time (25 days)	11/12/24	1/21/25	4/1/25	7/8/25
Last regular council meeting with minimum processing time (10 days)	12/3/24 ⁴	2/11/25 ⁴	4/22/25 ⁴	7/22/25
Last regular council meeting to pass as emergency	12/10/24	2/18/25	4/22/25	7/22/25
Last special council meeting to pass as emergency	12/13/24	2/21/25	5/2/25	8/5/25
Election Division deadline for receiving effective ordinance	12/13/24	2/21/25	5/2/25	8/5/25

1. Based on effective ordinance filed with Elections 60 days before the election. RCW 29A.04.321

2. Based on effective ordinance filed with Elections no later than the Friday, which in 2025 is May 9, immediately before the first day of regular candidate filing, which in 2025 is May 12, the Monday two weeks before Memorial Day. RCW 29A.24.050; RCW 29A.04.321

3. Based on effective ordinance filed with Elections no later than the primary, which in 2025 is August 5. RCW 29A.04.321.

4. **This would require that the adopted ordinance be signed by the Chair, Clerk and Executive on the day of the meeting.**

Note: This schedule does not apply to Charter amendments. Because Charter § 800 provides that ordinances proposing amendments to the Charter are not subject to executive veto, such ordinances have an effective date (10 days after enactment by the Council) that differs from the effective date of an ordinance that is subject to executive veto.



Budget & Fiscal Management Committee

May 14, 2025

Agenda Item No. 8 Briefing No. 2025-B0076

Understanding the Consequences of State and
Federal Funding Cuts to Reproductive Access

There are no materials for this item.



King County

Metropolitan King County Council Budget and Fiscal Management Committee

STAFF REPORT

Agenda Item:	9	Name:	Sam Porter
Proposed No.:	2025-0139	Date:	May 14, 2025

SUBJECT

Proposed Motion 2025-0139 would reaffirm King County's commitment to reproductive rights in response to state and federal cuts.

SUMMARY

The proposed motion would express the County's continued commitment and support of reproductive health and pledge to use local tools to support providers and protect access to reproductive health options for all people in King County.

BACKGROUND

King County provides access to, and information about, reproductive healthcare through the Public Health—Seattle & King County (PHSKC) clinics.¹ In 2022, King County Council previously expressed support for reproductive freedom through Motion 16126 in support of reproductive freedom and Roe v. Wade, and by making a supplemental appropriation through Ordinance 19467 to PHKSC of \$500,000 to contract with the Northwest Abortion Access Fund to pay for abortion care, travel expenses for people to get to and from abortion clinics, and to provide a safe place to stay for those travelling for abortion care.

On January 20, 2025, Donald Trump began his second term as President of the United States. Subsequently, the new federal administration has taken action to reduce Title X funding that supports health centers for family planning and reproductive health care, including birth control and other non-abortion services. Additionally, the Administration has indicated that the United States Department of Health and Human Services will downsize nearly a quarter of its staff through layoffs, early retirement, and voluntary separation offers including in the Centers for Disease Control and Prevention's Division of Reproductive Health.

During the 2025 Washington State Legislative session, the state legislature reduced workforce retention initiatives for reproductive health providers through the Washington State Department of Health by \$8.47 million.

¹ PHSKC, Birth control and sexual health clinics, <https://kingcounty.gov/en/dept/dph/health-safety/health-centers-programs-services/birth-control-sexual-health>

ANALYSIS

The proposed motion would reaffirm King County's, "unwavering support for reproductive freedom and pledges to use every available local tool to support reproductive healthcare providers and protect access for all people in King County, regardless of income, immigration status, or geographic location." The proposed motion expresses the Council's concern over the recent state and federal funding cuts and commits itself to working collaboratively with, "providers, advocates, and public health experts to understand and respond to the impact of those funding cuts in our region."

The proposed motion states that a public panel of reproductive healthcare leaders will occur at the May 14, 2025, meeting of the Council's Budget and Fiscal Management Committee to, "inform the public and shape King County's local response moving forward." Lastly, the proposed motion requests the Executive to explore funding options to replace lost state and federal dollars to support reproductive health options, while acknowledging the "dire state of the county budget and structural gap in the general fund."

ATTACHMENTS

1. Proposed Motion 2025-0139



KING COUNTY
Signature Report

ATTACHMENT 1
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Motion

Proposed No. 2025-0139.1

Sponsors Zahilay

1 A MOTION reaffirming King County's commitment to
2 reproductive rights in response to state and federal cuts.

3 WHEREAS, King County has long affirmed the fundamental right of every
4 individual to make personal reproductive health decisions, including access to abortion
5 and comprehensive reproductive healthcare, and

6 WHEREAS, the federal government has recently enacted severe cuts to health
7 programs that directly affect reproductive care access, especially for low-income and
8 marginalized communities, and

9 WHEREAS, these cuts include slashing funds from Title X which affects grants
10 that support networks of clinics including health departments, federally qualified health
11 centers, school-based providers, Cedar River Clinics, and Planned Parenthood clinics;
12 and widespread firings at the United States Department of Health and Human Services
13 including the Centers for Disease Control and Prevention's Division of Reproductive
14 Health; and

15 WHEREAS, significant cuts were made to reproductive healthcare funding during
16 Washington state's 2025 legislative session despite an initial commitment to expand
17 access in response to the national erosion of reproductive rights. This includes a reduction
18 of \$8,470,000 for workforce retention initiatives for reproductive health providers
19 through the Washington state Department of Health, and

20 WHEREAS, local reproductive health providers, including Planned Parenthood,
21 Cedar River Clinics, and others, are already reporting increased patient volume, staff
22 shortages, and financial insecurity due to the convergence of federal and state cuts, and

23 WHEREAS, these threats come during a historic national crisis in reproductive
24 rights in the wake of the United States Supreme Court's decision to overturn Roe v.
25 Wade;

26 NOW, THEREFORE, BE IT MOVED by the Council of King County:

27 A. The council reaffirms King County's unwavering support for reproductive
28 freedom and pledges to use every available local tool to support reproductive healthcare
29 providers and protect access for all people in King County, regardless of income,
30 immigration status, or geographic location.

31 B. The council expresses grave concern over federal and state funding cuts that
32 undermine access to essential reproductive healthcare.

33 C. The council commits to working collaboratively with providers, advocates,
34 and public health experts to understand and respond to the impact of those funding cuts in
35 our region.

36 D. The council will convene a public panel of reproductive healthcare leaders at
37 the May 14, 2025, meeting of the budget and fiscal management committee to inform the
38 public and shape King County's local response moving forward.

39 E. The council requests the executive to explore funding options to replace lost

- 40 state and federal dollars to support reproductive health options. The council also
41 acknowledges the dire state of the county budget and structural gap in the general fund.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Girmay Zahilay, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Shannon Braddock, County Executive

Attachments: None